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The Maryland House of Delegates

ANNAPOLIS, MARYLAND 21401

Attorney General Douglas Gansler
Office of the Attorney General
200 St. Paul Place
Baltimore, MD 21202

July 26, 2010


Dear Attorney General Gansler,

The funeral industry has been selling money trusted pre-need arrangements since the mid 1970's. In money trusting, a family comes to a funeral director, picks out funeral goods and services, and pays a fee for those goods and services selected based on the prices in effect at that time. When the individual dies, perhaps several years down the road, prices for those goods and services have often increased. There is a question among individuals licensed to sell money trusted pre-need arrangements whether it is permissible, under the statute, to ask the family to make up the difference in price (a non-guaranteed contract), or if the funeral director cannot ask for additional monies to make up any shortfall (a guaranteed contract).

The statute is not clear on whether either one form of contract may be used, or whether only one type may be used, or whether both can be used. This is a matter of concern for licensed morticians and funeral directors, and the answer has been unresolved for a long period of time.

On behalf of the Board of Morticians and Funeral Directors, I respectfully request a formal, written, emergency Attorney General's Opinion to determine whether under Health Occupations Article, Morticians and Funeral Directors, §7-405 of the Annotated Code of Maryland, a pre-need funeral contract, funded by money trusting, can contain both guaranteed and non-guaranteed funeral services and/or merchandise. These contracts are being written by the Board's licensees every day, and the Board wants to make sure the law is being interpreted correctly.

Thank you for your assistance.

Sincerely,


Wade Kach

Cc: Dr. Hari P. Close, President, Board of Morticians and Funeral Director
Robin Bailey, Executive Director, Board of Morticians and Funeral Directors