

self-funding. One is Hawaii that has a statewide system for all public employees so they don't need it. There are only two others and that is Maine and Arizona, I believe. Nebraska has this provision but, in fact, nobody has known it was there and it has not been enforced. So 48 states, 47 states allow political subdivisions to do this kind of thing without any regulation at all. In fact, the amendments that you're going to have a chance to review for 167 represent the highest level of regulation of these forms of self-funding of any state in the country. That is a fair standard to apply. The questions that Senator Wesely raised in particular was whether or not small pools made sense and whether or not the insurance department made sense. Small pools will work only because an actuary says it makes sense and because money is segregated in a special pot unavailable for any other purpose than to fund this program. It can't be pooled with other funds. A city can't delve into the fund to cash flow some other problem they might have. It is a segregated and restricted fund. Secondly, the insurance department is not an appropriate overseer. This is not the sale of insurance where an insurance company takes money from one set of people, invests it some money-making kinds of schemes, takes that profit and then pays back people what they were promised. This is an internal, contractual relationship between a public employer and their employees. It is not the practice of insurance. For that reason, the insurance department really is not an appropriate overseer. With respect to the question of how much more time and energy we need to really examine the question, it's my...it's my conclusion that we have worked very hard, even before the public hearing began on this issue, getting the sides together, talking to them, bringing in the insurance department, brainstorming ideas, coming up with this package.

PRESIDENT MOUL: One minute.

SENATOR LANDIS: This package stands on its own. You don't need to bracket it. If you don't like it, simply kill it. Simply vote against the bill and don't pass this mechanism. But you don't have to study this anymore. This system has been well, well researched and written. If you don't like the system, fair enough, vote against it. But this is not going to get better with study. This is a stand-alone proposition, well researched, well written, well defended, and if you don't like the defense, fair enough. All you have to do is vote against the bill and we'll throw it out. The insurance department will close down