

**TESTIMONY ON SENATE BILL NO. 2148 AND 2599
RELATING TO THE FUNERAL INDUSTRY**

**TO THE HONORABLE SUZANNE CHUN OAKLAND, CHAIR
AND TO THE HONORABLE LES IHARA, JR., VICE CHAIR
AND MEMBERS OF THE COMMITTEE:**

My name is Lydia Tomiyasu and appreciate the opportunity to raise questions on both these Senate bills in opposition to its passage.

Testimony was provided by the Department of Commerce and Consumer Affairs reflecting the provisions which would be in effect on July 1, 2008. As requested, you should not revisit these issues already addressed that will become effective as of July 2008 and be certain that the issues are not implemented with those already in process. This needs clarity and organization in the way the bill is written.

My concerns are as follows:

- SB 2148 page 9 of 10, Section 6 which states that a one hundred percent of the funds paid by the purchaser shall be transferred to the trustee to remain in trust.
- SB 2599 page 6 of 12, Section 3 – 5B regarding the “Basis on which funds are to be deposited. The percentage of the contract price would be a ratio of 85/15.

The Funeral industry for many years followed the 30/70% rule implemented in the regulations under the Department of Commerce and Consumer Affairs. According to representatives of the National Funeral Directors Association, Hawaii has the “worse” record of management of Pre Need Funeral Services offered by the Funeral Industry of Hawaii, and yet the BBB and DCC both have provided us with less than 5 complaints over a period of 36 months (BCC) and 5-years (DCC), regarding the industry. So why again should you limit or abolish the 30/70% rule if we have had less than 5 complaints.

It is interesting to also note that the Federal Trade Commission that protects the Consumer has the following input on the web:

THE FEDERAL TRADE COMMISSION

THE AGENCY THAT CARES FOR THE PUBLIC AND PROTECTS THE CONSUMER
WHOSE GUIDELINES ARE INDUSTRY STANDARDS

“When a loved one dies, grieving family members and friends often are confronted with dozens of decisions about the funeral - all of which must be made quickly and often under great emotional duress. What kind of funeral should it be? What funeral provider should you use? Should you bury or cremate the body, or donate it to science? What are you legally required to buy? What other arrangements should you plan? And, as callous as it may sound, how much is it all going to cost? “

“Each year, Americans grapple with these and many other questions as they spend billions of dollars arranging more than 2 million funerals for family members and friends. The increasing trend toward pre-need planning - when people make funeral arrangements in advance - suggests that many consumers want to compare prices and services so that ultimately, the funeral reflects a wise and well-informed purchasing decision, as well as a meaningful one.”

The whole point of the matter is, people already are finding it difficult to purchase pre-need and we all know that many have paid cash up front in order to handle the arrangements for their loved one. When they purchase Pre-Need, it provides them with choices, length of payment plans, selection of goods and services and when it's paid in full, its done, unlike insurance policies. Why do I say that. . . . upon purchase of an insurance policy, it covers “Today's” cost, what happens if they purchase at 29 years old and die at 99 years, can you predict the cost of the goods? You know also that policies increase after a certain age, and today for the seniors, most of their so called “perks” for retirement diminishes with age. Don't let the people who think they know about our Hawaii Industry tell you our industry is not good, instead, allow the regulatory agencies that should be protecting the consumer work closely with the funeral industry to resolve these matters.

The funeral industry is very old, and has evolved into an industry that needs to “catch-up” to the rest of the world. Unfortunately, today in our “Paperless” society, the industry needs to resolve issues, such as internet communications with the City Morgue, Hospitals and Doctors and the Department of Health for applications of Death Certificates. The voluntary services that we helped to implement with the Department of Health we feel was a “giant” undertaking, even for the Physicians who were not prepared has tried to expense funds for their need of computers. In fact, even your website notes “Paperless” as well. So what in your opinion does it cost for all of your agencies to become “paperless”? Compare it to an industry that did it the old fashion way by driving down and picking up the paperwork!

The Funeral industry needs you to be aware of more than just “Sales Representatives”, they need you know that the amount currently established will help in accomplishing a better service for the client. Every large and small business need capitol, otherwise they cannot survive. Don’t limit the consumer to choices that they may not be able to afford. Don’t allow the National Funeral Directors Association to dictate their ideas by saying we have not provided complete services for their pre-need plans. In fact I am asking you to “Kill” both of these bills that will eliminate the 100% and 85% in trusting, and keep the regulations already established in tact.

Respectfully submitted

Lydia Tomiyasu