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INDEPENDENT REGULATORY REVIEW COMMISSION

January 3, 2006

The State Board of Funeral Directors  
c/o Board Administrator Michelle T. Smey  
Department of State  
2601 North Third Street  
P. O. Box 2649  
Harrisburg, PA 17105-2649

Re: Suggested Regulation – Pre-Need Arrangements


Dear Ms. Smey:

Because of this company's fiduciary responsibilities relative to a significant number of pre-need accounts, I have closely followed litigation and other developments regarding pre-need accounts, arrangements and contracts. Recently, I have had an opportunity to review the draft regulation entitled, Pre-Need Activities by Employees and Agents of Licensed Funeral Directors that the Pennsylvania Cemetery Funeral Association intends to submit to your board.

I have found the above-cited draft to be fair to both the funeral directors who will be providing the goods and services as well as the consumer who is making the arrangements. It provides structure to the sales process and recognizes the role and the importance of agents who are not licensed funeral directors in dealing with the consumer. Most of all, the suggested regulation holds the licensed funeral director "professionally responsible for the actions of such employees or agents". It also requires disclosure to the prospective customer that the agent is not a licensed funeral director, but if the customer so desires, the licensed funeral director will be available to discuss the arrangements and proposed contract before it is signed by the customer.

In the trust company's capacity as trustee of pre-need accounts, we maintain a fiduciary duty to the funeral director as well as to his customer whose funds are being held in trust as required by statute. In this regard, it is my opinion that the suggested regulation fairly represents the interests of each such entity and adequately addresses the recently debated and litigated role of non-licensed agents. For this reason, I wholeheartedly support the suggested regulation and submit this letter as evidence thereof.

Sincerely,

  
Ronald W. Virag  
President and CEO

RWV/dg