

going to dry up the incentives for pre-need sales of funerals. Now let me tell you why this is important. Let me tell you why this is important. In Nebraska up to this period, there have not been adequate incentives for funeral directors to go out and sell funerals in advance of death, so-called pre-need funerals. And as a result of that, consumers don't get around to purchasing their funerals until a death has already occurred and you know what the dynamics are in that kind of a situation. The widow comes into the funeral home. She has just lost her husband. She wants nothing but the best, and the widow winds up getting talked into all kinds of funeral services that, if her husband were alive and if the funeral were purchased pre-need, she simply would not have purchased. Now the purpose of this legislation for both the cemeterians and the funeral directors is to allow them to retain 15 percent of the sale price to distribute immediately to their salesmen, to immediately cover the cost of pre-need sales of cemetery lots, and markers, and funerals and the like, and only have to reserve 85 percent of the purchase price in case the company eventually goes bankrupt. Now if you require that 100 percent be trusted until the person actually dies and the funeral is needed, why then there will be much less competition in the funeral directory industry because no one will have the incentive to go out and pre-need...to sell pre-need funerals. So please understand what this does. The Funeral Directors Association and the Cemetery Association have both agreed that 15 percent of the proceeds should be retainable so people will have the incentive to go out and to compete and sell these things before there is a death. And what we have here are a number of funeral directors around this state that are rebelling against the position taken by the agency because they don't want the competition. They want 100 percent reserved so that no one is going to have the incentive to go out and sell funerals before they are needed, and when that happens, the widow is talked into all kinds of high-priced items, high-priced coffins, high-priced funeral services, all sorts of items that simply are not necessary. Now the Federal Trade Commission in the 1970s conducted an extensive study in this issue and they have published volumes of materials on it. And the position of the FTC and the position of progressive state laws throughout the country is to do what we can to encourage the pre-need of funeral services, and it is obvious why that is necessary. But in order to encourage the pre-need of funeral services, you have got to allow the