

SENATOR LANDIS: That is right, the basic data for underwriting risks.

SENATOR ROBINSON: Okay, thank you.

SPEAKER BAACK: Thank you, Senator Robinson. We will go to Senator Wesely.

SENATOR WESELY: Thank you, Mr. Speaker. I will just follow up on my previous remarks about the overall background on these issues, preparing us not only for this bill, but the following bills that will be coming up shortly. I mentioned before the point being that the federal intervention threat hangs out there if the states do not move adequately to regulate insurance solvency. There is one final main point, although there are others as well, of why we need to adopt these bills, and that is the exposure to the state through the guarantee funds that are set up to protect policyholders of insurance companies. If the states do not adequately regulate the solvency of insurance companies, we have a system set up in most every state of a guarantee fund, which post assess healthy insurance companies if unhealthy insurance companies should become bankrupt and, thus, not able to fulfill their policy agreements. These guarantee funds in Nebraska, for instance, are established and in some cases have, as in Nebraska, an offset against taxes. So that we have, I don't have the figures right in front of me, I can get those for you, but there are property casualty guarantee funds and then there is a life and health guarantee fund, and those, when you have failures, are post assessed to the healthy insurance companies, and those insurance companies then take the assessments against them by the guarantee funds and write those off against their insurance premium taxes. So, ultimately, when in the State of Nebraska if there are insurance company failures, not just those that are domestic, but foreign as well, because of the interrelationship of guarantee funds, but in any event, when there are failures in insurance companies, the ultimate payer in Nebraska will be the taxpayer because they will have premium taxes that would have been paid by insurance companies not paid because they will be written off because of the assessments made to the guarantee funds. Now there is a lot of concern about these guarantee funds. A lot of people feel there is no problem, and I think probably for the most part that is the case, but we have had guarantee funds in this state not quite meet expectations, as we found with Commonwealth, State Securities, and American Savings. It is our hope and