

April 17, 2001

Myra Howard
FTC
600 Pennsylvania Ave. NW
Washington, DC 20508

Dear Myra,

Apparently, Service Corporation International (SCI) is now selling funerals to veterans via mail. See the enclosed sales material being sent to California vets.

It would appear that this promotion is in violation of the FTC Funeral Rule. While it is fairly clear that an insurance vehicle is being used to fund the plan (and a General Price List is not required to sell insurance), the package as promoted is for a funeral or cremation, not insurance. Furthermore, if you will note the text by Step 10 of the "Prearrangement" form, only after a payment is made does the company plan to send out "a Statement of Goods and Services [and] the VFW/Ladies Auxiliary Dignity Memorial Plans General Price List. . ." In that order, no less, but no casket price list.

For those of limited means, there are much better choices out there. Undoubtedly, SCI is expecting that those with more funds at their disposal won't settle for a bottom-of-the-line "light metal" casket. Because "no substitutions" are permitted, an a la carte funeral could easily double the cost, even with a 10% discount. But, of course, no GPL is being made available to disclose that fact. Consumer Reports found, as we have, that prices are significantly higher at the chains. It's hard to understand how the VFW could consider this a good deal for their members.

That "plan components are subject to change without notice" strikes me as having a potential for consumer fraud. If one buys a funeral plan now, can the company later offer a chipboard casket for the "wood" instead of "poplar"?

I am not sure what, if any, federal regulations there are regarding cancellation or default disclosures for insurance purchases, but nothing in the paperwork indicates what would happen if a family couldn't keep up the payments on a time-payment plan.

I am concerned that consumers will not be well-served by this promotion and would appreciate your feedback.

Sincerely,
Lisa Carlson
Executive Director
Funeral Consumers Alliance

cc: SCI
VFW

FTC Complaint Against SCI for Multiple Price Lists

Tuesday, 17 April 2001 00:00 -
