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PRENEED FUNERAL INSURANCE FILINGS

2012 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Stewart Barlow

Senate Sponsor: Todd Weiler

LONG TITLE

General Description:

This bill modifies the Funeral Services Licensing Act by amending provisions of preneed funeral arrangements.

Highlighted Provisions:

This bill:

- ▶ repeals the requirement that the form for a preneed funeral arrangement contract must be numbered sequentially; and
- ▶ makes technical changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

58-9-701, as last amended by Laws of Utah 2008, Chapter 382

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

Section 1. Section **58-9-701** is amended to read:

58-9-701. Preneed contract requirements.

(1) (a) [Every] A preneed funeral arrangement sold in Utah shall be evidenced by a



28 written contract.

29 (b) The funeral service establishment shall maintain a copy of the contract until five
30 years after all of [~~its~~] the establishment's obligations under the contract have been executed.

31 (2) [~~Each preneed contract form~~] The form for a written contract of a preneed funeral
32 arrangement under Subsection (1) shall:

33 (a) be written in clear and understandable language printed in an easy-to-read type size
34 and [~~style~~] font;

35 (b) bear the preprinted name, address, telephone number, and license number of the
36 funeral service establishment obligated to provide the services under the contract terms;

37 [~~(c) be sequentially numbered by contract form;~~]

38 [~~(d)~~] (c) clearly identify that the contract is a guaranteed product contract;

39 [~~(e)~~] (d) provide that a trust is established in accordance with the provisions of Section
40 58-9-702;

41 [~~(f)~~] (e) if the contract is funded by an insurance policy or product, provide that the
42 insurance policy or product is filed with the Insurance Department and meets the requirements
43 of Title 31A, Insurance Code; and

44 [~~(g)~~] (f) conform to other standards created by [~~rule~~] rules made by division under Title
45 63G, Chapter 3, Utah Administrative Rulemaking Act, to protect the interests of buyers and
46 potential buyers.

47 (3) A preneed funeral arrangement contract shall provide for payment by the buyer in a
48 form which may be liquidated by the funeral service establishment within 30 days after the day
49 the funeral service establishment or sales agent receives the payment.

50 (4) A preneed funeral arrangement contract may not be revocable by the funeral service
51 establishment except:

52 (a) in the event of nonpayment; and

53 (b) under terms and conditions clearly set forth in the contract.

54 (5) (a) A preneed funeral arrangement contract may not be revocable by the buyer or
55 beneficiary except:

56 (i) in the event of:

57 (A) a substantial contract breach by the funeral service establishment; or

58 (B) substantial evidence that the funeral service establishment is or will be unable to

59 provide the personal property or services to the beneficiary as provided under the contract; or

60 (ii) under terms and conditions clearly set forth in the contract.

61 (b) The preneed funeral arrangement contract shall contain a clear statement of the
62 manner in which payments made on the contract shall be refunded to the buyer or beneficiary
63 upon revocation by the beneficiary.

64 (6) (a) A preneed funeral arrangement contract shall provide the buyer the option to
65 require the funeral service establishment to furnish a written disclosure to a person who does
66 not live at the same residence as the buyer.

67 (b) The preneed funeral arrangement buyer may choose:

68 (i) a full disclosure containing a copy of the entire preneed funeral arrangement
69 contract;

70 (ii) a partial disclosure informing the recipient of:

71 (A) the existence of a preneed funeral arrangement contract; and

72 (B) the name, address, telephone number, and license number of the funeral service
73 establishment obligated to provide the services under the preneed funeral arrangement contract;
74 or

75 (iii) not to require the funeral service establishment to furnish a written disclosure to
76 another person.

Legislative Review Note
as of 1-18-12 1:45 PM

Office of Legislative Research and General Counsel