

Consumers, IFDA and the Future

Q: Will consumers be hurt? Will people be less likely to keep their preneeds with us?

A: Consumers should feel perfectly confident in IFDA preneed contracts. Consumers who have purchased preneed contracts are protected. Guaranteed preneed contracts are guaranteed to provide services in full. Non-guaranteed contracts are subject to the ups and downs of the market – like many other investments. Their principal is protected by the funeral director who sold them the “non-guaranteed” preneed policy.

Q: Does IFDA recognize how unhappy funeral directors are about this situation?

A: We certainly understand their feelings. Remember, many Board members themselves have deposits in the Trust. It is a difficult situation and there is no easy fix.

The Association regrets and apologizes for the near-term inconvenience these challenges may create for all funeral directors who hold accounts in the Trust.

Q: Why should I stay with IFDA to deposit preneed funds?

A. There are numerous reasons to stay with IFDA.

- IFDA provides exceptional administrative services to trust participants and those services will continue to be available to trust participants even with Merrill Lynch as Trustee.
- By keeping each investment fund separate they are not dependent in any way on any of the other funds. Tax exempt investments will be maintained but will not impact in any way the investments of the taxable accounts or the new trust accounts.
- The “mark to market” valuation method more accurately reflects the value of preneed accounts based on the market value of their earnings. There cannot be a deficit with a mark to market policy.
- IFDA represents you and hundreds of Funeral Directors like you. Collectively you provide a strong voice for Funeral Directors throughout the State and in Springfield. For 128 years, we have stuck together to improve our businesses and our profession. We will continue to do just that.