

North Carolina Board of Funeral Service

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The next meeting of the Board will be 9 a.m. Wednesday, November 10, 2010 at the Board offices, 1033 Wade Avenue, Ste. 108, Raleigh, NC 27605. The agenda for the meeting can be viewed by [following this link](#).

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BOARD ACTIONS- Actions and Results from the October Board meeting:

- A. Issued a moratorium on enforcement of refunds for excess non-guaranteed funds in inflation proof preneed contracts. This is to allow Board staff to research any limits on "look back" periods for closed contracts. A copy of the report and recommendation made by the Laws, Rules and Legislative committee can be viewed by [following this link](#).

To summarize the committee's statement and recommendation:

- The moratorium will be effective until January 1, 2011.
 - The moratorium will affect performed inflation-proof contracts written before September 8, 2010 (date of the Board's declaratory ruling)
 - Inspectors will continue auditing closed files to ensure licensees have been properly computing and applying growth on the non-guaranteed portions and citing refunds as necessary
 - If audit findings cite refunds to be issued, licensees can face Board action when the moratorium expires if they do not issue the refunds.
 - Licensees may voluntarily issue refunds during the moratorium.
- B. Directed staff to begin working as soon as possible with the Laws and Rules committee and interested parties to review current preneed laws, regulations and contract forms.

FRAUD ALERT!!!!

Board staff received reports from several funeral homes regarding attempted fraud. In these instances, contact was made via faxed request to the firms concerning the death of Smith Cole in England. The body is purportedly held at the West Norwood Mortuary. The fax contains the name Catlin Smith as the family contact and asks about accepting credit cards for payment. This is similar to those fraudulent attempts regarding deaths in Nigeria.

FTC EXTENDS "RED FLAG" ENFORCEMENT DEADLINE TO DECEMBER 31

The Federal Trade Commission (FTC) extended the enforcement deadline for "Red Flag" regulations from June 1, 2010 to December 31, 2010. This was to accommodate a request from several members of Congress. Please follow the following link to view the release: <http://www.ftc.gov/opa/2010/05/redflags.shtm>.

LAW CHANGES

RELEASE OF INSURANCE INFORMATION: Session Law 2009-566 (House Bill 1166) makes changes to insurance laws that provide procedures for funeral directors to request certain information from life insurance companies. Life insurance companies are required to confirm existence of a policy, beneficiary and proceeds information to authorized persons once the individual complies with the provisions of the law. The effective date of this legislation was October 1, 2010. Please follow this link <http://www.ncleg.net/Sessions/2009/Bills/House/PDF/H1166v7.pdf> to read the full text of the enacted legislation.

OUR SYMPATHIES ARE EXTENDED TO THE FAMILY OF:

John Calvin "J. C." Sossoman, Jr., owner of Sossoman Funeral Home, Morganton who died October 17.

DISCIPLINARY ACTIONS:

CASE FILE NUMBER: V09-028.

LICENSEES: Clifton Quick, Jr. (FSL # 2302), Greensboro.

SUMMARY: A funeral home for which Mr. Quick was manager lost its lease and ceased operations. The Board learned that an embalmed body was left inside the building after the funeral home closed while the next of kin decided their preferred disposition.

BOARD ACTION: The parties entered into a consent order placing Mr. Quick's funeral service license on probation for one (1) year and assessing a \$250.00 civil penalty.

EFFECTIVE DATE: August 11, 2010.

CASE FILE NUMBER: M10-015.

LICENSEES: Richard Harris Funeral Home (FE #438, PNE #806), Zebulon.

SUMMARY: During a recent examination, the Board found several recordkeeping violations, some of which were repeated from a previous examination.

BOARD ACTION: The Board entered into a consent order placing the preneed establishment license on probation for two (2) years and assessing a \$500.00 penalty.

EFFECTIVE DATE: September 8, 2010.

CASE FILE NUMBER: M10-018.

LICENSEES: Clyde Foust (FD #3345); Gail's Funeral Home (closed) Asheboro.

SUMMARY: After his facility had closed, the Board determined that Mr. Foust had practiced funeral service without complying with North Carolina General Statute section 90-210.25(a2) and used an unpermitted facility to practice. The Board also found that Mr. Foust continued to publish obituaries for cases he referred to another funeral home on the Gail's Funeral Home website without indicating that his firm did not perform the service.

BOARD ACTION: The Board entered into a consent order suspending Mr. Foust's license for 90 days beginning August 27, placing him on probation for 15 months, and assessing a \$1,000.00 penalty. The Board also refused to issue a new funeral establishment permit until the suspension ended.

EFFECTIVE DATE: October 6, 2010.

THE BOARD OFFICES WILL BE CLOSED THURSDAY, NOVEMBER 11, 2010 IN OBSERVANCE OF VETERAN'S DAY.