



## GRASSLEY TO FUNERAL, BURIAL CONSUMERS: SHOP CAREFULLY



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### GRASSLEY TO FUNERAL, BURIAL CONSUMERS: SHOP CAREFULLY

WASHINGTON - Funeral and burial consumers should shop carefully for what will be one of their largest lifetime purchases, Sen. Chuck Grassley, chairman of the Special Committee on Aging, said today. ``Like any industry, this one has a lot of caring business people,`` Grassley said. ``Also like any industry, it has business people who are not so caring. Older Americans are frequent targets of opportunists in this field. Unfortunately, seniors often lack the resources, such as money and good health, to fight back. My goal is to help protect them.``

Grassley`s comments came after the first day of a two-day investigative hearing, ``Funerals and Burials: Protecting Consumers from Bad Practices,`` in which he sought to educate consumers about the industries, expose bad practices and explore the extent of consumer satisfaction.

Grassley said his Committee investigation documented key aspects of the funeral and cemeteries industries, including:

- The high price of funerals and burials. The national average cost for a funeral, burial and monument is \$7,520. The cost can vary, depending on what consumers choose. Funeral and burial expenses have exceeded the rate of inflation every year since at least 1990. They have exceeded the Consumer Price Index, as compared to all other consumer items.

- The high price of caskets. Caskets are one of the most expensive items in a funeral. The information is hard to quantify, but one source said caskets carry an average mark-up of 500 percent. Some are marked up as high as 2,000 percent. Prices range from \$500 (cloth-covered) to \$33,000 (solid copper).
- The variety of cemeteries and the lack of cemetery regulation. The U.S. Geological Survey is naming, for the first time, all U.S. cemeteries. An estimated 200,000 cemeteries will be identified when the project is completed. Kinds of cemeteries include: for-profits (some publicly traded); non-profits; religious; private and family-run; public; and national cemeteries for veterans. Only a small portion is regulated.
- Confusion involving pre-need funeral and burial arrangements. The industry targets older Americans for pre-need sales because 70 percent of the deaths that occur are of persons 65 or older. Pre-need agreements are among the least regulated products of the funeral industries. To the extent pre-need trusts are regulated, more than one state office may regulate them. That leads to confusion and complexity for consumers and regulators.

Grassley said witness testimony made it clear that some consumers did not get what they paid for in funeral and cemetery transactions. Witnesses described:

- an 81-year-old Florida woman who was pressured into buying \$132,439 of funeral and cemetery products, including several big-ticket items she didn't need, by a pre-need salesman representing the nation's largest funeral company;
- a so-called "sealed" casket that leaked the remains of a woman's deceased grandmother onto an above-ground mausoleum in a Pittsburgh, Pa.,-area cemetery;
- and a Los Angeles, Calif., cemetery that moved and re-buried dozens of a woman's relatives in mass graves, apparently to make room for new burials.

Grassley said it is difficult to determine the extent of these problems because there is scant information about consumer complaints. At Grassley's request, the General Accounting Office (GAO) last fall documented few consumer complaints, but cautioned against concluding broad consumer satisfaction.

The GAO said consumers may not complain because they do not know where

or how to complain. For example, few consumers likely know that the Federal Trade Commission handles funeral complaints, the GAO said. Also, consumers may not complain because of discomfort over revisiting the painful subject of death, the agency concluded.

Grassley said he may propose more consumer protections as his investigation into the funeral and cemetery industries continues. In the meantime, he urged consumers to reconsider how they shop for funerals and cemeteries. Instead of waiting until grief strikes before buying a funeral, Grassley said, consumers should consider the expense in advance.

``Remember that a funeral costs a lot,`` Grassley said. ``Anticipate the cost as you would with a house, a car or a college education. Plan ahead, shop around, compare prices and get yourself the best deal. Death is an unwelcome subject, but so is a big funeral bill. Make it easy on yourself and your family.``

Grassley offered the following consumer tips:

#### Senator Grassley`s Consumer Tips on Funerals and Cemeteries

- Shop around. You may realize cost savings by calling several funeral homes.
- Be an informed consumer. It can only help to ask questions.
- Pre-planning doesn`t necessarily mean pre-paying. Plan ahead, but be careful about the financial obligations you make.
- Take a family member or friend along with you when planning a pre-need or at-need funeral.
- Remember to have everything discussed put in writing.
- Read any document you plan on signing very carefully. If you don`t understand anything, ask the representative to explain it to you.
- Find out if the agreements you sign are revocable. If they are, is there a charge for revoking them?
- Find out if your funeral agreement is transferrable to other funeral homes.

- Ask for a guaranteed price plan. This protects you and your family from future price increases. Even with a guaranteed price plan there will be additional costs at the time of need, but they will be greatly reduced compared to what could occur with a non- guaranteed plan.
- Federal law, called the Funeral Rule, requires funeral homes to provide price lists. The funeral provider must give you a general price list that contains the cost of each funeral item and service offered. The price list also must include information about embalming, caskets for cremation and required purchases.
- The price lists allow you to pick and choose what services you want. You don't have to buy any goods or services you don't want. By purchasing one item, you can't be tied to purchasing another.
- Funeral providers must give you prices and other information from price lists over the phone when you ask.
- Embalming is not required by law, except in certain special cases.
- Caskets are not required for direct cremations.
- Funeral providers cannot tell you that a particular item or service can preserve a body indefinitely or for an extended period of time.
- Check to make sure that the funeral director is licensed.
- If you have a complaint, state and federal resources can help. The following organizations have processes by which you can have your concerns addressed:

Federal Trade Commission Bureau of Consumer Protection Washington, D.C.  
20580 1-877-FTC-HELP (382-4357)

American Association of Retired Persons (AARP) AARP 601 E Street, N.W.  
Washington, D.C. 20049 1-800-424-3410

National Funeral Directors Association (NFDA) 13625 Bishop's Drive Brookfield,  
WI 53005 (414) 789-1880 1-800-228-6332

Funeral and Memorial Societies of America (FAMSA) P.O. Box 10 Hinesburg,  
VT 05461 1-800-458-5563

Iowa Department of Public Health Board of Mortuary Science Examiners Lucas

State Office Building, Fifth Floor Des Moines, IA 50319-0075 (515) 281-4287

Iowa Department of Commerce Insurance Division/Securities Bureau Lucas  
State Office Building, Second Floor Des Moines, IA 50319 (515) 281-4441

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