



# CREATIVE CHOICES

## In this issue . . .

- Prepaid contracts 1
- Another funeral choice 1
- President's column 2
- AMBIS Briefs 3
- Completing Advance Directives Workshop 3
- Cooperating FHs 4
- Governing Council 4

Spring 2008

The newsletter of the Austin Memorial and Burial Information Society (AMBIS), a nonprofit, nonsectarian, educational and consumer association organized to encourage informed planning about end-of-life issues. AMBIS is a member of the Funeral Consumers Alliance.

## Prepaid funeral contract failure hurts Texas families

You probably won't find out by reading your local newspaper, but 39,000 prepaid funeral contracts bought by Texas families are in jeopardy. These contracts guaranteed that the purchaser would get all of the goods and services contracted for, no matter what they cost at the time of death. However, the companies that made these guarantees are in such a weakened financial condition that they will not honor this promise to pay the current cost of prepaid funerals.

On April 9, 2008, the Texas Department of Banking and the Texas Department of Insurance, the two state agencies charged with regulating the sale of prepaid funeral contracts in Texas, announced that Memorial Service Life Insurance Company, Lincoln Memorial Life Insurance Co., and National Prearranged Services, Inc. were having serious financial problems in honor-

ing prepaid contracts in Texas. The Texas Department of Banking (DOB) ordered National Prearranged Services, Inc., to cease selling prepaid funeral benefits in Texas.

Apparently, the Texas Insurance Department issued a directive to NPS' Texas subsidiary to cease writing new business in Texas effective March 21, but the public was not advised of this order because of a law in Texas that keeps such information private. Only an alert issued by the Kentucky Office of Insurance made consumer advocates aware that there was a problem in Texas. Jim Bates, one of the Directors of the Funeral Consumers Alliance of Texas, learned of this problem and began asking questions of Texas regulators. He found that around the same time in March, regulatory agencies in several other states,

*continued on p. 3, Prepaid contracts*

## San Marcos and South Hays County members have another choice in funeral service

The AMBIS annual survey of funeral prices is based on information provided on General Price Lists gathered from almost all of the funeral homes located in Travis, Williamson, Bastrop, Caldwell, and Hays counties. However, occasionally a new funeral home with reasonable prices and excellent service opens near the AMBIS service area and may be to some members as convenient as, or more convenient than, local funeral services.

This is the case with Puente & Sons Funeral Chapels, located at 1254 Business 81 North in New Braunfels, (830) 624-0500, (888) 533-5331. This location is on the north side of New Braunfels and closer to south Hays County residents than any funeral services in Austin or Caldwell County.

Puente & Sons offers Direct Cremation for \$699, or \$599 if you provide the cremation container. Prices for other funeral services are considerably below the average found in the annual survey. At \$4315 for our hypothetical full-service funeral with a 20 ga. casket, Puente is less expensive than the charges made for that service by all but one of 36 funeral services included in our 2008 survey.

AMBIS has prior experience with Puente & Sons. In 1997, the AMBIS Governing Council contracted with Puente & Sons to provide our members Direct Cremation services. At that time, Puente & Sons had one location in San Antonio and provided AMBIS members with a toll-free number to call for service.

Guillermo Puente, the owner of Puente & Sons, arranged with a mortuary service operating in Austin to provide all of the Direct Cremation services for AMBIS members. At that time, AMBIS members paid \$660 for Direct Cremation through the contract.

Considering that the two highest prices for Direct Cremation in the 2008 survey are from two funeral homes in San Marcos, Thomason at \$3015, and Pennington at \$2770, the \$699 price is a real bargain. San Marcos is in Puente & Sons' service area. The other funeral home in San Marcos, Los Angeles, offers Direct Cremation for about \$1270.

Your editor has used the services of Puente & Sons for a family member who died recently and found the funeral home staff competent, efficient, compassionate, caring, and willing to go out of their way to be helpful. The timeliness of their response to our need for their services was as good as anyone could expect. Sometimes local is not the best choice, especially if a better service at a lower price is not too far away.

It is never necessary to use the facilities of a funeral home when there are other reasonably-priced facilities in your community that can be used. And many people might be more comfortable in a church, a park, or a community facility than in a funeral home. Sometimes, thinking a little bit out of the box can open other possibilities that are more satisfying and could save you money, as well. **Ω**

## *From the President*

Let me take this, my first opportunity to greet you as President of the AMBIS Council, to say that I am gratified to have been elected to this job by my fellow Council members at the conclusion of the AMBIS Annual Meeting on February 24, 2008. Others besides myself elected to the Council at the annual meeting include Rodger Ericson, Ron Turner and Helen Burnette. Congratulations to us all.

To those of you who were unable to attend the Annual Meeting, let me just say that it was a superb meeting presided over by outgoing President Daesene Willmann and held in a fine venue, the Wesley United Methodist Church, at 1160 San Bernard, just off of East 11th Street. AMBIS thanks Melonie House, AMBIS Outreach Coordinator, for the meeting arrangements. The Annual Meeting program theme was "Choice Endings" which featured a three-member panel, Sandy Booth, speaking on Home Funerals, Lamar Hankins, on Coop Funeral Homes and Helen Burnette, on Green Burial. All presenters did an excellent job. Council Funeral Home liaison officer Gary Lichtenstein presided over raffle of two beautiful funerary urns generously donated by Bill Collier of Affordable Caskets. The raffle raised over \$100 for the AMBIS operating fund.

Other AMBIS Council officers chosen at the February 24 meeting include Daesene Willmann, Immediate Past President, Leo Osterhaus, Vice President, Helen Burnette, Secretary, and Ron Turner, Treasurer. The AMBIS Council meets formally every other month at the AGE Building (location of the AMBIS office) on Cedar Street. Next Council meeting will be held at 7 p.m. on Wednesday, May 21. Council business matters are attended to on an as-needed basis, and Council volunteers are regularly on hand to answer questions on membership and other matters by phone and in person.

### **The Costly Obituary**

During my tenure as Council President, I aim to guide the Council in addressing such end-of-life issues of concern to AMBIS members and other Central Texans as the high cost of newspaper obituaries, to see if viable, inexpensive alternatives can be developed for dignified recognition of the deceased. Current obituary prices in the Austin American-Statesman are \$42.36 per column inch. Insertion of photographs in a Statesman obituary costs an additional \$85.12. Not only that, but insertion of the logo of the local funeral home – always encouraged by the establishment – is also paid by the individual paying for the obituary proper.

Perhaps one answer is to find or develop an internet

alternative for obituary placement. This has clearly happened in the case of classified newspaper advertising which has declined from a primary newspaper income source to a near-insignificant level. I hope your AMBIS Council can pursue this issue soon.

### **Identifying Alternative Cemeteries**

The ever-higher cost of cemetery burial is already on the AMBIS Council agenda. We invite and encourage AMBIS members to contact us with information on cemeteries within reasonable driving distance of Austin where reasonably-priced cemetery plots and grave preparation can be arranged.

### **AMBIS and our national organization Funeral Consumers Alliance**

As an active member of the National Funeral Consumer Alliance, AMBIS gains a great deal in understanding national issues and initiatives pertinent to AMBIS members. This year's FCA annual meeting will be held June 27-29 in Seattle. Three AMBIS members, including myself, plan to attend and to report back to the membership what we will have learned.

### **AMBIS Donations Keep Us Going: Thank You So Much**

Everyone is concerned about the current wave of inflation that affects every individual and organization. The cost of operating AMBIS is managed through careful management of joining member donations and, more importantly, from other periodic donations from interested members. AMBIS' gratitude for these voluntary donations can not be overstated. We could not operate without them. We thank all our benefactors, and profusely so.

### **AMBIS Volunteers: Our Heart and Soul**

AMBIS thrives in service to its members only because of the dedicated work of our all-volunteer staff. Led by Past President Daesene Willmann, these are among valued volunteers who donate time and energy at the AMBIS office and elsewhere: Chauncey and Arnold Ashburn, Jo Schneider, Carole and George Hawkins, Cris Cunningham, Sunny Peer, Kathy Boas, Kathleen Grobe, AMBIS President Emeritus Leon Lebowitz and Council members Melonie House, Francis Gibich, Gary Lichtenstein and Leo Osterhaus. We owe them all and others who help AMBIS achieve its important purpose.

*Edmund L. Nichols, President*  
**AMBIS Governing Council**

*Prepaid contracts, continued from p.1* including Kentucky, Iowa, Missouri, and Illinois, took similar action.

While NPS apparently has enough money, for now, to pay the face value of the contracts, the funeral homes that must honor those agreements will not get any earnings on the face value of the contracts. Because those funeral homes were counting on earning additional money from these contracts so that they can provide the goods and services at today's inflated prices, they may try to cut corners when it comes time to honor the contracts.

If your relative bought a prepaid funeral through NPS, be sure to check at the time of death to make sure the funeral home doesn't try to substitute a cheaper or inferior casket. Some funeral homes might also try to get you to pay additional money, which you should refuse to do.

Also be aware that some funeral homes might ask you to cancel your NPS contract and buy a new one with a more stable company (thus transferring the cost of NPS' insolvency away from the funeral

home and onto your wallet). But if you cash out an NPS contract, you'd lose a great deal of what you paid for the policy. Any consumer contacted by a funeral home and asked to consider this option should immediately contact the Department of Banking at 512-475-1324 and the Department of Insurance at 512-463-5425.

As a reminder, neither AMBIS nor its national organization, Funeral Consumers Alliance, recommends the purchase of prepaid funeral contracts unless you absolutely have to in order to qualify for Medicaid. Once the purchase is made, the consumer loses control over the funds. If you want to set aside money to help pay for your funeral, it is far better to establish a "pay on death" account with someone you trust (not a funeral home) named as the beneficiary, who will be responsible for using those funds for funeral expenses upon the death of the account holder.

Your specific funeral wishes can be included on a form available through AMBIS or in the FCA funeral planning kit "Before I Go...You Should Know."

If you are one of the 39,000 people in Texas who purchased a prepaid contract from Memorial Service Life Insurance Company, Lincoln Memorial Life Insurance Co., or National Prearranged Services, Inc., you should consult a knowledgeable financial/legal adviser to consider your options. According to information being discussed within the funeral industry, NPS has other obligations to pay before any prepaid insurance customer will be paid. Litigation is now pending against NPS in United States District Court for the Eastern District of Missouri. If NPS loses the lawsuit, it could leave little money in its coffers to honor prepaid funeral insurance contracts purchased in Texas.

Consumers who have trust-funded prepaid funeral contracts are in no jeopardy unless the prepaid contract was converted to an insurance-funded contract with NPS or one of its affiliates. To determine if this has happened and if you don't remember being notified about a conversion, contact the funeral home with which you contracted for your funeral. **Ω**

## AMBIS BRIEFS

### Visit the AMBIS office

Members and visitors are encouraged to stop in at the AGE building, located at the corner of Cedar Street and 38th in Austin, to visit the AMBIS office. The office is staffed by a volunteer every Monday, Wednesday, and Friday from 10a.m. to 2 p.m. It is always better to call ahead before visiting, but walk-in visitors are welcome. Thanks to all who continue to staff the office; welcome to the latest office volunteers: Leslie Pearson, Nancy Webber, and Wendy Wentworth.

### Websites updated

Both the AMBIS webpage, found at either <http://www.fcaambis.org/> or <http://www.ambis.info/>, and the Funeral Consumers Alliance website at <http://www.funerals.org/> have been updated. Both provide needed information in an easier-to-find format and offer new features to assist readers with their questions.

### Presentations

April has brought an impressive number of presentations made at Girling Health Advisory Council, Ebenezer Baptist Church; Episcopal Church of the Resurrection, "Seasoned Seniors" at Grace Covenant church, "Facts of Life and Love" workshop at St. Andrews Presbyterian, National Association of Retired Federal Employees (NARFE) in Georgetown, a table at the annual "Wellness Fair" sponsored by the Department of Aging and Disability Services, and at the SWUUC Spring Conference held in Austin. Contact Melonie House, Outreach, at 788-2851 if you wish a presentation at your church or civic group.

## Completing Advance Directives Workshop

Saturday, May 10

10a.m.- noon

Austin Groups for the Elderly  
Building (AGE Building)  
3710 Cedar St, Dining Room

Call AMBIS at 480-0555 to reserve a place. A notary will be available to notarize documents for participants. You should review your directives before the workshop, and determine who you want to name as your agents and have their addresses so you can complete the forms. Call the office before the workshop to obtain any of the advance planning forms you may need.

## Please Help Us Keep Our Mailing List Current

To help us keep our mailing costs down, be sure to let AMBIS know if your address changes. If you move out of the area, we can help you transfer your membership. Send changes by email, call the AMBIS office at 512-480-0555, or send this form with the old address to AMBIS

My new or corrected address is:

\_\_\_\_\_

Name

\_\_\_\_\_

New or correct address

\_\_\_\_\_

City, State, Zip

\_\_\_\_\_

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A Funeral Consumers Alliance  
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Spring 2008

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### AMBIS CONTRACTED FUNERAL HOMES

The following funeral homes offer to AMBIS members a 15% discount off of the costs shown on their General Price Lists:

- All Faiths Funeral Services  
8507 North IH 35 (512-339-8878) and  
4360 South Congress Avenue (512-326-8878)
- King-Tears Funeral Home  
1300 E. 12th Street (512-476-9128)
- Harrell Funeral Home  
4435 Frontier Trail (512-443-1366)
- Wilke-Clay-Fish Funeral Home  
2620 S. Congress (512-442-1446)
- Weed-Corley-Fish Funeral Home  
3125 N. Lamar (512-452-8811)

When contacting one of these funeral homes, please provide proof of your AMBIS membership by showing a copy of this newsletter addressed to you or your new membership letter. Membership can be confirmed also by calling the AMBIS office at 512-480-0555.

[www.ambis.info](http://www.ambis.info)

### CREATIVE CHOICES

*CREATIVE CHOICES* is published quarterly by the Austin Memorial and Burial Information Society, a nonprofit, nonsectarian consumer and educational organization formed in 1964 to protect a consumer's right to choose a meaningful, dignified, and affordable funeral.

The ideas expressed in *CREATIVE CHOICES* are those of the authors and editor and not necessarily those of AMBIS. Address changes, editorial items, letters, and inquiries about the benefits of membership should be sent to:

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