

Peggy F. Porter
18332 Weatherwood Drive
Baton Rouge, LA 70817

July 9, 1999

Secretary
Federal Trade Commission
Room H-159
600 Pennsylvania Avenue., N.W.
Washington, DC 20580



Re: 16 CFR Part 453
Request for comments concerning Trade
Regulation Rule on Funeral Industry Practices

As a citizen of the U.S., a taxpayer, and a consumer, I wish to comment on the funeral rule.

In April 1996, my mother died and we had a problem with the funeral provider. After trying to get help through our local governing bodies, I was told about the "Funeral Rule". In August 1999, I wrote to the FTC. (Your correspondence file #1143960101612) The only response I got was a form letter and a copy of a brochure. Later, I called and talked with Allen Hile and found that do to the lack of funds and personnel, it is very hard to enforce the funeral rule unless they receive several complaints on one particular provider. If you are unable to investigate and penalize those that do not comply with the rules, what good are the rules?

I have chosen to comment on a few of your questions in the publication 16 CFR Part 453, which I just recently received by chance. To get a true picture of the problems that exist these questionnaires should have been mailed to everyone who filed a complaint with the FTC about the funeral industry.

(1) Yes, there is a continuing need for the Funeral Rule. There needs to be more enforcement of the rules and greater penalties or suspension of license for non-compliance.

a) The Rule, if enforced, gives purchasers that are able to plan ahead the opportunity to shop around and lower the cost of what is close to becoming the second largest purchase that an individual will make.

b) Yes, the Rule has imposed costs on purchasers because it has given the funeral providers and open door to add as much as they want to their "basic service fees" without itemization of said fees. I know that this was not the intention of the rule but, again the funeral providers spend thousand of dollars on attorneys to search for loopholes. Possibly, these fees should be itemized and there should be limitations on just what and how much they can be.

(2) The following are possible changes or additions to the Rule in addition to those recommended by FAMSA.

Funeral providers should be required to give copies of and explain the "Funeral Rule" to purchasers. Possibly make the purchaser sign a statement that the Rule has been received and explained.

"Basic Service Fees" or non-declinable fee if not eliminated should be itemized and have limitations.

Funeral provider should inform purchasers of its true ownership and not mislead purchasers into believing that it is still locally owned and operated.

The Rule should be made to cover pre-paid and pre-need purchases. There should be brochures or photographs with the detailed descriptions of all goods including caskets attached to invoices and contracts. Casket information should also include manufacturer's name, model number and detailed description of materials used in construction. This would prevent abuse by funeral providers if the actual casket chosen at pre-need is no longer available at the time of need, there would be no question as to what a casket of equal quality, value and appearance would be.

The Louisiana State Board of Embalmers and Funeral Directors, which governs our funeral industry, consists of 7 members, 6 of which are either embalmers or funeral directors. It has its own rules and one of its rules states that no one except an embalmer or funeral director can sell caskets to consumers in Louisiana. This is in direct conflict with the Funeral Rule. Therefore, in Louisiana, there is a monopoly and the competition factor is eliminated. Funeral providers can and do increase prices of caskets as much as 500%. Somehow this should be corrected.

- (20) I would think that consumers making pre-need arrangements spend less on funerals than those who do not. The funeral providers base their business practices and tactics on the fact that the individual making the at-need arrangements is usually devastated by the death of a loved one and wanting to get the whole process finalized in an expeditious manner and will sometimes end up in debt doing so. The funeral provider portrays himself has a loving and caring individual with the consumers best interest at heart, when all he is seeing are the dollars signs.

When arrangements are made on a pre-need basis you take the "necessity factor" and the "emotional factor" away, it then becomes more of a business transaction. When it becomes a business transaction, the comparison-shopping and competition begins which possibly creates lower prices for the consumer. With the 4 major funeral provider conglomerates buying up the smaller locally owned funeral homes, a monopoly is gradually being created. The consumers are the ones having to pay more for the lack of competition.

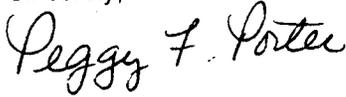
- (30) There are widespread unfair or deceptive practices occurring with respect to the pre-need and pre-payment for funerals. My family's personal experience involved a pre-need, pre-paid, burial arrangement bought and paid for in the 1940's. It included a policy that listed all items necessary for a complete funeral including the casket. The description of the two caskets offered in the policy was not detailed enough to prevent the funeral provider from substituting whatever they wanted in its place. The casket they said went with the policy was nothing more than a box made of pressboard and covered in a fabric that looked like the lint you remove from your dryer vent. When we offered to pay extra for a more suitable casket, they said that it would void our whole policy and we would then receive a measly \$300 credit. We offered to accept the original casket, donate it to a less fortunate family and purchase an additional casket. Again, they said they could not do that. They said they were unable to sell a separate casket. This is in direct violation of the Funeral Rule (which we were not aware of at that time). My Mother's funeral, which was thought to be covered by this policy, ended up costing the family over \$7,900. After investigating the situation further, I found that there had been many complaints filed with the La. State Board of Embalmers and Funeral Directors, the La. State Insurance Commission and the State Attorney General's Office so we were not the only ones with this problem.

(Repeat from Item #2) The Rule should be made to cover pre-paid and pre-need purchases. There should be brochures or photographs with the detailed descriptions of all goods, including caskets, attached to invoices and contracts. Casket information should also include manufacturer's name, model number and detailed description of materials used in

construction. This would prevent abuse by funeral providers if the actual casket chosen at pre-need is no longer available at the time of need, there would be no question as to the what a casket of equal quality, value and appearance would be if there was need for substitution.

The unethical and unlawful practices by funeral providers could be remedied by enforcing the funeral rule and suspending the license of those providers that do not comply. Providers receiving upward of \$5,000 on the average funeral will gladly pay a small fine instead of complying with the rule. The only way consumers can get justice in these matters is to file suits against these providers. This takes years and thousands of dollars that the average person does not have. If the consumer finally gets to court and wins a judgment, then all the provider has to do is file Chapter 11 to avoid having to pay. The consumer, who is supposed to be protected by the FTC, is the only one that loses.

Sincerely,

A handwritten signature in cursive script that reads "Peggy F. Porter".

Peggy F. Porter

c