

March 23, 1981

LB 355

want to borrow money.

SENATOR KILGARIN: Not with this bill.

SENATOR HIGGINS: Well, I am saying with present day life insurance policies, they spell out in the bill, I mean in the policy, if you want to borrow money, it will be at this rate of percent. They also, you know, are very vague. They don't tell you what rate of interest they will pay you on your policy.

SENATOR KILGARIN: That is right.

SENATOR HIGGINS: They don't spell out what dividends they will pay you but they do say this is the rate of interest you will be charged if you borrow money.

SENATOR KILGARIN: But they won't be doing that if this bill is passed, Marge, Senator Higgins.

SENATOR HIGGINS: In other words this bill is going to say that they can actually write policies and leave a blank space.

SENATOR KILGARIN: Adjustable interest rates. They are going to tie it supposedly, although you cannot say it in statute, they are supposedly going to tie it to Moody's corporate bond yield, okay, and that is basically what the provisions lay out. There is certain qualifying provisions that were adopted through committee amendment.

SENATOR HIGGINS: Senator Kilgarin, how would you feel about an amendment to your amendment that says whatever rate of interest they are going to charge a policyholder to borrow their own money, they must also pay that rate of interest to people who don't borrow?

SENATOR KILGARIN: I think that is a wonderful idea and I would be more than happy to support that amendment, Marge, and I just think you ought to put that up there right now. I would stop all argument if we could do that.

SENATOR HIGGINS: Thank you, Senator Kilgarin.

SPEAKER MARVEL: Senator Kilgarin, do you want to make a motion to adopt your amendment?

SENATOR KILGARIN: Yes, Mr. Speaker, I move adoption of the amendment found on page 734 of the Journal.