

Arranging funeral expenses

Service costs can be high and can catch you off guard

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By PAMELA YIP / The Dallas Morning News

When Patty Jacobs' 33-year-old son, Jeff, died in a boating accident in March, she was thrust into a major and immediate financial decision that most Americans are unprepared for – purchasing funeral services.



JIM MAHONEY/DMN

After Patty Jacobs' son, Jeff, died in March, she had to buy funeral services. "I had no idea what to do," she says. "This was such a shock," said Ms. Jacobs, 66, of Dallas. "You never expect that your 33-year-old son was going to die, and I had no idea what to do and hadn't even considered a funeral home."

Ms. Jacobs was fortunate in that her friend Joe Tinnin accompanied her to the funeral home to make arrangements for her son. If it weren't for Mr. Tinnin, a board member of the Funeral Consumers Alliance, she would have spent far more money than necessary, Ms. Jacobs said.

The average cost of a funeral is \$6,500, excluding burial expenses, according to the National Funeral Directors Association, which represents the \$11 billion-a-year industry. That makes a funeral the third-largest lifetime purchase for many consumers, after a home and car, according to the Federal Trade Commission.

But the buying process is unlike shopping for a home or a car, or anything else. If you're in the market for funeral services, you're probably in a terrible emotional state and under strict time pressures. "It's the one purchase that we make with no preplanning at all. We just wait for it to happen," said Mr. Tinnin, whose group, the Funeral Consumers Alliance, aims to educate the public. "It's buyer beware, just like in everything."

The unique nature of the funeral-buying process prompted the Federal Trade Commission to institute the so-called Funeral Rule. Among other things, the rule requires funeral directors to give you itemized prices in person and, if you ask, over the phone. If you're shopping for funeral services, it's a good rule to know.

Most funeral providers will meet your needs in a caring, professional way. But don't kid yourself: The death industry, like any business, seeks to maximize its profits. And just like in any other business, some providers are

less than honest. They may take advantage of you through inflated prices, overcharges, double charges or unnecessary services.

Upselling

In Ms. Jacobs' situation, she said she never felt pressured by the funeral home she went to, but it was clear they wanted to show her the most expensive caskets. "They were very, very nice," she said. "They took me into a showroom and, of course, it had the best coffins. You kind of got the idea that this was it." Some were made of glossy wood and others were of polished metal, Ms. Jacobs said. "They were like \$3,000 or \$4,000," she said.

Mr. Tinnin asked if the funeral home had anything less expensive. "They took advantage of every opportunity to up the price," Mr. Tinnin said. "They showed her the most expensive coffins in the coffin room and she said, 'I'd like something cheaper.'" The funeral home then "rolled out the cheaper one unceremoniously," he said. "They keep the pricier ones out in the carpet-filled rooms with the nice lights on them," Mr. Tinnin said.

Following the rules

Ms. Jacobs eventually selected a metallic gray casket, which cost about \$1,500. "I didn't want to spend a whole lot of money, but I didn't want to be cheap about it," she said. "I wanted a nice coffin for him."

Mr. Tinnin said he never disclosed to the funeral home his position at the Funeral Consumers Alliance. "They did everything by the law," Mr. Tinnin said. "I was there just to guard against something else happening. They complied with the FTC Funeral Rule." However, he added: "It's as if they do what they have to do, but they certainly try to embellish in any way they can."

Ms. Jacobs was grateful for Mr. Tinnin's presence. "If Joe had not been there and asked to see something less expensive, I wouldn't have known," she said. "I would probably have bought a more costly coffin."

All the more reason why you should take a friend with you when shopping for funeral services, especially if you're in the throes of grief. "Don't ever go alone, because another person will think of other questions to ask and will have more objectivity," Mr. Tinnin said. "You can see the vast difference in prices that a person will pay."

Taking issue

Not everyone is as fortunate as Ms. Jacobs to have a friend familiar with funeral regulation. A group of Texas consumers has filed a class-action lawsuit against Houston-based Service Corporation International, the largest funeral home company in North America. The suit accuses the company of failing to disclose that it had purchased goods and services from third parties and marked them up to consumers.

"Flowers were routinely purchased from third parties," said former Texas Rep. Steve Wolens, who represents the Texas consumers. "The funeral home received a 40 percent commission, which was not disclosed to the purchaser."

In another example, the funeral home paid third-party embalmers \$185 and charged the purchaser \$525, "never disclosing that the body was sent off-site, nor the difference in the price," said Mr. Wolens, an attorney at Baron & Budd in Dallas. "We have alleged that they violated federal law, state law and general contract law."

The case suffered a setback when a Court of Appeals in El Paso ruled that the plaintiffs couldn't seek monetary damages as a class. But that's not a final judgment by the court, said Alan Rich, Mr. Wolens' colleague and the

appellate lawyer on the case. They will ask the appeals court to revisit its ruling, "because we think they made an error," Mr. Rich said. Service Corp. officials said the court's ruling vindicates its position.

"The FTC has declared that SCI and its various entities have been correct in the way they have interpreted and applied the Funeral Rule," spokesman Greg Bolton said. "We feel confident that the numerous supporting FTC opinions which directly address this issue, and this lawsuit will ultimately vindicate the industry and the plaintiff's claims will be found to be without merit."

A better way

The suit serves as an example of what consumers need to do when shopping for funeral services. "They need to ask a lot of questions," Mr. Wolens said.

The best scenario – although it's uncomfortable for most consumers – is to research funeral services before you or your loved ones die. "Life happens, and you just never know what's going to happen to you that you're faced with a tragedy and you have to make a decision," said Ms. Jacobs, the Dallas mother. "It would be so much better if you had those decisions made ahead of time."

HOW AND WHY THE FUNERAL RULE WAS CONSTRUCTED

After compiling complaints from consumers, the Federal Trade Commission investigated the funeral industry in the 1970s. "The most significant problem was lack of price disclosure," said Stephen Cohen, an FTC attorney. "Back in the '70s, when you wanted to arrange a funeral, there were no prices available. There was no way to compare those prices to anything."

In 1982, the FTC gave its reasons why special rules were needed to protect funeral shoppers:

"It is a unique transaction, one whose characteristics reduce the ability of consumers to make careful, informed purchase decisions," the FTC said. "Decisions must often be made under the emotional strain of bereavement. In addition, consumers lack familiarity with the funeral transaction."

Almost half of consumers have never arranged a funeral, while another 25 percent have done so only once, the agency said. And unique time constraints are involved. "Within hours of death, consumers must make arrangements to have the body of the deceased removed from the place of death and taken to a funeral home," the commission said. "Within at most 24 to 48 additional hours, all additional decisions must be made concerning the form of disposition desired."

In 1984, the FTC's Funeral Rule took effect. Under the rule:

- If you ask about funeral arrangements in person, the funeral home must give you a written price list to keep that shows the goods and services the home offers.
- If you want to buy a casket or outer burial container, the funeral provider must show you descriptions of the available selections and prices before actually showing you the caskets.
- Many funeral providers offer various "packages" of commonly selected goods and services that make up a funeral. But when you arrange for a funeral, you have the right to buy individual goods and services. You don't have to accept a package that may include items you don't want.

- You have the right to choose the funeral goods and services you want. The funeral provider must state this right in writing on the general price list. If state or local law requires you to buy any particular item, the funeral provider must disclose it on the price list, with a reference to the specific law.
- The funeral provider may not refuse, or charge a fee, to handle a casket you bought elsewhere.
- A funeral provider that offers cremations must make alternative containers available.

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