

SENATOR CHAMBERS: Mr. Chairman, may I listen to Senator Barrett first, and then...

PRESIDENT: I will recognize you after Senator Barrett then. Senator Barrett.

SENATOR BARRETT: Obviously, Mr. President, I must stand in opposition to the amendment. I wonder if we are not losing part of the sight of the purpose of the bill and that is to actually reduce liability on the part of the State of Nebraska, make it a bit more restrictive. The bill, itself, proposes \$100,000 for life insurance cash values, \$100,000 for annuities, and \$300,000 on life-death benefits, with an all lines limitation of \$300,000. The Vickers amendment would increase this to \$1 million. The current act, as we know it today, has no limits, none whatsoever, on annuity values or health benefits. If we are going to make this pertain primarily to Nebraska residents and maintain what could be a total break out in case of a catastrophe, I believe that the present limit, as we see it in the bill, is very adequate, and, frankly, a very prudent way for us to go. I would oppose the Vickers amendment.

PRESIDENT: Senator Chambers.

SENATOR CHAMBERS: Mr. Chairman and members of the Legislature, I wonder if Senator Barrett would yield to a question or two to help clarify something for me. Regardless of what these associations are called, what are they guaranteeing, and what are they trying to do for the affected policyholder?

SENATOR BARRETT: Senator Chambers, the life...actually the Guaranty Association includes the property and casualty bit which has also been confused with what we are talking about, as well as the life and health and accident section. The property and casualty companies are assessed, I believe, 1 percent a year to take care of catastrophes, problems, like we had in the Grand Island tornado situation discussed yesterday. That Guaranty Fund paid very well. State Farmers Insurance group...insureds were taken care of. In the life and health section of the Guaranty Fund, I believe the annual assessment is 2 percent per year in case of insolvencies. I think it is important to remember also that if the Guaranty Fund is kicked in, it is my understanding