

**PRENEED FUNERAL ARRANGEMENT  
AMENDMENTS**

2003 GENERAL SESSION

STATE OF UTAH

**Sponsor: Patrice M. Arent**

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

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

AMENDS:

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

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

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

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

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

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

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

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

(c) be sequentially numbered by contract form;

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

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

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

insurance policy or product; and

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

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

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

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

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

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

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

(b) a partial disclosure informing the recipient of:

(i) the existence of a preneed contract; and

(ii) the name, address, telephone number, and license number of the provider obligated to provide the services under the preneed contract; or

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