

issue and takes it out of the legislative forum for the next several years. And I would like to turn over most of the balance of my time to Senator Landis, and the reason for this is when this issue got hot and heavy last year, Senator Landis, kind of acting as a mediator, had the insurance industry and the other side and business community, everybody come together, and I have got the Senator Landis handout and maybe he can explain this far better than I. But this was, so to speak, the suggestion, as I understand it, of the insurance industry as to maybe an approach that should be considered and this very approach was, indeed, rejected, as I guess, by the trial attorneys. I do believe it is a reasonable approach. I think this...Senator Landis can better explain it, but it is basically the California approach and it makes an award of prejudgment interest dependent upon a formal settlement demand from the plaintiff, that's in this. Second, a jury verdict exceeding that demand, that's in this. And it makes plaintiffs submit a reasonable demand at as early a point in the lawsuit as they have all the information they need to know what the injuries are worth. I think it protects both sides, accomplishes some of the goals we said we wanted. Senator Landis, could you explain what did occur and how this idea...this basically California concept came about, who proposed it, and so on?

PRESIDENT: The Chair recognizes Senator Landis.

SENATOR LANDIS: Mr. Speaker, I have my own light on and I will keep that on for my own self, but I will use Senator DeCamp's time. There was at no time an offer of the California rule. However, let me tell you that it was part of the discussion. At one point there was discussion about defendant motivated settlement offers to which members of the insurance industry representatives said, well, wait a second, what about the California rule? The California rule is what, the question came up. Well, the California rule is, plaintiff makes an offer, it has to be certified and it has to be, in essence, lower than or equal to what the jury will ultimately award. There was no agreement on that and I would also say it was not a firm proposal. There was a firm proposal at the time and it wasn't the California rule. However, it as an option discussed and it entered the debate from the insurance companies' side. I think that is a fair characterization of the origin of this idea into the mix of interests that are out there fighting over the issue. That,