

to be shut down either. And so I'm simply suggesting that as more facts and information come forward there may be a desire to further review the bill and perhaps some adjustment may want to be made, but I think the bill probably is a pretty reasonable step but balancing things as it currently stands and so unless more information comes forward I'm not planning to provide for any amendment but there is, I think, for the record needs to be noted that there are two sides to this issue. It isn't simply one completely positive picture. There are some negative implications to some of the changes being proposed but hopefully none of those will have any dramatic impact on the state.

SPEAKER BAACK: Thank you, Senator Wesely. Senator Wehrbein, do you wish to discuss the bill?

SENATOR WEHRBEIN: Yes, Mr. President, members, I'd like to ask Senator Landis a question.

SPEAKER BAACK: Senator Landis, would you yield please?

SENATOR WEHRBEIN: I just was looking through this and saw the various percents and I heard your explanation. You may have given the explanation I didn't hear about, but where did most of these standards come from, the 25 percent, the 10 percent, the 1 percent, the 2 percent? Obviously they are not arbitrary so I...if you had said it, I missed it. I just wondered where in general all these values were arrived at.

SENATOR LANDIS: Good question, Senator Wehrbein, and the answer is that there is no uniform authoritative source, no cookbook that you go to and say, you know, the right state law is X percent on this, Y percent on that. This is not an area that there is, to my knowledge, any model law in the country. NAIC doesn't have a model law in this area, so where does it come from? It comes from sort of an evolving sense of the industry, recent laws that have changed. Illinois changed their law, New Jersey did a revamping of their law, New York has pretty tough standards, you look at other states. Secondly, you get a bunch of people in a room where all pretty tough, conservative and the more conservative members of our domestic insurance industry saying, look, if you want to keep people solvent, let's go on the conservative side of these, so here's some numbers. And they wind up arguing back and forth. There is a rather good deal of give and taken between different investment philosophies in our insurance industry at work at setting these numbers. The