

loans. The amount of the premium that I'm going to be paying is going to be based on this eight percent figure, so I can't see the big deal about it. I think we have what we have now. It's going to be changed for the future and you're going to know about it before you buy it.

PRESIDENT: Senator Warner.

SENATOR WARNER: A question of Senator Dworak.

SENATOR DWORAK: Of me?

SENATOR WARNER: Yes.

SENATOR DWORAK: Yes, Senator Warner.

SENATOR WARNER: Senator Dworak, if...I don't know the exact wording that you put up there but gathering from what you stated, is there a probability that there is a conflict that the new language on page 6 which indicates that term "conditions of substantially similar benefits" that those policies will be offered the same. I gathered from what you said you were going to have a six percent and an eight percent, mandatory is what you indicated, I think to be offered. I would assume that the six percent ought to carry a higher premium. You're not suggesting with this other language that a six percent would have the same premium as an eight percent, are you?

SENATOR DWORAK: No, I don't think so, Senator Warner. I think we're in the section where we're dealing with the amount of money insurance companies can charge their policyholders when those policyholders borrow against their own policies and now the statutes say that when a policyholder borrows his money out of his own policy he pays six percent interest. Now the insurance companies are telling us that they would like to raise that to eight percent as they have in some states so if you borrow your eight percent, from today on, and this has nothing to do with old policies, because old policies are sentenced to own at six percent. There is nothing that is going to change that and there is nothing hurting insurance companies because that is a fact because the rates take that into account. In fact, they're gaining through mortality because people are living longer. Insurance companies are not in trouble, especially life insurance companies. They're very profitable because people are living longer than those actuarially adjusted rates originally said they would. Now if a company comes out and wants to...and if you want to buy a policy whereby you're charged eight percent, which would probably discourage you somewhat from borrowing against that policy, which would probably increase the dividends, which is an overpayment of premium in that policy you bought, this may be the choice you want to make. But if you also wish to buy a policy at six percent, because you're not as interested in dividends, then you could still do that. Now this isn't going to be any burden on insurance companies because they're issuing two sets of policies now, not in Nebraska, but they're issuing six percent policies in Nebraska, eight percent policies in some other states. So it isn't going to be that big of a burden whereby they can offer six or eight. If this bill is as good for the public as the industry tells us it is, there won't be anybody buying the six percent anyway. They will be buying the eight but they