

SENATOR WITHEM: But the language is exactly the same.

SENATOR PAPPAS: Yes, the language is the same.

SENATOR WITHEM: Okay. Can you tell me what paragraph 23 and 24, letter of credit shall mean and then surety bond shall mean? How does that change the bill? How does that change the \$3,000 that I give to the funeral director to arrange my burial? I understand it doesn't change the fact that he can keep 15 percent of it. But does that have any effect on what he does with the money?

SENATOR PAPPAS: No, the letter...now let me understand it right. The letter of credit, an irrevocable letter of credit is assurance from the bank that that money is coming forth.

SENATOR WITHEM: Okay. What does that do though? I understand the definition of what one is, but why is that in the bill and what does that do with my money that I've arranged?

SENATOR PAPPAS: What it basically is is a guarantee that that money is going to be there from you from your banker as a means of payment of the services that you are buying.

SENATOR WITHEM: Okay. Is that the same basic thing with the surety bond? Again it is an assurance.

SENATOR PAPPAS: Same thing.

SENATOR WITHEM: It is an assurance to the individual? It is defined here. Where does it state, in the bill or in the committee amendments, that I, as the pre-purchaser, receive this letter of credit and this letter of understanding between this surety bond?

SENATOR PAPPAS: I'll find that for you. Unfortunately, I don't have a copy of the amendments here with me. I'm having a tough time following you.

SENATOR WITHEM: Okay. So the intent of that is, let me follow the train of thought here, back here on page 5 of the bill, Section 19, we have trust accounts defined as either a separate trust or a commingled trust. Now is this an attempt to assure me that if my money is put into a