

SENATOR V. JOHNSON: Yes.

SENATOR HIGGINS: Senator Johnson, your amendment is basically saying instead of giving the insurance company 100 percent tax credit, cut it to 50 percent?

SENATOR V. JOHNSON: That's what I did, Senator Higgins, yes.

SENATOR HIGGINS: Senator Johnson, when was the last time we increased the taxes that insurance companies pay on the premiums to the state?

SENATOR V. JOHNSON: We have been attempting to increase the premium tax right along, but have not been successful within recent memory.

SENATOR HIGGINS: Well let me refresh your memory. The year was 1945 and I tried last year to introduce a bill that would take one-half of 1 percent of nothing except liability premiums on auto insurance, not touch any other type of insurance, not even touch the collision or comprehensive, nothing else on an auto insurance policy. Didn't touch health, life, any kind of insurance and it would have generated several million dollars which would have...at that time I was asking to pay for drivers education, but we have a thing called reciprocity so that if we raise the taxes here on the insurance companies, then they get a raise in the other states where they operate so that the other states always get more than we do. Now this I kind of think was something that the insurance companies got together probably 20 years ago so that whenever a state tries to raise their taxes, they've always got that argument, well look, if you raise the taxes here that we pay on premiums, other states will get double what Nebraska will get. It's kind of a nice thing to be able to say, you know, if you increase our taxes, Iowa will get more than Nebraska will get when you do it. One of the things the insurance companies don't tell you and they always tell you, we'll just pass it on to the consumer. When the president of the company makes a million dollars a year, who pays his salary? Anything that they have they pass on to the consumer, but I'm going to tell you something that you don't know about the insurance companies. They don't necessarily pass it all on to the consumers. In the insurance business if you're an independent agent and you've had a good record, we have what we call a Contingency