

CLERK: Mr. President, I have a motion on the desk. Senator Vard Johnson would move to return 246 to Select File for a specific amendment.

SPEAKER BARRETT: Senator Johnson.

SENATOR V. JOHNSON: Mr. Speaker, members of the Legislature, I'm actually going to use this motion as an opportunity just to ask Senator Schellpeper and probably Senator Schmit a couple of questions about this bill because I was looking it over this morning and I said to myself, I wonder why it is that the public power districts in Nebraska want to be able to buy stock in the insurance companies that insure the public power districts. And I got to thinking that it might not be a good thing only because it seemed to me that it would be possible for a public power district to have a major insured loss, the insurance company have to pay off the loss, and at the same time, of course, the stock that the power company owned in that insurance company would be worth substantially less because of the payoff. So that is my question, Senator Schellpeper. Before I vote on the bill I want to know one more time why this is a meritorious bill.

SENATOR SCHELLPEPER: Yes, Senator Johnson...

SPEAKER BARRETT: Excuse me. Senator Schellpeper.

SENATOR SCHELLPEPER: This is a bill that lets the public power districts invest in a co-op insurance company that they buy their liability insurance from. It is the Federated Insurance Company. It isn't one that deals with anybody else except power districts. Other states do this now, so it just lets Nebraska, since we are a public power state, invest in this one particular insurance company. Does that answer your question, Vard?

SENATOR V. JOHNSON: I don't know what...obviously our power districts want to be able to buy the stock of a cooperative insurance company that insures public power...insures power districts throughout this country. Is that correct?

SENATOR SCHELLPEPER: That is right.

SENATOR V. JOHNSON: So, in fact, the risk is...it's a pretty large pool, it is not just a Nebraska based risk but, in fact, would be power districts throughout the United States. Is that right?