

1 **PRENEED FUNERAL ARRANGEMENT**

2 **AMENDMENTS**

3 2003 GENERAL SESSION

4 STATE OF UTAH

5 **This act modifies the Preneed Funeral Arrangement Act by requiring preneed contracts**
6 **to provide the buyer with the option to furnish a disclosure of the preneed contract to**
7 **another person.**

8 This act affects sections of Utah Code Annotated 1953 as follows:

9 AMENDS:

10 **58-58-8**, as enacted by Chapter 261, Laws of Utah 1991

11 *Be it enacted by the Legislature of the state of Utah:*

12 Section 1. Section **58-58-8** is amended to read:

13 **58-58-8. Preneed contract requirements.**

14 (1) Every preneed funeral arrangement sold in this state shall be evidenced by a written
15 contract. The provider shall file the form of the contract with the division. Approval of the
16 contract by the division is required before any representation may be made by a provider or
17 sales agent to a potential buyer or any sale.

18 (2) Each preneed contract form approved by the division shall:

19 (a) be written in clear and understandable language printed in an easy-to-read type size
20 and style;

21 (b) bear the pre-printed name, address, telephone and license number of the provider
22 obligated to provide the services under the contract terms;

23 (c) be sequentially numbered by contract form;

24 (d) clearly identify that the contract is a guaranteed product contract;

25 (e) provide that a trust is established in accordance with the provisions of Section
26 58-58-9;

27 (f) provide that the insurance policy or product is filed with the Insurance Department
28 and meets the requirements of Title 31A, Insurance Code if the contract is funded by an
29 insurance policy or product; and

30 (g) conform to other standards created by rule under Title 63, Chapter 46a, Utah
31 Administrative Rulemaking Act, for the purpose of protecting the interests of buyers and

32 potential buyers.

33 (3) No modification of the form, terms, or conditions of the preneed contract may be
34 made without the prior written approval of the division. The division's approval may not be
35 unreasonably withheld.

36 (4) A preneed contract shall provide for payment by the buyer in the form of money,
37 check, money order, credit card, or negotiable instrument which may be liquidated by the
38 provider within 30 days after receipt by the provider or the provider's sales agent.

39 (5) A preneed contract may not be revocable by the provider except in the event of
40 nonpayment under terms and conditions clearly set forth in the contract.

41 (6) A preneed contract may not be revocable by the purchaser or beneficiary except in
42 the event of a substantial contract breach by the provider or substantial evidence that the
43 provider is or will be unable to provide the personal property or services to the beneficiary as
44 provided under the contract. The contract shall contain a clear statement of the manner in
45 which payments made on the contract shall be refunded to the purchaser or beneficiary upon
46 revocation by the beneficiary.

47 (7) A preneed contract shall provide the buyer the option to require the provider to
48 furnish a written disclosure to a person who does not live at the same residence as the buyer.

49 The buyer may choose:

50 (a) a full disclosure containing a copy of the entire preneed contract;

51 (b) a partial disclosure informing the recipient of:

52 (i) the existence of a preneed contract; and

53 (ii) the name, address, telephone number, and license number of the provider obligated

54 to provide the services under the preneed contract; or

55 (c) not to require the provider to furnish a written disclosure to another person.

Legislative Review Note
as of 10-30-02 2:28 PM

A limited legal review of this legislation raises no obvious constitutional or statutory concerns.

Office of Legislative Research and General Counsel