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February 29, 2000 LB 930

SENATOR CUDABACK: We're now discussing the committee amendments to LB 930. Senator Suttle, on the committee amendments.

SENATOR SUTTLE: Thank you, Mr. President, members of the Legislature. Could I ask Senator Landis a question?

SENATOR CUDABACK: Would you yield, Senator Landis?

SENATOR LANDIS: I'll do my best.

SENATOR SUTTLE: The provision that Mr. Wagner did by making one company responsible, is that not a monopoly now? This one company has a monopoly on these and can arbitrarily do anything to people with workmens' comp that they want to?

SENATOR LANDIS: No. Understand that this is a contractual provision so that the insurance company is not free to do whatever they want. They are bound by the contract and the contract is written essentially by the department, and so they are bound by limitations upon them through the contract. They are not a monopoly in the sense that they have no corner on the market. It is appropriate to say that they are the sole provider of assigned risk coverage. That's a slightly different matter, but I...but monopoly wouldn't be, I think, the appropriate word to use here, and they do not have a total freedom of action. What they have promised is this, that under the circumstances and guidelines, limitations that the department has written, they will cover every assigned risk on the pre-agreed rates. So that's what they've promised to do, and they are not free to vary from that because it's a contract and they're bound by the contract.

SENATOR SUTTLE: Okay. Say, for instance, this one company comes in and the person with the insurance has workers assigned a code, and under their previous insurance protectors that code was deemed okay. The new, you don't want me to use monopoly, the new one person who is administering their...

SENATOR LANDIS: By the way, it's Wausau, so let's just use that, that will be easier, okay, let's do that.