

HB 910 -- PRENEED CONTRACTS

SPONSOR: Fraker

COMMITTEE ACTION: Voted "Do Pass by Consent" by the Standing Committee on Professional Registration and Licensing by a vote of 10 to 0. Voted "Do Pass Not Consent" by the Standing Committee on Consent and House Procedure by a vote of 11 to 0.

This bill concerns the validity of preneed contracts or other arrangements made in advance to provide for the disposition of a body after death. Under this bill, the obligations established by a preneed contract or provider-seller contractual agreement will not cease because a provider or seller fails to renew his or her license after the agreement is made, or has his or her license revoked or suspended, provided they had valid licenses at the time the agreement was entered into. However, if a seller's license is suspended because he or she failed to file his or her annual report in a timely manner, any preneed contract entered into while the license was suspended is void. Any such contract must be rewritten after the license is reinstated or a full refund must be issued to the purchaser of the contract. A provider must still have a valid and current funeral establishment license at the time of providing the funeral or burial services described in the contract.

This bill is similar to HB 2523 (2016).

PROPONENTS: Supporters say that currently a funeral director can enter into a preneed funeral contract and continue to accept payment for the contract but if the funeral director lets his or her license lapse or doesn't renew on time, he or she doesn't have to fulfill the contract. The current law prevents a funeral director from operating at all if his or her license isn't up to date. Under this bill, the funeral director would still have to meet his or her contractual obligations, so long as his or her license was valid at the time he or she entered into the contract. This bill is only dealing with the license to sell preneed funeral contracts, not the separate license for the funeral director or embalmer.

Testifying for the bill were Representative Fraker; Missouri Funeral Directors Association; American Memorial Life Insurance; and the Lindley Funeral Home.

OPPONENTS: There was no opposition voiced to the committee.

OTHERS: Others testifying on the bill clarified that Missouri regulates preneed funeral contracts very closely because there have been specific incidents of fraud within the industry. Since the

customer pays for the funeral arrangements prior to death there is a need for government oversight to ensure that the seller fulfills his or her contractual obligation.

Testifying on the bill was the Missouri Division of Professional Registration.