

VIRGINIA BOARD OF FUNERAL DIRECTORS AND EMBALMERS

Department of Health Professions

Perimeter Center

9960 Mayland Drive, Henrico VA 23233-1463

Board Room #2, Second Floor

January 17, 2012 at 10:00 a.m.

BOARD MEETING AGENDA

CALL TO ORDER

ORDERING OF AGENDA

ACCEPTANCE OF MINUTES - Tab 1

- Board Meeting - October 18, 2011
- Formal Hearing - October 18, 2011

INFORMAL CONFERENCES HELD

- May 24, 2011
- August 9, 2011
- September 28, 2011
- October 18, 2011
- November 16, 2011

PUBLIC COMMENT PERIOD

EXECUTIVE DIRECTOR'S REPORT - Tab 2

NEW BUSINESS

- Legislative/Regulatory Reports- Handouts - **Elaine Yeatts**

TAB 1

UNAPPROVED
VIRGINIA BOARD OF FUNERAL DIRECTORS AND EMBALMERS
BOARD MEETING MINUTES

The Virginia Board of Funeral Directors and Embalmers convened for a board meeting on Tuesday, October 18, 2011 at the Department of Health Professions, Perimeter Center, 9960 Mayland Drive, 2nd Floor, Board Room #2, Henrico, Virginia.

BOARD MEMBERS PRESENT

Michael J. Leonard, FSP, President
Robert B. Burger, Jr., FSP, Vice-President
Blair Nelsen, FSP, Secretary-Treasurer
Randolph T. Minter, FSP
Junius Williams, Citizen Member
Robert Oman, FSP
Christopher P. Vincent, FSP
Eric V. Wray, II, FSP

BOARD MEMBER ABSENT FOR PART OF THE MEETING

Walter S. Ball, Citizen Member

DHP STAFF PRESENT FOR ALL OR PART OF THE MEETING

Lisa R. Hahn, Executive Director
Lynne Helmick, Deputy Executive Director
Arne Owens, Agency Chief Deputy Director
Elaine J. Yeatts, Senior Policy Analyst
Missy Currier, Board Operations Manager

BOARD COUNSEL

Amy Marschean, Senior Assistant Attorney General

QUORUM

With 8 members present a quorum was established.

GUESTS PRESENT

Jim Dickerson, Bliley Funeral Home
Ann Dickerson, Bliley Funeral Home
Annette Greenwood, Provider/Horizon Trust
Laura McHale, Independent Funeral Homes of Virginia
W. Scott Johnson, First Choice Consulting LLC
Barry D. Robinson, Virginia Morticians Association
David Partridge, Regulatory Support Services, Inc.
Sasha Bone't, Office of Chief Medical Examiners
Jodi Roth, Virginia Funeral Directors Association
Kristian Havard, Virginia Funeral Directors Association
Billie Watson-Hughes, FSP

Virginia Board of Funeral Directors and Embalmers
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Barry M. Murphy, FSP
Willard "Skip" Tharp, FSP
Edwin F. Brooks
E. J. Huddleston, Virginia Embalming Co.
Raymond E. Spain III, Virginia Embalming Co.

CALL TO ORDER

Mr. Leonard, President, called the meeting of the Virginia Board of Funeral Directors and Embalmers to order at 10:05 a.m. by welcoming the new members and asking them and the guests in the audience to introduce themselves.

ORDERING OF AGENDA

The agenda was accepted as amended by adding Tab 7.

ACCEPTANCE OF MINUTES

- Upon a motion by Robert Burger and properly seconded by Blair Nelsen, the Board voted to accept the Board Meeting Minutes dated April 12, 2011. The motion carried unanimously.
- Upon a motion by Robert Burger and properly seconded by Blair Nelsen, the Board voted to accept the Preneed Committee Meeting Minutes dated May 24, 2011. The motion carried unanimously.
- Upon a motion by Randy Minter and properly seconded by Junius Williams, the Board voted to accept the Informal Conference Minutes dated May 24, 2011. The motion carried unanimously.
- Upon a motion by Junius Williams and properly seconded by Eric Wray III, the Board voted to accept the Informal Conference Minutes dated August 9, 2011. The motion carried unanimously.

Ms. Hahn concluded that additional Informal Conferences were held but because they were still in the appeal process, she did not share the minutes with the board.

PUBLIC COMMENT PERIOD

Mr. Willard "Skip" Tharp of Tharp Funeral Home & Crematory spoke before the Board regarding the Virginia Preneed Life Insurers Coalition's summary letter of May 24, 2011 and expressed his opposition to any changes to the law.

Ms. Annette Greenwood, Chief Operating Officer of Provider/Horizon Trust spoke about the stability and performance of Preneed Trusts in Virginia and encouraged the Board to allow 54.1-2820 of the Code of Virginia to remain as is.

Mr. Ball arrived at 10:35 a.m.

EXECUTIVE DIRECTOR'S REPORT

Expenditure and Revenue Summary

Ms. Hahn began her report by stating that she was not able to provide more current financial information other than the fiscal year end and that this was normal during the first fiscal quarter of the year. she stated that the beginning cash balance as of June 30, 2010 was \$40,298, revenue received for FY 11 was \$532,650 less the direct and allocated expenditures of \$546,432 leaving a cash balance as of June 30, 2011 of \$26,516. Ms. Hahn shared that this would probably be the last report with a positive cash balance in light of the increasing costs and the fact that the fee increase is still sitting at the Governor's office. She gave a brief summary to the newest members explaining the key component to the tremendous cost increases were due to escalating VITA and Northrop Grumman (IT) fees.

Virginia Performs – 1st Quarter ending September 30, 2011

Ms. Hahn began her report by stating that she contributes great results to her outstanding staff and then gave the following Virginia Performs results: 100% rating for issuing licenses in less than 30 days; a 100% rating for patient care cases closed within 250 days; customer satisfaction was at 100%; and the clearance rate was at 300%, which means we cleared more cases than were brought in. She added that the age of pending caseload older than 250 days was at 25% and the % of cases closed within 250 days was 89%.

Discipline Statistics

Ms. Hahn referred the members to the handout provided with updated statistics. She stated we have 49 open cases; 17 of the 49 cases are in the Enforcement Division at the Investigative stage; 14 cases are in the Probable Cause stage of which 5 were cases involving failure on the CE audits; 5 cases at the APD level; 1 case is at the informal stage; and 1 case is at the OAG/formal stage, 11 of the cases are compliance inspections. Ms. Hahn added that in addition to these cases, Ms. Helmick and Ms. Currier are monitoring 13 Board Orders.

Licensee Statistics

Ms. Hahn reported that there are 1,429 Funeral Service Providers, 159 Funeral Interns, 471 Funeral Establishments, 5 Embalmers, 68 Funeral Directors, 34 Branch Establishments, 91 Crematories, 23 Continuing Education Providers, 58 Courtesy Card Holders and 50 Surface Transportation and Removal Services.

Welcome New Board Members

Ms. Hahn welcomed the new board members and shared that all three members attended the Agency wide "New Board Member Orientation" program held on September 23rd. Ms. Hahn stated that the program was a huge success and offered several informational panels and presentations from both present and past board members as well as board executives and staff.

Presentations

Ms. Hahn shared that we have committed to making several presentations this year and next. She mentioned the VFDA Traveling Caravan, VMA's upcoming Education Day in Chester, VA, and the IFHV conference in March 2012. Ms. Hahn did convey that although board members and staff are happy to fulfill speaking requests to ensure that accurate information is being relayed, the time commitments are tapping into our resources. She requested that the board members offer suggestions at the next meeting for alternative means of presenting to the associations. Additionally, Ms. Hahn stated that she would bring a proposal back to the board for an alternative plan.

Conflict of Interest Training

Ms. Hahn reminded the board members that the Conflict of Interest Training was due again and that for ease and convenience, the Staff could schedule the session prior to or following the January 2012 board meeting. She asked the members to let her know their decision following the meeting.

Financial Disclosure Statements

Ms. Hahn stated that the Financial Disclosure Statements were due at the end of the year. Each member was provided with the documents and asked to forward to Missy Currier once completed.

Calendar

Ms. Hahn stated the following meetings were scheduled in 2012; January 17th, April 24th, July 17th, and October 16th.

Additional Committee's

Ms. Hahn suggested that the board consider forming two Ad hoc Committees responsible for gathering research and information to share with the full board; Alkaline Hydrolysis and Defining what is a "Funeral Establishment".

Comments from Board President

He added that not many people are approved for providing the CE requirement for Preneed and Laws & Regulations, so the requirement does demand a lot from the board and staff. Mr. Leonard thanked the staff for their great work and assistance to the board.

NEW BUSINESS

Regulatory Report – Elaine Yeatts

Ms. Yeatts reviewed the status of the following regulations pertaining to **18VAC65-20**:

- Identification of human remains – remain at the Governor’s Office
- NOIRA regarding fee increases – remain at the Secretary’s Office

Ms. Yeatts reviewed the status of regulations pertaining to **18VAC65-30**:

- Fast-Track regarding termination of irrevocable trusts – remain at Governor’s Office

Exempt Regulatory Action – Adoption of amendment to conform Preeed regulations with Funeral Rule

Ms. Yeatts read an email from Craig Tregillus, Funeral Rule Coordinator with the FTC regarding a statement in our preneed handout that directly conflicts with the Funeral Rule.

Upon a motion by Blair Nelsen, and properly seconded by Eric Wray III, the board voted to strike the language in 18VAC65-30-230 page 8, paragraph 4 in order to conform with the Funeral Rule (attachment #1). The motion carried unanimously.

Visible Identification when a body has been disinterred and the family wants to cremate

Mr. Nelsen brought up a situation about having a loved one disinterred and then cremated. Would a death certificate have to be filed or amended? How do you handle a cremation authorization? Mr. Leonard asked for staff to contact Vital Records and the Medical Examiner’s office for guidance.

Interns completing the embalming requirements of the resident trainee program at the CME Office

Discussion was made regarding allowing interns to be able to complete part of the embalming requirement in the Medical Examiner’s Office as part of the Virginia State Anatomical Program. The Board made it clear that Embalming must take place in a licensed funeral establishment and therefore, Interns would not be allowed to complete their resident trainee embalming requirements at the Chief Medical Examiner’s Office.

Mr. Murphy entered the audience and was introduced by Mike Leonard.

BREAK

The Board took a recess at 11:15 a.m. and reconvened at 11:30 a.m.

Virginia Preeed Life Insurers Coalition

Mr. Leonard shared a letter that Ms. Hahn received from Tracy A. Kelly; Legal Counsel for Homesteaders Life Company requesting the elimination of the 5% or CPI requirement for life insurance funded preneed funeral contracts. He then stated that the board had already made a

decision in 2008 and again on May 24, 2011 to keep the CPI Rule. He further added that unless the Board has a reason to reopen the issue, the board has made its decision and is not in favor of making any changes.

Maryland Reciprocal Agreement

Ms. Hahn shared that the Maryland Board had met and provided the Virginia Board with a "draft" version of a Reciprocal Agreement for consideration. She also shared that the Maryland Board is interested in attending our January meeting to formally sign the agreement if both boards have concurred to the final draft prior to then. The Board made a couple of changes to funeral terms to keep consistency within the document and also agreed to the following addition:

Denial of Licensure

Notwithstanding this agreement, each state has the right to deny licensure to an applicant based on grounds stated in the law or regulations.

Upon a motion by Randy Minter and properly seconded by Bob Oman, the board voted to authorize staff the authority to execute the changes to the Maryland Reciprocal Agreement. The motion carried unanimously.

Department of Veterans Services Legislation

Much discussion was made regarding draft legislation which was presented to the board regarding notification by funeral directors of unclaimed cremains to the Department of Veterans Services. The Board agreed that this was a noble effort and great concept but the requirements in the proposed legislation would be burdensome on Funeral Director's and therefore they could not support the legislation. Ms. Hahn stated that she would ask the department to send us information that we could share on our website.

Elections

Upon a motion by Randy Minter and properly seconded by Christopher Vincent, the board voted to elect a new slate of officers. The motion carried unanimously.

Upon a motion by Blair Nelsen and properly seconded by Randy Minter, the board nominated the election of Robert "Bob" Burger as Board President. The motion carried unanimously.

Upon a motion by Bob Burger and properly seconded by Eric Wray, III, the board nominated the election of Blair Nelsen as Board Vice-President. The motion carried unanimously.

Upon a motion by Blair Nelsen and properly seconded by Robert "Bob" Burger, the board nominated the election of Junius Williams as Board Secretary-Treasurer. The motion carried unanimously.

Recognition of Outgoing Board Members

Mr. Leonard thanked Billie Hughes, Barry Murphy, and Willard "Skip" for their hard work and dedication to the board and to the Commonwealth of Virginia while on the board. He also thanked Billie Hughes for her service on the Board of Health Professions. Ms. Hahn presented each member a plaque of appreciation.

ADJOURNMENT:

With no further business before the Board, the meeting adjourned at 12:05 p.m.

Michael J. Leonard, President

Lisa R. Hahn, Executive Director

Date

Date

Attachment #1

BOARD OF FUNERAL DIRECTORS AND EMBALMERS

Exempt action on itemized statements

18VAC65-30-230. Content of disclosure statements.

The following disclosure statements shall be provided as a part of any contract used for preneed funeral planning:

We are required by law and/or the Virginia Board of Funeral Directors and Embalmers to provide access to and the opportunity for you to read the following information to assist you in preplanning. A question and answer format is used for clarity and includes the most commonly asked questions.

PRENEED CONTRACTS

-- Is there more than one type of preneed agreement?

Yes. Guaranteed contracts mean that the costs of certain individual items or the cost of the total package will never be more to your family or estate. Nonguaranteed means just the opposite. (See the section entitled "General Funding Information" for more information on guaranteed and nonguaranteed costs.)

Contracts may be funded by insurance/annuity policies, trusts, or transfer of real estate/personal property.

-- What are my protections?

You should take your completed preneed contract home before you sign it and review it with your family or your legal advisor. You have a right to this review before you sign the contract or pay any money.

You should also read carefully the information in this disclosure statement. If you have any questions, contact the seller for more information or contact your legal advisor.

CANCELLATION

-- Can I cancel my preneed agreement if I change my mind? Will I get my money back?

You may cancel payment for supplies or services within 30 days after signing the agreement. If you funded your preneed arrangement through a trust, the contract seller will refund all the money you have paid plus any interest or income you have earned.

If you funded your preneed arrangement through a revocable trust and you cancel the preneed contract AFTER the 30-day deadline, you will be refunded all of your money on the items that are not guaranteed and 90% of all your money on the items that are guaranteed. You will also receive any interest or income on that amount. A revocable trust is a trust that you can cancel.

There may be a penalty to withdraw money from a revocable trust account which has already been established in your name. If there is, your contract will give you this information. (See the first question under the section entitled "Payment" below.)

If you have funded your preneed arrangement through an irrevocable trust you will not be able to cancel the trust agreement or receive a refund. An irrevocable trust is one that cannot be cancelled.

If you funded your preneed arrangement through an insurance policy/annuity contract which will be used at the time of your death to purchase the supplies and services you have selected, you will need to pay careful attention to the cancellation terms and conditions of the policy. You may not be eligible for a refund.

PAYMENT

-- What happens to my money after the contract is signed?

Your money will be handled in one of several ways. It may be deposited in a separate trust account in your name. The trust account will list a trustee who will be responsible for handling your account. The funeral home you have selected as your beneficiary will also be listed. You have the right to change the funeral home and the trustee of your account prior to receiving the supplies and services under the preneed contract.

Your money may be used to purchase a preneed life insurance policy which may be used to pay for your arrangements upon your death. The proceeds of the policy will be assigned to the funeral home of your choice. You may change the funeral home assignment at any time prior to receiving the supplies and services under the preneed contract.

You may decide to choose a life insurance policy or a trust account that requires regular premium payments and not have to make an up-front, lump sum payment.

-- May I pay for goods and services with real estate or personal property?

Yes. When you pay for these supplies and services in whole or in part with any real estate you may own, the preneed contract that you sign will be attached to the deed on the real estate and the deed will be recorded in the clerk's office of the circuit court in the city or county where the real estate is located.

If you pay for goods and services with personal property other than cash or real estate, the contract seller, will declare in writing that the property will be placed in a trust until the time of your death and will give you written information on all the terms, conditions, and considerations surrounding the trust. The contract seller will confirm in writing that he has received property.

You may decide not to transfer the title of the personal property to the contract seller of your preneed contract. In this situation, you will have to submit information to the contract seller in writing that you are giving him the property without a title, and describe the property and where it will be kept until the time of your death.

In either case, the written statements will be recorded in the clerk's office of the circuit court of the city or county in which you live. The written statement does not have to be a separate document.

GENERAL FUNDING INFORMATION

-- If the prices of the goods and services are affected by inflation between now and my death, will the funding I choose be adjusted accordingly?

There is a possibility that the funding may fail to keep up with inflation. This could mean that the funding you choose could have insufficient value to cover all expenses.

-- What happens if my funding is not enough to cover the full cost of these arrangements?

If the entire funeral or specific items in the agreement are guaranteed by the contract seller, your family or estate will not have to pay any more for those items provided that you have paid the grand total in full and all interest earned is allowed to accumulate in your account. However, if you have not paid the account in full and have not allowed the interest to accumulate in the account and any items increase in price, your family or estate would be responsible for the extra amount if the funds are not sufficient. In some

situations where you pay toward your funding with regular premiums rather than in one lump sum, your account may not be enough at the time of your death to cover everything.

-- What happens to the extra money if my funding is more than what is needed to pay for these arrangements?

Sometimes, as explained in the answer above, your funding account may not have had the time to grow sufficiently before your death to cover items which are guaranteed in price to you, yet have increased in price for the funeral home.

After funeral expenses are paid, there may be money left over. Because of the ongoing risk that a funeral home takes in guaranteeing prices for you, the funeral home may not be required to return this excess money.

Some funding agreements and funeral homes, however, require that extra money be returned to the estate or family. Others do not. You should obtain information concerning this in writing before signing the preneed contract.

The answers to the following questions will depend upon the terms and conditions of the individual's funding and preneed agreements.

Please review your preneed contract and/or funding agreement for answers to these questions.

-- What happens to my preneed contract if I change my assignment from one funeral home to another?

(Funeral home shall place answer here)

-- What happens to my preneed contract if I change the beneficiary of my funding or the use of my proceeds from the funding.

If you make such changes, it could void your contract. You should request specific information from the contract seller and the funding arrangement.

-- What will happen to my preneed contract if I fail to make agreed to premium payments to my funding source?

(Funeral home shall place answer here)

-- Do I get any money back if I surrender or cancel my funding arrangements?

(Funeral home shall place answer here)

TRUST ACCOUNT

-- If my money goes into a trust account, what information will I receive about that account?

If you want your money to go into a trust fund, the trust agreement must furnish you with information about the amount to be deposited into the account, the name of the trustee, information about what happens to the interest your trust account will earn, and information about your responsibility to file and pay taxes on that interest.

If there are filing expenses connected with your trust account, you will be notified what the expenses are and whether you or the contract seller is the responsible party for paying those.

-- What happens to the interest earned by the trust?

The interest earned by the trust may be handled in different ways by different trust arrangements. The interest may have to go back into your account if items on your contract are guaranteed. You may be responsible for reporting that interest to the Internal Revenue Service and paying taxes on it. You will be responsible to pay any taxes on the interest earned even if you cancel your trust account.

Some trust accounts cannot be cancelled.

There may be special fees deducted from your interest. However, you may still be responsible for paying taxes on the entire amount of interest earned before the fees were deducted. Please ask your contract seller for a written list of any fees so you will have a clear understanding about them before you sign the contract.

-- If I pay my trust in premium payments, what happens if I die before the grand total of the funeral has been placed in trust?

(Funeral home shall place answer here)

CLAIMS AGAINST THIS CONTRACT

-- Can someone to whom I owe money make a claim against the money, personal property, or real estate that I have used to pay for this contract?

No. This money or property cannot be used to settle a debt, a bankruptcy, or resolve a claim. These funds cannot be garnished.

-- Can the money or property be taxed?

No. Currently, interest earned on the money you deposit in a trust, savings account, or the value of the property you used for payment can be taxed but not the original amount which you invested. Interest earned on annuities is generally deferred until withdrawal.

GENERAL GOODS AND SERVICES

-- If I choose goods and services that might not be available at the time of my death, what is the provider required to do?

The funeral home which you select is required to furnish supplies and services that are similar in style and equal in value and quality if what you choose is no longer made or is not available at the time of your death.

Your representative or next-of-kin will have the right to choose the supplies or services to be substituted. However, if the substitute is more expensive than the item originally selected by you, your designee or next-of-kin would be responsible for paying the difference. Under no circumstances will the funeral establishment be allowed to substitute lesser goods and services than the ones you chose.

If, before your death, the funeral home goes out of business or is otherwise unable to fulfill its obligation to you under the preneed contract, you have the right to use the proceeds at the funeral home of your choice.

If the inability to provide services does not become apparent until the time of your death, the individual that you named as your designee could use the funds for services at another funeral home.

-- May I choose the exact item I want now and have the funeral home store it until my death?

If the funeral home or supplier has a storage policy you may ask for this service. If the funeral home or contract seller agrees to store these items, the risk of loss or damage shall be upon the funeral home during the storage period.

For example, what would happen if you select a casket which is in-stock at the time you make these arrangements and the funeral home or supplier agrees to store it for you in their warehouse and: (i) damage occurs, (ii) the funeral home or supplier goes out of business, (iii) the funeral home or supplier is sold, etc.? You need to be assured in writing of protection in these types of situations.

-- What happens if I choose to have a unique service that is not customary or routine in my community? Must the funeral home comply with my wishes?

The funeral home which you have chosen to conduct your service may be able to only provide certain types of services. They may not be able to fulfill your request. If there is a restriction on what they can provide, you will be notified in writing before you sign the preneed contract.

If the funeral home agrees in writing before you sign the contract to perform such services, the funeral home shall provide you a written, itemized statement of fees which you will be charged.

-- Will the funeral home agree to transport my body to another area for burial?

Again, the funeral home may have restrictions on the distance they are willing to travel to conduct a burial. If restrictions apply, you will be notified in writing.

If the funeral home agrees in writing before you sign the contract to honor your wishes, the funeral home shall provide you a written, itemized statement of any penalties (fees) which you will be charged.

-- I may die and be buried in a city other than one where the funeral home that I select for my goods and services is located. Will the funeral home that I select under this contract deliver my merchandise to the city where I die and am to be buried?

This is entirely up to the funeral home to decide. If the funeral home has restrictions on this, they will notify you in writing. If they agree to ship merchandise to another area for your funeral, you will be notified before signing this contract of the fees involved if they can be determined and guaranteed at this time.

However, the preneed contract arrangements and funding is considered portable. This means that they are available for transfer from one locality to another. It is unusual for actual goods and merchandise to be transferred.

PRICING

-- How will I know that the prices of items which I select are the same for everyone?

The funeral home maintains a general price list and a casket and outer burial container price list. Your contract seller will give this to you before you begin talking about arrangements. After your discussion is finished, you will be given a copy of your preneed

contract on which charges will be listed. Charges will only be made for the items you select. If there are any legal or other requirements that mandate that you must buy any items you did not specifically ask for, the contract seller will explain the reason for the charges to you in writing.

You may ask a funeral home to purchase certain items or make special arrangements for you. If the funeral home charges you for these services, you will receive an explanation in writing. The charges to you for these services may be higher than if you or your family purchased them directly.

At the time of your death, your family or estate will be given an itemized statement which will list all of the specific charges. ~~This is a requirement of the Federal Trade Commission. Although not required to do so, some funeral homes may also choose to give you an itemized statement when you make these arrangements.~~

-- What is meant by guaranteed and nonguaranteed prices?

Some contract sellers may agree that certain prices are guaranteed. Some may guarantee the price of the total package. Other funeral homes may not guarantee any prices.

Guaranteed prices are those that will not increase for your family or estate at the time of your death. Basically, this means that your funeral arrangement for those items will be covered by and will not exceed your funding and the interest it earns. Nonguaranteed prices are those which might increase or decrease. The nonguaranteed prices may be written in at the time of this contract with you understanding that the price is an estimate only and may increase or decrease. A settlement to that effect may have to be made with your family or representative after your death.

-- Can the contract seller and I negotiate a projected charge for the nonguaranteed items based on the rate of inflation?

It is entirely up to the contract seller to inform you of the funeral home policy in that regard.

CASKETS AND CONTAINERS

-- Do I have to buy a vault or a container to surround the casket in the grave?

In most areas of the country, state and local laws do not require that you buy a container to surround the casket in the grave. However, many cemeteries ask that you have such

a container to support the earth above the grave. Either a burial vault or a grave liner will satisfy if such requirements exist.

-- Is a casket required?

A casket is not required for direct cremation. If you want to arrange a direct cremation, you may use an unfinished wood box or an alternative container made of heavy cardboard or composition materials. You may choose a canvas pouch.

-- Do certain cemeteries and crematoriums have special requirements?

Particular cemeteries and crematoriums may have policies requiring that certain goods and services be purchased. If you decide not to purchase goods and services required by a particular cemetery or crematorium, you have the right to select another location that has no such policy.

EMBALMING

-- Is embalming always required?

Except in certain special cases, embalming is not required by law. Embalming may be necessary, however, if you select certain funeral arrangements such as viewing or visitation with an open casket. You do not have to pay for embalming you did not approve if you select arrangements such as a direct cremation or immediate burial. If the funeral home must charge to conduct an embalming, your designee will be notified of the reasons in writing.

ASSISTANCE

-- This is all very confusing to me. May I pick someone close to me to help with all of this? May this person also work with the funeral home to ensure that my wishes as written in the preneed contract are carried out?

You may designate in writing a person of your choice to work with the funeral home and contract seller either before or after your death to ensure that your wishes are fulfilled. You must sign the statement and have it notarized. The person that you designate must agree to this in writing. Under the laws governing preneed contracts, the individual whom you designate has final authority at the time of your death.

-- Where can I complain if I have a problem concerning my preneed contract, the contract seller, or the funeral home?

You may direct your complaints or concerns to:

The Board of Funeral Directors and Embalmers

9960 Mayland Drive, Suite 300

Richmond, Virginia 23233

Telephone Number (804) 367-4479

Toll Free Number 1-800-533-1560

Fax: (804) 527-4413

**UNAPPROVED
VIRGINIA BOARD OF FUNERAL DIRECTORS AND EMBALMERS
FORMAL HEARING
OCTOBER 18, 2011**

The Virginia Board of Funeral Directors and Embalmers convened on October 18, 2011, at the Department of Health Professions, 9960 Mayland Drive, 2nd Floor, Board Room 2, Henrico, Virginia.

**BOARD MEMBERS
PRESENT:** Michael J. Leonard, FSP
Robert B. Burger, Jr., FSP
Blair Nelsen, FSP
Randy T. Minter, FSP
Bob Omen, FSP
Eric Wray, FSP
Christopher Vincent, FSP
Junius Williams, Citizen Member
Walter Ball, Citizen Member

**DHP STAFF
PRESENT:** Lisa R. Hahn, Executive Director
Lynne Helmick, Executive Deputy Director
Kathy Truesdale, Discipline Operations Manager
Tammie Jones, Adjudication Specialist
Douglas Dressler, Senior Investigator

**MEMBERS FROM
THE OFFICE OF
THE ATTORNEY
GENERAL
PRESENT:** Amy Marschean, Senior Assistant Attorney General, Board Counsel
Corie Tillman Wolf, Assistant Attorney General, OAG

OTHERS PRESENT: Edwin F. Brooks, Esq. – Counsel for Respondent
Raymond E. Spain, III – Virginia Embalming Company
Tom Huddleston – Virginia Embalming Company

COURT REPORTER: Sherelle A. Bradley, CR – Crane-Snead & Associates

CALL TO ORDER The Formal Administrative Hearing of the Board was called to order at 1:10 p.m.

**ESTABLISHMENT
OF A QUORUM:** With nine (9) members of the Board present, a quorum was established.

**MATTER
SCHEDULED:**

**Virginia Embalming Company, Funeral Establishment
Applicant
Case Number: 140319**

DISCUSSION:

Mr. Spain, owner of Virginia Embalming Company, appeared before the Board in accordance with the Notice and Statement of Particulars dated September 16, 2011, after having waived his right to an Informal Fact Finding Conference prior to the convening of this proceeding. Mr. Bland was represented by Edwin F. Brooks, Esq.

The Board received evidence and sworn testimony regarding the matters as set forth in the Statement of Particulars.

CLOSED SESSION:

Upon a motion by Mr. Burger, and duly seconded by Mr. Williams, the Board voted to convene a closed meeting pursuant to 2.2-3711.A(27) of the *Code of Virginia*, for the purpose of deliberation to reach a decision in the matter of Virginia Embalming Company at 2:24 p.m. Additionally, Mr. Burger moved that Ms. Hahn, Ms. Helmick, Ms. Marschean, and Ms. Truesdale attend the closed meeting because their presence in the closed meeting was deemed necessary and would aid the Board in its deliberations.

OPEN SESSION:

Upon a motion by Mr. Wray and duly seconded by Mr. Williams, the Board re-convened into open session at 3:37 p.m. Mr. Burger certified that the matters discussed in the preceding closed session met the requirements of 2.2.-3712 of the *Code of Virginia*. All Board members certified and the Board announced their decision.

ACTION:

Upon a motion by Mr. Vincent, and duly seconded by Mr. Oman, the Board made certain Findings of Fact and Conclusions of Law and voted to approve the application for establishment licensure for Virginia Embalming Company.

VOTE:

A vote of five (5) to approve the application for licensure and four (4) to deny the application for licensure.

ADJOURNMENT:

The Board adjourned at 4:57 p.m.

The decision shall be effective upon the entry by the Board of a written Order stating the findings, conclusions, and decision of this formal hearing panel.

Michael Leonard, FSP, Chair

Lisa R. Hahn, Executive Director

Date

Date

TAB 2

Virginia Department of Health Professions
Cash Balance
As of November 30, 2011

	104- Funeral Directors and Emba
Cash Balance as of June 30, 2011	\$ 26,516
YTD FY12 Revenue	27,055
Less: YTD FY12 Direct and In-Direct Expenditures	265,301
Cash Balance as of November 30, 2011	<u>\$ (211,731)</u>

Virginia Dept. of Health Professions
Revenue and Expenditures Summary
 July 1, 2011 through November 30, 2011

	104- Funeral Directors and Emba			
	Jul '11 - Nov 11	Budget	\$ Over Budget	% of Budget
Revenue				
2400 · Fee Revenue				
2401 · Application Fee	12,400.00	34,225.00	-21,825.00	36.23%
2402 · Examination Fee	0.00			
2406 · License & Renewal Fee	7,500.00	488,660.00	-481,160.00	1.54%
2407 · Dup. License Certificate Fee	105.00	480.00	-375.00	21.88%
2408 · Board Endorsement - In	0.00			
2409 · Board Endorsement - Out	750.00	2,600.00	-1,850.00	28.85%
2421 · Monetary Penalty & Late Fees	1,475.00	5,395.00	-3,920.00	27.34%
2430 · Board Changes Fee	2,025.00	5,075.00	-3,050.00	39.9%
2432 · Misc. Fee (Bad Check Fee)	0.00	35.00	-35.00	0.0%
Total 2400 · Fee Revenue	24,255.00	536,470.00	-512,215.00	4.52%
3000 · Sales of Prop. & Commodities				
3007 · Sales of Goods/Svces to State	0.00			
3020 · Misc. Sales-Dishonored Payments	0.00			
Total 3000 · Sales of Prop. & Commodities	0.00			
9000 · Other Revenue				
Miscellaneous Revenue	2,800.00	5,700.00	-2,900.00	49.12%
Miscellaneous Revenue	0.00			
Miscellaneous Revenue	0.00			
Miscellaneous Revenue	0.00			
9084 · Refund- Prior Yr Disb	0.00			
Total 9000 · Other Revenue	2,800.00	5,700.00	-2,900.00	49.12%
Total Revenue	27,055.00	542,170.00	-515,115.00	4.99%
Expenditures				
1100 · Personal Services				
1110 · Employee Benefits				
1111 · Employer Retirement Contrib.	2,550.45	4,909.03	-2,358.58	51.95%
1112 · Fed Old-Age Ins- Sal St Emp	2,448.35	5,707.30	-3,258.95	42.9%
1113 · Fed Old-Age Ins- Wage Earners	0.00	783.00	-783.00	0.0%
1114 · Group Insurance	348.06	760.97	-412.91	45.74%
1115 · Medical/Hospitalization Ins.	7,630.70	20,440.80	-12,810.10	37.33%
1116 · Retiree Medical/Hospitalizatn	337.65	738.59	-400.94	45.72%
1117 · Long term Disability Ins	225.14	492.39	-267.25	45.72%
Total 1110 · Employee Benefits	13,540.35	33,832.08	-20,291.73	40.02%
1120 · Salaries				
1123 · Salaries, Classified	34,125.73	74,605.27	-40,479.54	45.74%
1125 · Salaries, Overtime	0.00	200.00	-200.00	0.0%

Virginia Dept. of Health Professions
Revenue and Expenditures Summary
 July 1, 2011 through November 30, 2011

	104- Funeral Directors and Emba			
	Jul '11 - Nov 11	Budget	\$ Over Budget	% of Budget
Total 1120 · Salaries	34,125.73	74,805.27	-40,679.54	45.62%
1130 · Special Payments				
1131 · Bonuses and Incentives	0.00	0.00	0.00	0.0%
1138 · Deferred Compnstrn Match Pmts	253.00	816.00	-563.00	31.01%
Total 1130 · Special Payments	253.00	816.00	-563.00	31.01%
1140 · Wages				
1141 · Wages, General	0.00	10,026.00	-10,026.00	0.0%
Total 1140 · Wages	0.00	10,026.00	-10,026.00	0.0%
1150 · Disability Benefits				
1153 · Short-trm Disability Benefits	0.00			
Total 1150 · Disability Benefits	0.00			
1160 · Terminatn Personal Svce Costs				
1162 · Salaries, Annual Leave Balanc	0.00			
1163 · Salaries, Sick Leave Balances	0.00			
1165 · Employee Retirement Contributio	438.72	439.00	-0.28	99.94%
Total 1160 · Terminatn Personal Svce Costs	438.72	439.00	-0.28	99.94%
Total 1100 · Personal Services	48,357.80	119,918.35	-71,560.55	40.33%
1200 · Contractual Services				
1210 · Communication Services				
1211 · Express Services	0.00	500.00	-500.00	0.0%
1212 · Outbound Freight Services	0.00			
1213 · Messenger Services	0.00			
1214 · Postal Services	694.25	4,500.00	-3,805.75	15.43%
1215 · Printing Services	0.00	400.00	-400.00	0.0%
1216 · Telecommunications Svcs (DIT)	208.72	800.00	-591.28	26.09%
1217 · Telecomm. Svcs (Non-State)	0.00			
1219 · Inbound Freight Services	0.00			
Total 1210 · Communication Services	902.97	6,200.00	-5,297.03	14.56%
1220 · Employee Development Services				
1221 · Organization Memberships	0.00	500.00	-500.00	0.0%
1222 · Publication Subscriptions	0.00			
1224 · Emp Trning Courses, Wkshp & Cnf	250.00	500.00	-250.00	50.0%
1225 · Employee Tuition Reimbursement	315.00	900.00	-585.00	35.0%
1227 · Emp Trning- Trns, Ldgng & Meals	0.00			
Total 1220 · Employee Development Services	565.00	1,900.00	-1,335.00	29.74%

Virginia Dept. of Health Professions
Revenue and Expenditures Summary
 July 1, 2011 through November 30, 2011

	104- Funeral Directors and Emba			
	Jul '11 - Nov 11	Budget	\$ Over Budget	% of Budget
1230 · Health Services				
1236 · X-ray and Laboratory Services	0.00			
Total 1230 · Health Services	<u>0.00</u>			
1240 · Mgmnt and Informational Svcs				
1242 · Fiscal Services	24.36	9,520.00	-9,495.64	0.26%
1244 · Management Services	11.15			
1246 · Public Infrmtnl & Relation Svcs	0.00			
1247 · Legal Services	155.00	550.00	-395.00	28.18%
1248 · Media Services	0.00			
1249 · Recruitment Services	0.00			
Total 1240 · Mgmnt and Informational Svcs	<u>190.51</u>	<u>10,070.00</u>	<u>-9,879.49</u>	<u>1.89%</u>
1250 · Repair and Maintenance Svcs				
1253 · Equip Repair & Maintenance	0.00			
Total 1250 · Repair and Maintenance Svcs	<u>0.00</u>			
1260 · Support Services				
1263 · Clerical Services	0.00			
1264 · Food & Dietary Services	356.26	2,000.00	-1,643.74	17.81%
1266 · Manual Labor Services	79.61	700.00	-620.39	11.37%
1267 · Production Services	498.57	1,200.00	-701.43	41.55%
1268 · Skilled Services	0.00	1,241.00	-1,241.00	0.0%
Total 1260 · Support Services	<u>934.44</u>	<u>5,141.00</u>	<u>-4,206.56</u>	<u>18.18%</u>
1280 · Transportation Services				
1282 · Travel, Personal Vehicle	1,388.62	4,000.00	-2,611.38	34.72%
1283 · Travel, Public Carriers	73.30	700.00	-626.70	10.47%
1284 · Travel, State Vehicles	0.00			
1285 · Travel, Subsistence & Lodging	187.58	1,500.00	-1,312.42	12.51%
1288 · Trvl, Meal Reimb- Not Rprtbl	121.00	780.00	-659.00	15.51%
Total 1280 · Transportation Services	<u>1,770.50</u>	<u>6,980.00</u>	<u>-5,209.50</u>	<u>25.37%</u>
Total 1200 · Contractual Services	4,363.42	30,291.00	-25,927.58	14.41%
1300 · Supplies And Materials				
1310 · Administrative Supplies				
1312 · Office Supplies	262.71	700.00	-437.29	37.53%
1313 · Stationery and Forms	71.20	-15.00	86.20	-474.67%
Total 1310 · Administrative Supplies	<u>333.91</u>	<u>685.00</u>	<u>-351.09</u>	<u>48.75%</u>
1320 · Energy Supplies				

Virginia Dept. of Health Professions
Revenue and Expenditures Summary
 July 1, 2011 through November 30, 2011

	104- Funeral Directors and Emba			
	Jul '11 - Nov 11	Budget	\$ Over Budget	% of Budget
1323 · Gasoline	0.00			
Total 1320 · Energy Supplies	0.00			
1330 · Manufctrng and Merch Supplies				
1335 · Packaging and Shipping Suppl	0.00			
Total 1330 · Manufctrng and Merch Supplies	0.00			
1360 · Residential Supplies				
1362 · Food and Dietary Supplies	0.00	50.00	-50.00	0.0%
1363 · Food Service Supplies	1.10	50.00	-48.90	2.2%
Total 1360 · Residential Supplies	1.10	100.00	-98.90	1.1%
1370 · Specific Use Supplies				
1373 · Computer Operating Supplies	4.55			
Total 1370 · Specific Use Supplies	4.55			
Total 1300 · Supplies And Materials	339.56	785.00	-445.44	43.26%
1400 · Transfer Payments				
1410 · Awards, Contrib., and Claims				
1413 · Premiums	180.00			
1415 · Unemployment Compnsatn Reimb	0.00			
Total 1410 · Awards, Contrib., and Claims	180.00			
Total 1400 · Transfer Payments	180.00			
1500 · Continuous Charges				
1510 · Insurance-Fixed Assets				
1516 · Property Insurance	0.00	51.00	-51.00	0.0%
1510 · Insurance-Fixed Assets - Other	0.00	0.00	0.00	0.0%
Total 1510 · Insurance-Fixed Assets	0.00	51.00	-51.00	0.0%
1530 · Operating Lease Payments				
1534 · Equipment Rentals	0.00	0.00	0.00	0.0%
1535 · Building Rentals	4.86			
1539 · Building Rentals - Non State	3,401.09	8,288.00	-4,886.91	41.04%
Total 1530 · Operating Lease Payments	3,405.95	8,288.00	-4,882.05	41.1%
1540 · Service Charges				
1541 · Agency Service Charges	0.00			
Total 1540 · Service Charges	0.00			
1550 · Insurance-Operations				

Virginia Dept. of Health Professions
Revenue and Expenditures Summary
 July 1, 2011 through November 30, 2011

104- Funeral Directors and Emba				
	Jul '11 - Nov 11	Budget	\$ Over Budget	% of Budget
1551 · General Liability Insurance	0.00	183.00	-183.00	0.0%
1554 · Surety Bonds	0.00	11.00	-11.00	0.0%
Total 1550 · Insurance-Operations	0.00	194.00	-194.00	0.0%
Total 1500 · Continuous Charges	3,405.95	8,533.00	-5,127.05	39.92%
2200 · Equipment Expenditures				
Electronic & Photo Equip Impr	0.69			
2220 · Educational & Cultural Equip				
2224 · Reference Equipment	0.00	300.00	-300.00	0.0%
Total 2220 · Educational & Cultural Equip	0.00	300.00	-300.00	0.0%
2230 · Electrnc & Photographic Equip				
2233 · Voice & Data Transmissn Equip	0.00			
Total 2230 · Electrnc & Photographic Equip	0.00			
2260 · Office Equipment				
2261 · Office Appurtenances	0.00			
2262 · Office Furniture	0.00	200.00	-200.00	0.0%
2263 · Office Incidentals	17.76			
2264 · Office Machines	0.00			
2268 · Office Equipment Improvements	0.00			
Total 2260 · Office Equipment	17.76	200.00	-182.24	8.88%
Total 2200 · Equipment Expenditures	18.45	500.00	-481.55	3.69%
Total Direct Expenditures	56,665.18	160,027.35	-103,362.17	35.41%
9001 · Allocated Expenditures				
9201 · Behavioral Science Exec	0.00			
9202 · OptVMASLP Exec Dir	0.00			
9204 · Nursing / Nurse Aid	0.00			
9206 · FunerallTCA\PT	40,380.09	89,715.46	-49,335.37	45.01%
9301 · DP Operations & Equipment	36,642.39	138,158.88	-101,516.49	26.52%
9302 · Human Resources	6,353.10	12,462.60	-6,109.50	50.98%
9303 · Finance	9,095.61	22,249.56	-13,153.95	40.88%
9304 · Director's Office	4,873.18	12,263.52	-7,390.34	39.74%
9305 · Enforcement	80,050.37	164,598.84	-84,548.47	48.63%
9306 · Administrative Proceedings	13,113.19	16,468.20	-3,355.01	79.63%
9307 · Impaired Practitioners	0.00	12.96	-12.96	0.0%
9308 · Attorney General	12,447.75	25,290.72	-12,842.97	49.22%
9309 · Board of Health Professions	3,510.99	8,871.96	-5,360.97	39.57%
9310 · SRTA	0.00			
9311 · Moving Costs	0.00	801.36	-801.36	0.0%

Virginia Dept. of Health Professions
Revenue and Expenditures Summary
 July 1, 2011 through November 30, 2011

104- Funeral Directors and Emba

	<u>Jul '11 - Nov 11</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
9313 · Emp. Recognition Program	6.92	459.12	-452.20	1.51%
9314 · Conference Center	57.84	626.04	-568.20	9.24%
9315 · Pgm Devlpmnt & Impimntn	2,104.80	5,402.99	-3,298.19	38.96%
987900 · Cash Trsfr Out- Appr Act Pt. 3	0.00	1,530.36	-1,530.36	0.0%
Total 9001 · Allocated Expenditures	<u>208,636.23</u>	<u>498,912.57</u>	<u>-290,276.34</u>	<u>41.82%</u>
Total Direct and Allocated Expenditures	<u>265,301.41</u>	<u>658,939.92</u>	<u>-393,638.51</u>	<u>40.26%</u>
Net Cash Surplus\Shortfall	<u><u>-238,246.41</u></u>	<u><u>-116,769.92</u></u>	<u><u>-121,476.49</u></u>	<u><u>204.03%</u></u>

Virgina Department of Health Professions
Cash Balance
As of September 30, 2011

	<u>104- Funeral Directors and Emba</u>
Cash Balance as of June 30, 2011	\$ 26,516
YTD FY12 Revenue	19,090
Less: YTD FY12 Direct and In-Direct Expenditures	<u>156,904</u>
Cash Balance as of September 30, 2011	<u><u>\$ (111,298)</u></u>

Virginia Dept. of Health Professions
Revenue and Expenditures Summary
 July 1 through September 30, 2011

	104- Funeral Directors and Emba			
	Jul '11 - Sept 11	Budget	\$ Over Budget	% of Budget
2400 · Fee Revenue				
2401 · Application Fee	8,500.00	34,225.00	-25,725.00	24.84%
2402 · Examination Fee	0.00			
2406 · License & Renewal Fee	6,325.00	488,660.00	-482,335.00	1.29%
2407 · Dup. License Certificate Fee	60.00	480.00	-420.00	12.5%
2408 · Board Endorsement - In	0.00			
2409 · Board Endorsement - Out	550.00	2,600.00	-2,050.00	21.15%
2421 · Monetary Penalty & Late Fees	1,230.00	5,395.00	-4,165.00	22.8%
2430 · Board Changes Fee	1,125.00	5,075.00	-3,950.00	22.17%
2432 · Misc. Fee (Bad Check Fee)	0.00	35.00	-35.00	0.0%
Total 2400 · Fee Revenue	<u>17,790.00</u>	<u>536,470.00</u>	<u>-518,680.00</u>	<u>3.32%</u>
3000 · Sales of Prop. & Commodities				
3007 · Sales of Goods/Svces to State	0.00			
3020 · Misc. Sales-Dishonored Payments	0.00			
Total 3000 · Sales of Prop. & Commodities	<u>0.00</u>			
9000 · Other Revenue				
9060 · Miscellaneous Revenue	1,300.00	5,700.00	-4,400.00	22.81%
9084 · Refund- Prior Yr Disb	0.00			
Total 9000 · Other Revenue	<u>1,300.00</u>	<u>5,700.00</u>	<u>-4,400.00</u>	<u>22.81%</u>
Total Revenue	<u><u>19,090.00</u></u>	<u><u>542,170.00</u></u>	<u><u>-523,080.00</u></u>	<u><u>3.52%</u></u>
Expenditures				
1100 · Personal Services				
1110 · Employee Benefits				
1111 · Employer Retirement Contrib.	1,732.25	4,909.03	-3,176.78	35.29%
1112 · Fed Old-Age Ins- Sal St Emp	1,552.23	5,707.30	-4,155.07	27.2%
1113 · Fed Old-Age Ins- Wage Earners	0.00	783.00	-783.00	0.0%
1114 · Group Insurance	221.22	760.97	-539.75	29.07%
1115 · Medical/Hospitalization Ins.	4,855.90	20,440.80	-15,584.90	23.76%
1116 · Retiree Medical/Hospitalizatn	214.61	738.59	-523.98	29.06%
1117 · Long term Disability Ins	143.10	492.39	-349.29	29.06%
Total 1110 · Employee Benefits	<u>8,719.31</u>	<u>33,832.08</u>	<u>-25,112.77</u>	<u>25.77%</u>
1120 · Salaries				
1123 · Salaries, Classified	21,686.79	74,605.27	-52,918.48	29.07%
1125 · Salaries, Overtime	0.00	200.00	-200.00	0.0%
Total 1120 · Salaries	<u>21,686.79</u>	<u>74,805.27</u>	<u>-53,118.48</u>	<u>28.99%</u>
1130 · Special Payments				
1131 · Bonuses and Incentives	0.00	0.00	0.00	0.0%

Virginia Dept. of Health Professions
Revenue and Expenditures Summary
 July 1 through September 30, 2011

	104- Funeral Directors and Emba			
	<u>Jul '11 - Sept 11</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
1138 · Deferred Compnstrn Match Pmts	161.00	816.00	-655.00	19.73%
Total 1130 · Special Payments	161.00	816.00	-655.00	19.73%
1140 · Wages				
1141 · Wages, General	0.00	10,026.00	-10,026.00	0.0%
Total 1140 · Wages	0.00	10,026.00	-10,026.00	0.0%
1150 · Disability Benefits				
1153 · Short-trm Disability Benefits	0.00			
Total 1150 · Disability Benefits	0.00			
1160 · Terminatn Personal Svce Costs				
1162 · Salaries, Annual Leave Balanc	0.00			
1163 · Salaries, Sick Leave Balances	0.00			
1165 · Employee Retirement Contributio	438.72	439.00	-0.28	99.94%
Total 1160 · Terminatn Personal Svce Costs	438.72	439.00	-0.28	99.94%
Total 1100 · Personal Services	31,005.82	119,918.35	-88,912.53	25.86%
1200 · Contractual Services				
1210 · Communication Services				
1211 · Express Services	0.00	500.00	-500.00	0.0%
1212 · Outbound Freight Services	0.00			
1213 · Messenger Services	0.00			
1214 · Postal Services	522.71	4,500.00	-3,977.29	11.62%
1215 · Printing Services	0.00	400.00	-400.00	0.0%
1216 · Telecommunications Svcs (DIT)	125.83	800.00	-674.17	15.73%
1217 · Telecomm. Svcs (Non-State)	0.00			
1219 · Inbound Freight Services	0.00			
Total 1210 · Communication Services	648.54	6,200.00	-5,551.46	10.46%
1220 · Employee Development Services				
1221 · Organization Memberships	0.00	500.00	-500.00	0.0%
1222 · Publication Subscriptions	0.00			
1224 · Emp Trning Courses, Wkshp & Cnf	0.00	500.00	-500.00	0.0%
1225 · Employee Tuition Reimbursement	63.00	900.00	-837.00	7.0%
1227 · Emp Trning- Trns, Ldngg & Meals	0.00			
Total 1220 · Employee Development Services	63.00	1,900.00	-1,837.00	3.32%
1230 · Health Services				
1236 · X-ray and Laboratory Services	0.00			
Total 1230 · Health Services	0.00			

Virginia Dept. of Health Professions
Revenue and Expenditures Summary
 July 1 through September 30, 2011

	104- Funeral Directors and Emba			
	<u>Jul '11 - Sept 11</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
1240 · Mgmnt and Informational Svcs				
1242 · Fiscal Services	19.91	9,520.00	-9,500.09	0.21%
1244 · Management Services	10.67			
1246 · Public Infrmtnl & Relation Svcs	0.00			
1247 · Legal Services	0.00	550.00	-550.00	0.0%
1248 · Media Services	0.00			
1249 · Recruitment Services	0.00			
Total 1240 · Mgmnt and Informational Svcs	<u>30.58</u>	<u>10,070.00</u>	<u>-10,039.42</u>	<u>0.3%</u>
1250 · Repair and Maintenance Svcs				
1253 · Equip Repair & Maintenance	0.00			
Total 1250 · Repair and Maintenance Svcs	<u>0.00</u>			
1260 · Support Services				
1263 · Clerical Services	0.00			
1264 · Food & Dietary Services	65.22	2,000.00	-1,934.78	3.26%
1266 · Manual Labor Services	23.15	700.00	-676.85	3.31%
1267 · Production Services	29.53	1,200.00	-1,170.47	2.46%
1268 · Skilled Services	0.00	1,241.00	-1,241.00	0.0%
Total 1260 · Support Services	<u>117.90</u>	<u>5,141.00</u>	<u>-5,023.10</u>	<u>2.29%</u>
1280 · Transportation Services				
1282 · Travel, Personal Vehicle	117.66	4,000.00	-3,882.34	2.94%
1283 · Travel, Public Carriers	0.00	700.00	-700.00	0.0%
1284 · Travel, State Vehicles	0.00			
1285 · Travel, Subsistence & Lodging	0.00	1,500.00	-1,500.00	0.0%
1288 · Trvl, Meal Reimb- Not Rprtble	0.00	780.00	-780.00	0.0%
Total 1280 · Transportation Services	<u>117.66</u>	<u>6,980.00</u>	<u>-6,862.34</u>	<u>1.69%</u>
Total 1200 · Contractual Services	977.68	30,291.00	-29,313.32	3.23%
1300 · Supplies And Materials				
1310 · Administrative Supplies				
1312 · Office Supplies	38.79	700.00	-661.21	5.54%
1313 · Stationery and Forms	0.00	-15.00	15.00	0.0%
Total 1310 · Administrative Supplies	<u>38.79</u>	<u>685.00</u>	<u>-646.21</u>	<u>5.66%</u>
1330 · Manufctrng and Merch Supplies				
1335 · Packaging and Shipping Suppl	0.00			
Total 1330 · Manufctrng and Merch Supplies	<u>0.00</u>			
1360 · Residential Supplies				

Virginia Dept. of Health Professions
Revenue and Expenditures Summary
 July 1 through September 30, 2011

	104- Funeral Directors and Emba			
	Jul '11 - Sept 11	Budget	\$ Over Budget	% of Budget
1362 · Food and Dietary Supplies	0.00	50.00	-50.00	0.0%
1363 · Food Service Supplies	0.00	50.00	-50.00	0.0%
Total 1360 · Residential Supplies	0.00	100.00	-100.00	0.0%
1370 · Specific Use Supplies				
1373 · Computer Operating Supplies	2.00			
Total 1370 · Specific Use Supplies	2.00			
Total 1300 · Supplies And Materials	40.79	785.00	-744.21	5.2%
1400 · Transfer Payments				
1410 · Awards, Contrib., and Claims				
1413 · Premiums	180.00			
1415 · Unemployment Compnsatn Reimb	0.00			
Total 1410 · Awards, Contrib., and Claims	180.00			
Total 1400 · Transfer Payments	180.00			
1500 · Continuous Charges				
1510 · Insurance-Fixed Assets				
1516 · Property Insurance	0.00			
1510 · Insurance-Fixed Assets - Other	0.00	245.00	-245.00	0.0%
Total 1510 · Insurance-Fixed Assets	0.00	245.00	-245.00	0.0%
1530 · Operating Lease Payments				
1534 · Equipment Rentals	0.00	0.00	0.00	0.0%
1535 · Building Rentals	2.43			
1539 · Building Rentals - Non State	2,051.31	8,018.00	-5,966.69	25.58%
Total 1530 · Operating Lease Payments	2,053.74	8,018.00	-5,964.26	25.61%
1540 · Service Charges				
1541 · Agency Service Charges	0.00			
Total 1540 · Service Charges	0.00			
1550 · Insurance-Operations				
1551 · General Liability Insurance	0.00			
Total 1550 · Insurance-Operations	0.00			
Total 1500 · Continuous Charges	2,053.74	8,263.00	-6,209.26	24.86%
2200 · Equipment Expenditures				
Electronic & Photo Equip Impr	0.69			
2220 · Educational & Cultural Equip				

Virginia Dept. of Health Professions
Revenue and Expenditures Summary
 July 1 through September 30, 2011

	104- Funeral Directors and Emba			
	<u>Jul '11 - Sept 11</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
2224 · Reference Equipment	0.00	300.00	-300.00	0.0%
Total 2220 · Educational & Cultural Equip	0.00	300.00	-300.00	0.0%
2230 · Electrnc & Photographic Equip				
2233 · Voice & Data Transmissn Equip	0.00			
Total 2230 · Electrnc & Photographic Equip	0.00			
2260 · Office Equipment				
2261 · Office Appurtenances	0.00			
2262 · Office Furniture	0.00	200.00	-200.00	0.0%
2263 · Office Incidentals	0.00			
2264 · Office Machines	0.00			
2268 · Office Equipment Improvements	0.00			
Total 2260 · Office Equipment	0.00	200.00	-200.00	0.0%
Total 2200 · Equipment Expenditures	0.69	500.00	-499.31	0.14%
Total Direct Expenditures	34,258.72	159,757.35	-125,498.63	21.44%
9206 · Funeral\LTCA\PT	25,762.33	88,089.73	-62,327.40	29.25%
9301 · DP Operations & Equipment	17,200.28	138,070.92	-120,870.64	12.46%
9302 · Human Resources	4,811.81	12,429.60	-7,617.79	38.71%
9303 · Finance	6,558.08	22,267.44	-15,709.36	29.45%
9304 · Director's Office	3,107.72	12,240.12	-9,132.40	25.39%
9305 · Enforcement	46,254.49	167,822.04	-121,567.55	27.56%
9306 · Administrative Proceedings	9,275.14	16,681.68	-7,406.54	55.6%
9307 · Impaired Practitioners	0.00	12.96	-12.96	0.0%
9308 · Attorney General	6,191.97	25,290.72	-19,098.75	24.48%
9309 · Board of Health Professions	2,172.17	9,015.12	-6,842.95	24.1%
9310 · SRTA	0.00			
9311 · Moving Costs	0.00	801.36	-801.36	0.0%
9313 · Emp. Recognition Program	0.00	419.04	-419.04	0.0%
9314 · Conference Center	40.38	510.60	-470.22	7.91%
9315 · Pgm Devlpmnt & Implimentn	1,270.59	5,395.56	-4,124.97	23.55%
987900 · Cash Trsrfr Out- Appr Act Pt. 3	0.00	1,530.36	-1,530.36	0.0%
Total 9001 · Allocated Expenditures	122,644.96	500,577.25	-377,932.29	24.5%
Total Direct and Allocated Expenditures	156,903.68	660,334.60	-503,430.92	23.76%
Net Cash Surplus\Shortfall	-137,813.68	-118,164.60	-19,649.08	116.63%

License Count Report for Funeral Directors

January 17, 2012

Branch Establishment	62
Continuing Education Provider	24
Courtesy Card	60
Crematories	94
Funeral Establishments	450
Funeral Service Interns	163
Embalmer	5
Funeral Service Director	74
Funeral Service Providers	1,486
Funeral Service Supervisors	306
Surface Transportation & Removal Services	50
Total	2,774

Data pulled on 12/20/11

Case Pending Report for Funeral Directors January 17, 2012

Investigations	19
Probable Cause	15
APD	10
Informal Stage	4
Formal Stage	3
Total	51

Compliance Inspections Ordered	5
Cases being Monitored by Compliance Manager	7

Data pulled on 12/20/11

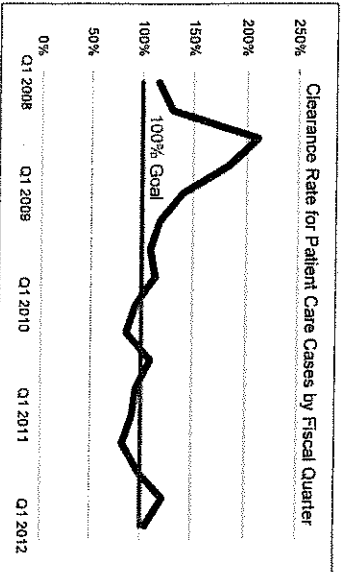
Virginia Department of Health Professions Patient Care Disciplinary Case Processing Times: Quarterly Performance Measurement, Q1 2008 - Q1 2012

DiAnne Reynolds-Cane, M.D.
Director

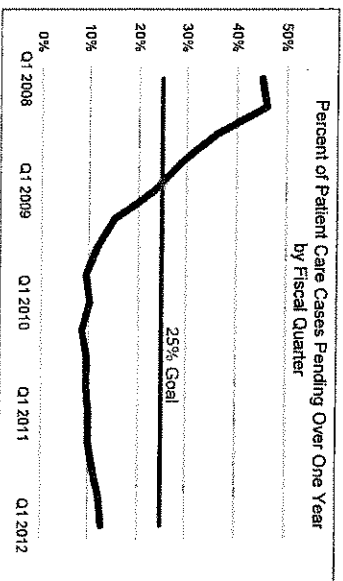
"To ensure safe and competent patient care by licensing health professionals, enforcing standards of practice, and providing information to health care practitioners and the public."
DHP Mission Statement

In order to uphold its mission relating to discipline, DHP continually assesses and reports on performance. Extensive trend information is provided on the DHP website, in biennial reports, and, most recently, on Virginia Performs through Key Performance Measures (KPMs). KPMs offer a concise, balanced, and data-based way to measure disciplinary case processing. These three measures, taken together, enable staff to identify and focus on areas of greatest importance in managing the disciplinary caseload: Clearance Rate, Age of Pending Caseload and Time to Disposition uphold the objectives of the DHP mission statement. The following pages show the KPMs by board, listed in order by caseload volume; volume is defined as the number of cases received during the previous 4 quarters. In addition, readers should be aware that vertical scales on the line charts change, both across boards and measures, in order to accommodate varying degrees of data fluctuation.

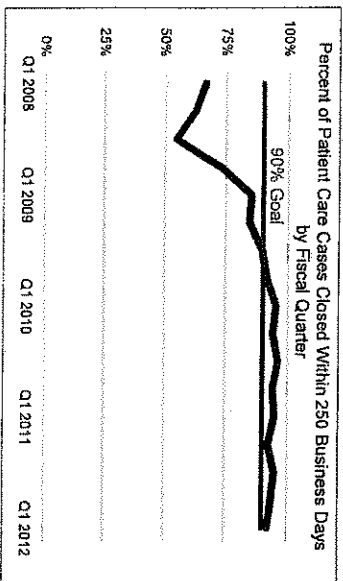
Clearance Rate - the number of closed cases as a percentage of the number of received cases. A 100% clearance rate means that the agency is closing the same number of cases as it receives each quarter. DHP's goal was to achieve a 100% clearance rate of allegations of misconduct by the end of FY 2009 and maintain 100% through the end of FY 2010. The current quarter's clearance rate is 105%, with 1019 patient care cases received and 1071 closed.



Age of Pending Caseload - the percent of open patient care cases over 250 business days old. This measure tracks the backlog of patient care cases older than 250 business days to aid management in providing specific closure targets. The goal was to reduce the percentage of open patient care cases older than 250 business days to no more than 25% by the end of FY 2010. That goal continues to be achieved with the percent of cases pending over 250 business days dropping dramatically from 45% to 13%. For the last quarter shown, there were 1784 patient care cases pending, with 228 pending over 250 business days.



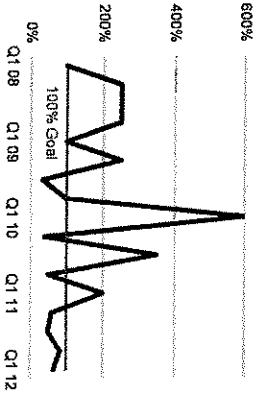
Time to Disposition - the percent of patient care cases closed within 250 business days for cases received within the preceding eight quarters. This moving eight-quarter window approach captures the vast majority of cases closed in a given quarter and effectively removes any undue influence of the oldest cases on the measure. The goal was to resolve 90% of cases related to patient care within 250 business days by the end of FY 2010. That goal continues to be achieved with 92% percent of patient care cases being resolved within 250 business days this past quarter. During the last quarter, there were 1,071 patient care cases closed, with 989 closed within 250 business days.



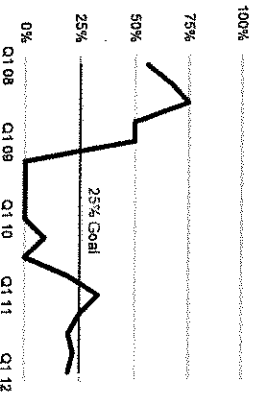
Virginia Department of Health Professions - Patient Care Disciplinary Case Processing Times, by Board

Clearance Rate

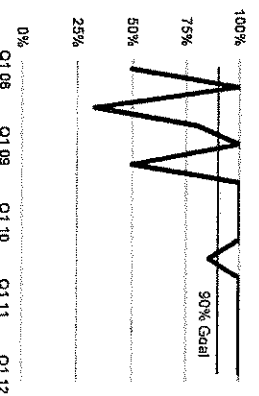
Physical Therapy - In Q1 2012, the clearance rate was 67%, the Pending Caseload older than 250 business days was 20% and the percent closed within 250 business days was 100%.
Q1 2012 Caseloads:
 Received=3, Closed=2
 Pending over 250 days=2
 Closed within 250 days=2



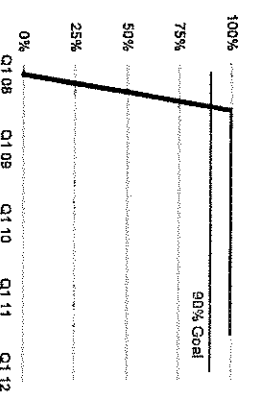
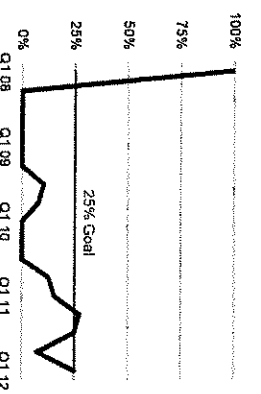
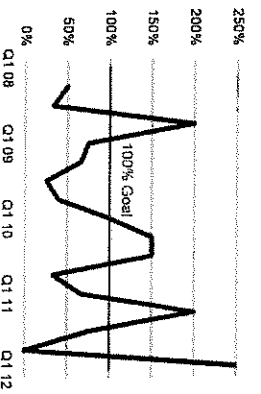
Age of Pending Caseload
(percent of cases pending over one year)



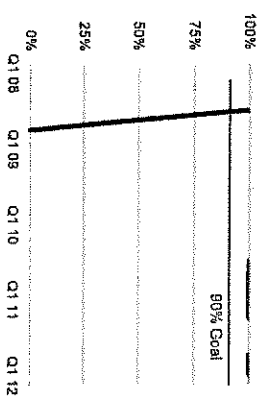
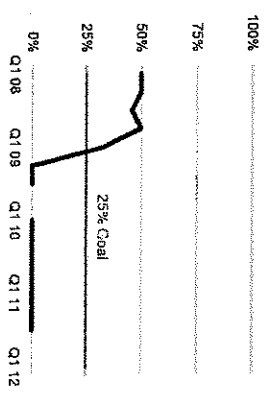
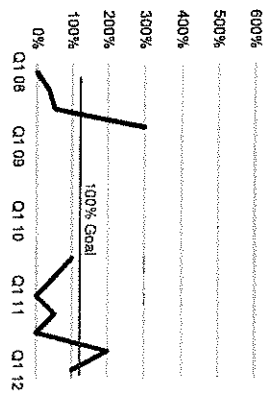
Percent Closed in 250 Business Days



Funeral - In Q1 2012, the clearance rate was 300%, the Pending Caseload older than 250 business days was 25% and the percent closed within 250 business days was 89%.
Q1 2012 Caseloads:
 Received=3, Closed=9
 Pending over 250 days=2
 Closed within 250 days=8



Audiology - In Q1 2012, the clearance rate was 100%, the Pending Caseload older than 250 business days was 0% and the percent closed within 250 business days was 100%.
Q1 2012 Caseloads:
 Received=1, Closed=1
 Pending over 250 days=0
 Closed within 250 days=1



Note: Vertical scales on line charts change, both across boards and measures, in order to accommodate varying degrees of data fluctuation.

**Virginia Department of Health Professions
Key Performance Measures - Quarter Ending September 30, 2011**

	Patient Care Case Processing			Licensure Processing	
Boards	Clearance Rate (Goal = 100%)	Age of Pending Casesload % Open Cases over 250 Business Days (Goal=25%)	% Cases Closed within 250 Business Days, last 8 quarters (Goal = 90%)	Customer Satisfaction (Goal = Maintain Average 97% Positive Rating)*	% Licensed within 30 Days of Complete Application (Goal = 97%)
	300%	25%	89%	100% (1)	100.0%
Funeral Directors and Embalmers	300%	25%	89%	100% (1)	100.0%

Hahn, Lisa R. (DHP)

Subject: FW: Virginia Pre-Need Insurance Issues

From: Hahn, Lisa R. (DHP)
Sent: Wednesday, December 21, 2011 12:17 PM
To: BLacy@SandsAnderson.com
Subject: FW: Virginia Pre-Need Insurance Issues

Dear Mr. Lacy,

Thank you for your letter of December 15, 2011. I plan to share this information with the Board of Funeral Directors and Embalmers at their next meeting scheduled for January 17th.

I am aware that the board has previously looked at the 5% /CPI funding requirement on two separate occasions and decided both times not to recommend any changes to the law.

In regards to the Protection or Recovery fund, according to previous board minutes (prior to my current tenure), the board indicated a concern about administrative and staffing cost to properly manage this fund. The board also indicated an interest in having a comprehensive study conducted in order to make an informed decision.

Thanks again. Happy Holidays.

Sincerely,


Lisa R. Hahn

Lisa R. Hahn, MPA, Executive Director
Department of Health Professions
Board of Funeral Directors and Embalmers
Board of Long Term Care Administrators
Board of Physical Therapy
9960 Mayland Drive, Suite 300
Henrico, VA 23233
(804) 367-4400
Fax:(804) 527-4413

From: Webb, Donna U. [<mailto:dwebb@sandsanderson.com>] **On Behalf Of** Lacy, IV, Ben R.
Sent: Thursday, December 15, 2011 5:12 PM
To: Hahn, Lisa R. (DHP)
Cc: Lacy, IV, Ben R.
Subject: Virginia Pre-Need Insurance Issues

[Home](#)

[VCard](#)

	Donna U. Webb <i>Professional Assistant</i>
	1111 East Main Street P.O. Box 1998

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1111 East Main Street
Post Office Box 1998
Richmond, Virginia 23218-1998
Main: (804) 648-1636
(800) 296-1636
Fax: (804) 783-7291

December 15, 2011

Via Email

Missy.currier@dhp.virginia.gov

Ms. Missy Currier

**RE: Virginia Pre-Need Insurance Issues
2012 Session**

Dear Ms. Currier:

It was good to talk with you the other day and as I promised, attached are drafts of three proposed bills that my clients are considering for the 2012 Session. The first one changes the definition of § 38.2-1800 and I attached the current statute as marked up and basically the change to this statute would eliminate the \$10,000 limit on the group insurance certificates or memberships as long as they are specifically tied to a pre-need funeral contract. I was instrumental four years ago in raising the limit at that time from \$7,500 to \$10,000.00. Our companies, after discussing it and considering it, felt as though there was really no need to have a "limit" on the insurance policies to fund a pre-need contract. Funeral directors are regulated by the state and they must use specific information on the pre-need contract and this is monitored by the Federal Trade Commission as well as the Virginia Funeral Board. Any concern that a funeral director would sell an insurance policy far in excess of the pre-need contract is without merit. We just did not see the sense of coming back to the legislature every three or four years to increase it.

We have asked the Virginia Bureau of Insurance to review this and they have agreed with our position. We have also sent this to the Independent Funeral Directors and the Virginia Funeral Directors and have heard back from the Virginia Funeral Directors and they support this amendment to the definition as long as it is tied specifically to a pre-need funeral contract.

The next proposal would amend § 54.1-2820 that currently requires a growth factor on the insurance or annuity contract funding a pre-need funeral contract to the CPI or 5% whichever is less. As you know, this limitation does not apply to cash funded trusts.

Ms. Missy Currier
December 15, 2011
Page 2

If we deleted this requirement from the Code, it would mean that more carriers would enter Virginia to provide more policies, it would increase the benefit to the public and families that you serve, increasing the sales at funeral homes and provide flexibility with premiums by providing a greater alternative when dealing with age tiers.

We spoke with a representative of the Virginia Funeral Directors and he had done some research by discussing the deletion of this statute with a Maryland pre-need expert and found that the difference in Maryland pre-need policies and Virginia pre-need policies is significant related to the cost of the policies (in Virginia it is more expensive and less variations because of this CPI/5% requirement).

The mandated, statutory growth requirement also negatively affects the consumer (our customers) since the individual prefunding their funeral must pay extra premiums to the insurers to provide a product that can support the CPI or 5% mandate. The increased premium costs that are attributable to the CPI or 5% mandate and are paid by the consumer are between \$12 and \$40 per policy and provide no discernible benefit to the consumer.

Due to this mandate my insurance clients are only offering one type of policy to sell in Virginia. If the CPI/5% mandate was removed my clients could offer more products with varying growth options as they do in other states.

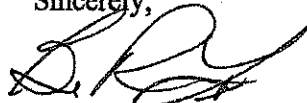
The final Code section that we are proposing would establish a protection fund in those events where a funeral home sells a pre-need funeral contract (cash trust or insurance) to a consumer they would charge a separate fee of \$5.00 to be paid by the consumer and this \$5.00 would go to the Funeral Board to be held in a Protection Fund and if the Funeral Board finds that a customer has suffered a loss either due to the failure of a funeral home to provide the services outlined in the pre-need contract or any other pecuniary loss, the Board will allow restitution to be paid to the consumer or contract person from the Fund.

We would appreciate your membership consideration of support for these three bills.

As you probably know I have contacted Delegate Ken Alexander to consider carrying these bills and he is the most knowledgeable legislator with regard to funeral home business and pre-need issues. But he wants to do what is best for Virginia consumers and his constituents and not just carry legislation that helps Funeral Directors

Please feel free to give me a call to discuss.

Sincerely,



Ben R. Lacy, IV

BRL/duw
Enclosures

Amend § 38.2-1800. Definitions.

"Limited burial insurance authority" means the authority in this Commonwealth to sell, solicit, or negotiate burial insurance society membership, or group insurance certificates, or life insurance policies where the memberships, or certificates or policies are used to fund preneed funeral contracts of membership will not exceed \$10,000 on any individual, on behalf of insurers licensed under Chapter 40 (§ 38.2-4000 et seq.) of this title; or to represent an association referred to in § 38.2-3318.1, limited to soliciting members of that association for burial association- association group life insurance certificates where the certificates are used to fund preneed funeral contracts or individuals where the policies are used to fund preneed funeral contracts, in amounts of \$10,000 or less.

Field

Field

Amend § 54.1-2820. Requirements of preneed funeral contracts.

C. If a life insurance or annuity contract is used to fund the preneed funeral contract, the life insurance or annuity contract shall provide either that the face value thereof shall be adjusted annually by a factor equal to the annualized Consumer Price Index as published by the Bureau of Labor Statistics of the United States Department of Labor, or a benefit payable at death under such contract that will equal or exceed the sum of all premiums paid for such contract plus interest or dividends, which for the first 15 years shall be compounded annually at a rate of at least five percent. In any event, interest or dividends shall continue to be paid after 15 years. In addition, the following must also be disclosed as prescribed by the Board:

- 1. The fact that a life insurance policy or annuity contract is involved or being used to fund the preneed contract;**
- 2. The nature of the relationship among the soliciting agent, the provider of the supplies or services, the prearranger and the insurer;**
- 3. The relationship of the life insurance policy or annuity contract to the funding of the preneed contract and the nature and existence of any guarantees relating to the preneed contract; and**
- 4. The impact on the preneed contract of (i) any changes in the life insurance policy or annuity contract including but not limited to changes in the assignment, beneficiary designation or use of the proceeds, (ii) any penalties to be incurred by the policyholder as a result of failure to make premium payments, (iii) any penalties to be incurred or moneys to be received as a result of cancellation or surrender of the life insurance policy or annuity contract, and (iv) all relevant information concerning what occurs and whether any entitlements or obligations arise if there is a difference between the proceeds of the life insurance policy or annuity contract and the amount actually needed to fund the preneed contract.**

Add New Section. §54.1-2822.2. Preneed Funeral Consumer Protection Fund.

A. Each contract provider shall collect from the contract buyer a separate fee of \$5 for each preneed funeral contract sold (hereinafter the "contract").

B. Each contract provider shall annually, within thirty (30) days after the end of December, forward the fees for all contracts sold during the 12-month period to the Board of Funeral Directors and Embalmers (the "Board").

C. Fees collected under this Section shall be deposited into the Preneed Funeral Consumer Protection Fund (the "Fund"), which is hereby created as a special Fund in the State treasury. Moneys in the Fund may be expended for the purposes specified in this Section or rules promulgated by the Board.

D. The Fund shall be used solely for the purpose of providing restitution to contract purchasers who have suffered pecuniary loss arising out of preneed funeral contracts. The Fund may also be used for payment of actual administrative expenses incurred in administering the Fund.

E. A contract purchaser may apply to the Board on a form prescribed by the Board for restitution from the Fund. Upon a finding by the Board that the contract purchaser has suffered pecuniary loss, the Board may cause restitution to be paid to the contract purchaser from the Fund.

F. Restitution shall not exceed the amount of the sales price of the funeral services and merchandise specified in the preneed contract paid plus interest at the statutory rate from the date of the execution of the contract.

G. In all such cases where a contract purchaser is paid restitution from the Fund, the Board shall be subrogated to that purchaser's claims against the contract provider for all amounts paid from the Fund. If the contract provider's liability for default is subsequently proven, any award made by a court of law shall be made payable to the Fund up to the amount paid to the contract purchaser from the Fund and the Board shall request that the Attorney General engage in all reasonable post-judgment collection steps to collect such claims from the judgment debtor and reimburse the Fund.

H. The Fund shall not be applied toward any restitution for losses in any lawsuit initiated by the Attorney General or Board or with respect to any claim made on a preneed funeral contract that occurred prior to the effective date of this Section.

I. Notwithstanding any other provision of this Section, the payment of restitution from the Fund shall be a matter of grace and not of right and no contract purchaser shall have any vested right in the Fund as a beneficiary or otherwise.

J. The Fund may not be allocated for any purpose other than that specified in this Act.

Virginia's current preneed laws requiring 5% or CPI growth on preneed life insurance products

Good or Bad?

You decide:

	Virginia	Elsewhere
Number of preneed insurers offering products	6-7	Up to 15
Average number of insurance products offered	1 or 2	Up to 13
Average annual policy growth	CPI (2.5%)	Up to 4%
Average single premium	Higher	Lower
Average monthly premium	Higher	Lower
Available death benefits	Lower	Higher
Insurance agent commissions	Lower	Higher
Insurer's reserves/expenses at issue	Higher	Lower
Maximum policy issue size	\$10,000	No limit
Portability limitations	Yes	Few to none
Impact on state premium tax revenues	Lower	Higher
Impact on protection by guaranty coverage	Lower	Higher

Q. Who loses under the current CPI statutory structure?

- **Consumers**
 - Pay higher premiums, similar to increased financing cost
 - Higher death benefits, if any, rarely benefit them directly
 - Portability issues from other states and/or existing policies
 - Less potential choice when fewer preneed insurance companies compete
- **Funeral Homes**
 - CPI may not exceed selected discretionary growth rate, while requiring higher reserves
 - Less control of their business plan
 - Fewer product offerings (both # of companies and # of products)
 - Fewer sales if products are unaffordable or unavailable
 - Significantly lower commissions – less earning potential and fewer jobs
- **State**
 - Significantly fewer companies doing business – inhibits competition
 - Favoring trust funding over insurance funding may result in:
 - Lower premium tax revenue
 - Lower income tax revenue
 - More preneed funds in trusts unprotected by guaranty fund (Funds are only protected by state insurance guaranty fund if invested in life insurance)
- **Insurers**
 - Higher expenses
 - Higher reserving
 - Complicated swaps and hedges
 - Inflation spike-up may imperil insurers

Q. Who wins under the current CPI statutory structure?

- **Funeral Homes** – but only if CPI beats discretionary growth rate by more than the commission difference
- **Wall Street bankers** – used by insurers to manage CPI risk

Virginia Preneed Life Insurers Coalition

Assurant

Atlantic Coast Life Insurance Company
Columbian Mutual Life/Columbian Life Insurance Companies
Forethought Life Insurance Company
Great Western Insurance Company
Homesteaders Life Company
Investors Heritage Life Insurance Company
Lincoln Heritage Life Insurance Company
National Guardian Life Insurance Company