

SENATOR HEFNER: Why does that funeral director need 15 percent right off the top when you put money in a trust for this purpose?

SENATOR PAPPAS: The 85 percent or the 15 percent is the minimum. That can be 90 percent, 92 or 100 percent. But let's go back to 15 percent. The cost of operation to do business, you are a businessman, Senator Hefner, now you know it takes sometimes a long period of time to explain to people what pre-need burial needs are, on what they want, how much time it takes. So it is actually a little provision put in there to help people take care of daily needs of operation because, unfortunately, if you go with a \$2,000 program today, 100 percent funded, if it all goes in the trust 100 percent. The person that has to explain this to you, they have to document it and everything else, Senator Hefner. There is no guarantee when he is going to get his money back because you may live forever.

SENATOR HEFNER: Okay, but what expenses does he have with a pre-burial contract?

SENATOR PAPPAS: Well, expenses he has is he has employees that he has to pay to talk to you, to explain the program to you, he has to have the facilities, he has to do the filing of the trust and the deed. He's got a lot of average, daily, doing work expenses. It's similar to selling a car or any type of business. It is similar to when you'd go out and try to sell somebody a fuel contract. There is daily costs of doing business.

SENATOR HEFNER: Senator Pappas, if I go out to sell a fuel contract, I don't get anything down. I'm lucky to get my money at the time of delivery or 30 days later. So I think what we are doing here, we are allowing them to accept 15 percent and we really don't know if they are going to be there when we need it.

FRESIDENT: One minute.

SENATOR PAPPAS: It will be there when you need it.

SENATOR HEFNER: I am still concerned about the issue and would need further explanation to support this concept.