

432



UNITED STATES OF AMERICA
FEDERAL TRADE COMMISSION
WASHINGTON, D.C. 20580

Division of Marketing Practices

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April 16, 1997

David Nixon
Funeral Management Service, Inc.
P.O. Box 13320
Springfield, Illinois 62791-3320

Dear Mr. Nixon:

I apologize for the delay in responding to your inquiry. You have raised several issues

[REDACTED]

1. A funeral director offers families a discounted price for his/her Basic Services of Funeral Director & Staff fee, if the family purchases a casket from his/her funeral business. Families supplying their own casket are not offered this discount. Is this allowed under the FTC Funeral Rule.

This practice is impermissible under the Funeral Rule. Funeral homes may charge a non-declinable Basic Services Fee as a condition for the purchase of other goods and services. When

consumers that the "same fee shall be added to the total cost of your funeral arrangements if you provide the casket." Section 453.2(b)(4)(C)(2). A discounted fee for consumers who purchase the casket from the funeral home would be inconsistent with this section of the rule stating that consumers who do not purchase a casket from the funeral home would have the same fee added to their arrangement. In addition, this discount would, in effect, become a fee assessed to only those consumers who do not purchase a casket from the funeral home and would amount to a

discount. Is this allowed under the FTC Funeral Rule.

This is allowable under the FTC Funeral Rule. Although we are certainly concerned about the promise of a proposed discount when it is structured in a certain way, it is not

consumers who supply their own casket or discourage consumers from supplying their own casket, funeral homes may encourage consumers to purchase a casket from their organization by

offering discounts on services or items except for a non-declinable Basic Services Fee.

4. Allowing that a funeral director is permitted to offer a discounted price in one of the three prior examples, I believe that he/she can enter either the itemized prices on the Statement of