

HOUSE BILL No. 2589

AN ACT concerning prearranged funeral agreements; requiring certain disclosures.

Be it enacted by the Legislature of the State of Kansas:

Section 1. Any prearranged funeral agreement that involves the payment of money or the purchase or assignment of an insurance policy or annuity shall be in writing and shall include the following information:

(a) The name, address and phone number of the seller and the name and address of the purchaser of the contract and if the contract involves the payment of money but not the purchase or assignment of an insurance policy or annuity, the social security number of the purchaser of the contract;

(b) a statement of the funeral goods and funeral services purchased. This disclosure may be made by attaching a copy of the completed statement of funeral goods and services selected to the prearranged funeral agreement;

(c) a disclosure informing the purchaser whether the contract is either a guaranteed prearranged funeral agreement or a non-guaranteed prearranged funeral agreement. If the contract is guaranteed only in part, the disclosure shall specify the funeral goods or funeral services included in the guarantee;

(d) if the prearranged funeral agreement is a guaranteed contract, a disclosure that in exchange for all of the proceeds paid pursuant to such prearranged funeral agreement, the seller shall provide the funeral goods and funeral services set forth in such prearranged funeral agreement without regard to the actual cost of such funeral goods and funeral services prevailing at the time of performance under such prearranged funeral agreement;

(e) if the prearranged funeral agreement is a non-guaranteed contract, a disclosure that the proceeds of the trust, insurance policy, or annuity shall be applied to the retail prices in effect at the time of the funeral for the funeral goods and funeral services set forth in the prearranged funeral agreement and that in the event of an insufficiency of funds, the seller shall not be required to perform under such prearranged funeral agreement until payment arrangements satisfactory to the seller have been made;

(f) a disclosure that any excess funds remaining after the payment of funeral goods and services shall be paid to the estate of the purchaser or the beneficiary named in the life insurance policy if the prearranged funeral agreement is funded by a life insurance policy. If the deceased was a recipient of medical assistance, the balance of unused funds shall be paid to the Kansas department of social and rehabilitation services to the extent of medical assistance expended;

(g) if the prearranged funeral agreement is irrevocable, a disclosure that the purchaser does not have a right to revoke the contract; and

(h) a disclosure that the seller may substitute funeral goods or funeral services of equal quality, value, and workmanship if those specified in the prearranged funeral agreement are unavailable at the time of need.

Sec. 2. If a prearranged funeral agreement is funded by any means other than an insurance policy or annuity, such prearranged funeral agreement shall include all of the following information in addition to the information required to be included under section 1 and amendments thereto:

(a) A disclosure identifying the name and address of the bank, credit union, savings and loan association, or the trustee of the funeral trust the funds are being deposited into; and

(b) a notice that reasonable fees and expenses may be deducted from the trust if a funeral trust established pursuant to K.S.A. 16-308, and amendments thereto, is being used.

Sec. 3. For the purposes of this act, the term "prearranged funeral agreement" shall mean any agreement, contract or plan authorized by K.S.A. 16-301 and amendments thereto.

Sec. 4. This act shall take effect and be in force from and after January 1, 2011 and its publication in the statute book.

I hereby certify that the above BILL originated in the HOUSE, and passed that body

Speaker of the House.

Chief Clerk of the House.

Passed the SENATE _____

President of the Senate.

Secretary of the Senate.

APPROVED _____

Governor.