

HB 2594 -- Preneed Funeral Contracts

Sponsor: Meadows

This bill changes the laws regarding preneed funeral contracts. In its main provisions, the bill:

- (1) Requires providers of funeral services who sell preneed funeral contracts to collect and administer payments made under a contract;
- (2) Requires providers to file a detailed list with the State Board of Embalmers and Funeral Directors within the Department Insurance, Financial Institutions, and Professional Registration containing the name, contract number, and amount of each preneed contract since the last filing report;
- (3) Requires providers to give written notice within 30 days to all purchasers of their intention to dispose of assets and cease doing business and indicate what establishment will be assuming responsibility for their preneed contracts;
- (4) Authorizes the board to refuse to issue a certificate of registration or authority, permit, or license and allows it to file complaints with the Administrative Hearing Commission for reasons specified in the bill;
- (5) Requires sellers of preneed contracts to keep adequate records of all money paid by purchasers;
- (6) Authorizes the Office of the Attorney General to order investigations to determine compliance of the provisions of the bill by licensees;
- (7) Requires all preneed contracts sold after August 28, 2007, to maintain at least 80% of the amount paid in a trust and at least 90% for all contracts sold after August 28, 2008;
- (8) Requires all money received by the seller to be deposited into a trust fund within 60 days;
- (9) Requires the seller upon cancellation of the contract by the purchaser to pay the purchaser an amount equal to all payments made plus interest less the actual expenses;
- (10) Requires purchasers who receive public assistance to file a copy of the contract with the appropriate state or federal agency;
- (11) Allows purchasers to redesignate the provider any time

prior to the final disposition of the contract by a written notice; and

(12) Requires that all complaints to the board be in writing.