



North Carolina Board of Funeral Service NEWSLETTER

North Carolina Board of Funeral Service
1033 Wade Avenue, Suite 108, Raleigh, North Carolina 27605

Volume 3, Issue 1, Spring 2006

SPRING CONTINUING EDUCATION CLINIC

The North Carolina Board of Funeral Service is proud to sponsor the spring 2006 Continuing Education clinic to be held on Wednesday, May 10, 2006 at the Shell Island Hotel, 2700 N. Lumina Avenue Wrightsville Beach, NC 28480, (910) 256-8696

- 8:00 a.m. - 9:00 a.m. Registration
- 9:00 a.m. - 11:45 a.m.- Peter Burke, NC licensee and member of DMORT will present a program on operations in the aftermath of Hurricane Katrina
- 11:45 a.m. - 1 p.m. Lunch (on your own)
- 1 p.m. - 2:45 p.m. "Common Problems- FTC, Pre-need & Cremation"

Registration Fee: \$ 35.00

(See Map below)

COMPLIANCE WITH THE FEDERAL TRADE COMMISSION FUNERAL RULE

Inspectors continue to find instances of non-compliance with the FTC Funeral Rule. The primary areas of violation are: General Price Lists, Casket Price Lists and Outer Burial Container Price Lists that are outdated or with prices that do not match those placed on the Statement of Funeral Goods and Services selected and merchandise price displays.

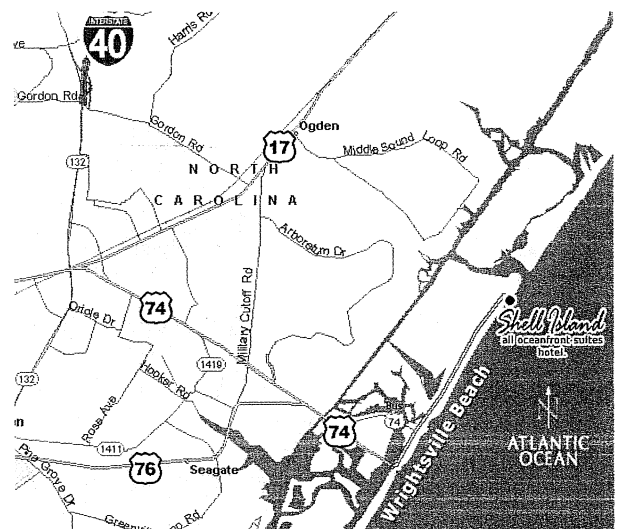
Licensees should review all documents on a regular basis and make the necessary and required changes to these documents when the merchandise prices and/or service charges change.

In addition, North Carolina law requires all items of merchandise offered in relation to a service by a licensee or establishment to have a card or brochure displaying the price.

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MAP FOR SPRING CE CLINIC



NORTH CAROLINA BOARD OF FUNERAL SERVICE

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BOARD MEMBERS

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Vice President
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The North Carolina Board of Funeral Service Newsletter is published bi-annually. Any questions or comments should be directed to the office at 919-733-9380 or 1-800-862-0636

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2006 Holiday Schedule

Memorial Day	May 29, 2006
Independence Day	July 4, 2006
Labor Day	September 4, 2006
Veteran's Day	November 10, 2006
Thanksgiving	November 23 & 24, 2006
Christmas	December 25 & 26, 2006

ONLINE CHANGES

Development of editable forms that can be completed online continues. In addition work is also progressing on the ability of pre-need establishments to complete and submit their annual reports electronically. Testing should begin in the last quarter of 2006.

OUR SYMPATHY IS EXTENDED TO THE FAMILIES OF

Hoyle Gunter, formerly of Webb Funeral Home, Spruce Pine, who died November 17

Bruce J. Daniels, Jr. of Tiger, GA who died February 2005

Norman Edward Freeman, who died January 15, 2006

James Alfred "J.A." Sandling, Jr. former owner/operator of Sandling Funeral Home, Franklinton who died April 5, 2006

Joseph Chalmers Biggs, retired owner of Biggs Funeral Home, Lumberton who died April 9.

Elizabeth Cotten Seymore, Cotton Funeral Home, New Bern, who died April 11, 2006.

James W. Dodson, Minshew Funeral Home, Four Oak: who died April 17, 2006

NEW POLICY MATTERS

- On January 11, 2006 the Board adopted the recommendation of the Pre-need committee to pay interest on approved recovery fund claims at a rate of 1.5%. This was retroactive to January 1, 2006 and will apply to claims until the Board again reviews the policy.
- On February 8, 2006 adopted a modification to the policy on the right of the original contracting funeral establishment to withhold up to 10% of payments received for pre-need contracts transferred to another establishment. That modified policy, as reflected by the change in the text of the pre-need manual, appears in the Pre-need section. In a related action the Board approved a correction to the pre-need manual to accurately reflect any amount withheld is computed on the *total of payments received for deposit*, **NOT** on the entire trust account balance. The pre-need licensee is not entitled to withhold any percentage of the interest growth accumulated in the trust.

CREMATION

Due to concerns over the documents required for cremation of the bodies of cases under investigation by the medical examiner the North Carolina Crematory Authority reviewed the concerns and recommended to the Board that a statement be issued to clarify the matter. In deaths coming under full investigation by the Office of the Chief Medical Examiner, the burial transit/cremation authorization form (the yellow page of the Medical Examiners Certificate of Death) is to be used to effect the cremation of the decedent. The white face page of the Medical Examiners Certificate of Death is not an additional requirement.

Minimum information required on a death certificate: Pursuant to North Carolina law (NCGS 90-210.129), in deaths certified by the attending physician, the following minimum information shall be included on the death certificate: Decedent's name; date of death, date of birth, sex, place of death; facility name (if not institution, give street and number), county of death, city of death and time of death if known.

NC CREMATORY AUTHORITY

On Thursday, March 16, 2006 the NC Rules Review Commission approved 21 NCAC 34C .0101 the permanent rule for Crematory Authority elections. The effective date of the permanent rule was April 1, 2006.

2006 NC Crematory Authority: Larry R. Andrews, Peter M. Burke, Keith M. Green (Chair), J. Trent Lloyd (Secretary), Philip D. Young, Jay R. Roberts, T. E. White, Sr.

PRE NEED

The excerpt below (changes are underlined in italics) represents the revised text of the pre-need manual pursuant to the Board actions adopted during the February meeting. The revised pre-need manual may be accessed via the website.

"For transfers prior to death, the original contracting preneed licensee may withhold up to 10% of the payments received for deposit if the original contract is dated between July 10, 1992 and September 30, 2003, the licensee did not withhold any funds at the time of the original contract, and the right to withhold these funds is disclosed on the contract by completion of the appropriate section on the front of the contract. For transfers after death, the original contracting preneed licensee may withhold up to 10% of the payments received for deposit if the original contract is dated between July 1, 1993 and September 30, 2003, the licensee did not withhold any funds at the time of the original contract, and the right to withhold these funds is disclosed by completion of the appropriate section on the front of the contract."

Licensees should review practices from time to time to ensure pre-need documents are fully and correctly completed prior to filing with the Board. The staff has compiled a list of the most common issues:

- Legibility of contracts- when completing a contract by hand, please print clearly. Illegible handwriting can delay contract registration or cause the entry of incorrect information.
- Completion of required areas on pre-need documents- certificate of performance: date and amount of payment. If waiting for payment from multiple funding sources list the date and amount of first payment received and the other sources from which payment is expected.
- Completion of required areas on pre-need contracts- obtain the purchaser's initials indicating whether the contract is revocable or irrevocable. This means initials, not some other type of mark unless the purchaser is unable to write his or her initials. In addition if the purchaser makes any payments in the form of cash or check enter the amount paid, even if the check is made payable to an insurance company or bank.
- Complete copies of contracts- Front AND back of contracts should be copied when filing with the Board.

Statutory deadlines for pre-need:

- Deposit funds or purchase insurance policy within 5 business days of contract date. (NCGS § 90-210.61 page 26, NC Funeral Service and Cremation Laws, 2005 Edition)
- File the pre-need contract and contract registration fee within 10 days of the contract date. (NCGS § 90-210.67 page 32, NC Funeral Service and Cremation Laws, 2005 Edition)
- File the certificate of performance within 10 days of receiving payment. (NCGS § 90-210.64 page 29, NC Funeral Service and Cremation Laws, 2005 Edition)
- On contract fulfillment, proceeds of a pre-need trust account must be distributed according to the terms of the contract within 30 days. (NCGS § 90-210.64 page 29, NC Funeral Service and Cremation Laws, 2005 Edition)
- Pre-need annual reports are due by March 31 for the preceding year ending December 31. (NCGS § 90-210.68 page 34 and 21 NCAC 34D .0302 page 136, NC Funeral Service and Cremation Laws, 2005 Edition)

PRE NEED

The Board staff is consulting with the North Carolina Department of State Treasurer Unclaimed Property/Escheats division in an effort to resolve the issue of financial institutions that may escheat active pre-need trust funds.

EXAMINATION DATES 2006

July 18, 2006	May 16, 2006	August 15, 2006	June 20, 2006	September 19, 2006
October 17, 2006		November 14, 2006		December 19, 2006

PANDEMIC FLU RESPONSE PLAN

The Board is participating in the Pandemic Flu Response Plan being developed by the NC Division of Public Health. The outlook by health experts is this not a matter of "if" but "when". While no one can predict the severity of this event the impact on state and national socio-economic systems could be equal in severity.

Healthcare system overload, inadequate medical supplies, bans on travel, closing of schools and businesses and event cancellations would have major impacts on communities. In addition illness or those caring for the sick and fear of exposure could result in employee absences that would disrupt business operations and government services. For more information visit www.pandemicflu.gov.

TRAINEESHIP

Trainees and trainee supervisor are advised to comply with NC law regarding monthly work reports. The reports are due by the 10th of the month following the month in which the work has been completed.

In other traineeship news, the Board's Traineeship committee is researching the development of a Trainee Supervisor certification program.

DISCIPLINARY ACTIONS

since the last newsletter the Board has taken the following actions:

CASE FILE NUMBER: M05-030

LICENSEES: Derek G. Smith (FDL #3259)

VIOLATION: N.C.G.S. 110-142.1

BOARD ACTION: The Board suspended Mr. Smith's license indefinitely until reinstated by statute.

EFFECTIVE DATE: December 14, 2005.

CASE FILE NUMBER: M05-004; M05-017.

LICENSEES: Joyner's Mortuary. Joyner's Mutual Burial Association

VIOLATIONS: N.C.G.S. §§ 90-210.23(d), 90-210.25(d)(1), 90-210.25(e)(1)b., 90-210.61(a)(1), 90-210.64(a), 90-210.64(b), 90-210.67(d), 90-210.68(a) 90-210.69(c)(1), 90-210.83, 90-210.85 ; 21 NCAC 34D .0201(c), .0301(c)(1), .0301(c)(1), (2), and (3), .0301(f).

BOARD ACTION: The Board revoked Joyner's Mortuary's preneed establishment license but would allow reinstatement upon fixing the violations, installment of a new manager, and establishing fitness to practice. The Board revoked the funeral establishment permit of Joyner's Mortuary but stayed the revocation upon WHAT probation. The Board stayed the revocation of Joyner's Mutual Burial Association for an additional year.

EFFECTIVE DATE: January 10, 2006.

CASE FILE NUMBER: M05-002

LICENSEES: James S. Congleton, Jr. (FS #1632)

VIOLATION: Consent Order violations.

BOARD ACTION: The Board revoked the license of Mr. Congleton.

EFFECTIVE DATE: January 23, 2006

CASE FILE NUMBER: M05-013

LICENSEES: F&M McLendon Funeral Home (FE #659; PNE #731); Mary McLendon (FS# 1868)

VIOLATIONS: N.C.G.S. §§ 90-210.67(d), 90-210.68(a), 90-210.69(c)(4), 90-210.25(e)(1)b.

BOARD ACTION: The Board revoked the preneed establishment and sales licenses for F&M McLendon Funeral Home and Mary McLendon. The Board revoked the funeral service license of Respondent McLendon with the revocation stayed pending two years probation.

EFFECTIVE DATE: January 23, 2006.

CASE FILE NUMBER: M05-025

LICENSEES: Samuel Strickland (FS#610).

BOARD ACTION: The Board denied Mr. Strickland's reinstatement application. The Board would permit Mr. Strickland reapply for an embalmer license in 2007 pending no further criminal convictions.

EFFECTIVE DATE: January 23, 2006.

CASE FILE NUMBERS: M05-004; M05-009

LICENSEES: Melton-Riddle Funeral Home (FE #396, PNE #492); Ronnie Riddle (FD #3065)

VIOLATIONS: N.C.G.S. §§ 90-210.23(d), 90-210.61(a)(1), 90-210.62(b), 90-210.67(d1), 90-210.68(a); 21 NCAC 34D .0301(c)(1), .0301(c)(2), 0302.

BOARD ACTION: Preneed Licensee wishes to enter into a Consent Order placing the preneed establishment on probation for 3 years. Respondent Riddle's preneed sales license would be placed on probation for 3 years, required to reestablish his competency to sell preneed by attending a continuing education seminar, and take an examination in preneed. Preneed Licensee would be required to respond to all correspondence from the Board within ten days of receipt. The funeral establishment permit and individual license of Preneed Licensee would be placed on probation for 1 year. Licensees would also pay a \$2,500.00 compromise penalty in addition to late fees and reinspection fees.

EFFECTIVE DATE: March 8, 2006

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1033 Wade Ave, Suite 108
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Return Service Requested

