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Mercedes K. Kelley
Division of Marketing Practices

Direct Dial - 202-326-3665

April 5, 1999

Mr. James O. Pinkerton
Vice Chairman
Pennsylvania State Board of Funeral Directors
1014 California Avenue
Pittsburgh, PA 15202

Dear Mr. Pinkerton:

I am writing this letter in response to your request for advisement on the implications of "The Catholic Funeral Plan" being offered by the Catholic Cemeteries Association of the Diocese of Pittsburgh on the Funeral Rule. The Catholic Funeral Plan is a pre-need plan which aims to provide customers with a package of funeral goods and services which is not only cost-efficient but which also ensures a funeral that conforms with Catholic traditions and dictates. The plan is to be marketed by the Catholic Cemeteries Association of the Diocese of Pittsburgh and funeral homes in the Pittsburgh area have been entreated to serve as providers of funeral goods and services under the Catholic Funeral Plan. Since the plan contemplates providing a full funeral to the customers, there is concern about how the Funeral Rule fits into this situation.

The following response (except as otherwise noted) is a staff opinion and does not necessarily reflect the views of the Federal Trade Commission or any of the Commissioners individually. My remarks are a reflection of the opinions of staff members who are charged with administering the Funeral Rule.

The Federal Trade Commission, in 1985, published Compliance Guidelines for the Funeral Rule in the *Federal Register*. Volume 50, No. 131, 28062. These Compliance Guidelines were last updated in August of 1995. These guidelines have a specific provision addressing special groups who have alternative price lists and the "you" referred to is the funeral provider:

Some funeral providers enter into agreements with religious groups, burial

societies, or memorial societies to arrange funerals for their members at special prices. You are free to enter into such arrangements, but you must still comply with the Rule's requirements. You must provide price lists to representatives of

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these groups when they inquire about funeral arrangements on behalf of their members. In addition, if an individual group member inquires in-person about funeral arrangements, you must provide the individual with your price lists. Even if a member chooses a package available only to society members, the member must have the opportunity to look at your price lists. You can either have separate price lists for qualifying members or include such prices on your regular price lists.

Accordingly, a religious group is free to sell packages of funeral goods and services to their members under the Funeral Rule. However, the funeral providers who choose to be involved in a program, such as the Catholic Funeral Plan, carry the burden of making sure that the consumers brought to them by the religious group get the disclosures required under the Funeral Rule.

I hope this clarification is helpful and if you have any more questions or concerns, please feel free to contact me.

Sincerely,

Mercedes K. Kelley