

PRE-NEED FUNERAL CONTRACTS

Trap

Susy was initially relieved she had completed a pre-need funeral contract. It covered travel arrangements from Florida, the funeral and interment at a cemetery in New York. Later she realized it covered neither the cost of the casket nor the local funeral home services. She decided to cancel the contract, but the funeral home refused to give her a full refund. A bad situation got worse when the funeral home later changed hands, and Tara discovered the new owner knew nothing about her contract or the previously agreed upon refund.

Tips

Many people see pre-paid funeral arrangements as part of estate planning. Ensure that your family knows about plans made and where to find the needed documents. Here are some things to consider before making “pre-need” payments:

- Carefully compare cost and services of more than one pre-need provider before making a decision.
- Is the provider reputable? How is their Better Business Bureau rating? Are there any complaints on review sites?
- Make sure that the services you’re interested in, as well as merchandise (e.g., casket, vault, etc.), are included in the contract.
- Determine if there is a penalty for cancelling should you change your mind. Ask about the refund policy on both merchandise and services.
- Ensure that the contract clearly explains what happens to the interest income on pre-paid funds placed in a trust account.
- Check if you are protected should the company go out of business. What if you re-locate or die while away from home or overseas?
- Check if the plan is transferrable. Some pre-paid funeral plans are transferrable, but often at an added cost to the family.

For more information contact **Palm Beach County Consumer Affairs**



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