

connection with their insurance coverage of their employees. And this is brought about by a number of subdivisions, particularly Norfolk, who has saved over a million dollars. That is why I thought it was very important that we get this bill through this year, as well as do a lot of subdivisions that think so, too. Until a recent court ruling, recent ruling from the Nebraska Insurance Department, political subdivisions thought they already had sufficient authority, through legislation, to self-fund all or a portion of insurance premiums. Because of the ruling, those employee benefit packages include self-funding features by political subdivisions that are now considered invalid. So it is important that this bill be passed to clearly reflect the Legislature's intention that self-funding of insurance is an option available to political subdivisions. The savings for the taxpayers of political subdivisions, made in the past through self-funding, are tremendous. By being able to self-fund all or a portion of the insurance benefits, rather than pay insurance premiums to licensed insurance companies, the taxpayers have truly benefitted. We have received numerous letters and calls from municipalities, counties, school districts, technical colleges, public power districts, and all other political subdivisions by using self-funding. All of these savings represent taxes that never had to be levied against the taxpayer for that political subdivision. With the tax problems that we face...already face, we don't need to add to the tax problems by prohibiting political subdivisions from self-funding insurance. The only ones who benefit from defeating this legislation are insurance companies that would get these insurance premiums. They clearly would be the winners in the event this bill did not pass. On the other hand, the big losers would be the taxpayers of the political subdivisions that would otherwise take advantage of the self-funding provisions. This does not replace health insurance, it simply compliments this. Businesses and individuals have been utilizing deductibles and co-insurance for years just in the high cost of health care benefits. As 167 is amended, as a result of several meetings, at which all interested persons were given an opportunity to engage in dialogue and discussion on both policy and language. In my opinion LB 167 is well thought out, good, sensible public policy, and technically sound. I ask for the advancement of 167. Thank you.

PRESIDENT MOUL: Thank you, Senator Peterson. Senator Nelson.