

and that there might well be some difficulties in monitoring and observing how well this procedure is followed, that they would simply cut back to the requirement that domestic companies that have or are part of insurance company holding systems will have one-third of their board be outside directors, neither employees nor officers. And, with that, I would urge the adoption of this amendment so we can move on to the second one, which is not agreed to and somewhat controversial.

PRESIDENT MOUL: Thank you, Senator Landis. Seeing no one wishing to debate this issue, we'll proceed to vote on the Landis amendment. All those in favor please vote aye, opposed nay. Have you all voted? Please record, Mr. Clerk.

CLERK: 27 ayes, 0 nays, Madam President, on adoption of Senator Landis' amendment.

PRESIDENT MOUL: The Landis amendment is adopted.

CLERK: Senator Landis, I now have your second amendment, Senator, AM403.

SENATOR LANDIS: Thank you. Mr. Speaker, members of the Legislature, this is not an amendment from the Department of Insurance, and it's not an amendment that's been agreed to by the insurance industry in that continuing relationship. This is my own suggestion to the body. I certainly have some informal reactions from various parts of the community, some parts of the insurance industry do not like the amendment. My guess is that informally members of the Insurance Department would say there's some logic to it, although this is not part of their agenda. If you open up to page 794 of your Journal you'll see that I take this one-third of outside directors standard and apply it to other insurance companies, the insurance companies doing business here that are not subject to Section 15, which is the Holding Company Act. Why would I pursue outside directors outside the holding company setting, where you have that particular source of concern that you can have an interlocking set of relationships that can...that can sap the strength, and vitality, and independence of an insurance company? Why, in a stand-alone insurance company, should you have one-third of the directors not be employees or officers? Well, the reason for this is clear. Those of you who are lawyers know of Am. Jur., Am. Jur. is American Jurisprudence, it is an encyclopedia of the law. Under the section of independent or unaffiliated