

## COMPLIANCE ADVISORY 19-01

### WEBSITE PRICING

We have recently learned that a funeral home was inspected by their state licensing board and was found in violation because the pricing on their website did not conform to the format required by the FTC. Their website allowed consumers to plan services on-line by selecting the goods and services they desired. The board inspector said the choices were not in the order required by the FTC and that the funeral home did not post their GPL online. This situation raises three issues.

First, except in California, which has a mandatory requirement for price information to be posted online, funeral homes are not required to show prices on their website. However, since people are used to shopping for virtually everything on line, it seems strange that a funeral home would not want to provide pricing information to consumers.

Second, as to GPL format, the FTC does not require that a particular format be used or that items be presented in a particular order as the inspector claimed. The FTC has produced “sample” GPL templates, but their use is not mandatory. The FTC only requires that 16 separate items and their prices be listed and that certain disclosures be properly made. Beyond that, funeral homes are pretty much free to format the GPL as they wish. For instance, funeral homes often provide package pricing. They are free to list those packages first on their GPL and show the FTC mandated itemized prices at the end of the GPL.

Third, as to requiring posting of the GPL on the Website, again, there is no such requirement. The GPL must only be given to *“anyone who inquires in person about funeral goods, funeral services, or the prices...”* Obviously, no face to face meeting takes place when a consumer visits a website. When a consumer calls the funeral home, specific price information must be given over the phone, but the funeral home is not required to provide a GPL by mail, fax, or email. From a consumer standpoint there are much better ways to present prices than simply posting a GPL. They are not consumer friendly as they were meant to be. (Only the federal government could come up with a requirement to offer a “direct cremation” package price that does not have to include the cost of the cremation itself.)

In this case, the attorney for the state board found that the FTC “manages, almost studiously, to avoid using the words *online, internet, and website.*” Maybe that is because when the FTC Rule was promulgated in 1984, the internet did not exist. If you used the word “website” or “dotcom” no one would have known what you were talking about. We agree that the FTC has not kept up with technology.

We believe that the guideline to be followed when it comes to posting prices on the internet is that they should be as clear as possible, as accurate as possible, and as helpful to the consumer

as possible. Since there is no chance for live interaction with the consumer, it is even more important that there be no misleading or incomplete pricing practices.

In conclusion:

- Funeral homes are encouraged to show prices on their websites. It is a consumer expectation and in California, it's the law.
- Funeral homes should make every effort to make the pricing disclosures complete, accurate, and easy for the consumer to understand.
- Website pricing does not have to meet any particular format.
- Funeral homes may include their GPL on their website, but are not required to do so.
- A GPL must be given to anyone who asks in person about funeral services, goods, or prices. This does not require a formal meeting. Even a casual conversation in the lobby triggers this requirement.
- Callers to the funeral home are entitled to receive price information over the phone (And they do not have to give their name or meet any other requirement to do so.)

If you have any further questions, please feel free to contact our Director of Compliance, Curtis Rostad at [curtis@theforesightcompanies.com](mailto:curtis@theforesightcompanies.com) or 800-426-0165.

Foresight offers an FTC review as a part of our compliance services.

*The information presented here is for informational purposes only. Nothing herein shall be construed to be legal advice. Funeral homes are encouraged to seek the advice of legal counsel before implementing or changing any policies or procedures.*

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*“Funeral Homes face compliance from OSHA, The Department of Labor, and the FTC. I would like to share how The Foresight Companies can minimize your firm’s compliance exposure with our service packages. You’ll be glad you did.”*

**Curtis Rostad, Director of Regulatory Compliance & Association Relations**

For more information, contact Curtis at 602-274-6464 or [Curtis@theforesightcompanies.com](mailto:Curtis@theforesightcompanies.com)