

HB 825 -- 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 which contains the name, contract number, and amount of each preneed contract;
- (3) Requires providers to give written notice within 30 days to all purchasers of their intention to dispose of assets and cease doing business;
- (4) Requires sellers of preneed contracts to keep adequate records of all money paid by purchasers;
- (5) Authorizes the Office of the Attorney General to order investigations to determine compliance of the provisions of the bill by licensees;
- (6) Requires all preneed contracts sold after August 28, 2007, to maintain at least 90% of the amount paid in a trust;
- (7) Requires all money received by the seller to be deposited into a trust fund within 60 days of the receipt of the money;
- (8) 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;
- (9) Requires purchasers who receive public assistance to file a copy of the contract with the appropriate state or federal agency;
- (10) Allows purchasers to redesignate the provider any time prior to the final disposition of the contract; and
- (11) Requires all complaints to the board to be in writing.