

the emergency clause attached.

CLERK: Mr. President, LB 14 was a bill that was introduced by the Banking, Commerce, and Insurance Committee and signed by its members. (Read title.) The bill was first read on October 17 of this year. It was referred to the Banking Committee for hearing. The bill was advanced to General File. There are committee amendments pending, Mr. President. Senator, do you want to take up your amendment to the committee amendments?

SPEAKER NICHOL: Senator DeCamp.

SENATOR DECAMP: Yes, Mr. President, let me try to be relatively brief in dealing with a fairly complex and lengthy subject, and I will do it by explaining the whole picture real quick and then moving into the amendments at the same time. What the bill purports to do in its original form is to limit the liability potential of subdivisions of government, counties, school districts, cities, et cetera. What do we mean by limit the liability? Use a simple example, at the present time, if I sue the City of Lincoln for \$10 million and win a judgment for \$10 million, the City of Lincoln has to pay me \$10 million dollars. Where do they get that money? Well, if they have insurance, it comes from the insurance company. If they don't have insurance, obviously, it comes from the taxpayer. That is the liability exposure. In recent months, insurance companies have decided that they either want to get out of the insurance business as far as liability of subdivisions of government is concerned, or if they are going to stay in in selected cases, then they are going to massively increase the amount for the premium. So, for example, Lincoln last year I think was around 200,000 to retain even less insurance than they had before. This year it would cost 800,000 or more. Therefore, they have gone to a self-insurance system. That being the problem briefly identified, the solution comes in two forms. The original bill proposes allowing subdivisions of governments to "pool, in other words join together, form a pool of subdivisions, and then self-insure if they want it under that system," and then they would have to buy reinsurance also, and the other part of the bill is a limitation on liability, a provision that would say it doesn't matter what the lawsuit or the award or anything else is, the maximum amount the city or subdivision can be liable for under this proposal is