



Funeral Consumers Alliance of Maryland and Environs

Protecting a consumer's right to a meaningful, dignified, and affordable funeral.

HB 1042 - Favorable with amendments

Testimony for the House Committee on Health and Government Operations Of the Maryland General Assembly

March 5, 2014

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Funeral Consumers Alliance of Maryland & Environs

Chairman Hammen, Vice Chair Pendergrass and Members of the Committee:

Thank you for the opportunity to provide testimony from the Funeral Consumers Alliance of Maryland and Environs (FCAME) in support of House Bill 1042 that would improve how funeral establishments owned by a single owner are handled upon the death of the owner.

FCAME is the volunteer-run, regional chapter of the Funeral Consumers Alliance (FCA), the oldest and largest non-profit watchdog organization protecting the rights (and wallets) of grieving consumers. FCA's many chapters across the country are dedicated to: helping consumers be more informed about death care options, and protecting the public from fraud and abuse in cremation, funeral and burial transactions. FCA and its chapters take no money from the death care industry or government, and act as a voice for consumer interests.

House Bill 1042 would create a reasonable and timely process for handling the funeral-related obligations of a deceased single owner of a funeral establishment in a manner that protects the interests of consumers who have pre-need contracts with the establishment or who have cremains on the premises of the establishment awaiting pick-up by next of kin.

The death of a number of single owners of funeral establishments in Maryland in the past few years has clearly shown that current law does not adequately specify what steps need to be taken to effectively respond to the many challenges that inevitably occur when such deaths occur.

The end result has been that the Board of Morticians and Funeral Directors has had to collect boxes and boxes of files from the offices of the deceased to sort through records to determine: what pre-need contracts still exist, where all the pre-need funds are deposited, and the contact information needed to notify next of kin about cremains of their family member that were found at the funeral establishment.

HB 1042 specifies the requirements for an executor to be named, what qualifications he/she must have, and the responsibilities of the executor until the establishment is sold or closed. The bill includes a timetable for what needs to happen when to notify the

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public and pre-need clients about the death of the owner, as well as when and how the Board of Morticians must be provided with specific details on pre-need contracts and unclaimed cremated human remains.

One particularly noteworthy aspect of the bill is the requirement that all pre-need contract holders who have funds in trust with or in an insurance product assigned to the funeral establishment must be notified within 30 days after the death of the single owner of the funeral establishment. Contract holders would be given 30 days to respond, after which their pre-need funds are sent to Unclaimed Property in Maryland's Office of the Comptroller. Pre-need contract holders could claim their funds from Unclaimed Property in the Office of the Comptroller later after providing sufficient proof of ownership.

This would be a significant improvement over what happens now when the estate of a deceased single owner of a funeral establishment keeps all the pre-need contract funds of consumers who haven't claimed their funds before the estate is settled 6 months after the owner's death.

Maryland's Board of Morticians and Funeral Directors is to be commended for assembling a meeting of representatives from the Board, all funeral industry trade associations in the state, FCAME, and the State Anatomy Board to decide on what provisions to include in this bill to ensure it appropriately addressed the concerns of the respective groups and would have their support.

FCAME is fully supportive of HB 1042 but is requesting two "friendly" amendments (as shown below in **BOLD**) to the language of the bill. We believe the amendments would increase the likelihood the public would be adequately notified following the death of a single owner of a funeral establishment, and are consistent with what was agreed to in the meeting of representatives from the Board of Morticians, industry, FCAME and the Anatomy Board.

7-308.3(C)(1) PLACE AN OBITUARY FOR THE DECEASED SINGLE OWNER IN THE DEATH NOTICES SECTION OF A NEWSPAPER WITH GENERAL CIRCULATION IN THE AREA OF THE FUNERAL ESTABLISHMENT FOR THE FIRST TIME, **AND PLACE SAID OBITUARY IN THE SAME MANNER AT LEAST TWO MORE TIMES WITHIN THE FOLLOWING 4 DAYS;**

7-308.3(C)(3) PLACE A NOTICE TO THE PUBLIC OF THE DEATH OF THE SINGLE OWNER ON ANY WEB SITE MAINTAINED BY **OR FOR** THE FUNERAL ESTABLISHMENT.

In summary, the Funeral Consumers Alliance of Maryland & Environs strongly supports HB 1042 with the addition of the two aforementioned amendments because the bill provides important consumer protections that do not now exist in law governing what happens when the single owner of a funeral establishment dies.