

HB 1062 -- FUNERAL CONTRACTS

SPONSOR: Helms

This bill requires the Director of the Division of Finance, within the Department of Insurance, Financial Institutions and Professional Registration, to establish a preneed funeral contracts trust for the payment of benefits due to providers for the failure in performance of contractual obligations resulting from the insolvency of National Prearranged Services, Inc. or Lincoln Memorial Life. The bill also requires the division to appoint a trustee, to be responsible for all operations of the trust. The trustee must be located in Missouri and have surplus and capital of \$7 billion. The trust shall have full power and authority for its own use and benefit to ask, demand, collect, prosecute, dismiss, or settle any suit or proceedings at law in its prosecution of any suits or proceedings against any insurer, persons, or entities related in any way to such contracts on behalf of its providers. All new preneed funeral contracts placed in the preneed funeral contracts trust shall be nonguaranteed contracts with an annual return of 4% at the discretion of the providers.