

resolution.

PRESIDENT: Senator Wesely, please.

SENATOR WESELY: Thank you, Mr. President. I would ask Senator Hannibal if he would yield to some questions?

SENATOR HANNIBAL: Sure.

SENATOR WESELY: Senator Hannibal, are you talking in the resolution about the State Employees Insurance Fund, and obligated appropriations from that fund going to this need? I didn't quite hear, what is that fund? How much money is in there? And we are talking about \$5 million is the estimated problem, is that not correct?

SENATOR HANNIBAL: Well, Senator Wesely, there are estimates anywhere from 2.5 to 5 or 6 million dollars based on the insurance carrier as to what could be the possible loss in the upcoming contract year. Those are estimates. Those are projections and we are talking about a contract that doesn't start until August 1st. So the resolution is recognizing there could be a problem. It isn't saying that there...it isn't labeling a dollar amount at this point.

SENATOR WESELY: I see. But what is this fund that you refer to in the resolution?

SENATOR HANNIBAL: The premiums that are paid by the state employees and premiums that are paid by the state go into what we call a premium stabilization fund or the employees fund and the premiums and the claims and all administrative costs are paid from that fund. With the current contract and the current premiums being paid by the employees and by the state, it is estimated that under the current situation, if it goes to fruition, that there would be an unobligated balance of 1.7 million as of June 30th, 1990, and that is a combination of state contribution and the employees contribution.

SENATOR WESELY: But that wouldn't be enough to cover the anticipated losses, right?

SENATOR HANNIBAL: If the loss is at 2.5 million or more, that would not be enough, that is correct.