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# FUNERAL INDUSTRY PRACTICES

MANDATORY REVIEW  
16 CFR Part 453



FINAL STAFF REPORT

TO THE

## FEDERAL TRADE COMMISSION

With Proposed Amended Trade Regulation Rule

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BUREAU OF CONSUMER PROTECTION  
JUNE 1990



**Funeral Industry Practices**

**Mandatory Review  
16 CFR Part 453**

**Final Staff Report to the Federal Trade  
Commission and Proposed Amended Rule**

**BUREAU OF CONSUMER PROTECTION**

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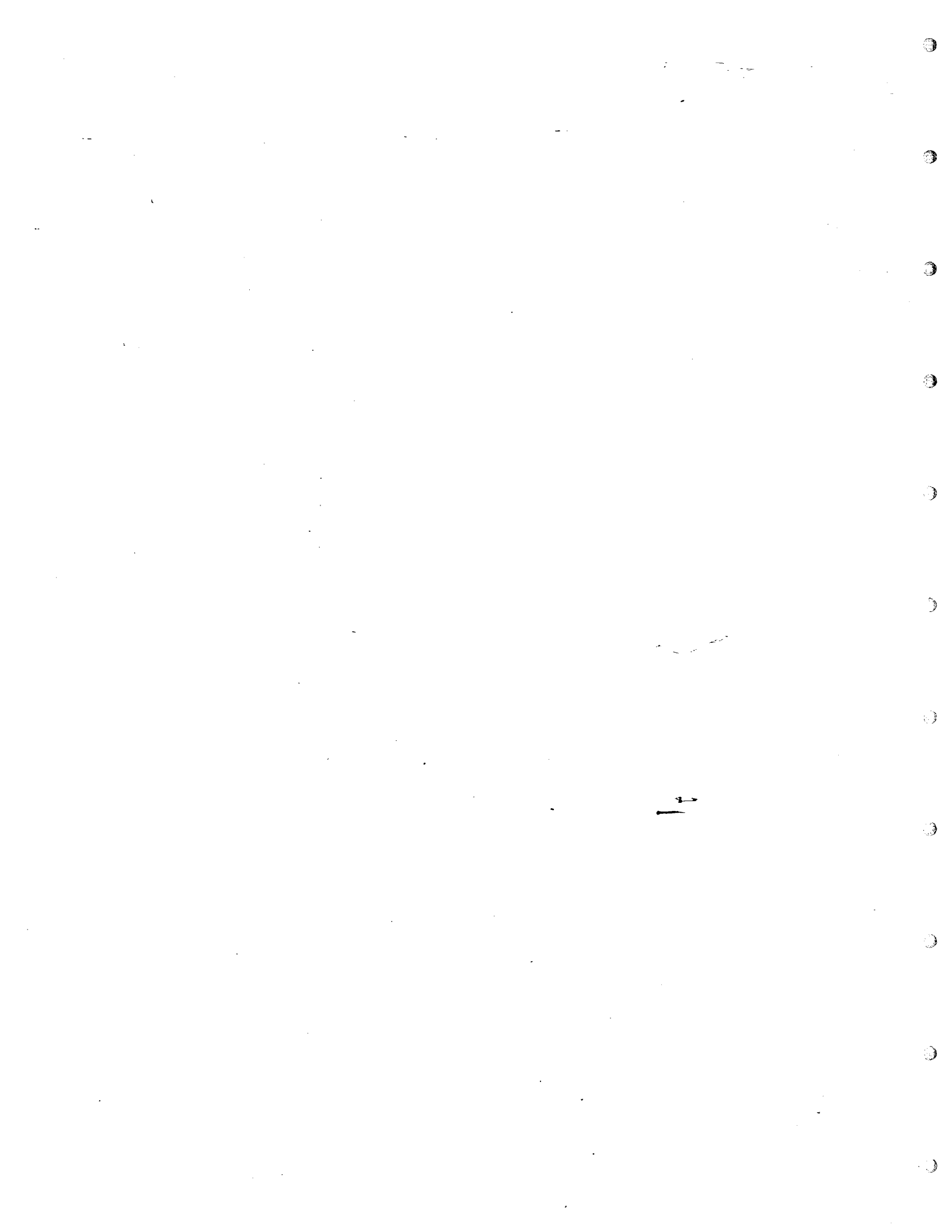
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This report, required by Section 1.13(f) of the Commission's Rules of Practice, contains the staff's analysis of the record and its recommendations as to the form of the final, amended Rule. The report has not been reviewed or adopted by the Commission. The Commission's final determination in this matter will be based upon the record taken as a whole, including the staff's report, the report of the presiding officer under Section 1.13(g) of the Rules, and comments upon these reports received during the 60-day comment period after the presiding officer's report is placed on the rulemaking record.

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\* Barry J. Cutler, Director, and Gloria Cordes Larson, Deputy Director, are recused from participation in this matter.



## ACKNOWLEDGEMENTS

The staff wishes to gratefully acknowledge the valuable assistance provided by several persons throughout this review proceeding and in the preparation of this report.

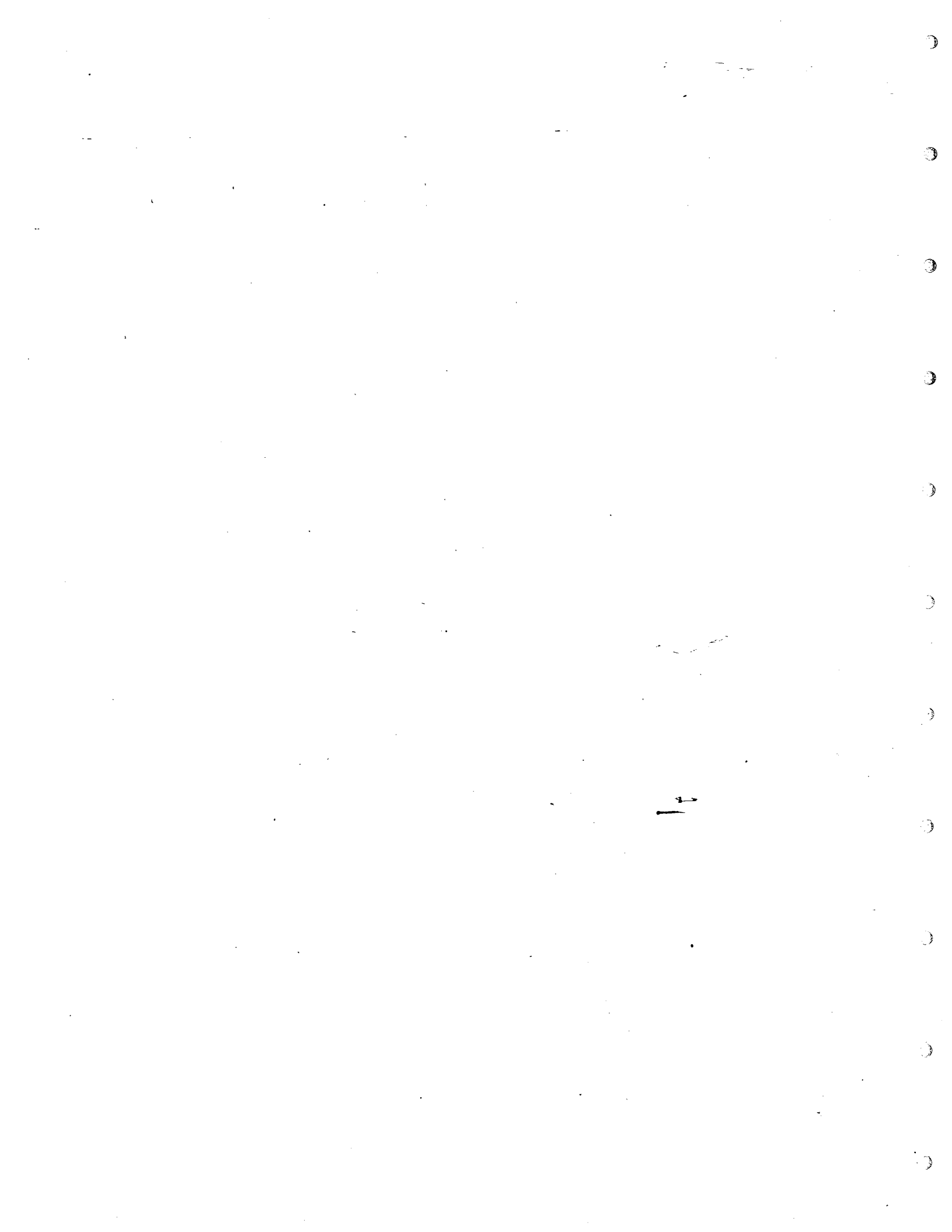
Carol Jennings (Division of Marketing Practices), Dr. Tim Daniel (Bureau of Economics) and Dr. Thomas Maronick (Office of Impact Evaluation) reviewed and generated with speed and accuracy many supporting documents and numerous survey data at our request, and answered in simple terms many complex questions about Rule enforcement, economic and statistical issues.

Greg Hales (Automated Systems Division), Denise Ottie (and her staff in the Information Center), and Jack Crowley ably solved technical computer problems that otherwise might have prevented the efficient analysis of the rulemaking record, not to mention the actual printing of this report.

The Directors and staffs of the Chicago and San Francisco regional offices generously supported the review effort during public hearings held in those cities, particularly Alan Krause and Gerry Wright, who skillfully performed as co-counsel.

Gwen Williams, Denise Owens and Gwen Jones helped ensure the orderly flow of documents, report drafts and events throughout the proceeding by performing a variety of necessary secretarial tasks under difficult time constraints.

College student interns Thomas Letsos and Antonio Gracias willingly engaged in the unenviable, but necessary, task of cite-checking the report. We thank them for their perseverance.



## EXPLANATION OF REFERENCES

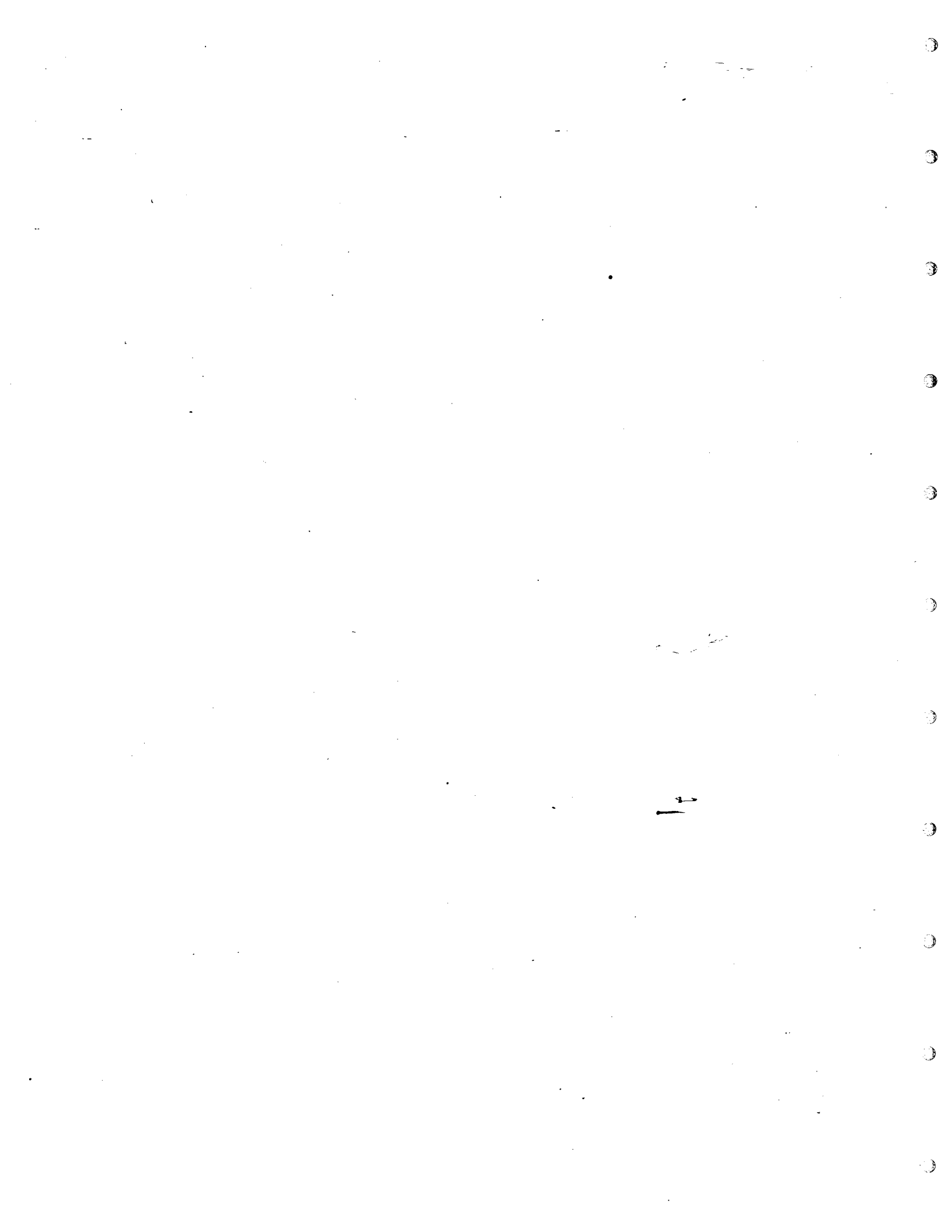
Footnotes in this staff report refer to the materials on the rulemaking record or subject to official notice. Citations to the rulemaking record use the Presiding Officer's classification system, which is reproduced below. Materials are cited, for example, as R-B-2, and may include their short title in parenthesis for source classification, such as R-B-2 (Replication Study).

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### Category

- A Public notices, petitions, motions and other documents not specifically referred to in other categories.
  - B The initial Commission staff report, memoranda and other relevant documents assembled prior to the commencement of the proceeding.
  - C Additional staff submissions.
  - D Comments of funeral providers, funeral directors and their employees.
  - E Comments of cemeterians, crematories, retail casket sellers and other marketers of ancillary goods or services.
  - F Consumer comments.
  - G Comments of funeral trade associations.
  - H Comments of consumer and public interest organizations.
  - I Comments of federal, state and local government entities and officials.
  - J Comments from other sources.
  - L Public hearing transcripts.
  - M Rebuttal submissions, and submissions of proposed findings of fact, conclusions of law, and recommended decisions.
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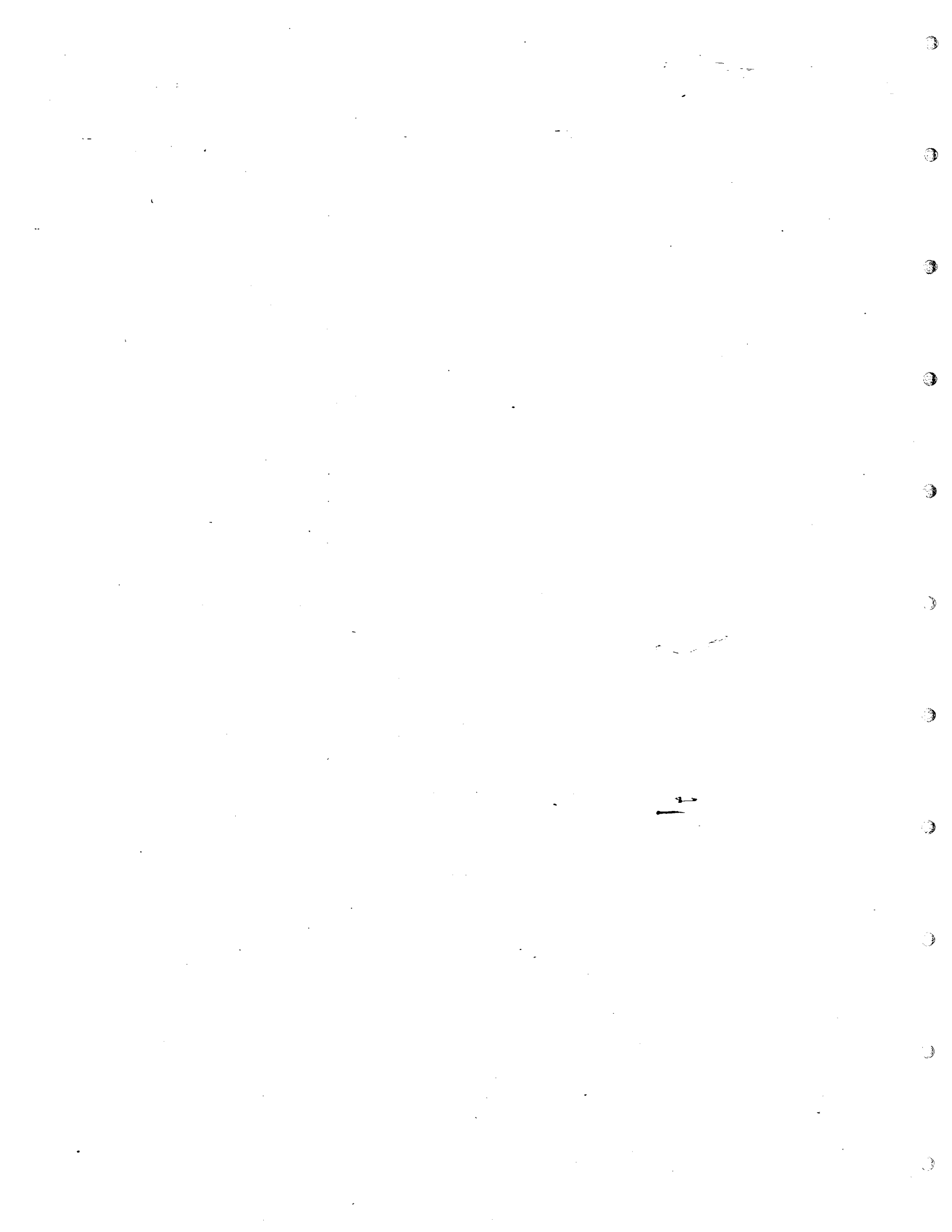
Citations to the public hearing transcripts (Category L) cite the volume and page number, as follows: the Washington, D.C. hearing is Volume I, the Chicago hearing is Volume II, and the San Francisco hearing is Volume III (e.g., Tr. Vol. I, 333).



## GUIDE TO CITATIONS

Many of the significant documents in this proceeding are cited in this report in an abbreviated form. For readers' convenience, this table provides a guide to the most frequently cited documents.

Citation Form	Record Cite	Description
Statement of Basis and Purpose or SBP	R-B-5	The Commission's official publication of the Funeral Rule and its rationale, 47 <u>Fed. Reg.</u> 42260 (Sept. 24, 1982)
Notice of Proposed Rulemaking or NPR	R-A-1	The Commission's notice initiating the review proceeding, 53 <u>Fed. Reg.</u> 19864 (May 31, 1988)
1988 Staff Report	R-B-1	Staff's initial report recommending initiation of the review proceeding
Replication Study ("RS")	R-B-2	1988 FTC study (Market Facts, Inc.) of 1,004 funeral arrangers (Dec. 1986 - June 1987)
Baseline and Follow-up Studies ("BLS")	R-B-3	1982 FTC-sponsored study of 1,200 funeral arrangers (Nov. 1980 - May 1981)
BE Report or Daniel analysis	HX-122	February 1989 Bureau of Economics staff report analyzing expenditure, selection and compliance data from the 1988 FTC study
Gallup Study	HX-66	1988 AARP-sponsored study of 675 recent funeral arrangers (April 1987 - Oct. 1988)
Compliance Guidelines	R-B-6	1985 Staff publication assisting funeral providers in Rule compliance
NFDA/NSM proposed findings	R-M-9	Proposed findings of fact, Conclusions of Law and Recommended decision jointly submitted by the NFDA and NSM
AARP Proposed Findings	R-M-11	Proposed findings of fact, Conclusions of Law and Recommended decision submitted by the American Ass'n of Retired Persons



**TABLE OF CONTENTS**

**Introduction and Summary** ..... 1

**I. Background** ..... 11

    A. The Funeral Rule: Requirements and Purpose ..... 11

    B. History of the Proceeding ..... 12

    C. Legal Standard of Review ..... 17

    D. Profile of the Funeral Industry ..... 19

    E. State Regulation of the Funeral Industry ..... 22

**II. Impact of the Rule** ..... 24

    A. Sufficiency of Review Period and Industry Compliance to Fully Assess the Rule's Costs and Benefits ..... 24

        1. Time Period ..... 24

        2. Industry Compliance ..... 35

        3. Staff Conclusion ..... 53

    B. On Consumers: ..... 55

        1. Consumers Value Itemized Price Information ..... 55

        2. Shopping Behavior ..... 62

        3. Purchase Behavior ..... 67

        4. Consumer Expenditures and Prices ..... 72

    C. On Funeral Homes: ..... 84

        1. Price Competition ..... 84

        2. Reputation and Consumer Satisfaction ..... 93

    D. On States ..... 97

    E. The Case for Repeal vs. Retention and Staff's Conclusion ..... 100

**III. Record Analysis of Rule Provisions and Proposed Alternatives** ..... 108

    A. Introduction ..... 108

    B. Expansion of the Rule ..... 109

1. To Cover Other Sellers .....	109
2. To Remove Restrictive State Laws .....	120
C. "Casket Handling Fees" .....	121
1. Prevalence and Impact .....	124
2. Alternative Remedies .....	129
3. Staff Recommendation .....	131
D. Price Disclosures .....	132
1. Telephone Provisions .....	132
a. Answering Price Requests .....	132
b. Affirmative Telephone Disclosure .....	138
2. General Price List .....	144
a. Requirements and Purpose .....	144
b. Required GPL Itemization .....	145
c. Change Timing and Distribution Requirements .....	150
d. Separate Basic (non-declinable) and Other Professional Service Fees .....	164
e. Standardized Price List .....	169
f. "No charge" Items .....	172
g. Other Suggested Alternatives .....	173
3. Casket Price List .....	175
E. Misrepresentations and Disclosure Provisions .....	179
1. Requirements and Purpose .....	179
2. Repeal or Modify Required Disclosure Language .....	180
3. Embalming Disclosure .....	182
4. Casket for Cremation Disclosure .....	188
a. Treatment of "Unfinished Wood Box" .....	188
b. Treatment of "Pouches of Canvas" .....	191
5. Outer Burial Container Disclosure .....	195
6. Legal and Cemetery Requirements .....	198
7. Preservative and Protective Value Claims .....	199
8. Cash Advance Disclosures .....	199
F. Tying Arrangements .....	202
1. General Anti-Tying Provision .....	203
2. Casket for Cremation Provision .....	205

