

something?

SENATOR WARNER: Yes, I have a question maybe of Senator Landis or Senator Beutler...or, excuse me, Senator Beyer. And it is purely technical. I read in Section 15 and as I understand this is all new language but it may well be amending some existing language, I assume, by virtue of being a new act, I am not sure of that. But it allows a fraternal to change to a mutual which is not unusual because it has happened, I can think of more than once. And then it has the words that they are then in compliance with the law of a mutual. And then I read the section you are amending that says, anybody that does anything under Section 1 through 38 does not have to pay premium tax. I guess my question is, if a fraternal changes to a mutual between the wording of the two sections, does the mutual...is that also then exempt from premium tax as a very selected group of mutuals?

SENATOR BEYER: Dave, I will answer. Senator Warner, the way I understand it, then they...if they would switch to a mutual, then they would come under the laws that pertain to mutuals, barring this, and then would be subject to the tax that all other insurance companies are. It changes into the law evidently.

SENATOR WARNER: Well, I don't want to play attorney, but when I read Section 24 it seems to make an exception for anything that occurs in any of the sections of the law and it would appear to me arguably that you could say that it contradicts, the two sections are contradictory, to me, on the surface. Maybe they are not.

SENATOR BEYER: Senator Warner, to answer that question, if they convert to a mutual, they are no longer under this as a fraternal so that it would automatically put them out, would automatically change it. Is that...would that be your understanding, Dave? If they switch to a mutual, they would be no longer a fraternal so they would come under the other laws.

SENATOR LANDIS: I'm certain that that is the intention of the bill. I see Senator Warner's point that the way it is written there might be a question, but my guess is that your intent...