

March 25, 1981

LR 46  
LB 355

SPEAKER MARVEL: All those in favor of the resolution as presented by Senator Lamb vote aye, opposed vote no. We are voting on LR 46. Have you all voted? Record the vote.

CLERK: 38 ayes, 0 nays on the adoption of LR 46, Mr. President.

SPEAKER MARVEL: Are you ready for Select File? Okay, item #5, Select File, one hour and thirty minutes.

CLERK: Mr. President, LB 355 was considered by the membership on March 3rd at which time the E & R amendments were adopted. I now have a series of amendments. The first is offered by Senator Kilgarin and it reads as follows: Read Kilgarin motion as found in the Journal on page 734.

SPEAKER MARVEL: Senator Kilgarin.

SENATOR KILGARIN: The motion I am offering, Mr. President and members of the Legislature, was offered simply because in all the material I read on LB 355, they said, quote, this is from a synopsis of 355 passed out by Senator Clark, first paragraph, "It applies only to new policies and not to policies already owned by people". Well, in the bill the way it is presently written, on page 3, where I am planning on amending it, excuse me, on page 5, Section 4, it says, "The provisions of", and this is as we amended it with the committee amendment or as it probably will be, "The provisions of Sections 1 to 4 of this act shall not apply to any insurance contract issued before the effective date of Sections 1 to 4 of this act unless the policyholder agrees in writing to the applicability of such provisions". Now in all the material I received on 355, it said nowhere that it was going to be retroactive in any way whether or not the policyholder agreed in writing. Once again the synopsis says it applies only to new policies and not to policies already owned by people. Well, the bill obviously proves that that is not true. It can apply to people who have bought or obtained policies before the effective date of this act. You will also note in the analysis submitted by John Haessler of Woodmen Accident and Life, the very first statement after general background and purpose of his analysis of 355 is "This bill would permit policy loan interest rates on policies sold after its effective date to be more flexible and more reasonably related to current economic market conditions". Down at the bottom in section by section analysis, "Section 1. This section sets forth the intent of the bill which is to permit an adjustable policy loan interest rate in policies issued after", and that is underscored, I am not