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FORE
THOUGHT®

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VIA E-MAIL to: irrc@irrc.state.pa.us and jjewett@irrc.state.pa.us
(Original Mailed)

January 22, 2010

Mr. John H. Jewett
Regulatory Analyst
Independent Regulatory Review Commission
333 Market Street, 14th Floor
Harrisburg, PA 17101

RECEIVED
2010 JAN 32 AM 9:53
INDEPENDENT REGULATORY
REVIEW COMMISSION

Re: Comments in Opposition to Revised Proposed State Board of Funeral Directors Regulation
No. 16A-4816 (Preneed activities of unlicensed employees-#2639)

Dear Mr. Jewett:

Forethought Financial Group, Inc., through its subsidiaries, provides innovative insurance and financial solutions for families managing retirement and end-of-life needs. Headquartered in Indianapolis, Indiana, our companies provide life insurance and annuities.

Forethought's insurance subsidiary, Forethought Life Insurance Company ("Forethought Life"), has been consistently recognized by A.M. Best for its financial strength. Forethought Life is licensed to sell its insurance products in 49 states, the District of Columbia and Puerto Rico and has been so licensed in Pennsylvania since April 1, 1986.

Forethought, through Forethought Life, has assets owned and under management in excess of \$4.0 billion, approximately \$1 billion in annual revenue, more than \$5.6 billion of life insurance business in force, and has served more than 2 million policyholders since 1985.

We appreciate this opportunity to comment further on revised proposed Regulation 16A-4816 regarding the preneed activities of unlicensed persons ("Regulation") proposed by the Pennsylvania State Board of Funeral Directors ("Board"). To date, Forethought Life has provided comments to the Board in connection with this rulemaking proceeding on three different occasions. Forethought Life now respectfully submits additional comments on the Regulation for consideration by the Independent Regulatory Review Commission ("IRRC").

Forethought Life concurs with the comments Jefferson Memorial Cemetery and Funeral Home submitted to the IRRC by its letter dated January 16, 2010, in opposition to the adoption of the Regulation in its present form.

Mr. John H. Jewett

Page 2

January 22, 2010

Forethought Life would also like the record of these proceedings to reflect the following points:

1. Prearranged funeral agreements funded by life insurance policies issued by Forethought Life **do not** involve any purchase of funeral goods and/or services prior to the death of the intended funeral recipient or any payment to a funeral home until after the agreed-upon funeral goods and/or services have been delivered. Such insurance-funded prearranged funeral agreements only involve the sale of a life insurance policy where all payments are made directly to the insurance company in the form of premiums. Such insurance-funded prearranged funeral transactions should properly be regulated as sales of life insurance products in accordance with the applicable provisions of the Pennsylvania Insurance Code and not as sales of preneed funeral contracts.
2. The Pennsylvania Unfair Trade Practices and Consumer Protection Law, as well as the sections of the Pennsylvania Insurance Code governing unfair and deceptive trade practices in connection with the sale of life insurance policies, certainly provide sufficient regulatory authority to address any consumer abuses associated with insurance-funded prearranged funeral programs.
3. All consumers who enter into prearranged funeral agreements at a place other than the place of business of the funeral home location which is a party to the agreement are protected by the Federal Trade Commission's Trade Regulation Rule Concerning Cooling-Off Period for Door-to-Door Sales, 16 C.F.R Part 429.
4. All consumers who meet to discuss prearranged funeral agreements with a representative of a funeral home, whether or not that representative is also licensed as a funeral director, are protected by the Federal Trade Commission's Trade Regulation Rule Concerning Funeral Industry Practices, 16 C.F.R. Part 453.

We believe that the Regulation is overly broad and more restrictive of legitimate forms of solicitation than is reasonably necessary to prevent any coercion, harassment or similar abuses which are already subject to regulation under the state and federal statutes and regulations identified hereinabove.

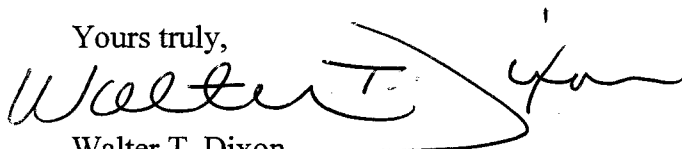
Funeral prearrangements enable consumers to make choices without the time or emotional pressures associated with at need purchases. Funeral prearrangements should be encouraged and not unduly restricted.

Forethought Life agrees with the IRRC's conclusion that promulgation of this Regulation is not in the public interest.

Mr. John H. Jewett
Page 3
January 22, 2010

We appreciate this opportunity to comment on the Regulation. Please contact me via e-mail at: Walt_Dixon@Forethought.com or by phone at 812 933-6843 should you have any questions or comments relating to the points set forth above.

Yours truly,

A handwritten signature in black ink, appearing to read "Walter T. Dixon". The signature is fluid and cursive, with a large loop at the end of the last name.

Walter T. Dixon
Vice President/Corporate Counsel
Forethought Life Insurance Company

cc: Thomas A. Blackburn, Regulatory Unit Counsel
State Board of Funeral Directors
Department of State
P.O. Box 2649
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