

MINUTES OF THE HOUSE COMMITTEE ON FINANCIAL INSTITUTIONS AND INSURANCE.

The meeting was called to order by Chairperson Bill Bryant at 3:30 p.m. on February 8, 1995 in Room 527S of the Capitol.

All members were present except: Representative Gary Merritt, Excused
Representative Ruby Gilbert, Excused
Representative Tom Sawyer, Excused

Committee staff present: Bill Wolff, Legislative Research Department
Bruce Kinzie, Revisor of Statutes
Nikki Feuerborn, Committee Secretary

Conferees appearing before the committee: Anita Larson, Security Benefit Group
Bill Sneed, American Investors
Tom Wilder, Insurance Commissioner's Office

Others attending: See attached list

Hearing on HB 2201--Life insurance, investments in common stock

Anita Larson, Security Benefit Group, told the Committee that this bill would eliminate two restrictions on the investments of life insurance companies (Attachment 1):

1. The corporation must have paid cash dividends during each of the last three years.
2. The corporation must have earnings in three of the last five years.

Ms. Larson explained that many corporations do not pay dividends but rather invest the money into company operations. Negative earnings are not necessarily indicative of a poor investment risk but could be due to restructure or change in operations which would enhance the company's long term profitability.

Committee members questioned if this type of investment would be prudent and in the best interest of the public. They cited risk differences in investing in mutual funds and insurance companies.

Bill Sneed, Legislative Counsel for American Investors Life Insurance Company, informed the committee that when the restrictions for investing were instituted, it was considered that as a general rule for investing in common stock it must pay dividends and generate profits (Attachment 2). Mr. Sneed said that companies should be reviewed on total corporate financial status as opposed to one or two components. Insurance companies would have an overall limitation of 15% for investing in such stock as a safeguard.

Tom Wilder, Director of Governmental Relations for the Insurance Commissioner's Office, stated that they generally support the concept of investing in common stock companies (Attachment 3). They suggested that property and casualty companies should be allowed the same privilege of investing. The following amendment was recommended:

1. Keep subsections b and c of KSA 40-2b07 (requiring payment of cash dividends during each of the last three years preceding the date of acquisition).
2. The above provision and the requirement for earnings in three of the last five years would not apply if:
 - (a) Issuing corporation has net assets of \$10 million
 - (b) Issuing corporation has net worth of \$1 million
 - (c) Issuing corporation has aggregate market value of \$500 million
3. Same provision amended into KSA 40-2a08.

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON FINANCIAL INSTITUTIONS AND INSURANCE,
Room 527S-Statehouse, at 9:00 a.m. on February 8, 1995.

Ms. Larson indicated concern with the proposed net worth amendment: capitol investments may not look good on the books but be a good company.

No opponents appeared and the hearing was declared closed.

Hearing on HB 2211--Life insurance, investments in asset-backed securities

Anita Larson, Security Benefit Groups, described asset-backed securities as bonds or notes backed by loan paper or accounts receivables (Attachment 1, Page 2). This bill would allow life insurers to invest in securities such as those backed by credit card receivables and automobile loans. The security must be recognized as a 1 or 2 (investment grade) by the NAIC. Not more than 2% of admitted assets could be in any one issue of the asset-backed securities.

Bill Sneed, American Investors, supported the request which would allow domestic life insurance companies to continue to be involved in the current investing market place (Attachment 4).

Tom Wilder, Insurance Commissioner's Office, stated they would offer further restrictions for this type of investing:

1. Aggregate investment in asset backed securities should not exceed 20% of admitted assets of the company.
2. Securities should be rated by NAIC as 1 or 2 investments.
3. Property and casualty insurance companies should be permitted the same privilege of investing.

Anita Larson, SBG, said they could support the 20% admitted asset restriction.

There were no opponents to the bill and the hearing was declared closed.

Hearing on HB 2212--Life insurance, clearing corporations

Anita Larson, Security Benefit Group, said this would allow life insurance companies to clear through and register securities with international clearing corporations (Attachment 3, Page 3). Due to the globalization of financial markets and the increase in cross-border investment activity, authorization to use international clearing corporations is crucial. She described the history, process, mechanics, and reliability of the Euroclear system. The use of Euroclear would not take revenue from the state of Kansas. The bill only relates to the registration and clearing of securities, it does not expand the type of securities in which life insurers are authorized to invest. This remains at 5% of its admitted assets in obligations of foreign governments other than Canada. Investments in foreign companies cannot exceed 10% of an insurer's admitted assets.

Bill Sneed, American Investors, told the Committee that the current investment statutes allow securities to be cleared and settled only through US clearing corporations (Attachment 5). This prevents domestic life insurance companies from investing in securities cleared and settled outside the US. Investing is allowed through other statutes but the mechanism for buying and selling needs to be updated. Such investing would still fall under the auspices of the Insurance Commissioner.

Tom Wilder, Insurance Commissioner's Office, appeared as a qualified opponent to the proposed amendment (Attachment 3). The Department does not have the resources to monitor the legitimacy or activities of foreign clearing corporations operations. It is unknown if the US government has an oversight agency which qualifies clearing corporations. The NAIC has established a task force to investigate the possibility of allowing companies to hold securities in foreign clearing corporations as part of the revision to the Model Investment Code. Their recommendation is to defer action at this time.

The hearing was declared closed.

Representative Cox moved for the approval of the January 31, 1995, minutes. The motion was seconded by Representative Landwehr. Motion carried.

The meeting adjourned at 5:05 p.m The next meeting is scheduled for February 9, 1995.



**The Security Benefit
Group of Companies**

Security Benefit Life Insurance Company
Security Benefit Group, Inc.
Security Distributors, Inc.
Security Management Company

700 Harrison St.
Topeka, Kansas 66636-0001
(913) 295-3000

February 8, 1995

Subj: House Bill No. 2201 -- Purchases of Common Stock
House Bill No. 2211 -- Investments in Asset-backed Securities
House Bill No. 2212 -- International Clearing Corporations

Dear Chairman and Committee Members:

The Security Benefit Group of Companies is a diversified financial services organization offering life insurance, mutual funds, annuities and retirement plans. The parent company, Security Benefit Life Insurance Company, has been in business for over 100 years. The Security Benefit Group of Companies has over \$4 billion in assets under management and employs approximately 550 Kansans. We support House Bills 2201, 2211 and 2212.

House Bill 2201 -- Purchases of Common stock

K.S.A. 40-2b07 presently provides that a life insurance company may invest its funds in the common stock of domestic or Canadian corporations subject to a number of restrictions, including the following:

- All common stock held by the insurer cannot exceed 15% of admitted assets.
- Bonds, if any, issued by the corporation must be investment grade.
- The stock must be registered with a national securities exchange or regularly traded on a national or regional basis.
- The insurer cannot invest in more than 5% of the total number of outstanding shares of the corporation.
- The insurer cannot purchase more than 2% of its admitted assets in any one corporation.
- The corporation must have paid cash dividends during each of the last three years.
- The corporation must have earnings in three of the last five years.

House Bill 2201 would delete the last two restrictions.

Many corporations do not pay dividends. Instead of paying dividends, such corporations reinvest the money in the company's operations. Often, this is the financially responsible decision for the company and its stockholders. A company's payment of dividends is not an indicator of a company's solvency. For example, Federal Express, Compac Computer, Fruit of the Loom, FMC and Microsoft have not paid dividends in each of the last three years. Microsoft has not issued any debt securities. However, if the companies on this list have issued debt securities, the securities have been rated investment grade.

*House F.I.F. Committee
Attachment 1
2-8-95*

Companies that have established histories of strong performance may have temporary periods of negative earnings. Negative earnings are not necessarily indicative of a poor investment risk. A company could experience reduced or negative earnings due to a restructure or change in operations which could enhance the company's long term profitability. Cyclical industries, those directly affected by economic changes, may experience times of negative earnings during economic downturns. General Motors is a classic example. The restriction regarding earnings precludes insurers from investing in the following companies: IBM, Georgia-Pacific Corporation, General Motors and Coca-Cola Enterprises. Debt securities issued by these companies are currently rated investment grade.

In regard to insurers' investments in common stock, Kansas law is more restrictive than the laws of most other states. Twenty- six states have neither a dividend nor earnings requirement. This list includes the neighboring states Missouri, Oklahoma, Iowa, Texas and Illinois. Nineteen states have a dividend **or** earnings requirement, but do not have both. Colorado falls within this category. Only five other states have dividends **and** earnings requirements regarding the purchase of common stock: Alaska, Georgia, Indiana, New Jersey and Vermont.

A committee of the National Association of Insurance Commissioners has drafted a Model Investment Law. This model has not been adopted and is not in final form; however, the most recent draft does not contain the two restrictions HB 2201 would delete. The draft contains a per issuer limitation of 3% and an aggregate limitation of 10%.

House Bill 2211 -- Asset-backed Securities

Asset-backed securities are bonds or notes backed by loan paper or accounts receivables. Currently, life insurers are authorized to invest in certain types of asset-backed securities, namely mortgage-backed securities. House Bill 2211 would allow life insurers to invest in other types of asset-backed securities such as those backed by credit card receivables and automobile loans.

Under the provisions of House Bill 2211, insurers' investments in asset-backed securities would be subject to certain qualitative and quantitative limitations. In order to qualify as an admitted asset under the section, at the time of acquisition the security must be designated "1 or "2" by the National Association of Insurance Commissioners or be rated investment grade by a nationally recognized securities rating organization. In addition, an insurer could not invest more than 2% of its admitted assets in any one issue of asset-backed securities.

Illinois, Minnesota, Nebraska and Michigan specifically authorize life insurers to invest in asset-backed securities. Although the remaining states do not expressly authorize

investments in asset-backed securities, such investments are not necessarily prohibited. For example, New York allows investments in "American Institutions." New York law does not specifically authorize investments in asset-backed securities. However, an opinion issued by the General Counsel of the New York Insurance Department states that, under the general provision allowing investments in American Institutions, asset-backed securities issued by American Institutions are permissible investments.

Finally, the current draft of the Model Investment Law specifically authorizes investments in asset-backed securities. The Model contains a per issue limitation of 3% of an insurer's admitted assets, but does not impose an aggregate limitation for asset-backed securities rated investment grade by the NAIC.

Even though the investments authorized by House Bill 2211 are investment grade obligations, as with any investment, each issue must be closely analyzed by an investment professional. However, by adding asset-backed securities to the list of investments expressly authorized by Kansas law, insurers can further diversify their holdings without sacrificing the quality of their portfolios.

House Bill 2212 -- International Clearing Corporations

House Bill 2212 would amend K.S.A. 40-2b20 to allow life insurance companies to clear through and register securities with international clearing corporations.

Under current law, insurers in Kansas can use certain domestic clearing corporations. International clearing corporations are not authorized. We are not aware of a determination being made that international clearing corporations are unsafe or risky. We believe that international clearing corporations simply were not contemplated. Due to the globalization of financial markets and the increase in cross-border investment activity, authorization to use international clearing corporations is crucial.

Traditionally, when an investor purchased a security, the investor received a physical certificate evidencing ownership. Now, securities are seldom held in physical form. Trades are effected through book entry. A security is registered in an owner's name in the records of a clearing corporation. If it is sold, upon receipt of the purchase price, the clearing corporation re-registers the security in the purchaser's name.

International clearing corporations operate in the same manner as domestic clearing corporations. The difference is that international clearing corporations are used to clear and register internationally traded securities issued by foreign and United States entities.

The world's largest international clearing system is Euroclear. Euroclear is used by approximately 3,000 banks, brokers and other securities institutions that are active in

the international market. Euroclear is used for settlement of over 54,000 debt and equity securities, including securities of foreign and United States entities.

Euroclear is a safe and reliable system. Book entry settlement is much safer than physical form because it eliminates the risk of physical loss or damage. However, since trades are effected by computer entry, computer system security safeguards and disaster relief programs have been implemented. Likewise, procedures for validation of trade instructions have been developed.

The Euroclear system is operated by Morgan Guaranty Trust Company of New York, Brussels Office. Morgan Guaranty Trust is fully regulated by the U.S. Federal Reserve Board and State of New York Banking Department. Finally, if Euroclear were declared insolvent, securities registered with Euroclear would not become a part of the Morgan Guaranty Trust's estate.

Euroclear has been in operation for over 25 years. Daily securities and cash transactions average \$66 billion. In 1993, \$17 trillion dollars of securities cleared through Euroclear. On average, Euroclear processes 40,000 transactions every day. At year end 1993, securities valuing approximately \$1.5 trillion were held by Euroclear.

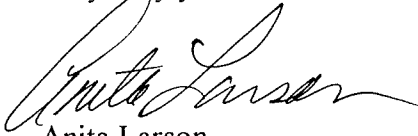
The number of entities that issue securities through international clearing corporations continues to increase. Issuers of securities choose the international market to maximize the number of potential investors and to maximize yield. For example, a United States corporation may choose to issue debt securities in the global market because foreign investors may be willing to receive a lower rate of interest in exchange for payments made in United States dollars.

This bill only relates to the registration and clearing of securities only. It does not expand the type of securities in which life insurers are authorized to invest. The existing limitations on investments in foreign securities remain unchanged. A life insurer can invest no more than 5% of its admitted assets in obligations of foreign governments, other than obligations of Canada. Investments in obligations of foreign companies are not specifically authorized. However, such investments may be made under the "leeway clause," and consequently cannot in the aggregate exceed 10% of an insurer's admitted assets.

Other states have reacted to the continued trend towards globalization of financial markets. Our research indicates that fourteen states have taken specific steps to authorize the use of international clearing corporations. We hope that Kansas will join these states by adopting House Bill 2212.

Thank you for your time and consideration. I would be happy to address any questions you have.

Very truly yours,

A handwritten signature in cursive script, appearing to read "Anita Larson".

Anita Larson
Assistant Counsel
Security Benefit Group, Inc.

HOUSE BILL No. 2201

By Committee on Financial Institutions and Insurance

1-26

9 AN ACT relating to insurance; concerning investments by life insurance
10 companies in common stock; amending K.S.A. 40-2b07 and repealing
11 the existing section.

12
13 *Be it enacted by the Legislature of the State of Kansas:*

14 Section 1. K.S.A. 40-2b07 is hereby amended to read as follows: 40-
15 2b07. Any life insurance company heretofore or hereafter organized un-
16 der any law of this state may invest by loans or otherwise, with the direc-
17 tion or approval of a majority of its board of directors or authorized
18 committee thereof, any of its funds, or any part thereof in the common
19 stock of any corporation organized and doing business under the laws of
20 the United States or any state, or of the District of Columbia, or of the
21 Dominion of Canada or any province of the Dominion of Canada, in an
22 amount, based upon cost, not exceeding 15% of its admitted assets or not
23 exceeding the combined capital and surplus, whichever is the lesser, as
24 shown by the company's last annual report as filed with the state com-
25 missioner of insurance or a more recent quarterly financial statement as
26 filed with the commissioner, on a form prescribed by the national asso-
27 ciation of insurance commissioners, within 45 days following the end of
28 the calendar quarter to which the interim statement pertains. Such life
29 insurance company may write exchange traded, covered call options on
30 shares it owns and may purchase call options for the sole purpose of
31 closing out a position taken previously with respect to one or more options
32 having been written. The purchase of a call option for any reason other
33 than as a closing transaction and the writing of naked (uncovered) call
34 options are hereby prohibited. Investments in common stocks and the
35 writing of call options shall be further limited as follows:

36 (a) The obligations ~~and preferred stock~~, if any, shown on the last
37 published annual statement of such corporation must be eligible for in-
38 vestment under K.S.A. 40-2b05 ~~or 40-2b06~~, and amendments thereto;

39 (b) ~~cash dividends have been paid during each of the last three years~~
40 ~~preceding the date of acquisition;~~

41 (e) (b) the stock is registered with a national securities exchange reg-
42 ulated under the securities exchange act of 1934, as amended, or is reg-
43 ularly traded on a national or regional basis;

Note: Deleted "and preferred stock" and "or 40-2b06" to avoid inconsistency.

1 ~~(d)~~ the company shall have earnings in three of the last five years
2 preceding the date of acquisition;

3 ~~(e)~~ (c) at no time shall an insurance company invest in more than 5%
4 of the total number of the outstanding shares of any one such corporation,
5 nor an amount more than 2% of the investing insurance company's ad-
6 mitted assets in shares of any one such corporation, determined on the
7 basis of the cost of such shares to the insurance company at time of
8 purchase;

9 ~~(f)~~ (d) stock owned by an insurance company that is obligated under
10 an unexpired written call option shall be valued at the lesser of the striking
11 price or current market value. For the purposes of this subsection, "striking
12 price" means the price per share, exclusive of selling costs, the com-
13 pany would receive should the call option be exercised by the holder.

14 Sec. 2. K.S.A. 40-2b07 is hereby repealed.

15 Sec. 3. This act shall take effect and be in force from and after its
16 publication in the statute book.

MEMORANDUM

TO: The Honorable William F. Bryant, Chairman
House Financial Institutions and Insurance Committee

FROM: William W. Sneed, Legislative Counsel
American Investors Life Insurance Company

DATE: February 8, 1995

RE: H.B. 2201

Mr. Chairman, Members of the Committee: My name is Bill Sneed and I represent American Investors Life Insurance Company. American Investors is a wholly-owned subsidiary of AmVestors Financial Corporation. American Investors is an insurance company predominantly active in the annuity business and is a domestic insurer within the State of Kansas.

H.B. 2201 is an amendment to K.S.A. 40-2b07. K.S.A. 40-2b07 is one of a series of statutes relating to the investments that are allowable by a domestic life insurance company. The proposed amendment would remove the current restrictions which prevent a life insurance company from investing in common stocks of a corporation which has not paid cash dividends in each of the last three years and has generated profits in at least three of the last five years. This restriction had its genesis when it was believed that as a general rule the common stock of a corporation could only be considered a "good" investment if such corporation had been paying dividends and generating "profits." However, the corporate world has changed substantially, and in particular, as it relates to the payment of dividends. This is uniquely true for those companies that have made a corporate determination that it is better to reinvest funds (either from profits or dividends) back into the company as it continues to grow. It is my client's position that such company should not be summarily discounted from review for investment purposes and should be reviewed on its total corporate financial status as opposed to one or two

*House FD & D
Attachment 2
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components of its financial status. Further, the overall limitation of 15% of the insurance company's total admitted assets is still in place, and as such, there are ample safeguards with respect to the investment of a life insurance company into these types of corporations.

Therefore, in an effort to continue to keep our domestic insurance industry available to all investment strategies, this amendment would be in the best interest of the entire domestic industry. Thus, on behalf of my client, I support H.B. 2201 and respectfully request your favorable consideration.

Respectfully submitted,



William W. Sneed

Kansas Insurance Department

Kathleen Sebelius, Commissioner

420 S.W. 9th

Topeka, Kansas 66612-1678 (913) 296-3071

To: House Committee on Financial Institutions and Insurance

From: Tom Wilder, Director of Governmental Relations
Kansas Department of Insurance

Re: H.B. 2201; H.B. 2211 and H.B. 2212

Date: February 8, 1995

These three house bills are legislative proposals presented by Security Benefit Group to allow life insurance companies greater flexibility in their investment powers and authority. The Kansas Department of Insurance supports the concept of giving insurance companies more investment choices, however, there are specific limitations which should be placed on the new types of investments which are proposed in H.B. 2201 and H.B. 2211. In addition, the Department has concerns with H.B. 2212 which would allow insurers to make investments through foreign clearing corporations. This memorandum addresses each of the specific investment bills which are being considered by the Committee on Financial Institutions and Insurance.

(1.) **H.B. 2201:**

This bill would allow life insurance companies to invest in the common stock of corporations which have not paid cash dividends or shown earnings for three out of the last five years prior to the date of the investment. The current statute (K.S.A. 40-2b07) allows insurance companies to invest in common stock of a corporation (a) if the shares are "qualified investments" as defined by the insurance code; (b) if the stock is registered with a national securities exchange; (c) if cash dividends have been paid during each of the last three years and (d) if the company has shown earnings in three of the last five years. The bill removes restrictions (c) and (d) from the present law.

David P. S. F.
Attachment 3
2-8-95

It is true Kansas insurance companies can not presently invest in corporate securities of a number of companies, such as General Motors, because the corporations have not shown book profits or paid dividends, even though the securities of these corporations are generally considered "investment grade." However, there should be some limits on the new investment powers set out in the proposal. The Department of Insurance believes insurance companies should be allowed to invest in a company which has not paid dividends or shown earnings for three out of five years prior to the date of acquisition if as of the date of acquisition:

- (a.) The issuing corporation has net assets of \$10,000,000 (ten million dollars) or more;
- and
- (b.) The issuing corporation has a net worth of \$1,000,000 (one million dollars) or more;
- and
- (c.) the issuing corporation has an aggregate market value of \$500,000,000 (five hundred million dollars) or more.

In addition, if this legislation is enacted it should be included as part of the investment code for property and casualty insurers. The provisions of K.S.A. 40-2a08 should be revised in the same manner.

I have attached proposed amendments to H.B. 2201 to this testimony.

(2.) **H.B. 2211:**

The bill would add a new statute which allows life insurance companies to invest in asset-backed securities. Currently, companies can invest in securities which are based on the value of "pools" of real estate mortgages. The proposal would allow companies to invest in securities backed by other assets such as automobile loans or credit card obligations. The Department of Insurance believes these investments should be permitted. We recommend additional restrictions which should be placed on these types of investments:

- (a.) The aggregate investment in asset backed securities should not exceed 20% (20 percent) of the admitted assets of the company. *credit card loans; automobile loans*
- (b.) The securities should be those rated by the National Association of Insurance Commissioners as Category "1" or "2" investments (the highest ratings available).

(c.) The other types of insurance companies should be permitted to make these investments by amending K.S.A. 40-2a01 et seq.

I have attached proposed amendments to H.B. 2211 to our testimony.

(3.) **H.B. 2212:**

The proposal allows life insurance companies to hold securities in "clearing corporations" which are situated outside of the United States. A clearing corporation is an organization which holds and trades securities for other companies. Insurance companies are permitted under existing law to hold securities in United States clearing corporations which are subject to the regulation of the Federal Reserve System or subject to supervision or regulation by the banking laws of this state.

The Department of Insurance is concerned about the impact of H.B. 2212 because the Department does not have the resources to monitor the legitimacy or activities of foreign clearing corporations operations. The clearing companies in this country are subject to some oversight of the United States government but the Department is not aware of any similar government agency which could indicate whether a clearing corporation is solvent.

The National Association of Insurance Commissioners has a "task force" which is considering the question of investment in clearing corporations. Our staff talked to Billy Lovelady who is Chief Examiner for the Utah Insurance Department. The State of Utah chairs the task force and Lovelady indicated his group would look at the possibility of allowing companies to hold securities in foreign clearing corporations as part of the revisions to the NAIC Model Investment Code. The ability to use foreign clearing corporations merits further consideration by this committee prior to any action on H.B. 2212

Amendments to H.B. 2201:

(1.) Keep subsections “(b)” and “(c)” of K.S.A. 40-2b07 which are deleted by H.B. 2201.

(2.) Add a new subsection “(g)” to read as follows:

(g) The above provisions (b) and (d) shall not apply if at the time of acquisition:

(1) the issuing corporation has net assets of \$10,000,000 (ten million dollars) or more; and

(2) the issuing corporation has a net worth of \$1,000,000 (one million dollars) or more; and

(3) the issuing corporation has an aggregate market value of \$500,000,000 (five hundred million dollars) or more.

(3.) The same provisions should be amended into K.S.A. 40-2a08.

Amendments to H.B. 2211

(1.) Amend subsection (1) of Section 1, lines 18 through 23 as follows:

(1) To be an admitted asset under this section, an asset-backed security must, at the time of acquisition, be designated "1" or "2" by the national association of insurance commissioners in its most recently published valuations of securities manual or supplement thereto ~~or be rated investment grade by Standard and Poor's, Moody's or any other nationally recognized securities rating organization;~~ and

(2) Add the following language at the end of Section 1:

The company's aggregate investment in asset-backed securities as herein provided shall not exceed 20% (20 percent) of the admitted assets of the company, as shown by its last annual report as filed with the commissioner of insurance or a more recent quarterly financial statement as filed with the commissioner, on a form prescribed by the national association of insurance commissioners, within 45 days following the end of the calendar quarter to which the interim statement pertains.

(3) Amend the same language into K.S.A. 40-2a-?????

February 3, 1995

COMPANY NAME	TICKER SYMBOL	MARKET VALUE 2/3/95
20TH CENTURY INDUS	TW	682 MIL
ACCLAIM ENTERTAIN'T	AKLM	525 MIL
ACM GOVERNMENT INCM	ACG	523 MIL
ACX TECHNOLOGIES	ACXT	528 MIL
ADAMS EXPRESS	ADX	685 MIL
AGCO	AG	600 MIL
AIRGAS	ARG	767 MIL
AK STEEL HOLDING	AKST	684 MIL
ALBANY INT'L	AIN	536 MIL
ALBEMARLE	ALB	884 MIL
ALBERTO-CULVER 'B'	ACV	767 MIL
ALC COMMUNICATIONS	ALC	970 MIL
ALEX. BROWN	AB	550 MIL
ALEXANDER & ALEX	AAL	905 MIL
ALEXANDER & BALDWIN	ALEX	966 MIL
ALLEN GROUP	ALN	610 MIL
ALLIANCE SEMICONDCTR	ALSC	557 MIL
AMER BANKERS INS	ABIG	522 MIL
AMER FREIGHTWAYS	AFWY	611 MIL
AMER MANAGEMENT SYS	AMSY	505 MIL
AMER PRESIDENT COS	APS	584 MIL
AMER WATER WORKS	AWK	929 MIL
AMERICA ONLINE	AMER	903 MIL
AMETEK	AME	576 MIL
ANN TAYLOR STORES	ANN	799 MIL
ARCADIAN PARTNERS	UAN	638 MIL
ARGONAUT GROUP	AGII	768 MIL
ARMCO	AS	643 MIL
ARROW INT'L	ARRO	739 MIL
ARTHUR J. GALLAGHER	AJG	512 MIL
ARVIN INDUSTRIES	ARV	511 MIL
ASCEND COMMUNICATNS	ASND	630 MIL
ATLANTA GAS LIGHT	ATG	808 MIL
ATLANTIC SO' EAST AIR	ASAI	601 MIL
ATTWOODS PLC ADS	A	509 MIL
AVALON PROPERTIES	AVN	510 MIL
BALL	BLL	939 MIL
BANCO DE GALICIA	BGALY	541 MIL
BANCO FRANCES RIO	BFR	574 MIL
BANCO LATINOAMERICNO	BLX	528 MIL

February 3, 1995

COMPANY NAME	TICKER SYMBOL	MARKET VALUE 2/3/95
BANCO O'HIGGINS	OHG	725 MIL
BANK SOUTH	BKSO	934 MIL
BANPONCE	BPOP	970 MIL
BANTA	BNTA	627 MIL
BARNES & NOBLE	BKS	911 MIL
BATTLE MOUNTAIN GOLD	BMG	759 MIL
BECKMAN INSTRUMENTS	BEC	877 MIL
BED BATH & BEYOND	BBBY	967 MIL
BELDEN	BWC	574 MIL
BERGEN BRUNSWIG	BBC	998 MIL
BERKLEY (W.R.)	BKLY	652 MIL
BIC	BIC	745 MIL
BIOCHEM PHARMA	BCHXF	638 MIL
BIRMINGHAM STEEL	BIR	596 MIL
BLOCK DRUG	BLOCA	714 MIL
BLOUNT 'A'	BLTA	596 MIL
BOB EVANS FARMS	BOBE	874 MIL
BORDEN CHEM & PLAST	BCU	799 MIL
BORG-WARNER AUTOMOTV	BWA	532 MIL
BOSTON CHICKEN	BOST	683 MIL
BOYD GAMING	BYD	689 MIL
BREED TECHNOLOGIES	BDT	766 MIL
BRITISH BIOTECH	BBIOY	633 MIL
BRODERBUND SOFTWARE	BROD	992 MIL
BROWN GROUP	BG	572 MIL
BRUNO'S	BRNO	732 MIL
BURLINGTON IND	BUR	728 MIL
CADENCE DESIGN SYS	CDN	872 MIL
CALIFORNIA ENERGY	CE	580 MIL
CALIFORNIA FED BANK	CAL	504 MIL
CANANDAIGUA WINE 'A'	WINEA	593 MIL
CARLISLE COMPANIES	CSL	531 MIL
CASCADE COMMUNICATNS	CSCC	832 MIL
CBI INDUSTRIES	CBH	890 MIL
CCH 'A'	CCHIA	564 MIL
CCP INSURANCE	CCP	535 MIL
CEDAR FAIR	FUN	634 MIL
CELLULAR COMMUN 'A'	COMMA	524 MIL
CENTEX	CTX	686 MIL
CENTOCOR	CNTO	923 MIL

February 3, 1995

COMPANY NAME	TICKER SYMBOL	MARKET VALUE 2/3/95
CENTRAL FIDELITY BKS	CFBS	979 MIL
CENTRAL LA ELECTRIC	CNL	535 MIL
CENTURY COMMUNIC 'A'	CTYA	717 MIL
CERNER	CERN	641 MIL
CHARMING SHOPPES	CHRS	630 MIL
CHESAPEAKE	CSK	761 MIL
CHEYENNE SOFTWARE	CYE	553 MIL
CHICAGO/NTHWEST TRNS	CNW	966 MIL
CHIQUITA BRANDS	CQB	659 MIL
CHRIS-CRAFT	CCN	977 MIL
CINCINNATI MILACRON	CMZ	784 MIL
CIRRUS LOGIC	CRUS	846 MIL
CITIZENS	CZC	636 MIL
CLARK EQUIPMENT	CKL	990 MIL
CLEAR CHANNEL COMMUN	CCU	887 MIL
CML GROUP	CML	519 MIL
COASTAL HEALTHCARE	DR	555 MIL
COBRA GOLF	CBRA	643 MIL
COCA-COLA FEMSA	KOF	843 MIL
COFLEXIP ADR	CXIPY	561 MIL
COLEMAN	CLN	917 MIL
COLLINS & AIKMAN	CKC	550 MIL
COMDISCO	CDO	919 MIL
COMMERCE BANCSHARES	CBSH	920 MIL
COMMERCE GROUP	COMG	583 MIL
COMMUNITY HEALTH SYS	CYH	528 MIL
COMMUNITY PSYCH CTRS	CMY	528 MIL
COMPASS BANCSHARES	CBSS	972 MIL
COMSAT	CQ	994 MIL
CONNER PERIPHERALS	CNR	562 MIL
CONSOL FREIGHTWAYS	CNF	753 MIL
CONSOL STORES	CNS	871 MIL
CONTINUUM	CNU	579 MIL
COORS (ADOLPH) 'B'	ACCOB	613 MIL
CORAM HEALTHCARE	CRH	889 MIL
COREL	COSFF	520 MIL
COTT	COTTF	515 MIL
COVENTRY	CVTY	703 MIL
CRANE COMPANY	CR	828 MIL
CRAWFORD & CO	CRDB	534 MIL

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COMPANY NAME	TICKER SYMBOL	MARKET VALUE 2/3/95
CREDIT ACCEPTANCE	CACC	767 MIL
CROMPTON & KNOWLES	CNK	841 MIL
CYPRESS SEMICONDUCT	CY	963 MIL
DAUPHIN DEPOSIT	DAPN	771 MIL
DEBARTOLO REALTY	EJD	681 MIL
DENTSPLY INT'L	XRAY	971 MIL
DEPARTMENT 56	DFS	735 MIL
DEPOSIT GUARANTY	DEPS	579 MIL
DESC SA DE CV	DES	649 MIL
DESTEC ENERGY	ENG	617 MIL
DETROIT DIESEL	DDC	558 MIL
DEXTER	DEX	514 MIL
DIAMOND SHAMROCK R&M	DRM	696 MIL
DOMTAR	DTC	969 MIL
DONALDSON	DCI	603 MIL
DUKE REALTY INVEST	DRE	545 MIL
EASTERN ENTERPRISES	EFU	541 MIL
ECKERD	ECK	840 MIL
EG&G	EGG	765 MIL
ELECTRONIC ARTS	ERTS	873 MIL
ELSAG BAILEY PROCESS	EBY	620 MIL
EMPHEYS FINANCIAL	EFG	583 MIL
EMPRESAS ICA SOCIEDA	ICA	901 MIL
ENERGY SERVICE	ESV	755 MIL
ENSERCH	ENS	887 MIL
EQUITABLE OF IOWA	EIC	981 MIL
EQUITY RESIDNTL PROP	EQR	802 MIL
EXIDE	EX	740 MIL
FAMILY DOLLAR STORES	FDO	771 MIL
FASTENAL	FAST	816 MIL
FEDERAL REALTY INV	FRT	668 MIL
FEDERAL SIGNAL	FSS	936 MIL
FEDERAL-MOGUL	FMO	650 MIL
FERRO	FOE	650 MIL
FINGERHUT	FHT	745 MIL
FINOVA GROUP	GFC	937 MIL
FIRST AMERICAN	FATN	793 MIL
FIRST BANCORP OF OH	FBOH	779 MIL
FIRST BRANDS	FBR	762 MIL
FIRST COMMERCE	FCOM	646 MIL

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COMPANY NAME	TICKER SYMBOL	MARKET VALUE 2/3/95
FIRST COMMERCIAL	FCLR	548 MIL
FIRST EMPIRE STATE	FES	991 MIL
FIRST HAWAIIAN	FHWN	816 MIL
FIRSTIER FINANCIAL	FRST	531 MIL
FISERV	FISV	858 MIL
FLEETWOOD ENTERPR	FLE	891 MIL
FLEMING COMPANIES	FLM	771 MIL
FLORIDA EAST COAST	FLA	691 MIL
FLOWERS INDUSTRIES	FLO	700 MIL
FORE SYSTEMS	FORE	806 MIL
FOURTH FINANCIAL	FRTH	833 MIL
FRANCHISE FINANCE AM	FFA	750 MIL
FRANKLIN QUEST	FNQ	684 MIL
FRED MEYER	FMY	869 MIL
FRITZ COMPANIES	FRTZ	529 MIL
FTP SOFTWARE	FTPS	667 MIL
FUND AMERICAN	FFC	596 MIL
GARTNER GROUP	GART	820 MIL
GATX	GMT	835 MIL
GENERAL NUTRITION	GNCI	959 MIL
GENETICS INSTITUTE	GENIZ	896 MIL
GENZYME	GENZ	908 MIL
GEON	GON	762 MIL
GIDDINGS & LEWIS	GIDL	545 MIL
GLATFELTER (P.H.)	GLT	728 MIL
GLENAYRE TECHNOLOGY	GEMS	935 MIL
GLOBAL MARINE	GLM	637 MIL
GLOBAL PRIVATIZ'N FD	GPF	823 MIL
GREAT ATLANTIC & PAC	GAP	721 MIL
GRUPO EMBOTELLADOR	GEM	565 MIL
GRUPO IND'L MASECA	MSK	857 MIL
GRUPO TRIBASA SA ADR	GTR	748 MIL
GTECH HOLDINGS	GTK	982 MIL
GULF CANADA RESOURCE	GOU	520 MIL
GYMBOREE (THE)	GYMB	663 MIL
HANNA (M.A.)	MAH	876 MIL
HARLAND (JOHN H.)	JH	647 MIL
HARMAN INT'L INDUSTR	HAR	554 MIL
HARTFORD STM BOILER	HSB	885 MIL
HAWAIIAN ELECTRIC	HE	974 MIL

February 3, 1995

COMPANY NAME	TICKER SYMBOL	MARKET VALUE 2/3/95
HEALTH & RETIREMT PR	HRP	789 MIL
HEALTH CARE & RETIRE	HCR	957 MIL
HEALTH CARE PROPERTY	HCP	779 MIL
HELMERICH & PAYNE	HP	624 MIL
HEMLO GOLD MINES	HEM	823 MIL
HIBERNIA	HIB	801 MIL
HILFIGER (TOMMY)	TOM	733 MIL
HILLHAVEN	HIL	711 MIL
HOME SHOPPING NETWK	HSN	803 MIL
HOMEDCO GROUP	HOME	548 MIL
HON INDUSTRIES	HONI	745 MIL
HORACE MANN EDUCATOR	HMN	626 MIL
HORIZON HEALTHCARE	HHC	774 MIL
HOUGHTON MIFFLIN	HTN	582 MIL
HUNT (J.B.) TRANSP'T	JBHT	705 MIL
IDAHO POWER	IDA	950 MIL
IDEX	IEX	534 MIL
IDEXX LABS	IDXX	591 MIL
IES INDUSTRIES	IES	762 MIL
IMMUNEX	IMNX	601 MIL
INDUSTRIE NATUZZI	NTZ	934 MIL
INT'L CABLETEL	ICTL	662 MIL
INT'L RECTIFIER	IRF	576 MIL
INT'L SPECIALTY PROD	ISP	724 MIL
INTEGRATED HLTH SVC	IHS	710 MIL
INTERGRAPH	INGR	508 MIL
IOWA-ILLINOIS G & E	IWG	604 MIL
J & L SPECIALTY STL	JL	696 MIL
JOHN ALDEN FINANCIAL	JA	750 MIL
JOHN NUVEEN	JNC	887 MIL
JONES APPAREL GROUP	JNY	628 MIL
JOSTENS	JOS	847 MIL
KAISER ALUMINUM	KLU	647 MIL
KEMET	KMET	545 MIL
KENETECH	KWND	546 MIL
KENNAMETAL	KMT	715 MIL
KEYSTONE FINANCIAL	KSTN	659 MIL
KEYSTONE INT'L	KII	622 MIL
KIMBALL INT'L 'B'	KBALB	529 MIL
KIMCO REALTY	KIM	727 MIL

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COMPANY NAME	TICKER SYMBOL	MARKET VALUE 2/3/95
KN ENERGY	KNE	597 MIL
KOMAG	KMAG	572 MIL
KOREA FUND	KF	630 MIL
LAKEHEAD PIPE LINE	LHP	693 MIL
LANCE	LNCE	528 MIL
LANDS' END	LE	554 MIL
LAWTER INT'L	LAW	539 MIL
LCI INT'L	LCI	708 MIL
LEAR SEATING	LEA	776 MIL
LEE ENTERPRISES	LEE	785 MIL
LENNAR	LEN	577 MIL
LIFE PARTNERS GRP	LPG	567 MIL
LIN TELEVISION	LNTV	780 MIL
LINCARE HOLDINGS	LNCR	771 MIL
LINCOLN TELECOM	LTEC	510 MIL
LONE STAR STEAKHOUSE	STAR	906 MIL
LONGS DRUG STORES	LDG	653 MIL
LONGVIEW FIBRE	LFB	817 MIL
LUBY'S CAFETERIAS	LUB	579 MIL
LVMH MOET HENNESSY	LVMHY	562 MIL
MADECO SA	MAD	891 MIL
MADERAS Y SINTETICOS	MYS	519 MIL
MAGMA COPPER	MCU	702 MIL
MAGMA POWER	MGMA	920 MIL
MAGNA GROUP	MAGI	523 MIL
MARQUETTE ELECTRONIC	MARQA	989 MIL
MARTIN MARIETA MATRL	MLM	865 MIL
MASCOTECH	MSX	665 MIL
MAXIM INTEGRATED PRD	MXIM	961 MIL
MCCLATCHY NEWSPAPERS	MNI	654 MIL
MDU RESOURCES GROUP	MDU	529 MIL
MEDAPHIS	MEDA	765 MIL
MEDEVA - ADR	MDV	769 MIL
MEDIA GENERAL	MEGA	756 MIL
MENTOR GRAPHICS	MENT	658 MIL
MERCANTILE BANKSHARE	MRBK	941 MIL
MERCURY GENERAL	MRCY	899 MIL
MEREDITH	MDP	644 MIL
MERRY LAND & INVEST	MRY	598 MIL
MEXICO FUND	MXF	694 MIL

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COMPANY NAME	TICKER SYMBOL	MARKET VALUE 2/3/95
MFS CHARTER INC TRST	MCR	769 MIL
MFS GOVT MKT INC TR	MGF	594 MIL
MFS MULTIMRKT INC TR	MMT	772 MIL
MICHAELS STORES	MIKE	732 MIL
MICRO WAREHOUSE	MWHS	826 MIL
MICROCHIP TECH	MCHP	775 MIL
MID OCEAN	MOCNF	966 MIL
MIDWEST RESOURCES	MWR	772 MIL
MILLER (HERMAN)	MLHR	585 MIL
MINERALS TECHNOL	MTX	644 MIL
MINNESOTA PWR & LT	MPL	816 MIL
MITCHELL ENERGY 'A'	MNDA	818 MIL
MOBILE-TELECOM	MTEL	805 MIL
MODINE MANUFACTURING	MODI	854 MIL
MORRISON RESTAURANTS	RI	910 MIL
MUNIVEST FUND	MVF	509 MIL
NABORS INDUSTRIES	NBR	524 MIL
NAC RE	NREC	580 MIL
NAT'L COMMERCE BNCP	NCBC	576 MIL
NAT'L FUEL GAS	NFG	982 MIL
NAT'L GYPSUM	NGCO	839 MIL
NAT'L STEEL	NS	564 MIL
NATIONWIDE HEALTH	NHP	663 MIL
NCH	NCH	529 MIL
NELLCOR	NELL	552 MIL
NETMANAGE	NETM	773 MIL
NETWORK GENERAL	NETG	558 MIL
NEW ENGLAND INV	NEW	568 MIL
NEWHALL LAND & FARM	NHL	501 MIL
NL INDUSTRIES	NL	606 MIL
NORAM ENERGY	NAE	643 MIL
NORTHERN BORDER PRTN	NBP	603 MIL
NOVACARE	NOV	570 MIL
NOVELLUS SYSTEMS	NVLS	728 MIL
NOVO-NORDISK - ADR	NVO	900 MIL
NWNL COMPANIES	NWN	968 MIL
OCTEL COMMUNICATIONS	OCTL	501 MIL
OEA	OEA	548 MIL
OGDEN	OG	867 MIL
OLD NATIONAL BANCORP	OLDB	711 MIL

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COMPANY NAME	TICKER SYMBOL	MARKET VALUE 2/3/95
OMNICARE	OCR	555 MIL
ORION CAPITAL	OC	520 MIL
ORNDA HEALTHCORP	ORND	642 MIL
OVERSEAS SHIPHOLDING	OSG	797 MIL
P.T. TRI POLYTA	TPIFY	530 MIL
PARK COMMUNICATIONS	PARC	659 MIL
PARKER & PARSLEY PET	PDP	592 MIL
PAUL REVERE	PRL	675 MIL
PENTAIR	PNTA	770 MIL
PEOPLES ENERGY	PGL	933 MIL
PETROLEUM GEO-SVCS	PGSAY	551 MIL
PHH	PHH	630 MIL
PHYSICIAN CORP OF AM	PCAM	937 MIL
PIEDMONT NATURAL GAS	PNY	500 MIL
PITTSWAY CORP 'A'	PRYA	528 MIL
PLATINUM TECHNOLOGY	PLAT	500 MIL
PLUM CREEK TIMBER	PCL	929 MIL
POGO PRODUCING	PPP	535 MIL
POLARIS INDUSTRIES	SNO	740 MIL
POLICY MGT SYSTEMS	PMS	799 MIL
POST PROPERTIES	PPS	512 MIL
POWERSOFT	PWRS	722 MIL
PREMIER BANCORP	PRBC	521 MIL
PRICE (T ROWE)	TROW	811 MIL
PRIMADONNA RESORTS	PRMA	667 MIL
PROP TRUST OF AMER	PTR	869 MIL
PROTECTIVE LIFE	PL	591 MIL
PROVIDENT BANCORP	PRBK	504 MIL
PUBLIC SERV NEW MEX	PNM	569 MIL
PULITZER PUBLISHING	PTZ	550 MIL
PULTE	PHM	562 MIL
PYXIS	PYXS	708 MIL
QUANTUM	QNTM	661 MIL
QUEBECOR	PQB	806 MIL
QUORUM HEALTH GROUP	QHGI	912 MIL
RALCORP HOLDINGS	RAH	794 MIL
RANGER OIL	RGO	579 MIL
RAYONIER	RYN	876 MIL
READ-RITE	RDRT	709 MIL
RELIANCE GROUP HLDGS	REL	608 MIL

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COMPANY NAME	TICKER SYMBOL	MARKET VALUE 2/3/95
RENAISSANCE COMMUN	RRRR	559 MIL
ROBERT HALF INT'L	RHI	616 MIL
ROBERTS PHARMACEUT'L	RPCX	616 MIL
ROCHESTER G & E	RGS	852 MIL
ROCK-TENN 'A'	RKTN	575 MIL
ROLLINS	ROL	895 MIL
ROLLINS TRUCK LEASNG	RLC	566 MIL
ROOSEVELT FIN'L GRP	RFED	628 MIL
ROUGE STEEL	ROU	567 MIL
ROUSE	ROUS	901 MIL
RUST INT'L	RST	998 MIL
S&P DEPOSITARY RECPT	SPY	595 MIL
SAFETY-KLEEN	SK	939 MIL
SALOMON BROTHERS FND	SBF	889 MIL
SANTA FE ENERGY RES	SFR	754 MIL
SANTA FE PACIF PIPE	SFL	661 MIL
SCHOLASTIC	SCHL	752 MIL
SCIMED LIFE SYSTEMS	SMLS	889 MIL
SCITEX	SCIXF	732 MIL
SEAGULL ENERGY	SGO	578 MIL
SEALED AIR	SEE	806 MIL
SECURITY CAPITAL	SECP	503 MIL
SEQUENT COMPUTER SYS	SQNT	500 MIL
SHANDONG HUANENG PWR	SH	775 MIL
SHARED MEDICAL SYS	SMED	791 MIL
SIERRA PACIFIC RES	SRP	586 MIL
SMITH'S FOOD & DRUG	SFD	786 MIL
SMITHFIELD FOODS	SFDS	546 MIL
SMUCKER (J.M.) 'A'	SJMA	667 MIL
SOCIEDAD QUIMICA ADR	SQM	666 MIL
SOLECTRON	SLR	974 MIL
SONAT OFFSHRE DRILL	RIG	580 MIL
SOTHEBY'S HOLDINGS	BID	614 MIL
SOUTHERN NAT'L	SNB	922 MIL
SPELLING ENTERTAIN'T	SP	855 MIL
SPRINGS INDUSTRIES	SMI	627 MIL
SPS TRANSACTION SERV	PAY	810 MIL
STANDARD FED BANK	SFB	845 MIL
STANHOME	STH	558 MIL
STARBUCKS	SBUX	870 MIL

February 3, 1995

COMPANY NAME	TICKER SYMBOL	MARKET VALUE 2/3/95
STERLING CHEMICALS	STX	626 MIL
STERLING SOFTWARE	SSW	805 MIL
STEWART ENTERPRISES	STEI	518 MIL
STOLT-NIELSEN S.A.	STLTF	598 MIL
STORAGE TECHNOLOGY	STK	980 MIL
STRATUS COMPUTER	SRA	667 MIL
STRIDE RITE	SRR	539 MIL
SUMMIT BANCORP	SUBN	541 MIL
SUNGARD DATA SYSTEMS	SNDT	688 MIL
SUNRISE MEDICAL	SMD	612 MIL
SUPERIOR IND INT'L	SUP	779 MIL
SURGICAL CARE AFFIL	SCA	810 MIL
SYBRON INT'L	SYB	806 MIL
SYMANTEC	SYMC	706 MIL
SYMBOL TECHNOLOGIES	SBL	664 MIL
SYNOPSIS	SNPS	816 MIL
TCA CABLE TV	TCAT	556 MIL
TECH DATA	TECD	505 MIL
TEKTRONIX	TEK	998 MIL
TELEFLEX	TFX	603 MIL
TELEFONOS DE MEX 'A'	TFONY	911 MIL
TEMPLETON GLOBAL INC	GIM	813 MIL
TERRA INDUSTRIES	TRA	957 MIL
TERRA NITROGEN	TNH	524 MIL
THERMO CARDIOSYSTEMS	TCA	502 MIL
TIDEWATER	TDW	916 MIL
TJX COMPANIES	TJX	955 MIL
TNT FREIGHTWAYS	TNTF	580 MIL
TOOTSIE ROLL INDUS	TR	697 MIL
TRANSCO ENERGY	E	691 MIL
TRANSTEXAS GAS	TTXG	814 MIL
TRIMAS	TMS	759 MIL
TRINOVA	TNV	756 MIL
TUCSON ELECTRIC PWR	TEP	603 MIL
TVX GOLD	TVX	950 MIL
U.S. ROBOTICS	USRX	611 MIL
U.S. SHOE	USR	970 MIL
U.S. TRUST	USTC	627 MIL
UGI	UGI	684 MIL
ULTRAMAR	ULR	953 MIL

February 3, 1995

COMPANY NAME	TICKER SYMBOL	MARKET VALUE 2/3/95
UMB FINANCIAL	UMBF	597 MIL
UNION PLANTERS	UPC	601 MIL
UNITED DOMINION IND	UDI	715 MIL
UNITED DOMINION RLTY	UDR	672 MIL
UNITED TELEVISION	UTVI	569 MIL
UNIVERSAL	UVV	696 MIL
UNIVERSAL FOODS	UFC	749 MIL
USG	USG	969 MIL
USLIFE	USH	845 MIL
VALASSIS COMMUNCATNS	VCI	660 MIL
VALERO ENERGY	VLO	765 MIL
VALHI	VHI	891 MIL
VALLEY-NAT'L BANCORP	VLY	734 MIL
VALSPAR CORP (THE)	VAL	742 MIL
VENCOR	VC	814 MIL
VENTRITEX	VNTX	512 MIL
VERIFONE	VFIC	579 MIL
VICOR	VICR	623 MIL
VIGORO	VGR	660 MIL
VIVRA	V	666 MIL
VONS COMPANIES	VON	862 MIL
VORNADO REALTY TRUST	VNO	746 MIL
WABAN	WBN	597 MIL
WABASH NAT'L	WNC	649 MIL
WALLACE COMPUTER	WCS	658 MIL
WARNACO GROUP	WAC	662 MIL
WASHINGTON FED S&L	WFSL	792 MIL
WASHINGTON GAS LIGHT	WGL	751 MIL
WASHINGTON WATER PWR	WWP	819 MIL
WATTS INDUSTRIES A	WATTA	606 MIL
WAUSAU PAPER MILLS	WSAU	549 MIL
WEATHERFORD INT'L	WII	501 MIL
WEINGARTEN REALTY	WRI	929 MIL
WELLMAN	WLM	867 MIL
WERNER ENTERPRISES	WERN	632 MIL
WESCO FINANCIAL	WSC	838 MIL
WEST ONE BANCORP	WEST	975 MIL
WESTERN DEEP LEVELS	WDEPY	921 MIL
WESTERN DIGITAL	WDC	696 MIL
WESTERN NATIONAL	WNH	748 MIL

February 3, 1995

COMPANY NAME	TICKER SYMBOL	MARKET VALUE 2/3/95
WICOR	WIC	505 MIL
WILLIAMS-SONOMA	WSGC	629 MIL
WILLIS CORROON	WCG	919 MIL
WILMINGTON TRUST	WILM	862 MIL
WISC CENTRAL TRANSP	WCLX	699 MIL
WORTHEN BANKING	WOR	517 MIL
WPL HOLDINGS	WPH	923 MIL
WPS RESOURCES	WPS	702 MIL
XTRA	XTR	838 MIL
YELLOW	YELL	596 MIL
ZEBRA TECH 'A'	ZBRA	513 MIL
ZILOG	ZLOG	551 MIL
ZIONS BANCORP	ZION	568 MIL
ZURICH REINSURANCE	ZRC	751 MIL
ZWEIG FUND	ZF	504 MIL
ZWEIG TOTAL RETURN	ZTR	605 MIL

MEMORANDUM

TO: The Honorable William F. Bryant, Chairman
House Financial Institutions and Insurance Committee

FROM: William W. Sneed, Legislative Counsel
American Investors Life Insurance Company

DATE: February 8, 1995

RE: H.B. 2211

Mr. Chairman, Members of the Committee: My name is Bill Sneed and I represent American Investors Life Insurance Company. American Investors is a wholly-owned subsidiary of AmVestors Financial Corporation. American Investors is an insurance company predominantly active in the annuity business and is a domestic insurer within the State of Kansas.

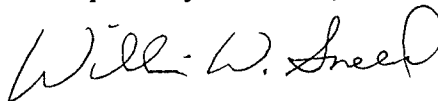
H.B. 2211 would create a new section in the investment code for domestic life insurance companies. Specifically, the new statute would allow life insurance companies to invest in "asset backed" securities subject to certain limitations. Currently Kansas law allows for the investment by domestic life insurance companies in "mortgage backed" securities, which are secured instruments collateralized by mortgages. In today's marketplace, mortgage backed securities are only a part of the asset backed securities in that many securities are collateralized by various other well-sounded assets. Thus, this proposal would allow domestic life insurance companies to continue to be involved in the foreground of the current marketplace. Further, such investments are limited so that they cannot exceed 2% of the total admitted assets of the domestic life insurance companies. With this safeguard, such investments could be made but only on a small basis as compared to the total investment portfolio of the domestic life insurance companies. With these safeguards, it is my client's position that such a statute

*House FD-1
Attachment 4
2-8-95*

is well reasoned and would continued to allow our domestic life insurance industry to grow in today's marketplace.

Thus, on behalf of my client, I support H.B. 2211 and respectfully request your favorable consideration.

Respectfully submitted,



William W. Sneed

MEMORANDUM

TO: The Honorable William F. Bryant, Chairman
House Financial Institutions and Insurance Committee

FROM: William W. Sneed, Legislative Counsel
American Investors Life Insurance Company

DATE: February 8, 1995

RE: H.B. 2212

Mr. Chairman, Members of the Committee: My name is Bill Sneed and I represent American Investors Life Insurance Company. American Investors is a wholly-owned subsidiary of AmVestors Financial Corporation. American Investors is an insurance company predominantly active in the annuity business and is a domestic insurer within the State of Kansas.

H.B. 2212 is an amendment to K.S.A. 40-2b20. K.S.A. 40-2b20 is one of a series of statutes which regulates the investments of a domestic life insurance company. Specifically, this statute details mechanically how a domestic life insurance company can hold securities when the company transacts the buying and selling of these securities in the marketplace. This amendment would allow a domestic life insurance company to invest securities cleared and settled through a clearing corporation handling international securities. Currently the investment statutes allow such securities to be cleared and settled only through United States clearing corporations. In today's market setting, this in essence prevents domestic life insurance companies from investing in securities cleared and settled outside of the United States. The actual investing in these securities is allowed through other statutes. It is simply the mechanism by which these securities are bought and sold which is causing the difficulty. Thus, the only expansion found in this particular amendment is with what entity the domestic life insurance company may do business of buying and/or selling these types of securities.

*House F.D.D.
Attachment 5
2-8-95*

In today's world market the inability of a domestic company to utilize these sources places the domestic life insurance company at a disadvantage with its competitors who may not be domesticated in Kansas. Thus, this would allow the Kansas domestic company to be on the same footing as its major competitors. This, coupled with all the other safeguards in the investment statutes, demonstrates that such expansion is in the best interest of the domestic industry, and ultimately, its policyholders.

Thus, on behalf of my client, I support H.B. 2212 and respectfully request your favorable consideration.

Respectfully submitted,



William W. Sneed