

MAR 13 2008

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## SENATE RESOLUTION

REQUESTING THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS TO  
ESTABLISH A PRE-NEED FUNERAL INDUSTRY ADVISORY COMMITTEE TO  
PROVIDE INPUT ON CONCERNS AND SOLUTIONS REGARDING THE PRE-  
NEED FUNERAL INDUSTRY.

1           WHEREAS, the residents of Hawaii are provided funeral  
2 services by approximately twenty companies of which the majority  
3 offer pre-need funeral plans; and  
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5           WHEREAS, pre-need funeral plans provide consumers the  
6 ability to pre-arrange their funerals in order to relieve their  
7 family members of the trouble of making funeral arrangements at  
8 the time of their death; and  
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10           WHEREAS, there are more than 100,000 people in Hawaii who  
11 have purchased a pre-need funeral plan with a total value of  
12 more than \$150,000,000, which is held in trust; and  
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14           WHEREAS, recent incidents of questionable practices by  
15 Memorial Mortuary have led to a settlement to repay a total of  
16 \$150,000 to customers who bought pre-need funeral services from  
17 Memorial Mortuary; and  
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19           WHEREAS, furthermore, public concerns regarding Honolulu  
20 Memorial Park have alleged mismanagement and failure to fulfill  
21 promises to restore the aging cemetery; and  
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23           WHEREAS, ongoing proceedings have alleged that the trustees  
24 of RightStar properties, which include the Valley of the  
25 Temples, Homelani, Kona, and Maui Memorial Parks, have  
26 improperly removed approximately \$30,000,000 from the company's  
27 pre-need funeral plan trust funds; and  
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29           WHEREAS, the existing monitoring system for the cemetery  
30 and pre-need funeral industry, which currently only requires the  
31 submission of annual actuarial and financial reports, is not  
32 adequately designed to protect consumers from further  
33 situations, such as RightStar; and  
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1 WHEREAS, the Legislature seeks ways to prevent these  
2 situations through means, such as providing a venue for input  
3 and collaboration among the funeral industry, consumers, and  
4 government agencies; now, therefore,  
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6 BE IT RESOLVED by the Senate of the Twenty-fourth  
7 Legislature of the State of Hawaii, Regular Session of 2008,  
8 that the Director of Commerce and Consumer Affairs is requested  
9 to establish a Pre-Need Funeral Industry Advisory Committee to  
10 provide input on concerns and solutions regarding the pre-need  
11 funeral industry; and  
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13 BE IT FURTHER RESOLVED that the Pre-Need Funeral Industry  
14 Advisory Committee consists of the following members:  
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16 (1) Three members representing the cemetery and funeral  
17 trust industry consisting of one member from each of  
18 the following organizations:  
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20 (A) An organization representing the pre-need  
21 industry;  
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23 (B) An organization representing the cemetery  
24 industry; and  
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26 (C) An organization representing the funeral  
27 directors;  
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29 (2) Three members representing consumer organizations;  
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31 (3) One member from the general public;  
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33 (4) Four ex-officio members representing:  
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35 (A) The Department of Health;  
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37 (B) The Department of Commerce and Consumer Affairs;  
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39 (C) The Executive Office on Aging; and  
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41 (D) The Policy Advisory Board for Elder Affairs; and  
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43 (5) Any other individuals who the Director of Commerce and  
44 Consumer Affairs determines would be appropriate to



1 serve and assist in the work of the Advisory  
2 Committee; and  
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4 BE IT FURTHER RESOLVED that the Pre-Need Funeral Industry  
5 Advisory Committee is requested to:

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7 (1) Provide comments to the Director of Commerce and  
8 Consumer Affairs regarding requested qualifications  
9 for the licensing of cemetery or pre-need funeral  
10 authorities as may be necessary for the welfare of the  
11 public, and the cemetery and pre-need funeral  
12 authority industry; and  
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14 (2) Provide information on the practices and policies of  
15 the cemetery and pre-need funeral authority industry  
16 and make recommendations to the Director of Commerce  
17 and Consumer Affairs regarding practices and policies  
18 that would support the welfare of the public, and the  
19 cemetery and pre-need funeral authority industry; and  
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21 BE IT FURTHER RESOLVED that the Director of Commerce and  
22 Consumer Affairs submit a written report to the Legislature of  
23 the Pre-Need Funeral Industry Advisory Committee's findings and  
24 recommendations, including any proposed legislation that may be  
25 necessary to address the concerns relating to the cemetery and  
26 pre-need funeral industry, and a recommendation on whether a  
27 permanent advisory committee should be established no later than  
28 twenty days prior to the convening of the 2009 Regular Session;  
29 and  
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31 BE IT FURTHER RESOLVED that certified copies of this  
32 Resolution be transmitted to the Governor; the Director of  
33 Commerce and Consumer Affairs; the Director of Health; the  
34 Director of the Executive Office on Aging; the Chairperson of  
35 the Policy Advisory Board for Elder Affairs; the President of  
36 the Hawaii Funeral Directors Association; the President of the  
37 Hawaii Allied Memorial Council; the President  
38 of the Pre-Need Funeral Association; and the President of the  
39 Funeral Consumer Alliance.  
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