

SENATOR BEUTLER: No?

SENATOR HALL: No, Senator Beutler, that would not happen because, frankly, there is not a state that exists that does not have a premium tax to date, and they do vary. One of the reasons Nebraska is and continues to be, I believe, in the, and Senator Landis or Senator Warner can correct me if I am wrong, but I believe that we're still at 1 percent. We've had bills in a number of years to increase that. One of the arguments against it, and the very reason that they have not passed, is because it just means that the domestic companies will, in fact, even though we collect more from the companies that are out...that operate in Nebraska and are not domiciled here, Nebraska companies will pay out to a far greater extent than which we recoup through the increase in the premium tax. So we basically hurt our own companies who then...that's the reason they would move. You are not going to find a company or a state or country, rather, that would create a tax haven, if you will, to attract insurance companies.

SENATOR BEUTLER: And why wouldn't you see that?

SENATOR HALL: I don't...I don't see that being the operating factor for purposes of an insurance company because if that...it could happen. I mean it is absolutely possible that it could happen. The problem that you have in terms of insurance companies does not stem so much from what the states do. Probably what ought to happen is McCarran-Ferguson, at the federal level, ought to be repealed, and there has been a movement at the federal level to do that, but I just...I cannot see a state that is going to say we don't want to, in order to attract insurance companies, and along with insurance companies, for the most part come large workforces, as well as large buildings, they don't easily relocate for purposes of this type of tax. If that were to happen, if a state were to do that, I think you'd see the heat be turned up, possibly, to look at striking McCarran-Ferguson. You'd see states that would repeal these types of laws that deal with retaliation, and then it probably would play into the hands of those at the federal level that want to take over the operation of insurance on the federal basis as opposed to through state regulatory action.

SENATOR BEUTLER: You know, it's interesting that in the insurance industry, the fear of federal takeover seems to