

By: Representative Moore (60th)

To: Insurance

HOUSE BILL NO. 1519

1 AN ACT TO AMEND SECTION 75-63-59, MISSISSIPPI CODE OF 1972,
2 TO REVISE CERTAIN PRENEED CEMETERY AND FUNERAL CONTRACTS TO ALLOW
3 THE TRUSTEE TO PAY THE CONTRACT PROVIDER ALL FUNDS OWED FOR THE
4 MERCHANDISE AND SERVICES PROVIDED BY THE CONTRACT PROVIDER UPON
5 RECEIPT OF EITHER A LETTER OF PERFORMANCE OR THE BUYER'S DEATH
6 CERTIFICATE OR PROOF OF DEATH; AND FOR RELATED PURPOSES.

7 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

8 **SECTION 1.** Section 75-63-59, Mississippi Code of 1972, is
9 amended as follows:

10 75-63-59. (1) If the contract is funded by trust, the
11 Secretary of State shall be given a copy of the trust document and
12 shall be informed in writing as to how the assets of the trust are
13 held. In the event of any change in the investments of the assets
14 of the trust, or change in the trustee or trust institution, the
15 Secretary of State shall be informed not less than thirty (30)
16 days after the time such change occurs.

17 (2) Any trustee, other than a financial institution, shall
18 not be the contract provider, the seller, or an officer or
19 director of the contract provider if the contract provider is a
20 corporation.

21 (3) Within twenty (20) days from the end of the month in
22 which the funds were received, the contract seller shall place in
23 a trust account in a financial institution as defined by this act
24 at least fifty percent (50%) of the funds received. If the
25 contract seller places less than one hundred percent (100%) in the
26 trust account, the preneed contract shall fully disclose to the
27 contract purchaser the amount deposited in trust and the amount
28 withheld by the contract seller.



29 (4) Reasonable annual trust fees including any income taxes
30 owed to the State of Mississippi and/or the United States Treasury
31 may be withheld from the earnings of the trust.

32 (5) At the time of death, or at the time of delivery of the
33 merchandise, if the contract provider provides the merchandise and
34 services indicated in the contract, the contract provider shall
35 furnish to the trustee a copy of the buyer's death certificate or
36 proof of death or a letter of performance indicating that the
37 contracted merchandise and services were provided by the contract
38 provider to the contract insured. Upon receipt of the letter of
39 performance or death certificate, or proof of death, the trustee
40 shall pay to the contract provider all funds.

41 (6) If the contract provider does not furnish merchandise
42 and services as provided in the preneed contract, the trustee
43 shall pay to the estate of the contract insured or the substitute
44 provider not less than the amount deposited in trust, within ten
45 (10) days from notification of the death of the contract insured.

46 **SECTION 2.** This act shall take effect and be in force from
47 and after July 1, 2002.

