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Money for Nothing

A friend of mine complains all the time about seat licenses, which is the process of paying for the privilege of purchasing season tickets for a sports franchise. He often refers to seat licenses as "buying air." He uses the same term to describe extended warranties. Maybe he is a typical consumer, wanting something tangible for his dollars and excited only by the prospect of buying something now for no money down and no payments until 2012.

Applying that attitude to preneed, I would think this guy would be a tough sell. Aside from the stories that crop up in the news about preneed funds vanishing, there is a consumer mind set that when thousands of dollars are plunked down, a person would like something to show for it. However, the value of a preneed purchase is tied to peace of mind. If that is really the appeal of preneed in the minds of consumers, then the damage done by the scandals involving National Prearranged Services and the Illinois Funeral Directors Association is staggering.

The preneed debate has raged within funeral service for years. At the 2002 convention of the then-ICFA in Orlando, Fla., an actual debate was staged featuring Paul Elvig, an officer of the association who extolled the virtues of preneed, and Thomas Lynch, a noted author and funeral director who advocated preplanning of services but opposed preneed. That discussion clearly illustrated the diversity of mind set with regard to preneed. That debate was seven years ago, and in fact it could have happened last week. Nothing has changed. In fact, the scandals that have plagued preneed have escalated in damage and have further eroded consumer confidence immeasurably.

If the saying goes, "If it ain't broke, don't fix it," then the opposite would be, "If it's broke, fix it now." I think the latter expression accurately describes preneed in the 21st century. And while I don't think there is a great number of funeral service professionals who would strongly disagree with that sentiment, I am not seeing a lot of dust kicking up in a hurry to fix it. For too long the profession has been in the "problem admiring" mode, when more needs to be done to shift gears into "problem solving."

There is much that needs to be done to fix preneed, but I think the disconnect takes place between what preneed is and what the consumer thinks it is. What are the best mechanics for preneed to give the consumers the peace of mind they want, and how do we restore consumer confidence in the concept?

So, where to start? The most logical place is within the state and national associations. Associations are the members' advocates. Fixing preneed has to be a comprehensive cooperative effort, with everyone on the same page. This process will be all about education and cooperation. The real debate can't begin until everyone knows for sure what the points of contention are. Before any new laws are written, a plan needs to be agreed upon. Guaranteed, nonguaranteed, portability, refundability, 100 percent trust, all of these terms come up in any discussion of preneed.

I am not convinced that more federal regulation is the way to go, but I could be wrong. For too long there has been discussion about having a discussion. And now, there may be no bigger issue than preneed. It has been touted as the lifeblood and the future of the profession, but it is also the root of public mistrust. In reality, the profession wants the same thing that the families it serves does: Peace of mind.

Edward J. Defort, Publisher

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