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FLOOR DEBATE

January 15, 2004 LB 560

the amendment that we're looking at now strikes original Sections 6, 24, 28, 32, 33, 37, and 38, and inserts new sections. So if you go to the original bill, LB 560, on page 8...and let me just give you a bit of background. When you go to total a car or any type of vehicle, what they do is the insurance company will figure out what the value of the boat is versus what the cost of repairs are. And, Senator Baker, if you could answer, on page 8 of the bill, you've got a formula in there for when an insurance company has to salvage the vehicle or the motorboat, and I'm just wondering if there's a reason that that is in there, and if we really want to put that formula that insurance companies use in statute.

SENATOR CUDABACK: Senator Baker.

SENATOR BAKER: I think that's simply mimicking auto...the same formula for autos, and I think that's why they're trying to do that. That would be my answer.

SENATOR BOURNE: So you're...so the formula in...the formula for salvaging or totaling out an automobile is already in statute?

SENATOR BAKER: Yes, it is.

SENATOR BOURNE: Well, here's my question, Senator Baker. If you...if the calculation, in order to figure out...

SENATOR CUDABACK: One minute.

SENATOR BOURNE: ...whether or not to total out a vehicle, the price of the salvage itself is figured in that calculation, and that...it's...that fluctuates. Five or six years ago, the price of salvage was nil. You could buy a wrecked or a salvage car for, you know, 5 percent, 10 percent of its actual value, and now that's up to about 60 percent of the car's actual value. So what I'm saying is, how can the formula be in statute when the market fluctuates and changes? I don't see how you can...the formula changes and, yet, we're keeping it firm in the statute. I'm struggling as to understand why or how we can do that.

SENATOR CUDABACK: Senator Baker.