

roller skating rink operators in Lincoln...

SENATOR V. JOHNSON: Okay.

SENATOR McFARLAND: ...who have had trouble getting insurance for that...for this process.

SENATOR V. JOHNSON: All right, now the amendment, as I understand it, would allow a...would allow the risk taker to take a higher risk than just 10 percent, is that correct?

SENATOR McFARLAND: That is right. For any single incident be higher than the 10 percent reserve.

SENATOR V. JOHNSON: And who are the risk takers likely to be? In other words, who are the...what kind of groups are going to take these risks, the insurance companies or just simply the organizations or what?

SENATOR McFARLAND: The risk retention group. For example, if they have a surplus or a reserve of a million dollars, right now the statute prohibits them from insuring any risk greater than \$100,000. This would allow them, with the Department of Insurance's permission and written consent, to allow them to insure a single risk for greater than 100,000. Does that make sense?

SENATOR V. JOHNSON: I understand the amendment. I'm going to oppose the amendment or vote against it. I guess I won't speak, you know, get into a big tiff on the issue, Senator McFarland, but I read in the World-Herald where Mutual of Omaha up in Omaha is all of a sudden all aflutter about the adequacy of its own reserves because one of the companies that is a participant of Mutual of Omaha has systematically seen some misinsurance going on and I'm saying to myself, you know, maybe the better part of discretion is...maybe the better part of valor is not to allow exceptions to the 10 percent risk rule because if I allow exemptions to the 10 percent risk rule, even though the Department of Insurance sets the ultimate standards for whether or not the exception is to be granted, I might discover later on that I, in a sense, have participated in a process which is not unlike the process of Commonwealth wherein the Department of Banking was given a great deal of discretion and when Commonwealth collapsed, why, the Legislature was seen as a scapegoat on that issue. So I think that maybe the better part of...at this point I think I would just oppose the amendment.