

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1993

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SENATE BILL 466

Short Title: Burial Trust Funds.

(Public)

Sponsors: Senators Harris, Jordan; and Smith.

Referred to: Banks and Thrift Institutions.

March 4, 1993

A BILL TO BE ENTITLED

AN ACT TO ALLOW THE ORIGINAL CONTRACTING PRENEED LICENSEE TO
RETAIN UP TO TEN PERCENT OF THE FUNDS WHEN TRANSFERRING
TRUST DEPOSITS TO A SUCCESSOR FUNERAL ESTABLISHMENT.

The General Assembly of North Carolina enacts:

Section 1. G.S. 90-210.63(a) reads as rewritten:

"(a) If the preneed funeral contract is irrevocable, the preneed funeral contract purchaser, or after his death the preneed funeral contract beneficiary or his legal representative, upon written notice to the financial institution or insurance company and the preneed licensee who is a party to the preneed funeral contract, may direct the substitution of a different funeral establishment to furnish funeral services and merchandise.

(1) If the substitution is made after the death of the preneed funeral contract beneficiary, a funeral establishment providing any funeral services or merchandise need not be a preneed licensee under this Article to receive payment for such services or merchandise. The original contracting preneed licensee shall be entitled to payment for any services or merchandise provided pursuant to G.S. 90-210.65(d).

~~(2) If the substitution is made before the death of the preneed funeral contract beneficiary, the substitution must be to a preneed licensee. If the preneed funeral contract is funded by a trust deposit or deposits, the financial institution shall immediately pay the funds held to the original contracting preneed licensee. If the substitution is made before the death of the preneed funeral contract beneficiary, the substitution~~

1 must be to a preneed licensee. If the preneed funeral contract is
2 funded by a trust deposit or deposits, the financial institution shall
3 immediately pay the funds held to the original contracting preneed
4 licensee.

5 (2) The original contracting preneed licensee shall immediately pay all
6 such funds received to the successor funeral establishment so
7 designated; provided, however, regardless of whether the substitution
8 is made before or after the death of the preneed funeral contract
9 beneficiary, the original contracting preneed licensee shall not be
10 required to give credit for the amount retained pursuant to G.S. 90-
11 210.61(a)(2). ~~Provided G.S. 90-210.61(a)(2), and provided~~ further, if
12 the original contracting preneed licensee did not retain any portion of
13 payments made to it as is permitted by G.S. 90-210.61(a)(2) then such
14 preneed licensee may retain up to ten percent (10%) of said funds
15 received from the financial institution. Upon making payments
16 pursuant to this subsection, the financial institution and the original
17 contracting preneed licensee shall be relieved from all further
18 contractual liability thereon.

19 (3) If the preneed funeral contract is funded by a prearrangement
20 insurance policy, the insurance company shall not pay any of the funds
21 until the death of the preneed funeral contract beneficiary, and the
22 insurance company shall pay the funds in accordance with the terms of
23 the policy."

24 Sec. 2. This act is effective upon ratification.