



NEWS **RELEASE**

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State advises caution when changing funeral plan accounts

(SALEM) State regulators are advising Oregonians to be cautious about making changes to their pre-arranged funeral trust accounts.

The Department of Consumer and Business Services is investigating several reports of funeral service providers allegedly pressuring clients to switch from trust accounts to life insurance policies.

"It appears some consumers aren't being told they have options about how to spend their money," said Charles Donald of the DCBS Division of Finance and Corporate Securities. "We've seen some letters from funeral service providers to clients that may be misleading."

Funeral trust accounts and "pre-need" life insurance are usually marketed to senior citizens who want to make sure money is on hand to pay funeral expenses so that their families aren't left with funeral bills.

Some funeral service providers in Oregon are encouraging their clients to buy life insurance policies to cover funeral expenses, with the funeral service provider named as beneficiary.

Donald said that consumers should make sure they have complete information about the advantages and disadvantages of different pre-arranged funeral products before making any decisions.

"You have the right to cancel a funeral trust at any time and receive a full refund of your money plus a share of any earnings," Donald said. "This feature is helpful for people who want to change funeral providers or move to another part of the country."

Donald advises consumers to ask the following questions if their plan provider tells them they need to switch from a funeral trust to life insurance:

- Why is this change being proposed?
- Can I change the policy beneficiary if I move or want to change funeral providers?
- Will I get full value if I cancel the policy early?
- How much is the funeral provider receiving for moving my funds from a trust account to an insurance policy?
- How much commission is the insurance agent receiving for the sale?
- What are the tax implications, if any?

Oregonians with questions or concerns about pre-arranged funeral trust accounts can contact the Oregon Division of Finance and Corporate Securities, (503) 378-4140. For more information about funeral insurance policies, contact the Oregon Insurance Division, (503) 947-7984.

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