

of the people that they happen to be in a Guaranty Fund Association with. Let's just not do it. This is not...I know the desire is well intended, but this is a can of worms. Don't open this one up.

PRESIDENT MOUL: Thank you, Senator Landis. Seeing no one else wishing to speak on this amendment, do you have closing, Senator Wesely?

SENATOR WESELY: Yes, Madam President. Could I ask Senator Landis to answer some questions?

PRESIDENT MOUL: Senator Landis.

SENATOR WESELY: Senator Landis, when you talk about totally setting aside the potential exposure under these self-funding schemes, let's say, for instance, you set up a plan and it got, oh, a small town or small school and they have 20 employees and you have a deductible of \$2,000, 20 employees, so \$40,000 would be set aside. Is that the...that's the plan? If you have a deductible of \$10,000, 20 employees, you know, whatever, so whatever the deductible is times the employees and that's what you've got.

SENATOR LANDIS: It's in a pot.

SENATOR WESELY: Million dollar deductible; million dollars set aside.

SENATOR LANDIS: Million dollar deductible will be on the basis of probably an aggregate loss. That will be an aggregate number and the answer is, yes, a million dollars. If not the million dollars, an accrual basis of doing it in 12 steps throughout the year. But the target of the fund is the total \$1 million aggregate amount. Now what you've got in some operations is two different numbers; one for individuals and then a total amount of aggregate exposure. That total aggregate exposure is in a pot.

SENATOR WESELY: How do you do that for Omaha with an unlimited...?

SENATOR LANDIS: That's the only counter example of a genuine self-insurance.