

SENATOR LINDSAY: Thank you, Senator Chambers. Senator Vrtiska.

SENATOR VRTISKA: Thank you, Senator Lindsay. I just wanted to make a couple comments. First of all, I think it appears to me that insurance companies would be in a better position to determine how the rates should be set, based on their losses. It appears to me that they would be in a much better position to make that determination than we as legislators could that don't understand the insurance business that well. And I guess the point that I wanted to make is that Senator Preister admitted, I think I heard him admit that the insurance companies have the right, in fact, if there's enough pressure applied that in fact they are discriminating in certain areas, that a change could be made. I'd just like to insert the proposition here that I own a couple farms down in Pawnee County, and the dividing line for hail insurance happens to be between those two farms. I've never had hail on either one of those farms, yet one side of the road pays one rate, and the other side of the road pays another rate. When I questioned the insurance company about why there was a difference in the rating, they said, well there's been more damage on that...in that area of the county, and so we adjust the rates accordingly. So they're going by the number of losses that are had over there, on the other side they don't. That means that I'm subsidizing, on the farm that I have on the other...on that side, that even though I've not had any hail, I'm subsidizing some part of that area that is apparently receiving more losses. And I guess this is the way the insurance business works. I'm not an insurance person, but I understand the mechanism of it. When they have higher losses they increase the premiums. And I've always said, and still maintain that insurance companies don't insure you because they love you, they insure you because they want to protect you and also to make a profit. And as a result, when there is a tendency to be a loss in an area, they intend to raise those costs in order to offset those losses. I think it's just plain economics that they're dealing with here. I know it certainly is in the case that I discussed with my insurance agent about the different costs on each side of the road. We're talking about the same thing here, we're talking about a street that divides the area, I'm talking about a road to divide the amount of insurance costs you'd have if you wanted to hail your...insure your crops against hail damage. So there seemed to be a consistency here that if I am very upset about what they're doing and I don't think it's fair, I should go to the