

KEEPING TENNESSEE SENIORS SAFE

# WHAT TO KNOW ABOUT MAKING END-OF-LIFE PLANS



State of Tennessee  
Office of the Attorney General & Reporter



Department of  
**Commerce &  
Insurance**

Consumer Affairs

Contact (800) 342-8385  
[www.tn.gov/commerce/section/consumer-affairs](http://www.tn.gov/commerce/section/consumer-affairs)



End-of-life planning can be stressful and emotional, whether you do it in advance or after the death of a loved one. As you plan, use caution and rely on trustworthy family and friends. Some people may try to take advantage of you by taking your money or selling you goods and services that you may not want or need. These people are called scammers. Keep reading for ways you and your family can stay safe and make good decisions when making end-of-life plans.



## **WHAT ARE LIFE INSURANCE AND ANNUITIES SCAMS?**

Do you want to buy a life insurance policy—something you pay for now so others will receive money after you pass away? Or a variable annuity—something you pay for now and get a monthly income from while you are still alive? Then be careful! Scammers—and even some real insurance agents—may try to trick older adults into buying life insurance policies or annuities

that won't work for them or are fake. Make sure the insurance agent is registered in Tennessee. Look up agents online and see if there are any complaints about them. Don't pay money to insurance agents or investment advisors who are pushy or only offer things that earn them a lot of money. Always take plenty of time to read and understand papers and contracts before you sign them. Here are some common insurance scams:

- **Fake Life Insurance Companies:** Look out for companies that sell fake life insurance. In this situation, you pay money to a company or agent for an insurance policy that you think is real, but the policy doesn't exist and they pocket your money. Always research a company to make sure it is real. Make payments to the company, and never to an individual agent. Don't pay in cash. Keep records of all your payments.
- **Life Insurance Benefiting a Stranger:** A scammer tells you he'll loan you money to take out a life insurance policy. You think you're making a family member the beneficiary of the policy, but the scammer lists himself instead without your knowledge. When you die and the policy goes into effect, the scammer gets all of the money and the family gets nothing.
- **Selling Annuities That Aren't Best for Older Adults:** When you buy an annuity, the insurance company takes your money and agrees to invest it so it will grow over time. As it grows they'll pay you a set amount or a variable amount—one that changes depending on how well your money is growing. This plan may not be best for older adults who want or need a monthly income now, or who may want to withdraw money out of the annuity account. Again, always take your time to read and understand papers and contracts before you sign them.



## RESOURCES

- **Tennessee Department of Commerce and Insurance, Insurance Division**, [www.tn.gov/commerce/section/insurance](http://www.tn.gov/commerce/section/insurance). Under “Consumer Resources,” you can check to see if an insurance agent is licensed. To make a report or file a complaint, call (800) 342-4029 or (615) 741-2218, or go to [www.tn.gov/commerce/article/ins-file-a-complaint](http://www.tn.gov/commerce/article/ins-file-a-complaint).
- **Tennessee Securities Division, Financial Services Investigations Unit**, call (615) 741-5900, or go to <https://www.tn.gov/commerce/article/securities-file-a-complaint>. You can also email a complaint to: [securities2@tn.gov](mailto:securities2@tn.gov).

## WHAT ARE FUNERAL SCAMS?

Funeral services can be pricey, with the average cost in the United States nearing \$10,000. Be careful - some funeral service providers try to sell you additional goods or services that you may not want or need. Always research your options and rely on trusted family and friends to help make the best personal and financial choices. Cremation and immediate burial services can

be less expensive ways to honor a loved-one. The Federal Trade Commission enforces the Funeral Rule to allow you to compare prices among funeral homes and only pay for the goods and services you want or need. Read about how the Funeral Rule can protect you at: [www.consumer.ftc.gov/articles/0300-ftc-funeral-rule](http://www.consumer.ftc.gov/articles/0300-ftc-funeral-rule).

## WARNING SIGNS OF FUNERAL SCAMS

- **Casket Overcharge:** The casket is often the most expensive item you purchase for a funeral. Sometimes funeral homes add a large upcharge to the price of caskets so they sell it to you for a lot more than what they paid for it. They may even charge higher prices than normal if they think the family can afford it.
- **Embalming:** Embalming is not required under Tennessee law. A funeral service provider must tell you this fact in writing. They also must tell you about other options like direct cremation or immediate burial. They can't embalm someone without permission. When a funeral service provider does require embalming, such as a funeral with a viewing, they must tell you in writing that it is a required purchase.
- **Charges for Unwanted Services and Extra Fees:** Funeral service providers may try to get you to pay for services you don't want and may charge hidden fees for services or products that someone else provided. Always ask for an itemized list of all services you're purchasing and review it carefully.

## HOW TO AVOID FUNERAL SCAMS

- **Plan Ahead if Possible, and Avoid High Pressure Sales Tactics:** If planning a funeral and/or cremation in advance, shop

around, ask for price lists, and choose only the services or items you need. Always take time to think about your options and budget.

- **Bring a Trusted Friend or Advisor:** If choosing a funeral home after a death, bring someone you can trust with you and ask them to take notes.
- **Be Careful About “Pre-need” Contracts:** Always check that the written contract is the same as what you were told. Also check to see if you can get any money back and if you can cancel the contract.
- **Get Price Information on the Phone:** The Funeral Rule says funeral homes must give prices over the phone if asked.
- **Ask for a Written, General Price List (GPL):** The Funeral Rule says funeral homes must give you a GPL that you can keep. Always look at a list of casket prices before you see the caskets, and remember that low-cost caskets are not always out for you to see.
- **Get a Written Statement Before You Pay:** Ask funeral homes to give you an itemized list with prices and the total cost before you pay any money. If you are told that something is required, ask them to give you a copy of the regulation that says so. If you are paying in advance, make sure the contract can be cancelled and you can get your money back.
- **Consider Buying a Casket or Urn Elsewhere:** Did you know big box retailers or online stores sell caskets and urns for a lot less money? Funeral homes are required to accept delivery of items you’ve purchased elsewhere. Also, you don’t have to be there when the items arrive.

- **Use an Alternative Container or Rent a Casket for Cremation:** There is not a state law that says you must have a casket for cremation. And funeral service providers must have other containers (pressed wood, cardboard) available.
- **Check to See if the Cemetery Requires an Outer Burial Container:** State law does not make you buy an outer burial container (or grave liner). But cemeteries can legally require them for burial. Make sure that outer burial container prices are listed in the GPL, and ask about lower priced containers.



- **Check Out Cemetery Requirements:** Cemeteries charge different fees for gravesite or crypt opening and closing, maintenance, grave liners, etc. Different cemeteries have different rules about the types of monuments or memorials that are allowed. Make sure you understand the requirements of the cemetery you choose.

## **WHAT CAN YOU DO IF YOU BECOME A VICTIM?**

- **File a Complaint:** Go to [www.tn.gov/commerce/section/regulatory-boards](http://www.tn.gov/commerce/section/regulatory-boards) to file a complaint with the Board of Funeral Directors, Embalmers & Burial Services. Or call (615) 741-5062 or send an email to: [funeral.cemetery.board@tn.gov](mailto:funeral.cemetery.board@tn.gov).

# WHAT IF SOMEONE CLAIMS THAT DECEASED LOVED ONES HAD UNPAID DEBTS?

Some scammers will claim that the deceased had unpaid debts. The scammers read obituaries, and then call or attend the funeral service. They ask family members or friends to pay the fake debt.

## Remember:

- Be aware of any business or person that you don't know who claims your loved one owed them money.
- Always ask for proof of any debt.
- Research the person or business to see if they are real and if any complaints have been filed against them.



## RESOURCES

- **Tennessee Adult Protective Services:** (888) 277-8366, or <https://reportadultabuse.dhs.tn.gov>
- **Tennessee Division of Consumer Affairs:** inside Tennessee (800) 342-8385 or (615) 741-4737, or [www.tn.gov/commerce/topic/consumer-file-a-consumer-complaint](http://www.tn.gov/commerce/topic/consumer-file-a-consumer-complaint)
- **Federal Trade Commission:** Consumer information on Shopping for Funeral Services, [www.consumer.ftc.gov/articles/0070-shopping-funeral-services](http://www.consumer.ftc.gov/articles/0070-shopping-funeral-services)

