

SENATOR COORDSEN: Thank you, Madam President and members of the body. Again, as Senator Wesely indicated, this is LB 1136. LB 1136 was introduced to do several things, one of which Senator Wesely already addressed and that was to provide additional funding to the workers' compensation court to ensure the more expeditious processing of application for self-insurance. And to do that, to provide the funding for that, the increased, the amount that was charged for...on the self-employed people were increased from a maximum of \$500 to a maximum of \$2,000. It is my belief, although I didn't look it up, and my recollection that the cash funds cost of this is approximately \$50,000, but it is not General Fund revenue, it is an increase in the fee on self-insured, a change in the mechanism. Currently, the mechanism for assessing fees on self-employed people is 1 percent of what the premiums would have been had they been self-insured. This increases the fee to 2 percent of the benefits paid in a year. The amount of money that is raised is used to provide for additional staff to audit the self-insured accounts to ensure that all of the fees that are due to the state are, in fact, collected. It also makes some changes in the Second Injury Fund and it provides a new section to address a problem that with the growing cost of workers' compensation insurance has resulted in an increased interest in becoming self-insured. If you recall, several years ago, we passed a deductible, that in increments of \$500 from 500 to 2,500 dollars, it allowed smaller employees to be somewhat self-insured. That didn't result in much of a decrease in the premium charge. This provides a mechanism for larger companies that are not big enough to be self-insured, a mechanism that would allow them to be partially self-insured up to or for amounts over \$50,000. And the way it would work is that a company would take out a workers' compensation insurance plan, and then the insurance carrier would pay the benefits up to a specified amount and recover them, the benefits paid, from the employer in addition to the premium that they have charged. The bright line is a \$50,000 benefit deductible, so this is a midrange coop program, partially self-insured, partially fully insured, to bridge the gap between the small deductible and being totally self-insured. There was a change made in the vocational rehabilitation funding. It was changed from 1 percent of the workers' compensation premium written in the previous year to 2 percent of the previous year's...

PRESIDENT MOUL: One minute.