

HB 2523 -- PRENEED CONTRACTS

SPONSOR: Fraker

COMMITTEE ACTION: Voted "Do Pass" by the Standing Committee on Professional Registration and Licensing by a vote of 13 to 0.

This bill concerns the validity of preneed contracts or other arrangements made in advance to provide for the disposition of a body after death. Under this bill, the obligations established by a preneed contract or provider-seller contractual agreement will not cease because a provider or seller fails to renew his or her license after the agreement is made, or has his or her license revoked or suspended, provided they had valid licenses at the time the agreement was entered into. However, if a seller's license is suspended because he or she failed to file his or her annual report in a timely manner, any preneed contract entered into while the license was suspended is void. Any such contract must be rewritten after the license is reinstated or a full refund must be issued to the purchaser of the contract. A provider must still have a valid and current funeral establishment license at the time of providing the funeral or burial services described in the contract.

PROPOSERS: Supporters say that this bill is necessary to clarify current law. Now funeral homes that enter into preneed contracts for services and then fail to maintain their licensure in the proper manner can't provide the service but don't need to refund the money either.

Testifying for the bill were Representative Fraker; Missouri Funeral Directors And Embalmers Association; Assurant Inc; and Consumer Funeral Assurance.

OPPOSERS: There was no opposition voiced to the committee.