SENATOR DWORAK: It was my understanding it was at a high of 30% during the peak. Maybe that is from...(interruption.)

SENATOR KILGARIN: Okay, thank you very much. That leaves the company, let's see 45 billion out of 400 billion total assets, leaves the company about 355 billion to invest. Is that correct, Senator Dworak?

SENATOR DWORAK: Sure those figures, if you say those figures are true I will accept your word for it.

SENATOR KILGARIN: Okay, Mr. Hassler from the insurance industry said that.

SENATOR DWORAK: Well I am sure Mr. Hassler would be right on target.

SENATOR KILGARIN: Okay, and out of that 355 billion dollars they have to invest, do they have to hold any back in reserve or anything or is that all for, I mean that is their total assets?

SENATOR DWORAK: I can't answer that question. That is too technical...I don't know. I am not going to try to answer it.

SENATOR KILGARIN: Okay, I just have a couple of questions of Senator Dworak about 426 and how it relates to LB 355. Okay, because of the very real probability that interest rates are going to be hiked because of provisions of 355, what offset effect does 426 carry with regard to the surrender penalties? Just briefly could you explain that?

SENATOR DWORAK: 426 essentially reduces the reserve requirements which could indirectly result in lower premiums and higher dividends. It also enhances the computation of nonforfeiture values which is your cash surrender value, your paid up additions, your extended term insurance which is benefits that benefits the policy holder. So I think the net result of 426 conceivably could be lower premiums, greater nonforfeiture values.

SENATOR KILGARIN: Okay, I was talking about policy termination. That is what I am concerned about because of the high interest rate, Senator Dworak. I am wondering if we are going to run into a problem with people's policies lapsing.

SPEAKER MARVEL: You have one minute left.

SENATOR DWORAK: Well I can't think through right immediately how it affects terminations other than the fact that existing cash values could be used to pay or extend delinquent premiums to extend the current coverage. That would be a possibility