

PRESIDENT: Senator Landis, please.

SENATOR LANDIS: Thank you. Mr. President and members of the Legislature, our Risk Manager, Yvonne Norton Leung, came to the committee with this measure and asked that we consider it. As it worked out, Senator Weihing, on the committee, and myself signed on as introducers simply because we had enough committee bills at the time but the committee reported the bill out by a unanimous vote. The bill allows the State of Nebraska to self-insure or to contract for related risk management services in the administration of our liability insurance policies. That is for the protection of our agencies against the losses due to our negligence in driving trucks, automobiles, snow plows, road graders and other vehicles. We have a fleet of cars and we have insurance on those cars now. Our premiums run about a million bucks a year. The losses occasioned by our cars run about \$600,000 a year. If we self-insure and if the trend holds, we'll save money. If the trend doesn't hold and for some reason we have a disastrous occasion, if you're self-insured and you're standing naked, it's possible to have some kind of considerable loss. Now that's the virtue of having insurance. What this bill says is that we may self-insure. Number one, we don't have to have an insurance policy and we can simply stand bare, or if we wish to, we can organize for a related risk management service and basically have our set of risks insured by a company in a stand-alone format that is designed to get from us the amount of money to pay off our losses. In that kind of format, basically, you pay for your loss rather than paying a premium by which you put money aside for the future. So the Risk Manager is authorized by this bill to continue doing what we're doing now, which is to have our own insurance policy with a major carrier, or to self-insure, and that is to make a contract with a risk management service or to self-insure ourselves and pay for those services, allowing ourselves then to fund this out of the state self-insured property fund or the state self-insured indemnification and liability fund as appropriate funds that exist already. The bill has the expectation, but not the promise, the expectation of saving us, oh, between a quarter of a million and a half a million dollars a year. I urge for the advancement of the measure.

PRESIDENT: The question is the adoption of the committee amendments. All those in favor vote aye, opposed nay. Record, Mr. Clerk, please.