

MAR 14 2007

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## SENATE RESOLUTION

REQUESTING THE LEGISLATIVE REFERENCE BUREAU TO STUDY PRE-PAID OR  
PRE-NEED FUNERAL OR BURIAL PLANS.

1           WHEREAS, Hawaii's population is aging and it is important  
2 to address the needs of elderly consumers; and

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4           WHEREAS, pre-paid or pre-need plans for funeral or burial  
5 contracts are becoming increasingly popular; and

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7           WHEREAS, generally, under these pre-paid or pre-need  
8 funeral or burial plans, consumers pay a funeral service company  
9 in installments with the expectation that the money paid will be  
10 held in trust, for consumer's benefit, to pay for services upon  
11 their death; and

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13           WHEREAS, consumer advocates have expressed concern about  
14 Hawaii's laws governing pre-paid or pre-need funeral or burial  
15 plans; and

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17           WHEREAS, as compared to other states, Hawaii requires a  
18 lower percentage of payments made as part of pre-paid or pre-  
19 need funeral or burial plans to be held in trust, and allows  
20 companies to keep a higher percentage of payments before  
21 allowing refunds to consumers; and

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23           WHEREAS, anecdotal evidence suggests that consumers have a  
24 difficult time obtaining refunds or changing their pre-paid or  
25 pre-need funeral or burial plans; and

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27           WHEREAS, stronger consumer protection in the area of pre-  
28 paid or pre-need funeral or burial plans is necessary to  
29 safeguard Hawaii's elderly consumers and protect their families;  
30 now, therefore,

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32           BE IT RESOLVED by the Senate of the Twenty-fourth  
33 Legislature of the State of Hawaii, Regular Session of 2007,  
34 that the Legislative Reference Bureau is requested to study  
35 pre-paid or pre-need funeral or burial plans in Hawaii; and  
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1 BE IT FURTHER RESOLVED that the Legislative Reference  
2 Bureau is requested to include in its study:

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- 4 (1) A review of other jurisdictions' laws on pre-paid or  
5 pre-need funeral or burial plans in Hawaii; provided  
6 that this review shall include a compilation of an  
7 indicative sampling of laws and regulations regarding  
8 refunds and trusting of consumers' payments;
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- 10 (2) A history of Hawaii's laws and regulations regarding  
11 pre-paid or pre-need funeral or burial plans;
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- 13 (3) Statistics on pre-paid or pre-need funeral or burial  
14 plans in Hawaii; specifically the number of plans that  
15 are outstanding, the value of outstanding plans, and  
16 any information regarding refunds for outstanding  
17 plans; and
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- 19 (4) An analysis of consumer complaints made to the  
20 Department of Commerce and Consumer Affairs or any  
21 other entities that receive consumer complaints; and
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23 BE IT FURTHER RESOLVED that certified copies of this  
24 Resolution be transmitted to the Acting Director of the  
25 Legislative Reference Bureau and the Director of Commerce and  
26 Consumer Affairs.  
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OFFERED BY: *[Signature]*  
Shiranne Chun Oakland  
Rosslyn A Baker  
*Carol Johnson*  
*Will Eyer*

