



General Assembly

January Session, 2015

Raised Bill No. 1020

LCO No. 4346



Referred to Committee on GENERAL LAW

Introduced by:
(GL)

AN ACT CONCERNING FUNERAL SERVICE CONTRACTS.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 42-200 of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective July 1, 2015*):

3 (a) For the purposes of this section and sections 42-201 to 42-207,
4 inclusive, as amended by this act, "funeral service contract" means a
5 contract which requires the payment of money, the delivery of
6 securities or the assignment of a death benefit payable under an
7 individual or group life insurance policy in exchange for the final
8 disposition of a dead human body, including funeral, burial or other
9 services, or the furnishing of personal property or funeral merchandise
10 in connection with any such disposition, wherein the use or delivery of
11 such services, property or merchandise is not required immediately,
12 "beneficiary" means the person for whom the [goods or] services or
13 merchandise purchased in a funeral service contract are to be
14 provided, and "purchaser" means the person who signs the funeral
15 service contract.

16 (b) A funeral service contract shall be in writing, shall be
17 substantially in the form set forth in subsection (b) of section 3 of this
18 act and shall contain, except as provided in subsection (c) of this
19 section, the following:

20 (1) The name, address, telephone number and Social Security
21 number of the beneficiary and the purchaser;

22 (2) The name, address, telephone number and license number of the
23 funeral director for the funeral service establishment providing the
24 [goods or] services or merchandise;

25 (3) A list of the selected [goods or] services or merchandise, if any;

26 (4) The amount of funds paid or to be paid by the purchaser for
27 such contract, the method of payment and a description of how such
28 funds will be invested and how such investments are limited to those
29 authorized pursuant to subsection (c) of section 42-202;

30 (5) A description of any price guarantees by the funeral service
31 establishment or, if there are no such guarantees, a specific statement
32 that the contract contains no guarantees on the price of the [goods or]
33 services or merchandise contained in the contract;

34 (6) The name and address of the escrow agent designated to hold
35 the prepaid funeral services funds;

36 (7) A written representation, in clear and conspicuous type, on the
37 list of selected services or merchandise or on a statement attached to
38 the list of selected services or merchandise, that the purchaser [should]
39 will receive a notice from the escrow agent acknowledging receipt of
40 the initial deposit not later than twenty-five days after receipt of such
41 deposit by a licensed funeral director and that the purchaser will
42 receive an annual statement of the amount credited to the escrow
43 account;

44 (8) A description of any fees to be paid from the escrow account to

45 the escrow agent or any third party provider;

46 (9) A description of the ability of the purchaser or the beneficiary to
47 cancel a revocable funeral service contract and the effect of cancelling
48 such contract;

49 (10) For irrevocable contracts, a description of the ability of the
50 beneficiary to transfer such contract to another funeral [home] service
51 establishment; and

52 (11) The signature of the purchaser or authorized representative and
53 the licensed funeral director of the funeral service establishment.

54 (c) A funeral service contract that is funded through an assignment
55 of a death benefit payable under an individual or group life insurance
56 policy [,] need not contain the provisions described in subdivisions (4),
57 (6), (7) and (8) of subsection (b) of this section.

58 (d) A funeral service establishment shall maintain a copy of all
59 funeral service contracts entered into or assigned to such establishment
60 and a list of each escrow account established pursuant to such
61 contracts. Such list shall include (1) the name and address of the
62 escrow agent and the amount of funds deposited with such agent or
63 the name and address of the insurance company issuing the individual
64 or group life insurance policy, and (2) the name and address of the
65 purchaser of the funeral services contract. Such contracts shall be
66 maintained by the funeral service establishment for a period of six
67 years after the completion of the contracted services. Such
68 establishment shall disclose such information, upon request, to the
69 Commissioner of Public Health, the Commissioner of Consumer
70 Protection or the Attorney General.

71 (e) A funeral service establishment shall notify the purchaser of each
72 funeral service contract with such establishment not later than ten days
73 after any transfer of more than a fifty per cent ownership share of such
74 establishment to another person or of the closure of such

75 establishment.

76 Sec. 2. Section 42-207 of the general statutes is repealed and the
77 following is substituted in lieu thereof (*Effective July 1, 2015*):

78 An irrevocable funeral service contract may be entered into in which
79 the amount held in escrow or a death benefit payable under an
80 individual or group life insurance policy may be disbursed only upon
81 the death of the beneficiary, provided [such a contract does not exceed
82 five thousand four hundred dollars and] all interest, growth or
83 dividends accumulates to the escrow account or insurance policy and
84 are inaccessible to the beneficiary. Such irrevocable funeral service
85 contracts may be transferred from one funeral service establishment to
86 another upon request of the beneficiary or a legal representative of the
87 beneficiary. The purchase of an irrevocable funeral service contract
88 shall not preclude an individual from purchasing other funeral service
89 contracts that are revocable, provided any such revocable funeral
90 service contract purchased by a Medicaid beneficiary may be revoked
91 only upon written notice by the Medicaid beneficiary to the
92 Commissioner of Social Services.

93 Sec. 3. (NEW) (*Effective July 1, 2015*) (a) Any unused funds
94 remaining in an irrevocable funeral service contract authorized
95 pursuant to section 42-207 of the general statutes that does not have a
96 price guarantee and was purchased by a beneficiary, as defined in
97 subsection (a) of section 42-100 of the general statutes, who is a
98 Medicaid beneficiary at the time of the beneficiary's death, shall be
99 remitted by the funeral service establishment providing for the final
100 disposition of the decedent to the Treasurer of the state of Connecticut.

101 (b) Each funeral service contract, as defined in section 42-200 of the
102 general statutes, as amended by this act, shall contain all of the
103 disclosures required by chapter 743c of the general statutes and shall
104 be substantially in the following form:

105 "PRENEED FUNERAL SERVICE CONTRACT

106 THIS PRENEED FUNERAL SERVICE CONTRACT is entered into
107 this day of, 20 .., by and between a Connecticut business with
108 an address at, Connecticut ("Seller") and ("Purchaser"). The
109 person for whom the services or merchandise are to be provided is
110 ("Contract Beneficiary"). The person not living with Contract
111 Beneficiary who may be contacted in an emergency is ("Emergency
112 Contact"), having an address of and a telephone number of

113 RECITALS:

114 1. Seller is engaged in the business of operating a funeral service
115 establishment.

116 2. Purchaser wishes to purchase and pay for certain services or
117 merchandise relating to the final disposition of (a) purchaser's body
118 upon death, or (b) for the disposition of a body upon the death of
119 purchaser spouse, parent(s), child(ren), sibling(s) or other relation,
120 specify:

121 AGREEMENTS:

122 1. The name of the Purchaser is, The address of the Purchaser is
123, The Purchaser's Social Security number is, The Purchaser's
124 telephone number is, This is (Select one):

125 () a revocable funeral contract--

126 Revocable Contract: A revocable contract may be revoked at any
127 time before the services and merchandise are provided. A revocable
128 funeral contract purchased by or on behalf of a Medicaid beneficiary
129 may be revoked only upon written notice by the Medicaid beneficiary
130 to the Commissioner of Social Services.

131 or

132 () an irrevocable funeral contract--

133 Irrevocable Contract: An irrevocable contract may not be cancelled
134 by Purchaser or by Purchaser's personal representative unless
135 otherwise provided by law. The amount held in escrow by the Escrow
136 Agent may be disbursed only upon the death of the Contract
137 Beneficiary. The Contract Beneficiary or the personal representative of
138 the Contract Beneficiary has the right to transfer this Contract from
139 this funeral service establishment to another funeral service
140 establishment upon the request of the Contract Beneficiary or the legal
141 or personal representative of the Contract Beneficiary. If the Contract
142 Beneficiary is a Medicaid beneficiary at the time of death, and the
143 funeral service contract is not price guaranteed (see Section 3 below),
144 then any unused funds remaining after the funeral service is paid for
145 under the Contract shall be remitted by the Seller to the Treasurer of
146 the State of Connecticut.

147 2. The name of the funeral director for the funeral service
148 establishment providing the services or merchandise is ("Funeral
149 Director"). The business address of the Funeral Director is The
150 Funeral Director's business telephone number is The Funeral
151 Director's license number from the State of Connecticut is

152 3. Purchase of Services and Merchandise: Simultaneously with the
153 execution of this Contract, Purchaser is paying the amount of \$.... (the
154 "Contract Sales Price") to Seller to purchase (check appropriate box.
155 Purchaser to initial):

156 Initial () Nonguaranteed credit toward retail cost of funeral
157 services and merchandise at the time of need

158 () or as shown on the attached Statement of Services and
159 Merchandise, Price guarantees (if any) are as follows:

160 Initial () prices of all services, merchandise and cash advance items
161 are guaranteed

162 Initial () prices of all services and merchandise are guaranteed, but

163 prices of cash advance items are NOT guaranteed (specify cash
164 advance items):

165 _____
166 _____
167 _____
168 _____

169 Initial () only prices of services are guaranteed

170 Initial () only prices of merchandise are guaranteed

171 THE AMOUNT PREPAID IN THIS CONTRACT MAY NOT SATISFY
172 THE ENTIRE COST OF THE FUNERAL WHEN PROVIDED. EXCEPT
173 FOR ANY PRICE GUARANTEES (IF ANY) WHICH ARE PROVIDED
174 ABOVE, THE FUNERAL PRICE WILL BE DETERMINED AT THE
175 TIME OF THE CONTRACT BENEFICIARY'S DEATH. THE
176 PURCHASER, LEGAL REPRESENTATIVE OR PERSONAL
177 REPRESENTATIVE OF THE CONTRACT BENEFICIARY MAY
178 INCUR ADDITIONAL EXPENSES AT THE TIME OF NEED. SEE
179 SECTION 6 BELOW.

180 4. Contract Beneficiary: The Contract Sales Price will be used for the
181 disposition of the remains of (insert name), currently of (insert
182 current address) (the "Contract Beneficiary"). The Social Security
183 number of the Contract Beneficiary is

184 The Contract Beneficiary is the Purchaser or is the ... of Purchaser (state nature of relationship,
185 e.g., spouse, etc.). The telephone number of the Contract Beneficiary is
186

187 5. Escrow of Funds: Following the execution of this Contract by
188 Purchaser and Seller, Seller will deposit the Contract Sales Price with
189 an escrow agent ("Escrow Agent"). The Escrow Agent for this contract
190 will be, having an address at

191 The telephone number of the Escrow Agent is

192 The funds held by the Escrow Agent shall be invested by the Escrow Agent in accordance with and subject to the

193 limitations imposed by Connecticut General Statutes Section 42-202(c).
194 Amounts held in the Escrow Account may only be invested in one or
195 more of the following: (a) Deposit accounts insured by the Federal
196 Deposit Insurance Corporation; (b) accounts insured against loss of
197 principal by an agency or instrumentality of the United States
198 government; (c) bonds in which savings banks in Connecticut may, by
199 law, invest; (d) bonds of the United States or any agency thereof or of
200 Connecticut or any Connecticut municipality; (e) insurance contracts
201 with an insurance company licensed by the State of Connecticut to
202 offer such contracts and maintaining not less than a B plus rating for
203 financial security by A.M. Best; or (f) any other deposit account, or
204 security of a quality, safety and expense comparable to those set forth
205 in (a) to (e), inclusive, above. All interest, dividends and other income
206 earned on the amounts deposited in the Escrow Account shall be
207 retained in the Escrow Account and credited, less any administrative
208 expenses, for the account of the Contract Beneficiary. The Escrow
209 Agent may charge an administrative fee for its services as Escrow
210 Agent, and a small fee for filing a tax report. THE PURCHASER WILL
211 RECEIVE A NOTICE FROM THE ESCROW AGENT
212 ACKNOWLEDGING ITS RECEIPT OF THE INITIAL DEPOSIT MADE
213 UNDER THIS CONTRACT NOT LATER THAN TWENTY-FIVE
214 DAYS AFTER RECEIPT OF SUCH DEPOSIT BY THE FUNERAL
215 DIRECTOR, AND WILL RECEIVE AN ANNUAL BALANCE
216 STATEMENT THEREAFTER.

217 If the funds will be invested in an insurance contract, the Purchaser (a)
218 consents to the investment in an insurance contract, (b) understands
219 that the funeral director will receive a commission from the insurance
220 company in connection with the purchase and sale of the insurance
221 contract, and (c) agrees that the Seller will be listed as the beneficiary
222 on the insurance contract. (Purchaser's initials)

223 6. Price Adjustments: Seller agrees to provide the services and
224 merchandise, specified in Section 3 above, upon request from the
225 Purchaser or the Contract Beneficiary's personal representative for the

226 Contract Sales Price. However, unless otherwise agreed to in writing
227 by the funeral service establishment, the cost of the funeral service and
228 merchandise shall be determined at the date of death of the Contract
229 Beneficiary. If the funeral contract is not a guaranteed price contract,
230 and the Escrow Account with its accumulation is in excess of the
231 amount required to fulfill the value of the funeral service contract
232 provided for herein, any excess amount may be paid to Purchaser, the
233 estate of the Contract Beneficiary, or may offset any additional
234 expenses that may be incurred. If, at the actual time when Purchaser or
235 Contract Beneficiary's personal representative requests Seller to
236 provide the items specified in Section 3 above, Seller's customary sales
237 price for such item(s) has increased (as set forth on Seller's price list
238 maintained in accordance with Federal Trade Commission's Funeral
239 Service Regulations), then the Contract Sales Price shall be adjusted
240 accordingly, and Purchaser or the Contract Beneficiary's personal
241 representative shall be responsible for any deficiency. THIS
242 CONTRACT CONTAINS NO PRICE GUARANTEES UNLESS
243 OTHERWISE SPECIFICALLY SET FORTH IN SECTION 3 ABOVE. If
244 Seller has provided price guarantees, then Seller shall furnish the
245 guaranteed service or merchandise at the time of need, regardless of
246 the actual price of such service or merchandise at the time of need. If
247 Seller has provided price guarantees, then Seller shall be entitled to
248 any excess amount remaining in the Escrow Account after providing
249 such services and merchandise. Purchaser or the Contract Beneficiary's
250 personal representative shall also be responsible for any price increase
251 imposed by a third party for services such as arrangements for
252 opening and closing of gravesite, endowment or perpetual care for
253 gravesite arrangements, merchandise such as cost of burial plot,
254 gravesite or mausoleum, headstones, markers or plaques, or cash
255 advance items such as inscriptions, and any increase for any sales tax
256 due to the State of Connecticut. If the price of a cash advance item
257 increases or additional sales tax is due, Purchaser or the Contract
258 Beneficiary's personal representative may be responsible for the actual
259 cost of the cash advance item and the amount of sales tax due,

260 depending on the balance in the Escrow Account. If additional services
261 or merchandise are selected at the time of need, the retail price in effect
262 at that time shall be charged. The additional expense shall be paid by
263 the Purchaser, personal representative or legal representative of the
264 Contract Beneficiary.

265 7. Additional Terms and Conditions: Purchaser agrees that the
266 terms and conditions contained on the page entitled "Additional Terms
267 and Conditions" attached hereto shall constitute a part of this Contract
268 and are incorporated herein by this reference.

269 8. Information Provided to Purchaser: Purchaser acknowledges that
270 he/she has received a completely filled-in copy of this Contract, and
271 that he/she has also received or reviewed prior to discussing the
272 purchase of services or merchandise the Seller's General, Casket and
273 Outer Burial Container price lists which are maintained and made
274 available to consumers in accordance with the Federal Trade
275 Commission's Funeral Service Regulations.

276 Dated at ..., Connecticut this day of ..., 20..

277 FUNERAL SERVICE ESTABLISHMENT

278 PURCHASER:

279

280 By: Purchaser's Name:

281 Its:

282 Duly Authorized

283 NOTE: IF THIS CONTRACT IS SIGNED AT THE HOME OF THE
284 PURCHASER OR AT SOME PLACE OTHER THAN THE SELLER'S
285 PLACE OF BUSINESS, THEN THE PURCHASER IS ENTITLED TO
286 THE FOLLOWING NOTICE AND HAS THE FOLLOWING RIGHTS
287 UNDER CONNECTICUT LAW:

288 YOU, THE BUYER, MAY CANCEL THIS CONTRACT AT ANY
289 TIME PRIOR TO MIDNIGHT OF THE THIRD BUSINESS DAY AFTER
290 THE DATE OF THIS CONTRACT. SEE THE ATTACHED NOTICE OF
291 CANCELLATION FORM FOR AN EXPLANATION OF THIS RIGHT.

292 NOTICE OF CANCELLATION

293

294 (Date of Contract)

295 YOU MAY CANCEL THIS CONTRACT, WITHOUT ANY
296 PENALTY OR OBLIGATION, WITHIN THREE BUSINESS DAYS
297 FROM THE ABOVE DATE.

298 IF YOU CANCEL THIS CONTRACT, ANY PROPERTY TRADED
299 IN, ANY PAYMENTS MADE BY YOU UNDER THE CONTRACT OR
300 SALE, AND ANY NEGOTIABLE INSTRUMENT EXECUTED BY YOU
301 WILL BE RETURNED WITHIN TEN BUSINESS DAYS FOLLOWING
302 RECEIPT BY THE SELLER OF YOUR CANCELLATION NOTICE,
303 AND ANY SECURITY INTEREST ARISING OUT OF THE
304 CONTRACT WILL BE CANCELLED.

305 IF YOU CANCEL THIS CONTRACT, YOU MUST MAKE
306 AVAILABLE TO THE SELLER AT YOUR RESIDENCE, IN
307 SUBSTANTIALLY AS GOOD CONDITION AS WHEN RECEIVED,
308 ANY MERCHANDISE DELIVERED TO YOU UNDER THIS
309 CONTRACT OR SALE; OR YOU MAY, IF YOU WISH, COMPLY
310 WITH THE INSTRUCTIONS OF THE SELLER REGARDING THE
311 RETURN SHIPMENT OF THE MERCHANDISE AT THE SELLER'S
312 EXPENSE AND RISK.

313 IF YOU DO MAKE THE MERCHANDISE AVAILABLE TO THE
314 SELLER AND THE SELLER DOES NOT PICK UP THE
315 MERCHANDISE WITHIN TWENTY DAYS OF THE DATE OF
316 CANCELLATION, YOU MAY RETAIN OR DISPOSE OF THE

317 MERCHANDISE WITHOUT ANY FURTHER OBLIGATION. IF YOU
318 FAIL TO MAKE THE MERCHANDISE AVAILABLE TO THE
319 SELLER, OR IF YOU AGREE TO RETURN THE MERCHANDISE TO
320 THE SELLER AND FAIL TO DO SO, THEN YOU REMAIN LIABLE
321 FOR PERFORMANCE OF ALL OBLIGATIONS UNDER THE
322 CONTRACT.

323 TO CANCEL THIS CONTRACT, MAIL OR DELIVER A SIGNED
324 AND DATED COPY OF THIS CANCELLATION NOTICE OR ANY
325 OTHER WRITTEN NOTICE TO (Name of Seller) AT (Seller's
326 address of business) NOT LATER THAN MIDNIGHT OF

327 I HEREBY CANCEL THIS CONTRACT.

328

329 (Date) (Buyer's signature)

330 PRENEED FUNERAL SERVICE CONTRACT ADDITIONAL
331 TERMS AND CONDITIONS

332 1. Contents of Funeral Service Contract. This Funeral Service
333 Contract consists of the following: (a) A statement of services and
334 merchandise selected, if any, (b) a statement of additional terms and
335 conditions, and (c) an enrollment form or a funeral planning
336 agreement with Escrow Agent.

337 2. Establishment of Escrow Account. Seller will deposit in escrow
338 with a qualified escrow agent, one hundred per cent (100%) of each
339 payment received under this Contract. All interest, dividends and
340 other income earned on the amounts deposited in the Escrow Account
341 (less any administrative expenses) shall become a part of the account.
342 The Escrow Agent shall be entitled to charge an administrative fee for
343 acting as Escrow Agent. This fee will be deducted from the Escrow
344 Account balance. Seller shall provide the Escrow Agent with the name
345 and address of Purchaser and the name and address of the Contract

346 Beneficiary, and a copy of this Contract, including a statement of
347 merchandise and services selected.

348 3. Annual Statement of Account and Income Tax. Each party to this
349 contract shall receive an annual report from the Escrow Agent
350 containing information relating to the balance in the Escrow Account.
351 Such statement shall include the name and address and telephone
352 number of the Escrow Agent. Depending on the investment vehicle
353 used, income earned on the escrow funds may be subject to federal
354 income taxation. Each Purchaser shall be responsible for payment of
355 taxes on income earned on the escrow funds unless the funds are
356 invested through a qualified funeral trust. Purchaser shall receive IRS
357 Form K-1 or 1099-INT, for Purchaser to include in his or her tax form,
358 unless the funds are invested through a qualified funeral trust.

359 4. Purchaser's Default. If, prior to final payment of this contract,
360 Purchaser defaults in making any payment required herein or if the
361 Purchaser or the Contract Beneficiary's personal representative fails to
362 have the funeral service establishment provide the services and
363 merchandise contracted for in this Contract, Seller may retain an
364 origination fee and any costs reasonably incurred in performance of
365 this Contract, provided the amount retained shall not exceed five per
366 cent (5%) of the amount held by the Escrow Agent. After deducting
367 such charges, the balance of any amounts remaining in the Escrow
368 Account shall be transferred with this Contract to another funeral
369 service establishment at Purchaser's request, or if this is a revocable
370 contract, the amounts remaining in the Escrow Account shall be
371 returned to the Purchaser.

372 5. Release of Escrow Account. The Escrow Agent shall pay the funds
373 in the Escrow Account to Seller upon submission to Escrow Agent of a
374 statement indicating that the services, personal property and
375 merchandise contained herein, or attached hereto has been fully
376 performed or delivered. If the actual amount of the funds in the
377 Escrow Account at the time of need and delivery exceed the actual cost

378 of the nonguaranteed services and merchandise provided, the excess
379 shall be returned to Purchaser, to Purchaser's personal representative,
380 Contract Beneficiary's estate, or to the State of Connecticut if required
381 by law. If Seller has provided price guarantees, Seller shall be entitled
382 to retain any amounts remaining in the Escrow Account after
383 providing the guaranteed services and merchandise.

384 6. Failure to Perform by Seller. If for any reason the Seller fails to
385 meet the obligations imposed herein promptly after a request to do so
386 by an authorized person, the family, next of kin or legal representative
387 of the Contract Beneficiary, having provided for such services or
388 merchandise on behalf of such Contract Beneficiary, may receive from
389 the Escrow Agent the amount of money in the Escrow Account.

390 7. Right to Transfer. The Contract Beneficiary or the personal
391 representative of the Contract Beneficiary has the right to transfer this
392 Contract from this funeral service establishment to another funeral
393 service establishment upon request. If this Contract is transferred, the
394 Seller has the right to receive from the Escrow Agent an origination fee
395 and any costs, if any, actually incurred by the Seller, if the Seller has
396 performed or provided for the performance of this Contract, prior to
397 notification of such transfer, not to exceed five per cent (5%) of the
398 amount in the Escrow Account. Price guarantees (if any) are only made
399 by the originating funeral service establishment, and there are no price
400 guarantees with the funeral service establishment that the Contract is
401 transferred to unless agreed to by such funeral service establishment.

402 8. Substitution of Merchandise. If the exact merchandise set forth in
403 this Contract is unavailable at the time of need and delivery, the Seller
404 may substitute merchandise similar in style and of equal or better
405 quality of material and workmanship as the merchandise set forth in
406 this Contract.

407 9. Purchaser's Right to Change Unless Prohibited by Law. Seller
408 agrees that if different services or merchandise are desired at the time

409 of need than those specified herein, Purchaser, next of kin, heirs or a
410 personal representative may direct Seller to apply the proceeds of the
411 Escrow Account toward the purchase of the desired services and
412 merchandise, unless otherwise prohibited by law.

413 10. Additional Services or Merchandise. If additional services or
414 merchandise are desired by the Purchaser, next of kin or personal
415 representative of the deceased at the time of need, the retail price in
416 effect at that time shall be charged for such services or merchandise.

417 11. Items Not Provided At Time of Need. Credit will be given by
418 Seller for any services or merchandise which are not provided at the
419 time of need, at the retail price stipulated in this Contract.

420 12. Seller's Right to Subcontract. If Seller is unable to perform at the
421 time of need of delivery, Seller shall have the right to hire another
422 funeral service establishment to provide some or all the services or
423 merchandise specified in this Contract, at the prices specified in this
424 Contract.

425 13. Change of Address. Purchaser shall notify Seller and Escrow
426 Agent of any change of address and/or telephone number of the
427 Purchaser, and/or the Contract Beneficiary and/or the Emergency
428 Contact.

429 14. Assignment of Contract. Seller shall have the right to assign this
430 Contract to any successor to Seller's business. In the event of any
431 assignment by Seller, the Seller shall provide written notice to the
432 Purchaser and to the Contract Beneficiary. Following any assignment
433 of this Contract, the Seller shall not be responsible under this
434 Agreement.

435 15. Cash Advance Charges. If the Purchaser has contracted for any
436 services or items to be provided by a third party, this paragraph shall
437 apply. The amount paid as a cash advance shall be deposited into the
438 Escrow Account. At the time of performance, if the amount on deposit

439 in the Escrow Account allocable to the cash advanced items, including
440 interest earned or accrued, is less than the current amount required for
441 a cash advance item, Seller shall have the right to charge for the
442 additional amount exceeding the amount on deposit in the escrow
443 account allocable to the cash advanced items.

444 16. Refund on Impossibility of Performance. A refund of all
445 amounts paid on this Contract plus all income earned or accrued (less
446 any administrative charges incurred) shall be paid to Purchaser or to
447 Purchaser's legal representative by the Escrow Agent upon notification
448 by the Seller that the Seller is prevented from performing this Contract
449 because of circumstances beyond the control of the Seller, including,
450 but not limited to, a pandemic or mass fatality event."

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2015</i>	42-200
Sec. 2	<i>July 1, 2015</i>	42-207
Sec. 3	<i>July 1, 2015</i>	New section

Statement of Purpose:

To simplify funeral service contracts for consumers.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]