

work it out, and since this is a model bill updating a fraternal code that has been in existence for about forty some years, I think that it is very beneficial to it and really covers the broad sense and I have no objection to it. So I would ask your sustaining his motion to bring the bill back.

SPEAKER NICHOL: Senator Beutler, did you wish to close? Oh, Senator Goodrich, pardon me.

SENATOR GOODRICH: Would Senator Beyer, oh, I am sorry, Senator Beutler answer a question for me. In your amendment, the very last sentence here says this section shall not apply to any loan value in excess of \$5,000 on the unmaturred life contract. What it boils down to and I didn't know if I am interpreting this right in your judgment, your amendment is saying that the proceeds of any life insurance policy are not attachable under this bill if we adopt your amendment. Then you are saying that the proceeds of any loan value, in other words, this section shall not apply to any loan value in excess of \$5,000 on the unmaturred life insurance contract. If I have a life insurance contract with one of these companies and I have borrowed \$4,495 and I pass away, it would appear that they can't even get their loan money back before they give me the proceeds of that contract, of the life policy, is that right?

SENATOR BEUTLER: Senator Beyer, with Senator Landis's permission, I will tell you what I am going to do on that question. This provision doesn't change existing law. This is existing law. Okay, and for that reason there are two or three parts of it that I have not examined, gone back and asked about the philosophy of those particular provisions, but I have gone back far enough to know that that particular sentence was added by Senator Landis at a particular point in time about four years ago, and if he can recall why he did it, I would invite him to explain it to you.

SENATOR GOODRICH: That is fine.

SPEAKER NICHOL: Senator Landis, did you wish to explain it?

SENATOR LANDIS: You bet. With respect to the insurance company, if they have loaned against the contract, they would simply deduct the amount of the loan when they made the payment to the estate. I will tell you why that