

whole as possible, generally deals with what we call present value of money. And if you get an award of, say, \$1,000 but it takes you five years to get that award, that if that was your actual damage at the time of the injury, that is what would make you whole, then you have lost some of your award because of the passage of time because of inflation. Now what this is trying to do, what this bill is trying to do is to say we are going to let some interest run from the time of the injury, or as the bill says right now, 120 days from the time you serve summons that you do have a claim. We are going to allow some interest to run along with that claim so that if your judgment is in your favor, if you have, indeed, been found by a court to have a proper and valid claim, that this is an attempt to try to make you as whole as possible. Now current law says that there shall not be any interest running until the time judgment is made. And as you know, judgment can sometimes be a year or two years or even longer before the actual claim has been made...or judgment has been rendered. And the proponents of this bill contend that there can be some reason why some of these cases take so long to adjudicate and those reasons could be in the benefit of the defendants and that generally means the insurance companies. So we tried to put the two sides together to see if there would be some way that we could come up with some negotiations that they could live with this because it was shown on the floor that there is a deep sense of abiding interest in this issue from a right standpoint and wrong and the floor said, yes, the present law isn't right, what can we do to make it right? Well, the amendment as you have brought to you right now does three things to amend this bill. As John said, it drops the rate of interest. Currently, it is at 14 percent. This is, quite frankly, a compromise to drop it down to 10 percent of interest from the time of service of summons until judgment is rendered. That is a compromise because our current law has 14 percent in and they are saying 10 percent would be right. Now the purpose of that is not without some merit. The purpose of that is to say, maybe 14 percent is more than what a person could logically get if they were investing funds in today's market. So 10 percent seemed like a more reasonable rate and actually the 14 percent rate is dealing more with penalties as opposed to just fair rate of return on your dollar. The second thing in this bill says...

SPEAKER NICHOL: One minute.