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SENATOR CROSBY: Senator Landis, will you yield for a question?

SENATOR LANDIS: When the appropriate time comes, you bet.

SENATOR MATZKE: I'm concerned about the question of demutualization of insurance companies and, as a background, I would mention to Senator Landis and the members of the body that I've had some personal experience. I had a life insurance policy that was taken out when I was 12 years of age with a company that demutualized about 40 to 50 years later. As a result of that, I got a pittance, you might say, in a stock issue. And actually, as Senator Landis explains, a mutual company is actually owned by its policyholders. When it becomes a stock company, those persons interested in the stock company, in effect, steal the value of the mutual company. Now, "steal" is a rather strong term, but that's what is the common perception, because the ongoing business of the mutual company has great value and the business gets transferred to the stock company, and the stock company then figures out the net worth of the company and is supposed to pay that to the owners of the policies in the mutual company. Now, my perception may be a little bit different than Senator Landis in this regard, but what often happens is the policyholders lose their company. Now, under the...under the terms of this bill, as I understand it from the committee statement, what this would provide is that the ownership value of the policyholders could be placed in trust for three to five years. My experience, and I've had friends and clients who have gone through the same thing, find out they get very little for their value of the mutual company. Is this just another step, mechanism for the mutual company that is converting to a stock company to isolate that value of the company and deny to its policyholders the value of the company for three to five years, or do I misunderstand the purpose of this three- to five-year trust?

SENATOR CROSBY: Senator Landis.

SENATOR LANDIS: If I had to characterize the purpose, it's to do better by the policyholder than might otherwise occur. Now, with the suspicion that you have about the demutualization process, you might have a suspicion in this area as well. The