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April 3, 2013

To whom it may concern:

My name is Douglas "Gus" Goldsmith and I am currently one of the owners of Bullock Mortuary in Englewood, Colorado. We have been under the same family ownership since 1951.

I apologize for not being present during this very important discussion; I am currently handling a funeral and I am unable to attend.

The Division of Insurance conducted an audit of our preneed contracts during the year of 2011. Under current Colorado statutes, this was a mandatory audit that will be conducted every five (5) years and that licensees are required to pay for the outside auditor's hourly fees and expenses, in addition to our annual license fee. I also suspect that there are numerous entities operating without a preneed contract seller license who are not subject to these audit requirements and are not regulated by these laws.

We are a small, family-owned funeral home and the costs for this audit was a major expense. The audit that took place at our funeral home in 2011 exceeded \$4,000 in auditor fees, as well as occupied office space for one full week and consumed employee resources that would be otherwise used for normal day-to-day operations.

It makes absolutely no sense why I must pay for an audit ordered by the Division of Insurance with my own money! I expect that the funds for such a license would incorporate any and all regulatory operations that govern these entities. I encourage the Division of Insurance to examine the books, records and accounts of Bullock Mortuary, as well as any preneed contract seller, when receiving a complaint or any indication of non-compliance, at *their* expense. When the Colorado Division of Insurance hires an outside source to conduct audits, the only entity that gains from this situation is the company that is conducting the audit.

If the current auditing system remains in tact, it will increase the costs for our services and will be passed down to the families that we serve.

It is very important for the consumer to know that when they prepay for any services and merchandise with a funeral home, their final expenses will in fact be covered upon the time of death. Closing the loop on tracking funds is an ideal situation. When a funeral home finalizes the preneed contract and has received funds from the customer, it would be very simple to provide the customer with the necessary documentation that their funds have been placed into a secure trust account and they in fact are protected.

I understand and support consumer protection and am quite certain that 100% of all licensed preneed contract sellers in Colorado feel the same. The Division of Insurance should regulate all entities that offer prepaid funeral plans to ensure consumer protection and fairness to those already licensed.

Thank you for your time in considering my thoughts and concerns. I hope you will vote in support of Senate Bill 13-125.

Regards,

Gus Goldsmith, Owner
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