

Report From Agency

**STATE OF WISCONSIN
FUNERAL DIRECTORS EXAMINING BOARD**

**IN THE MATTER OF RULEMAKING :
PROCEEDINGS BEFORE THE : REPORT TO THE LEGISLATURE
FUNERAL DIRECTORS : CR 19-161
EXAMINING BOARD :**

I. THE PROPOSED RULE:

The proposed rule, including the analysis and text, is attached.

II. REFERENCE TO APPLICABLE FORMS:

N/A.

III. FISCAL ESTIMATE AND EIA:

The Fiscal Estimate and EIA is attached.

IV. DETAILED STATEMENT EXPLAINING THE BASIS AND PURPOSE OF THE PROPOSED RULE, INCLUDING HOW THE PROPOSED RULE ADVANCES RELEVANT STATUTORY GOALS OR PURPOSES:

This rule project removes the requirement that a funeral director, licensed intermediary, or operator of a funeral establishment include the value of the trust when submitting notice to the board that a burial trust is being terminated and replaced with a life insurance policy, as the board determined that this requirement is economically burdensome. It also corrects obsolete contact information for the board.

V. SUMMARY OF PUBLIC COMMENTS AND THE BOARD'S RESPONSES, EXPLANATION OF MODIFICATIONS TO PROPOSED RULES PROMPTED BY PUBLIC COMMENTS:

The Funeral Directors Examining Board held a public hearing on January 22, 2020. No testimony was received.

VI. RESPONSE TO LEGISLATIVE COUNCIL STAFF RECOMMENDATIONS:

Comment 5: The rule repeals the requirement that a funeral director or operator, or his or her authorized agent, report the current value of the burial trust that is being terminated and replaced by the proceeds of a life insurance policy intended to fund a burial agreement. This type of life insurance policy is often sold by funeral directors. In its fiscal estimate and summary of factual data and analytical methodologies, the board cites economic burden and difficulty in obtaining information as the reason for the changes.

The board may consider also including this content in the plain language analysis, so it is more easily accessible by typical readers. Similarly, the board should also consider explaining why the value of the life insurance policy replacing the trust should not be reported.

Response: The board accepts the comment, excluding the following language:

“Similarly, the board should also consider explaining why the value of the life insurance policy replacing the trust should not be reported.”

Presumably, legislative counsel is suggesting it would be helpful to have the life insurance policy amount to compare with the amount of the terminated trust in order to detect misappropriation of funds. However, because the value of the terminated trust may exceed the cost of the funeral, the life insurance policy that replaces the trust may in fact be for a different amount than the remaining balance of the trust. Therefore, comparing the two amounts would not be a useful exercise.

VII. REPORT FROM THE SBRRB AND FINAL REGULATORY FLEXIBILITY ANALYSIS:

N/A.