

The Federal Trade Commission & The Funeral Rule

Introduction

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- A. Introduction
- B. Review of the FTC's Funeral Rule
- C. FTC Enforcement
- D. Rule Review
- E. FTC Resources

The Funeral Rule - History

- Essential Purposes:
 - To ensure that consumers receive information necessary to make informed purchasing decisions, and to lower existing barriers to price competition in the market for funeral goods and services.
- Original Rule:
 - Took effect in 1984.
 - Amended once (1994).

The Funeral Rule – Who is Covered?

- The Funeral Rule applies to all funeral providers.
- “Funeral providers” sell or offer to sell both funeral goods and funeral services to the public.
- Entities and individuals in the death care industry who may not be covered by the Funeral Rule are still covered by the broad language of Section 5, which prohibits things like deceptive and unfair advertising.

Requirements of the Rule: A Key Provision

- It is an unfair or deceptive practice to fail to furnish accurate price information disclosing the costs of each funeral good or service, including the price of:
 - Embalming;
 - Transportation of the remains;
 - Use of facilities;
 - Caskets;
 - Outer burial containers; and
 - Immediate burials or direct cremations.

Funeral Rule Requirements: Price Lists & Statements

- Funeral providers are required to maintain and provide (either to keep or view) copies of different price lists:
 - The General Price List (“GPL”);
 - The Casket Price List (“CPL”); and
 - The Outer Burial Container Price List (“OBCPL”).
- Also required to give out the Statement of Funeral Goods and Services Selected.

Telephone Price Disclosure

- Funeral providers are required to provide accurate information over the telephone.
- Must provide information to any person who inquires.
- Recent undercover sweep: 39 funeral providers failed to provide accurate information over the phone.

Other Requirements of the Funeral Rule

- It is an unfair or deceptive practice to:
 - Require purchase of caskets for direct cremations;
 - Condition the provision of any funeral good or service upon the purchase of any other;
 - Embalm the deceased for a fee without authorizations;
 - Misrepresent the legal or local cemetery requirements for:
 - Embalming;
 - Caskets in direct cremations;
 - Outer burial containers;
 - Any other funeral good or service; and
 - Misrepresent that cash advance purchases are the same as the cost to the funeral provider when that is not the case.

Enforcement of the Funeral Rule

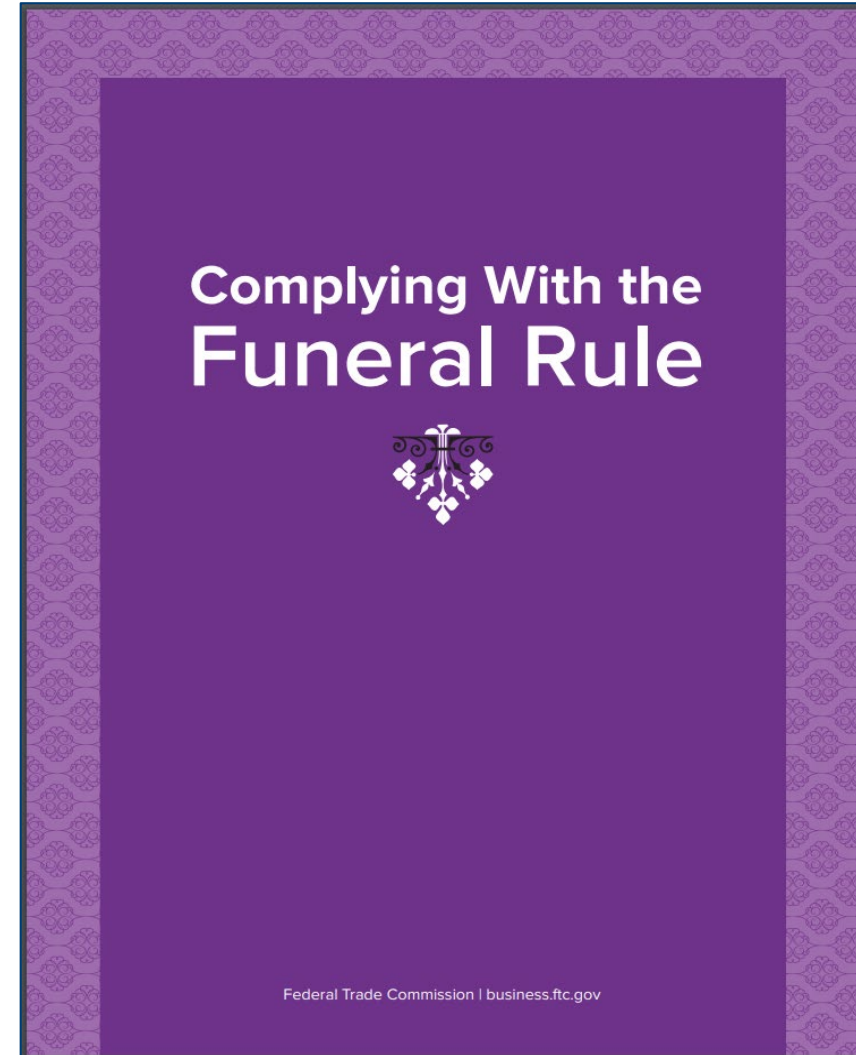
- **Legacy Cremation Services** (dba “Heritage Cremation Provider”)
 - Lawsuit filed in 2022.
 - Settlement entered by the court in April 2023.
 - Under the settlement order, defendants must:
 - Post important information on their website, including their general price list and location.
 - Disclose their price list upfront, including during online or phone conversations.
 - Provide information about any third-party provider who will provide goods and services.
 - Pay \$275,000 in civil penalties.

Funeral Rule: Rule Review Status

- Funeral Rule Review:
 - Initiated Feb. 14, 2020
- Advance Notice of Proposed Rulemaking (“ANPR”):
 - Published on November 2, 2022
- Workshop:
 - Held September 7, 2023

Resources

- www.ftc.gov/tips-advice/business-center/guidance/complying-funeral-rule
- <https://www.ftc.gov/business-guidance/industry/funerals>
- <https://www.ftc.gov/news-events/topics/truth-advertising/funeral-rule>
- <https://consumer.ftc.gov/shopping-and-donating/funerals>



Questions?

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