

insurance companies have been deeply involved with the Department of Insurance and it is a little inappropriate I think to try it at the last second, raise an issue that has been dealt with time and again. Let me try and rephrase again the situation. We do provide for an increase in the premium charge against the participants under the pool. That 165 percent premium figure is anticipated to cover virtually all the costs of the pool. Now there may be some shortfall and it has been estimated by our individuals that there may be a shortfall in the range of \$50 to \$100,000 the first few years and maybe more later on perhaps. But we've also anticipated that as premiums go up and the premium tax reflects the increase in premiums, that that shortfall will be more than made up for by increases in the premium tax revenues. So there should be no actual loss of revenues to the state whatsoever and more than that, if ever there is any problem developed between the loss to the premium tax offset it is anticipated and expected that this body would increase that premium tax to cover the cost to the state. So that in the end we should lose no revenues and if we do miscalculate and have any loss of revenues it is our prerogative to increase that premium tax to cover the loss in revenues and so in the end we take care of the problem. I don't see the problem Senator Johnson has because we've already anticipated it. I would ask rejection of the Johnson amendment and passage of this bill. I again emphasize to you that this piece of legislation has been worked on by a number of different groups, supported by a large number of organizations in this state, is being used by the Blue Cross-Blue Shield network, the Mutual of Omaha network and a number of other insurers across the country as a model for this type of a pool coverage. It is not a bill that has been taken lightly. It is one that has anticipated the different problems and will be a piece of legislation we can all be proud of. I ask rejection of the Vard Johnson amendment.

PRESIDENT: Thank you, Senator. There are a number of lights on for recognition and the Chair recognizes Senator Higgins.

SENATOR HIGGINS: Thank you, Mr. Chairman. Could Senator Vard Johnson answer a question for me, please?

PRESIDENT: Senator Johnson is on hand.