

March 26, 1981

LB 355, 426

what I consider a disadvantage passed at the same time and under the same bill and hopefully 426 then will not get lost in the shuffle as I felt it would. I would urge your support. Thank you.

SPEAKER MARVEL: Okay, the motion is the adoption of the DeCamp amendment. All those in favor of the motion vote aye, opposed vote no. Have you all voted? Record the vote.

CLERK: 26 ayes, 1 nay, Mr. President.

SPEAKER MARVEL: The motion is carried and the amendment is adopted and now there is another amendment on the desk.

CLERK: Mr. President, Senator Hoagland and Senator Kilgarin move to amend: (Read Hoagland-Kilgarin amendment as found on page 1141 of the Legislative Journal.) That is offered by Senators Hoagland and Kilgarin.

SPEAKER MARVEL: Senator Hoagland.

SENATOR HOAGLAND: Mr. Speaker and colleagues...

SPEAKER MARVEL: Excuse me just a minute, (gavel), we are dealing with very difficult and important business and we would appreciate your attention. Go ahead, Senator Hoagland.

SENATOR HOAGLAND: Mr. Speaker and colleagues, we are currently preparing a brief memorandum to distribute which explains the effect of this amendment. I am not sure it is going to be done in time unfortunately. What the amendment does, it amends Section 4 of 355 which indicates that these changes in interest rates can affect existing policies. Now as a philosophical matter I have no problem in the change in interest rates affecting future policies. That is a freedom of contract matter between the insurance company and the new policy holder. Likewise I have no problem with the new interest rate affecting existing policies. That is also a freedom of contract matter providing the existing policy holder is fully understanding and fully knowledgeable of what the change is. Specifically what I am concerned about is the possibility of our getting a small little proxy-like statement in the mail like a lot of us do, small print, little slip saying, please sign and return, and people without really understanding what they are doing are signing and returning a proxy slip and signing away their rights to an 8% interest rate in favor of a 15% interest rate on these loans. Now what this amendment does, if I can find the current version of it, is it adds to Section 4 of the bill on page 5 which says that if the policy holder agrees in writing the new interest rate can go into effect. It adds a sentence and that sentence says, "Any such agreement