

employees on 20,000 people there. So as these groups move out of being in the general insurance pool that a Blue Cross or a Mutual of Omaha might have, you have a smaller number of people left that your mandated law covers. Do you follow?

SENATOR HABERMAN: I guess.

SENATOR DECAMP: So let's assume you take 20,000 out here, 15,000 out there, 5,000 out there, who is left? The little pool and their rates go to let's say \$400 a month because you have mandated some things, whereas if you form a private insurance pool, a private self-insured pool, maybe it is \$200 a month. So what is your natural inclination going to be? Form a self-insurance. What do you do ultimately? You destroy the ability of a company to continue to exist because you have narrowed the base too much.

SENATOR HABERMAN: Well, Senator DeCamp, let's don't talk about the state or Union Pacific, let's talk about the small employer or the smaller group that have their own health insurance (interruption), what about them?

SENATOR DECAMP: As I said, I think it is about 50, maybe 52, 55 percent, I would have to check the numbers, so it is a guess, but I think it is over half now of the smaller people, the employees, under 500 employees, have said, hey, it is better for us just to go form our own little pool of self-insurance rather than go buy through Blue Cross-Blue Shield because it is costing too much, and as I say, as you keep eliminating them, you keep narrowing the base over here, and you are going to have a point where insurance is going to be unaffordable and I want to keep insurance affordable in the general realm for Mr. and Mrs. Average Nebraskan.

SENATOR HABERMAN: So you are saying that a company, for example, 500 or under, could have their own pool and save money, is that what you are saying?

SPEAKER NICHOL: One minute.

SENATOR DECAMP: Apparently, they not only can but are based upon the statistics, one after another going and doing that format.