



ONE FORETHOUGHT CENTER  
BATESVILLE, IN 47006

1-800-648-0075

February 24, 2011

General Law Committee  
300 Capitol Avenue, Room 5100  
Hartford, Connecticut 06106

Re: House Bill 6300

Dear Committee Members:

Forethought Life Insurance Company ("Forethought") is a stock insurance company located in Indianapolis, Indiana that was incorporated in 1980. Forethought is licensed to do business in Connecticut and 48 other states, as well as the District of Columbia and Puerto Rico. Forethought markets both preneed and final expense life insurance as well as annuities and Medicare Supplement coverage through independent agents and has been offering its products in Connecticut since 1994. Forethought Life Insurance Company is rated "A- (Excellent)" by A.M. Best.

Forethought appreciates this opportunity to comment on HB 6300. While we believe that there may be some issues that may need to be addressed relative to escrow-funded funeral service contracts, insurance-funded prearranged funeral agreements and "Final Expense" life insurance policies with respect to Medicaid qualification in the State of Connecticut, we are opposed to passage of HB 6300 in its current form.

As it currently stands, insurance-funded prearranged funeral agreements are not regulated or prohibited in any way by the Connecticut Preneed Funeral Law. Unfortunately, HB 6300 needlessly subjects insurance-funded prearranged funeral agreements to the Connecticut Preneed Funeral Law which is specifically designed to regulate escrow-funded funeral service contracts. Insurance-funded prearranged funeral agreements do not currently fall under the Connecticut Preneed Funeral Law because these agreements do not involve payment for funeral goods and/or services prior to the time they are delivered by the funeral home in connection with the death of the insured individual.

Forethought believes that the current regulatory structure for escrow-funded funeral service contracts has served Connecticut well for over 20 years and should remain in place "as is". The only "sale" that occurs in connection with an insurance-funded prearranged funeral agreement is the sale of a life insurance policy and such insurance sales are already adequately regulated by the Connecticut Department of Insurance.

Consequently, we believe that it is unnecessary to amend the Connecticut Preneed Funeral Law to remove this longstanding exemption.

For the above reasons, Forethought opposes HB 6300 as drafted. However, Forethought and a coalition of other insurers in the industry have drafted an amendment to House Bill 6300 that would allow insurance-funded prearranged funeral agreements to continue to be exempt from the Connecticut Preneed Funeral Law since the funeral home does not receive payment for the funeral goods and/or services listed in such agreements until after the items have been delivered. Forethought supports this amendment.

I recognize that this amendment does not address the issues with public assistance that may have led to the drafting of the bill. Accordingly, Forethought looks forward to working with the CFDA and Connecticut DSS in the future to collaboratively find solutions to the eligibility issues.

If you have any questions, you may contact me at 812-933-6843.

Yours truly,

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

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