

February 7, 1991 LB 233

SENATOR LANDIS: I could be way off but that is only because I have a dim memory of that number in the back of my head.

SENATOR ROBINSON: How many of those now do their own rating as would be required in this as I read it?

SENATOR LANDIS: I don't know, Bud. I do know this that the domestic insurance industry does not object to this bill.

SENATOR ROBINSON: Um-huh. Am I right that if they are not doing this, then they are going to have to employ a lot more people, right? They are going to have to employ some, aren't they, to do this rating?

SENATOR LANDIS: I don't think so.

SENATOR ROBINSON: You don't think so.

SENATOR LANDIS: No.

SENATOR ROBINSON: Okay, that is my question.

SENATOR LANDIS: What happens...what is going to happen is this. They have got people on board that will help them right now with these kind of management decisions. They are going to take that, that information from the federal level, from the industrywide bureaus, which is the basic underwriting information. Okay.

SENATOR ROBINSON: Okay.

SENATOR LANDIS: Then they are going to take that information and they are going to particularize it with respect to their administrative costs, which they clearly have the in-house management tools to know what they are; they are going to take their profit information, which they clearly have the in-house mechanism to do; their investment income, who better than they can know what it is, and make whatever adjustments up or down they need. I have got to think they can do this work in house.

SENATOR ROBINSON: Now the way the law is now, you could set your rate at any level you want to, or is that regulated by the state?