

is that you feel it is affecting those policies now issued and I question whether you are in the right section because those policies are grandfathered out of this particular piece of legislation.

SENATOR KILGARIN: As I read the bill, Section 4, it says, "unless the policyholder agrees in writing to the applicability of such provisions." I see...possibly I am reading it wrong, Senator Dworak, but the way I see it that means that if a policyholder received a form in the mail and it is sent to him by his insurance agent or the insurance company and it says you have to sign this and mail it back in, I am wondering if this is going to affect some of the policyholders who acquired their policies before the effective date of this act.

SENATOR DWORAK: If they agree in writing to the higher interest rates on the money that they may desire to borrow it would affect them but if they don't agree in writing, they are held harmless. So, again I have a lot of difficulty in you putting an arbitrary level that interest rates shall be that high. I think it is not in the best interest of the policyholder necessarily unless there is a tradeoff for some additional cash values, additional nonforfeiture values, additional...or affecting the reserving of the premium to have the higher interest rates and that is the reason this bill is going in conjunction with another bill which is going to be heard this afternoon. So, in my opinion, I think this would be a serious mistake to tamper with this bill because it is a national model act that is proposed by all of the insurance commissioners in the United States and this bill is a very complicated bill because it is running in tandem with another bill which affects policyholder benefits such as the nonforfeiture value and the nonforfeiture values like paid-up additions...

SPEAKER MARVEL: You have ten seconds left.

SENATOR DWORAK: ...and extended term insurance and lower premiums. So, I would urge this body not to adopt this amendment because it is tampering with a very technical and complicated portion of the insurance mechanism and I think it would be a serious mistake and, in effect, seriously hinder what this bill is attempting to do.

SPEAKER MARVEL: Senator Clark, we have time for your discussion and then we are going to have to pass over the other bills and move to General File. The Chair recognizes Senator Clark.

SENATOR CLARK: Mr. President and members, I would urge you to vote against this. I don't think that Senator Kilgarin