

CASKETS FOR LESS AT COSTCO

The Federal Trade Commission (FTC) reckons that the cost of a no-frills burial is \$6000. Adding flowers, limousines and obituary notices can up the price to about \$10,000, Both the cost and the difficulty of making so many decisions at a time of intense emotional distress has led many people to pre-plan funerals. Since 1984 the FTC has regulated the sale of funeral goods and services requiring funeral providers to give a detailed price list for all they sell.

Now Costco is entering the market with a pilot program to sell discounted coffins, offering their customers with a way to save money in death. [The Economist](#) in its August 21-27th issue, (online for subscribers only) in "Stiff Competition, a cheaper way to face the final curtain" reports that starting on August 16th at two locations in Chicago, customers at Costco will be able to browse casket samples at a kiosk and have a casket delivered to a nearby funeral home for \$799.99. The same coffin at a funeral home would cost \$3500-\$5000 according to Bob Nelson of Costco,

"This is an industry that traditionally people get ripped off in."

An [FTC rule](#) introduced in 1994 bans funeral providers from charging an extra fee to customers who buy their caskets elsewhere.

Here's what the FTC says about funeral costs and pre-paying for funerals

PREPAYING

Millions of Americans have entered into contracts to prearrange their funerals and prepay some or all of the expenses involved. Laws of individual states govern the prepayment of funeral goods and services; various states have laws to help ensure that these advance payments are available to pay for the funeral products and services when they're needed. But protections vary widely from state to state, and some state laws offer little or no effective protection. Some state laws require the funeral home or cemetery to place a percentage of the prepayment in a state-regulated trust or to purchase a life insurance policy with the death benefits assigned to the funeral home or cemetery.

If you're thinking about prepaying for funeral goods and services, it's important to consider these issues before putting down any money:

- *What are you are paying for? Are you buying only merchandise, like a casket and vault, or are you purchasing funeral services as well?*
- *What happens to the money you've prepaid? States have different requirements for handling funds paid for prearranged funeral services.*
- *What happens to the interest income on money that is prepaid and put into a trust account?*
- *Are you protected if the firm you dealt with goes out of business?*
- *Can you cancel the contract and get a full refund if you change your mind?*
- *What happens if you move to a different area or die while away from home? Some prepaid funeral plans can be transferred, but often at an added cost.*

Be sure to tell your family about the plans you've made; let them know where the documents are filed. If your family isn't aware that you've made plans, your wishes may not be carried out. And if family members don't know that you've prepaid the funeral costs, they could end up paying for the same arrangements. You may wish to consult an attorney on the best way to ensure that your wishes are followed.