

May 10, 1979

LR 65

SENATOR DeCAMP: Mr. President, members of the Legislature, the Banking, Commerce and Insurance Committee has received a lot of complaints. We have done some investigating in this field. We have had a lot of pressure to have at least one hearing to outline things yet before the end of the session for both the Insurance Commission and for the Legislature so you would be aware of some problems. We agreed we would hold a hearing I think Monday night, Monday night of next week, on this subject at which some groups from Omaha, elderly groups are going to present information. The whole thing actually has some people from Senator Kahle's District who are going to talk about this a little, open it up and it has developed into a much bigger, more severe problem than I had ever anticipated. There are some definite things and we are looking into it and we ask you to support our hearing and going ahead and checking this out. Martin.

SENATOR KAHLE: Mr. Speaker and members, this problem was brought to our attention in Kearney by all of the care home people, I believe, out there. Policies are being sold to the elderly under the assumption that they are covered when they have problems and have to go to the care home or to the hospital, but the policy states it is only for medicaid and medicare and very few of the outstate facilities can provide this service so the policy does them absolutely no good. I think the policies would be all right if they knew exactly what they were buying but they think they are getting something and when they go to try to collect on it they find out that it is worthless to them in nearly every case out in our part of the country. So I strongly urge and support this resolution to study this and to find out what is going on and to get this straightened out because I think our elderly are really being ripped off. Thank you.

SPEAKER MARVEL: Is there any further discussion on the resolution? Senator DeCamp, do you wish to close?

SENATOR DeCAMP: Just...I have got my head thinking here and starting to remember some of the other problems that have been uncovered, some things such as rolling and people like Herb Duis could tell you a lot more about this than I could but it involves, you sell an insurance policy and the first year, if it is like a five year policy, the first year a huge portion of the premium goes directly to the agent. Well, theoretically then it declines as the years go on. One of the things that has been used on the elderly particularly, they sell them Policy X this year. Then they come back next year and say, oh, we have got a different policy for you now. They redo it. They roll it

5089