

under a grandfather clause and were allowed to go on without enough reserves to handle a disaster when they had, in effect, put all their eggs in one basket. In other words they were insuring in one concentrated area, but are you saying to me that there is a bill that will be coming up this year that will address that problem?

SENATOR DeCAMP: I think we have maybe two bills dealing with reserves. Actually it would not be germane on this particular bill because this just deals with the guarantee fund itself. It doesn't have anything really to do with reserves of insurance companies. It deals more with the aftereffects and whether, when you look at the whole picture, you think any additional changes are necessary we can talk about them on the other bills. This would not be the bill to do that one on though.

SENATOR HIGGINS: One other thing I would like to point out, Senator. This guarantee trust that all of the insurance companies contribute to is to protect the people of the State of Nebraska from being short-changed, although in this case many people were. Their policies were cancelled and if they had paid their premiums a year in advance they were absolutely the last ones to get their insurance premiums refunded if there was any money left over. Secondly, I can almost predict that your insurance companies in Nebraska because they are going to have to now raise their contributions to the guarantee trust fund, are going to in turn, raise the rates for every homeowner, automobile, et cetera, et cetera, probably be going to the insurance director saying, because of this tremendous loss and because of the contribution that we have to make, we now will have to ask for an increase in our insurance rates. So I would just ask that the Insurance Commission keep this in mind when you propose the new bills to see to it that in the future the insurance companies by putting into this pot, if you will, do not have to come back again and ask the homeowner and the automobile owner, et cetera, to raise their insurance rates.

SENATOR DeCAMP: Marge, two quick answers to the questions you have raised. Number one, I can guarantee about as much as anything that it will not increase insurance rates as a result of that particular disaster and I will explain that later to you rather than right now when I can take more time and so on. But I guarantee as a result of other laws that come into play this will not increase your insurance rates. The second thing you raised, had to do with, what was it? Oh, the premium thing. We did a special study by the Banking Committee...

SPEAKER MARVEL: You have fifteen seconds left.