

CONSUMER REPORTING / NOTIFICATIONS

The Working Group approved the following **CONSENSUS RECOMMENDATIONS**:

- **Mandated Disclosures:** The Board should be granted rulemaking authority to establish consumer disclosure requirements related to portability, cancellation and purchaser refunds.
- **Refunds:** Purchasers should be entitled to an annual report from the seller indicating the amount of funds paid by the purchaser during the reporting year and the name and address of the trustee.

! Comments:

- *APS and Kutis Funeral Home objected to the annual report because administrative and mailing costs would be "burdensome and cost prohibitive." APS objected to reporting payment information to a purchaser on a monthly basis and instead supported reporting if requested by the purchaser.*
- *Homesteaders commented that the annual report should not be required for insurance funded preneed sellers or insurers governed by insurance requirements.*

- **Purchasers should be provided a receipt for each payment made by or on behalf of the purchaser. The receipt should be provided by the person receiving the payment (i.e. - the seller, provider or the agent).**

! Comments:

- *Participants suggested that receipts could be provided by any means agreed to by the purchaser (i.e.- a handwritten or electronic receipt) and could be required monthly or at a longer interval.*
- *Meierhoffer Funeral Chapel indicated that a receipt should not be required if payments are made directly to the trustee because these transactions may be otherwise addressed under federal law.*
- *MFDEA and Stalter Legal Services suggested that a receipt should only be required for cash payments. If payment is made by check or electronic transfer, the check or transfer acknowledgment should be sufficient. Stalter also indicated that the requirement would be redundant if all payments must pass through the trust and an annual statement is issued by the fiduciary.*
- *APS commented that it provides a receipt for the initial preneed deposit, as well as a paid in full certificate. APS commented that providing a receipt for each payment would require extra staffing hours, supplies, and postage to issue receipts for all preneed payments received. APS suggested that purchasers have their cancelled checks as receipts and can always call to request documentation and verification of all payments made at anytime. APS also indicated that other vendors, banks, credit card companies, utility companies, etc., are not required to issue receipts for every payment received! In lieu of a statutory requirement, APS supported allowing the Board to promulgate rules to establish requirements for requiring preneed sellers to provide written documentation of all payments received when requested by purchasers. APS indicated that it provides written receipts immediately upon request and would assume that all sellers do the same; however, APS indicated it would be extremely difficult to send out receipts for monthly payments.*