

affected. These are the two major changes that were brought up. The changes are supported by the insurance industry of the state. They are supported by the Insurance Department and, needless to say, they are supported by the Banking, Commerce and Insurance Committee. Let me explain briefly by example what this does. When the tornado hit, an insurance company in the state went bankrupt. The Insurance Department was brought into play under the guarantee fund. Claims were paid. Problems developed. Let us assume that Senator Bernice Labeledz, my prime example for everything in here, Senator Bernice Labeledz had her car insured by the particular insurance company involved. They went bankrupt. She files her claim with the Insurance Department who is now handling things. Because Bernice and I are both kind of poor, she only had a \$300 car. It was an old car. Now she has \$100 deductible with her basic policy and under existing law she has to have another \$100 deductible because it is handled under this guarantee act. So, for the average smaller claim let's say, they really kind of get almost what we call shafted. She is going to end up with \$100 for her loss. So the first thing the bill does is eliminate this \$100 deductible that she gets hit with the second time. We say, look, you had an insurance policy with \$100 deductible, fine, or \$50 deductible, that is it. We are not going to use this rum-dum game of hitting you for another 100 bucks. I congratulate the insurance industry for going along with this. The second major change has to do with the big claim the exact opposite of this case. Now we are talking about Senator Howard Lamb again. Senator Lamb had a \$240,000 farm house. His farm house was hit by the tornado. He had it insured but under our guarantee fund limitations we said, we arbitrarily said, you can only collect \$100,000 and Howard says, but look, I lost my \$240,000 house and I had it insured. Anyway, house in excess of the \$100,000. Because we by law limited it to \$100,000 he couldn't collect anything over. He or anybody else that had that claim over \$100,000 was a loser. What we are saying is we are raising that amount to \$300,000 so those who have a big loss, let's say a tornado came through a farm or a business or something and they lost half a million dollars. We are raising it to \$300,000. They could collect up to the \$300,000. We figure that is a reasonable figure in light of inflation, so on and so forth. So, I urge you to advance the bill and adopt it. It is in the interest of the general public and it would make our guarantee fund work more effectively if it ever had to come in play again. And indeed, as Senator Lamb says, he doesn't have a \$240,000 house, nor do I, nor do either of us have the likelihood of it but there are people out there that have these kind of losses, whether it be businesses, farm, homesteads, whatever and they can exceed the \$100,000. They