
OLR Bill Analysis

SB 848 (File 76, as amended by Senate "A")*

AN ACT CONCERNING FUNERAL SERVICE CONTRACTS AND CEMETERIES.

SUMMARY

This bill increases, from \$8,000 to \$10,000, the maximum allowable amount of an irrevocable funeral service contract (see BACKGROUND). It requires that these contracts provide that after the contract's required services are performed, the remaining funds be used to pay the state for the amount of public assistance the state provided to the decedent or his or her dependent child.

The bill also eliminates the prohibition on selling crypts or rooms in a public mausoleum, or niches in a public columbarium, before the structures are completed. By law, columbaria and mausolea, subject to Department of Public Health approval and land use controls, may be operated by municipalities, ecclesiastical societies, cemetery associations or corporations in established cemeteries.

*Senate Amendment "A" increases the funeral service contract's maximum allowable amount, rather than eliminating the cap as in the underlying bill, and adds the provision requiring that funds remaining after fulfilling such a contract be used to repay the state for public assistance.

EFFECTIVE DATE: January 1, 2020, except the provision on selling crypts, rooms, and niches is effective July 1, 2019, and a conforming change is effective October 1, 2019.

REMAINING FUNDS

Under the bill, beginning January 1, 2020, irrevocable funeral services contracts must provide that upon fulfilling the contract's requirements after the beneficiary's death, any remaining funds must be used to repay the state for (1) Medicaid assistance recoverable

under federal law or (2) other public assistance it provided to the beneficiary or the beneficiary's dependent child. The amount provided to the state may not exceed the total amount of provided assistance.

The bill requires the funeral service establishment that provides the contract's required services to pay any such amount to the social services commissioner within 60 days after performing all of the services. If the establishment pays the funds to someone else, the bill makes the establishment liable for repayment of the funds.

BACKGROUND

Funeral Service Contracts

A funeral service contract is a contract requiring compensation in exchange for funeral, burial, or related services or items that are not immediately needed. Compensation may be paid as money, the delivery of securities, or the assignment of a life insurance policy's death benefit. These contracts are sometimes referred to as "prepaid" or "pre-need" funeral service contracts because the individual is paying for services to be provided in the future.

COMMITTEE ACTION

General Law Committee

Joint Favorable

Yea 16 Nay 0 (03/05/2019)