

SENATOR V. JOHNSON: If you have a small group.

SENATOR HIGGINS: ...small group, if you weren't insuring a group like Union Pacific Railroad Employees, or Mutual of Omaha, six or seven thousand employees, then is that the rule you are talking about that would change? I think I'm going to have to study this some more, Senator Johnson, because I'm...I know that one little word can change the meaning of a bill.

SPEAKER NICHOL: Time is up.

SENATOR HIGGINS: And it could be just a housekeeping thing.

SENATOR V. JOHNSON: Yes.

SENATOR HIGGINS: But I know there is a big difference between residents and lives. Thank you, Senator.

SPEAKER NICHOL: Senator Johnson, do you wish to close on your amendment to the amendment?

SENATOR V. JOHNSON: Well, I'm almost embarrassed because you can tell I knew absolutely nothing about this area. And I try to hold myself out as such an expert, and suddenly the expertise has been totally destroyed. Again, the reason apparently, according to my staff, for the allocation rule of not even beginning an allocation of premiums among states until the group itself exceeds 500 lives, is to benefit small insurance companies that are writing small group policies. You know you just don't...they don't have to go through the accounting and bookkeeping process of allocating those premiums out until that group exceeds 500 lives in number. So that is what the rule of 500 is really about. It is designed to protect small insurance companies from large accounting problems in tax payments when the groups themselves are small. The reason the word is being changed, from "residents" to "lives", is because lives has always been the standard in this allocation technique. This is a real housekeeping amendment, and it is very, very technical and minute in nature.

SPEAKER NICHOL: The question is the adoption of the Vard Johnson amendment to the Vard Johnson amendment. The question is if you'd like to vote for it, vote yes, if no,