

LEGISLATIVE BILL 181

Approved by the Governor February 24, 1973

Introduced by Savage, 10

AN ACT to amend section 44-203, Revised Statutes Supplement, 1972, relating to insurance; to provide for transacting more than one kind of insurance by insurance companies; and to repeal the original section.

Be it enacted by the people of the State of Nebraska,

Section 1. That section 44-203, Revised Statutes Supplement, 1972, be amended to read as follows:

44-203. A company may be formed or an existing company may be authorized to transact any one or more of the kinds of insurance specified in section 44-201 except that any company formed or authorized for the purposes specified in subdivision (2) of section 44-201 shall transact no other kinds of insurance except that specified in subdivisions (3) and (9) thereof. Any company formed or authorized for the purposes specified in subdivision (11) of section 44-201 shall transact no other kinds of insurance.

Sec. 2. (1) An insurance company which is formed or authorized to transact the kind of insurance specified in subdivision (2) of section 44-201 and in addition thereto one or more other kinds of insurance other than those specified in subdivisions (3) and (9) thereof, shall establish a segregated account applicable to the kind of insurance specified in subdivision (2) thereof; Provided, that the kind of insurance specified in subdivision (3) thereof may be included in such account.

(2) Subject to the approval of the Director of Insurance, an insurance company may establish a segregated account for each kind of insurance specified in section 44-201 other than those specified in subdivisions (2) and (9) thereof. The Director of Insurance shall approve such account unless he finds that such account will be contrary to law or to the interest of any class of insureds.

(3) Incidental business transacted by an insurance company under subdivision (2) of section 44-202 may be transacted under the general account of such company or under any segregated account approved by the

Director of Insurance. Expenses and income for such business shall be allocated among the general account and all segregated accounts in accordance with generally accepted accounting principles.

(4) All requirements of Chapter 44 which apply to companies identified by the specific kind of insurance transacted by them shall apply to such companies with respect to such specific kind of insurance notwithstanding the fact that such companies are formed or authorized to transact one or more other kinds of insurance.

(5) The separate account applicable to the kind of insurance specified in subdivision (9) of section 44-201 shall be subject to the requirements of sections 44-2201 to 44-2221.

(6) The income and assets attributable to a segregated account of an insurance company shall always remain identifiable with the particular account, but unless the Director of Insurance so orders, the assets need not be kept physically separate from other assets of the company. The income, gains and losses, whether or not realized, from assets attributable to a segregated account of an insurance company shall be credited to or charged against the account without regard to other income, gains or losses of the company.

(7) Assets attributable to a segregated account of an insurance company shall not be chargeable with any liabilities arising out of any other business of the company, nor shall any assets not attributable to such account be chargeable with any liabilities arising out of it.

(8) Each segregated account shall be deemed an insurance company within the meaning of sections 44-120 to 44-137 and sections 44-2401 to 44-2418.

(9) Assets allocated to segregated accounts shall be the property of an insurance company and the company shall not hold itself out to be a trustee of such assets.

(10) An insurance company may own a particular asset in determinate proportions for segregated accounts, for its general account, or as a trustee when acting as such within its legal powers.

(11) An insurance company may, by an identifiable act, transfer assets for fair consideration among the segregated accounts, the general account and any trust accounts of the company.

(12) The general account of an insurance company or any segregated account may, for a fair consideration, provide guarantees in connection with, perform services for, or reinsure other accounts, subject to rules promulgated by the Director of Insurance. Generally accepted accounting principles and realistic actuarial tables may be considered to ascertain what is fair consideration.

Sec. 3. That original section 44-203, Revised Statutes Supplement, 1972, is repealed.