

**MINUTES OF THE
BUSINESS AND LABOR INTERIM COMMITTEE**

Wednesday, September 18, 2002 – 2:00 p.m. – Room 403 State Capitol

Members Present:

Sen. Dan R. Eastman, Senate Chair
Rep. Katherine M. Bryson, House Chair
Sen. Curtis S. Bramble
Sen. Gene Davis
Sen. Parley G. Hellewell
Sen. Ed P. Mayne
Rep. Gerry A. Adair
Rep. Roger E. Barrus
Rep. Cindy Beshear
Rep. Jackie Biskupski
Rep. David Clark
Rep. Carl W. Duckworth
Rep. Ben C. Ferry
Rep. Karen W. Morgan
Rep. Brent D. Parker

Members Absent:

Sen. L. Steven Poulton
Rep. Greg J. Curtis
Rep. Thomas Hatch
Rep. Brad King

Staff Present:

Ms. Mary Catherine Perry, Research Analyst
Mr. Thad LeVar, Associate General Counsel*
Ms. Beverlee LeCheminant, Legislative Secretary

Note: A list of others present and a copy of materials can be found at <http://www.image.le.state.ut.us/imaging/history.asp> or by contacting the committee secretary at 538-1032.

1. Committee Business

Chair Bryson called the meeting to order at 2:25 p.m.

MOTION: Sen. Hellewell moved to approve the minutes of the June 19, 2002 meeting. The motion passed unanimously with Rep. Adair and Rep. Morgan absent for the vote.

2. Viatical Settlements

Rep. Brent Parker discussed draft legislation “Viatical Settlements” and indicated that he plans to bring a final draft to the committee at the November meeting. He distributed some amendments to the draft legislation which he discussed with the committee.

Mr. Michael Freedman, Vice-President, Coventry First LLC, and also representing the Life Settlement Institute, distributed a handout of his testimony. He explained the major aspects of his testimony, recommending some changes to the legislation.

Mr. John Coomans, Director, Life Insurance Division, Department of Insurance, said the Division has been working with legislative staff in drafting the legislation and that the Division's primary goal is to be uniform with other states. The Division will review those changes that have been suggested.

* Not licensed to practice law in Utah

3. Regulation of Funeral Services and Preneed Funeral Arrangements

Ms. Mary Catherine Perry gave an overview of how funeral services and preneed funeral arrangements are regulated in Utah. She distributed copies of her presentation to committee members.

Rep. Arent said that for many consumers, funeral arrangements are one of the largest investments of their lifetime, but strong consumer protections are necessary because of some of the unique issues involved with the industry. She indicated that she has received a number of phone calls from citizens who have concerns in this area and her concern is not about any particular funeral home or business, but it is about the regulation of funeral services which is an issue that the Legislature has not had the chance to adequately study.

Mr. Rob Ence, Utah State Director, AARP, distributed a handout of his testimony. He indicated that AARP has developed four principles to guide consumers' activities on preneed funeral arrangements: 1) the marketplace must give consumers the opportunity to make informed choices among funeral and burial goods and services; 2) advertisements and sales practices should not confuse or mislead consumers; 3) consumers should be provided complete and accurate information when making a preneed purchase; and 4) when a consumer who makes a preneed arrangement is wronged, there should be adequate and appropriate remedies for the purchaser and the purchaser's family or estate. He stated that AARP's vision is for Utah consumers to be protected in preneed transactions by strong, comprehensive laws and regulations.

Mr. Shaun Myers, President, Utah Funeral Directors Association, said that Utah has adopted a code of ethics where they feel consumers must be treated with dignity and honor. He stated that the Association also believes in offering fair, ethical and compassionate service to those surviving members. Mr. Myers outlined three legislative recommendations: 1) establishing a cremation law; 2) combining the primary Funeral Services Licensing Act and the Preneed Funeral Arrangement Act into one act; and 3) strengthening penalties for violations.

Mr. Myers said they are interested in working with AARP and the Division of Consumer Protection and the Association feels that the consumer would best be served by a review of the act at this time.

Ms. Francine Giani, Director, Division of Consumer Protection, Department of Commerce, said that the Division has received complaints, most of which stem from contracts which were purchased years in advance of the death, and a family member comes forward asking to have the contract honored. The Division has tried to address the complaints through the Consumers Sales Practices Act, but for those businesses that have gone under or who have moved on it is difficult for the Division to find the past owners and try to make some kind of restitution available for those victims.

Mr. Craig Jackson, Director, DOPL, Department of Commerce, said that DOPL has received 26 complaints over the past 2½ years in this area and most of them deal with people who have felt that they did not get the information they needed at the time of the funeral.

4. Other Items/Adjourn

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MOTION: Rep. Adair moved to adjourn the meeting. The motion passed unanimously.

Chair Bryson adjourned the meeting at 3:30 p.m.