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INDEPENDENT REGULATION
REVIEW

COMMONWEALTH OF PENNSYLVANIA
GOVERNOR'S OFFICE OF GENERAL COUNSEL
DEPARTMENT OF STATE
LEGAL OFFICE
116 PINE STREET, P.O. BOX 2649
HARRISBURG, PA 17105-2649

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JUL 21, 2002

Kathleen K. Ryan, Esquire
Pennsylvania Funeral Directors Assoc.
7441 Allentown Boulevard
Harrisburg, PA 17112-9982

Dear Ms. Ryan:

I have received your recent request for approval of the form master pre-need trust agreement and pre-need and individual trust agreement that your association will provide to members who participate in the SecurChoice program.

As a general rule, the Board does not review forms for any entity other than a licensed funeral establishment. However, because of the large number of licensees who participate in this program and who will use these forms, I am reviewing these forms for their benefit. **Any member who participates in this program and who uses these forms must receive from you a copy of this letter and must maintain that letter in the member's files as if I had reviewed and approved the forms specifically for that member.** In addition, the only changes that may be made to these forms, in order to continue applicability of this review, are the insertion of the name and address of the funeral establishment and the name, if applicable, of the supervisor.

I assume that each member who participates will attach as Exhibit A to the pre-need and individual trust agreement a completed statement of funeral goods and services that the Board has separately approved. Additionally, I assume that each member who participates in this program will include the name of the supervisor, if applicable, with the name of the funeral establishment. Upon my review, on these assumptions, it appears that the submitted pre-need and individual trust agreement is in compliance with the Funeral Director Law¹ and regulations promulgated there under. As such, the Board approves this form for use by the various members who participate in this

¹ Act of January 14, 1952 (P.L. 1951-1898, No. 522), as amended; 63 P.S. § 479.1 et seq.

Ms. Ryan
June 21, 2002
Page 2

program. However, this review does not extend to any other body of law, such as contracts, or to requirements of other agencies, such as the Federal Trade Commission.

I have not reviewed the master pre-need trust agreement. In contrast to the Board regulations at 49 Pa. Code § 13.204 (regarding written agreement) and 49 Pa. Code § 13.224(f) (regarding funding and reporting of prepaid burial contracts) that authorize the Board to review a contract between a funeral establishment and a customer, no regulation provides for review of an agreement between the trustee and the funeral establishment.

Sincerely,



Thomas A. Blackburn, Counsel
State Board of Funeral Directors

cc: Michelle T. DeMerice, Administrator
State Board of Funeral Directors

From: Blackburn, Thomas [tblackburn@state.pa.us]
Sent: Thursday, August 22, 2002 3:43 PM
To: Hanna, Michael
Subject: RE: Funeral director's escrow/trust funds

No, you are not missing anything. That conclusion is what the Board draws from the statute and the Board's regs. ✓

-----Original Message-----
From: Hanna, Michael [mailto:MHanna@pahouse.net]
Sent: Thursday, August 22, 2002 3:39 PM
To: Blackburn, Thomas
Subject: RE: Funeral director's escrow/trust funds

Tom, I've now had an opportunity to review the statute and the code. I don't see anything that expressly says that the trust must be transferable to another funeral home, other than in the case of the buyer moving out of state. Am I missing something? Mike ✓

-----Original Message-----
From: Blackburn, Thomas [mailto:tblackburn@state.pa.us]
Sent: Thursday, August 22, 2002 2:59 PM
To: Hanna, Michael
Subject: RE: Funeral director's escrow/trust funds

Here they are. The first two are what I originally sent, taken straight from the PA Code website. The last one is my edited version that has been around a few years. The regs have not been amended in the meantime. I'm including this version in case the others don't work.

-----Original Message-----
From: Hanna, Michael [mailto:MHanna@pahouse.net]
Sent: Thursday, August 22, 2002 2:44 PM
To: Blackburn, Thomas
Subject: RE: Funeral director's escrow/trust funds

Tom, The Funeral Director Law came thru with the attachments, but 49 PA Code 13 224 & 13 226 would not open. Please try to resend. Thanks Mike

-----Original Message-----
From: Blackburn, Thomas [mailto:tblackburn@state.pa.us]
Sent: Thursday, August 22, 2002 9:00 AM
To: Hanna, Michael
Subject: Funeral director's escrow/trust funds

Hon. Michael Hanna
Pennsylvania House of Representatives

Dear Mr. Hanna,
Thank you for your telephone call this afternoon. As I indicated, I recently spoke with your brother John, a licensed funeral director in Lock Haven. John has a pre-need customer who had previously paid another funeral director, and those funds are in the previous funeral director's trust account. The customer would like to transfer the funds to John's funeral home, but the previous funeral director refuses to

I'm Glad You Asked!

Your Questions Will Be
Answered Here.

Craig Stewart, a Reading/Berks native, is a licensed Funeral Director and Certified Preplanning Consultant, a professional designation endorsed by the National Funeral Director's Association.



CRAIG L. STEWART
Licensed Funeral Director
Certified Preplanning Consultant

Q. I already have a funeral prearrangement plan made with another funeral home. Can I transfer my plan to your funeral home?

A. YES! Any individual who desires to transfer their funeral prearrangements from any other funeral home to ours is welcome! We gladly accept all plans and will honor all the benefits of your original written agreement. We want you to be entirely satisfied. Meeting your needs and exceeding your expectations is our highest goal. Simply give us a call anytime to get things started.

I'm also available, at no charge, for presentations on a variety of funeral related topics at your group meeting location.

People can greatly benefit through open, honest discussions concerning the process of death, dying, funeralization, and memorialization. Many people have no knowledge of funeral practices, choices, options, procedures, or costs, prior to the time of need. An informative and educational tour can be quite helpful to them.

For instance, are you aware of all the specific details which are required for each and every funeral? Do you know about funeral costs and procedures? Are you aware of the many informative books and pamphlets available on grief and bereavement issues?

A tour might satisfy your natural curiosity about the funeral process. You'll see, first hand, how funeral directors meet the needs of individual families with the professional expertise our community deserves and has come to expect.

To arrange a tour or presentation, simply give me a call in advance so I can personally spend this time with you.

My services are available through the following, family-owned firms. Clip and send to me at one of the following locations for a no fee, no obligation consultation.

Sanders Funeral Home and Cremation Services, Inc.
1501 N. 11th St., Reading, PA 19604/610-372-1624
Frederick Sanders, Supervisor

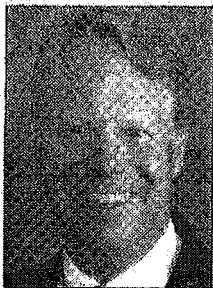
Lutz Funeral Home, Inc., 2100 Perkiomen Ave.,
Mt. Penn, PA 19606/610-376-7121
John Lutz, Supervisor

Name: _____

Address: _____

Phone: _____

If you prefer, feel free to contact me directly at 610-796-7551.



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most important
services
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Information

**If you have a question about any aspect of
funerals; from cremation, to costs, to
transferring existing pre-arrangements from
another funeral home, just call.**

**We'll take the time to answer those questions
at no cost or obligation to you.**



CHARLES F. SNYDER

FUNERAL HOME INC.

414 E. King Street
LANCASTER
393-9661

Charles F. Snyder, Jr.
Supervisor

CHARLES F. SNYDER JR.
FUNERAL HOME & CHAPEL INC.
3110 Litzz Pike
(just north of Lane on Rt. 501)

LANCASTER / LITZ
560-5100 or 627-8668

Susan A. Sensenich, *Supervisor*

441 N. George Street
MILLERSVILLE
872-5041

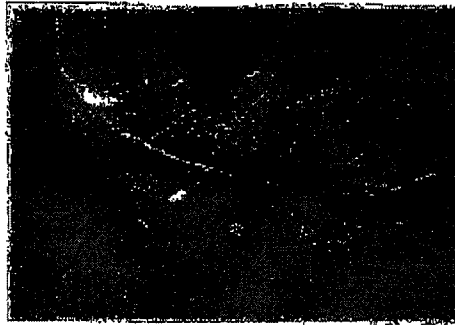
Michele L. Rehman
Supervisor

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- ◆ **Insurance Policy Trust** program, PNC Bank, Trustee, is a pre-need program that allows funeral directors to assist their families by placing their paid-up insurance policies in an irrevocable trust to pre-pay their funeral and protect policy death benefits when doing a "spend down" before entering a nursing home.
- ◆ **Funeral Home Reserve Account** a trust account is established; funeral directors can place and invest excess pre-need funds and other funds to control the cash flow of pre-need income.

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(717) 545-7215



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If you would like more information on the Pennsylvania Funeral Trust, or the Pennsylvania Merchandise Trust, contact: M. Kenneth Baylor at 1-800-692-6068.

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