

March 25, 1981

LB 355

on. But I think it is reasonable and proper to take this one percent out and Karen has a very good amendment here. I urge the body to support it.

SPEAKER MARVEL: Senator Kilgarin.

SENATOR KILGARIN: Thank you, Mr. Speaker and colleagues, Senator Dworak, you gave me a perfect opening wherever you are wandering about there, a perfect opening to call to your attention some of the handouts I gave you. The first one is on a plain white sheet of paper and it says, "Library of Congress, #A347352, Norman F. Dacey. This is the title of the article on Library of Congress. "To the Great Northern Insurance Company, I bequeath the cash value of all my life insurance policies. When you buy life insurance, you are insuring your future income against your dying before you have had time to earn it and you should give the company just the cost of insuring you and not another penny. Remember it is an insurance company and not a savings bank. Life insurance companies encourage you to regard them as both a savings bank and as insurance company. Whenever you need to use some of the money you have accumulated in your savings account with the insurance company, you may borrow it back at two or three times the interest rate at which you are lending it to them. If a savings bank offered you two and a half percent interest and suggest that if you needed the money at any time they would gladly loan it back to you at six percent interest, you would leave immediately, taking your money with you. Fancy them offering to lend me back my own money for three times what I am lending it to them for, you would exclaim. If you wouldn't think of doing it with a savings bank, why do you do it with an insurance company and why do we let the insurance companies continue with this practice that has many times over been attacked on consumerism grounds and in the Senate investigation, on and on. The verdict of consumerism is likely to make cash value life insurance illegal." I also handed out a little sheet, a transcript from a Donahue interview on August 16, 1979. I just want to quote from that for a moment. The whole point we are trying to make here is those cash values, that savings account the insurance agent sold you when you bought your whole life cash value policy, your permanent policy, he sold it to you saying, "Hey, this is a great chance to open a savings account and, by golly, not only will we let you open the savings account but we will even let you borrow from it if you pay us five, six, eight percent interest rate depending on when you bought your policy", and who knows what the interest rate will be after 355 passes if it is tied to Moody's corporate bond yield average or some such