



MASSACHUSETTS FUNERAL DIRECTORS ASSOCIATION

FAX NEWS

To: MFDA MEMBERS
From: Jed Dolan, President
Date: January 9, 2006
Subject: Updates

FUNERAL CONSUMERS ALLIANCE CONDUCTS 2006 SURVEY

Many MFDA members have reported receiving a letter from Judith Lorei, a Board Member of the Funeral Consumers Alliance of Eastern Massachusetts, a.k.a. The Memorial Society, Inc. indicating that the organization is conducting a 2006 survey of funeral establishments. They have asked members to complete a brief survey and also mail or fax a copy of the firm's General Price List to the organization.

As you know, Memorial Society representatives often seek funeral price information from funeral homes over the telephone, through mail surveys or by personally visiting the funeral homes. These guidelines explain the responsibilities of funeral home personnel when responding to Memorial Society requests for price information.

Must funeral home staff respond to the Memorial Society inquiries regarding funeral prices?

The funeral Rule does not distinguish between consumers seeking price information. It must be given to a "person" who inquires about funeral goods, funerals services, funeral arrangements, or prices. For purposes of the Rule, a "person" is defined as any individual, partnership, corporation, association, government subdivision, association, government subdivision, or agency, or other entity. In other words, price information must be given to anyone who asks.

If the Memorial Society representative mails or faxes a price survey to the funeral home, must the funeral home respond to the survey.

No. There is no requirement in the Funeral Rule that funeral homes respond to price inquiries received by mail or by fax if the funeral home chooses not to do so.

If a Memorial Society Representative visits the funeral home, what price information must be given?

Upon beginning a discussion regarding funeral goods, funeral services, funeral arrangements, or funeral prices, a General Price List should be handed to the Memorial Society representative. Since the Funeral Rule requires that the General Price List be given for retention, the Memorial Society representative would be free to leave the funeral home with the General Price List. If the Memorial Society asks about caskets, vaults, or their prices, the Casket Price List and the Outer Burial Container Price List should be presented to the Memorial Society representative. Unlike the General Price List, however, these two lists do not have to be given for retention. Therefore, the funeral home may insist the representative return these price lists before leaving the funeral home premises.

If the Memorial Society representative contacts the funeral home by telephone, what price information must be given?

A funeral director taking a telephone call from a Memorial Society representative is required by the Funeral Rule to give responsive information about offerings and prices appearing on the funeral home's General Price List (GPL), Casket Price List, and Outer Burial Container Price List. For example, if asked about the range of the funeral home's casket prices, the funeral directors should quote the lowest and highest price caskets appearing on the Casket Price List. However, the contact asks about the wholesale cost of caskets, the funeral director is not required to respond since the information does not appear on the price lists required by the Funeral Rule.

If the Memorial Society group representative telephones the funeral home and requests price lists to be mailed or faxed to the Memorial Society representative, must the funeral home send the requested price lists?

No. The Funeral Rule only requires that a price list be given to a person at the beginning of a face-to-face discussion concerning funeral goods, funeral services, funeral arrangements, or prices. Since there is no face-to-face discussion when the representative telephones the funeral home, copies of the price lists do not have to be mailed or faxed to the representative if the funeral home chooses not to do so.

What penalties can be imposed against a funeral home for refusing a Memorial Society's request for price information?

We have no reason to believe that the Federal Trade Commission would treat such a case any differently than it would if a funeral home refused to provide price information to a consumer. Funeral directors refusing to provide price information to consumers may be fined up to \$10,000 per violation

Please note: Much of the information included in this special bulletin has been provided through seminars and various publications made available by Scott Gilligan, NFDA General Counsel. Thank you to Scott for his continued assistance and advice on this issue of importance to MFDA members.

WHEN IN DOUBT – HAND IT OUT

When should you give out your GPL?

The FTC has recently sent test shoppers to funeral homes in New York, Ohio and Texas. In June, 2005, the Southeastern Massachusetts FCA group collected General Price Lists in the New Bedford area to test FTC rule compliance. This survey resulted in allegations that some Mass. funeral establishments were in violation of the FTC Rule. Be prepared! Remember these GPL tips from NFDA Counsel Scott Gilligan:

- Do you have copies of the General Price List by the funeral home door, on the receptionist's desk, and in the arrangement conference room? If not, put a stack of GPLs in each room right now.
- As soon as a shopper enters the funeral home to inquire about funeral goods or services – hand the shopper a GPL.
- If you encounter a family member during a removal and the individual asks about funeral arrangements – hand him or her a General Price List.