

SENATOR CLARK: It can go up quarterly if it goes up quarterly but it could go up no oftener than quarterly but you have to remember if they are going to do it quarterly and it goes up by a half point, the chances are they wouldn't even do it then because of the cost.

SENATOR NICHOL: Yes, that is what I wanted to know. It can go up no oftener than quarterly.

SENATOR CLARK: That is right.

SENATOR NICHOL: Thank you.

SPEAKER MARVEL: Senator DeCamp.

SENATOR DeCAMP: Mr. President, just to say this is, so nobody is deceived or has a question later or says they didn't understand or if anybody has any questions, this is a very major, major bill. I believe it is a proper bill. I believe it is a necessary bill. It will help our insurance industry and make it stronger and it will help the public so I urge the bill be advanced.

SENATOR HEFNER: Mr. President, I have a few questions of Senator Clark if he will yield.

SENATOR CLARK: Yes, I will yield.

SENATOR HEFNER: I notice in this handout that you gave to us, you say that usually it is just the more affluent people or the ones that have larger insurance policies that borrow on their policies. You say here that the lower and middle income people who own smaller sized policies do not borrow as much. Can you tell me why this happens or don't they know about this or...?

SENATOR CLARK: I would like to explain that to you. That is a good question, Senator Hefner. Usually the people have smaller policies. You are talking about two, three, four hundred dollar cash value on a policy. Those people are not drawing those out unless it is absolutely necessary. They use it. They don't have to worry about it. They can get it any time they want to. Their stove blows up or something, they have to have a new stove, they borrow it against that. It is a fund that they can borrow any time they want. What they are worried about is 30% of the people that have these policies over \$10,000 have been making a run on the company in order to borrow that money and put it out at 14% in money markets. This is what the problem is. The people that do not borrow on their policy are