

Frequently Asked Questions

Q. Can you switch your preneed contract between funeral homes?

A. Yes. A preneed contract is freely transferable to other funeral homes.

Q. Is your funeral home allowed to substitute items that were pre-selected?

A. Under West Virginia law, substitutions are authorized only if the pre-selected item is no longer available, notice is given and the substituted item is of equal quality and value.

Q. What is the West Virginia Funeral Trust?

A. The West Virginia Funeral Trust was created by the West Virginia Funeral Directors' Association. The Trust is organized and operated under the trust laws of the State. However, the interest is based on the stock market, so know what you are getting into before you invest.

Q. Are funeral homes required to send a copy of your preneed contract to the Attorney General's Office?

A. Yes. Funeral homes are required by law to send a copy of your preneed funeral contract to the Attorney General's Preneed Funeral Division within ten (10) days of signing the contract. Within one month of making your deposit, you should receive a letter from the Division confirming that your contract was received.

Q. How much do average funeral arrangements cost?

A. At today's prices, it takes around \$10,000 to plan and arrange a funeral. With costs increasing every year, this number continues to rise. Approximately one-third of funerals are arranged and purchased ahead of time.

Useful Preneed Contact Information

**West Virginia
Attorney General
Consumer Protection**

Hotline

1-800-368-8808

www.wvago.gov



**West Virginia Funeral
Directors Association**

1-304-345-4711

1-304-345-4712 (fax)

www.wvfda.org

**West Virginia Preneed
Funeral Trust**

1-304-345-4711

Preneed Funeral Contracts



**From the Office of the
West Virginia Attorney General**

What is a Preneed Funeral Contract?

A preneed funeral contract is an option that most funeral homes offer to consumers who want to pre-plan and pre-pay for funeral arrangements. The contract – which is made with the funeral home of your choosing – offers pre-selected services and merchandise sold by funeral providers. Pre-payment and pre-planning is one way to ensure your funeral is what you want, and can help prevent additional costs to your family members at your time of need. Buyers pay \$20 per contract to sellers of preneed funeral services, who in turn forward the registration fee to the State.

What are the Benefits of Having a Preneed Funeral Contract?

Preneed funeral contracts are useful in that the funeral home manages your preneed account and promotes interest and growth, but the funds remain yours until your funeral is serviced. Additionally, a preneed contract takes the financial burdens off family members and relieves them from making many of the difficult choices associated with funeral services. It allows you to choose precisely what products and services you desire, while earning interest on your advance payments.

Consumers seeking preneed funeral services are protected under W.Va. Code § 47-14-1, et seq., which requires funeral homes that provide preneed services to (1) place your funds in a special interest-bearing account within thirty days of deposit; (2) submit a copy of your contract to the Attorney General's Preneed Funeral Division; and, (3) periodically report on the status of your investment. Importantly, preneed contracts can set your funeral costs at today's rates.

How to Obtain a Preneed Funeral Contract?

Contact a Funeral Home and the Attorney General's Office.

When searching for preneed funeral services, contact the West Virginia Attorney General's Office to make sure that the funeral home you are doing business with is in good standing.

After contacting a funeral home, you will need to set up a time to go over all of your desired contract options.

The funeral home should provide a detailed list of options and costs. Any changes to these options must be forwarded on to the West Virginia Attorney General's Office. Guaranteed prices set at present day costs will not change.

Once you have selected all the options, the contract will be finalized for your review and signature.

Make sure everything is explained to you and that you understand all the options selected in your contract. Also, you need to ask what will happen if you decide to cancel your contract. All funds paid on a "revocable" contract must be refunded if you cancel. After this, nothing will be guaranteed in your initial contract if you wish to restart at a later time.

Begin payment for your preneed services.

Preneed funeral services typically are paid either as a lump sum or in installments. Payments normally are made by automatic withdrawal, but in some cases may be paid by check. A funeral provider cannot withdraw your funds until after your contract is honored.

The Dos and Don'ts of Preneed Funeral Contracts



Things consumers should do:

- Make sure you obtain a copy of your preneed funeral contract to take home with you.
- Ask lots of questions when reviewing the options for your preneed contract.
- Inquire about what type of account will be used to hold your preneed funds.
- Take time to select the products and services you want from the funeral home.
- Contact the Attorney General's Office with any questions or problems you may have regarding a preneed funeral contract.

Things consumers should not do:

- Give funds to a funeral home for preneed funeral services without a written contract.
- Allow for the substitution of merchandise of pre-selected items unless certain conditions are met.
- Enter into an agreement without knowing whether you can cancel your contract.
- Let funeral homes use any left-over funds to cover their losses where they guaranteed a price.
- Use forms that haven't been previously approved by the Attorney General's Preneed Division.