

SENATOR DECAMP: Okay, Senator Higgins, I will try to answer as briefly as I can. There may be a variety of reasons for the bond being cancelled. For example, it may be the bonding company's determination that they want a much higher deductible. You are familiar with that concept and they may have just decided that they want a more higher deductible.

SENATOR HIGGINS: Why would they want a higher deductible, do you think?

SENATOR DECAMP: I am sure, Senator Higgins, you know as well as I do because any variety of reasons but maybe they are looking that the risk is greater or problems or whatever. The additional reasons might range from a bonding company wanting to get out of the business in small banks because as a group they see them as a problem area. Any number of reasons, but merely because the bond is going to be cancelled or has been cancelled we feel or the Banking Department, and I guess I agree completely, feels is not sufficient reason under the circumstances, particularly the circumstances that exist now, to close what would be another significant number of banks.

PRESIDENT: One minute, Senator Higgins.

SENATOR HIGGINS: Senator DeCamp, the Banking Department is the one that requires the bond in the first place to protect the depositors. So now we are saying, take it out of the statutes. The Banking Department requires the bond, and now we are saying that if a bonding company who looks closer at a bank than anybody else because it is their money involved, we are going to do away with that. If the bonding company cancels the bond, then the Banking Department says, well, that is all right, let it go. Having been familiar with these bonds, I just have a sinking feeling in my stomach that I just don't think these bonding companies are going to cancel the bonds that they make good premiums off of if they don't have good cause.

PRESIDENT: Your time has expired. Do you wish another time to pursue this, Senator Higgins?

SENATOR HIGGINS: Well, I will tell you quite frankly, Mr. Chairman, I am not sure about these amendments, and as Senator DeCamp (interruption)...