

prepaid and moved in Nebraska. That is one problem because some of the states don't require as large amount of money as we do here in Nebraska, so they are having a tough time. Our law is the strongest one around to protect you which, in some areas, you have no protection at all now when you prepay these things in cemeteries or the flexibility and insurance regulation on the funeral home director's part too. So this will help you more to alleviate your fears than what the present system is right now.

SENATOR GOLL: Thank you, Jim.

PRESIDENT: The Chair recognizes Senator Vard Johnson. We are discussing the committee amendments as amended.

SENATOR V. JOHNSON: Mr. Speaker, members of the Legislature, I had not read this bill prior to the debate and since I've had a chance to read the bill, actually I think it is a pretty responsible measure. I have a couple of questions though of Senator Pappas, I think. In reading the synopsis, Senator Pappas, of the bill, I notice that the bill gives the seller of the pre-need plan, the bill gives the seller of the pre-need plan some options with respect to the trust monies. The seller has the option to put up to 100 percent of the money in trust. The seller has the option to put the money in an individual trust, or to commingle it into a master trust. And, finally, what really caught my eye is the seller has the option to take the income from the buyer's money and put the income in the seller's pocket on an annual basis. The seller can take the income from that trust and put it in his pocket. Now if the seller chooses to do that, if he chooses to do that then he must at least put enough of that income back in the trust to keep up with the cost of living increase. But if there is any extra income, he keeps that in his pocket. It doesn't belong to the buyer, it belongs to the seller. Now the thing that intrigued me about the synopsis is that those options are seller options. In other words, they are not something that is negotiated between the seller and the buyer. They are something that the seller can choose. They are not buyer options. The seller is able to make the decision as to whether or not to put the money in an individual trust or commingle into a master trust. The seller is the one able to make the decision regarding putting the income in his pocket as opposed to the pocket of the purchaser. Am I reading that correctly, Senator Pappas?