

**ONE HUNDRED SEVENTH LEGISLATURE - SECOND SESSION - 2022**  
**COMMITTEE STATEMENT**  
**LB1092**

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**Hearing Date:** Monday February 14, 2022  
**Committee On:** Banking, Commerce and Insurance  
**Introducer:** Flood  
**One Liner:** Authorize risk-loss trusts for Nebraska state colleges

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**Roll Call Vote - Final Committee Action:**  
Advanced to General File

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**Vote Results:**

**Aye:** 8 Senators Aguilar, Bostar, Flood, Lindstrom, McCollister, Pahls, Slama, Williams  
**Nay:**  
**Absent:**  
**Present Not Voting:**

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**Oral Testimony:**

**Proponents:**

Senator Mike Flood  
Angela Melton

**Representing:**

Introducer  
Nebraska State Colleges

**Opponents:**

**Representing:**

**Neutral:**

**Representing:**

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**Summary of purpose and/or changes:**

This bill would enact a new section to authorize the Board of Trustees of the Nebraska State Colleges to establish, maintain, and administer one or more risk-loss trusts to pay losses and expenses incurred from (a) general and professional liability, including judgment, awards, and settlement of claims and suits arising under state or federal law, including the State Contract Claims Act, the State Miscellaneous Claims Act, and the State Tort Claims Act, (b) damage, destruction, or loss of real or personal property, and (c) errors and omissions liability.

This section would require that such a risk-loss trust shall contain provisions relating to defense and settlement of claims and suits covered by the trust. Whenever a claim or suit is covered by such a risk-loss, the provisions of such a trust on defense and settlement of claims and suits shall be applicable notwithstanding any inconsistent provisions of the State Tort Claims Act. The Attorney General and State Claims Board shall cooperate with the state colleges in administering the defense and settlement provisions of any such trust.

This section would provide that no risk-loss trust established under this section shall be a member of the Nebraska Property and Liability Insurance Guaranty Association.

The provisions of LB1092 mirror the provisions of sections 85-1,126 and 85-1,127 which authorize the Board of Regents to

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establish, maintain, and administer one or more risk-loss trusts. Those sections were enacted as the first two sections of LB542 (Lindsay, Ashford, Landis) of 1990.

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Matt Williams, Chairperson