§2176-A. Disclosures required for sale of pre-need insurance in connection with prearranged funerals

1. Definition. For purposes of this section, "pre-need insurance" means a type of life insurance policy designed to cover the costs of funeral and burial services selected in a statement of goods and services contract and for which the entire death benefit is paid directly to the funeral establishment.
[PL 2025, c. 203, §2 (NEW).]

2. Disclosures. At the time an application is made, and prior to accepting the applicant's initial premium or deposit for a pre-need insurance policy that is being sold in connection with a prearranged funeral service or plan as described in Title 32, section 1402, a producer shall adequately disclose the following information:

A. The fact that a pre-need insurance policy is involved or being used to fund a prearranged funeral service or plan; [PL 2025, c. 203, §2 (NEW).]

B. The nature of the relationship among the soliciting producer, the provider of the funeral or cemetery merchandise or services, the administrator and any other person; [PL 2025, c. 203, §2 (NEW).]

C. The relationship of the pre-need insurance policy to the funding of the prearranged funeral service or plan and the nature and existence of any guarantees relating to the prearranged funeral service or plan; [PL 2025, c. 203, §2 (NEW).]

D. A list of the goods and services that are selected or contracted for in the prearranged funeral service or plan and all relevant information concerning the price of the funeral and burial services, including an indication that the purchase price is either guaranteed at the time of purchase or to be determined at the time of need; [PL 2025, c. 203, §2 (NEW).]

E. The fact that the face amount of the pre-need insurance policy may not exceed the maximum amount of the goods and services that are contracted for in the prearranged funeral service or plan; [PL 2025, c. 203, §2 (NEW).]

F. All relevant information concerning what occurs and whether any entitlements or obligations arise if there is a difference between the proceeds of the pre-need insurance policy and the amount actually needed to fund the prearranged funeral service or plan; [PL 2025, c. 203, §2 (NEW).]

G. Any penalties or restrictions, including, but not limited to, geographic restrictions or the inability of the provider to perform, on the delivery of merchandise or services or the prearranged funeral service or plan guarantee; and [PL 2025, c. 203, §2 (NEW).]

H. Whether a sales commission or other form of compensation is being paid for the sale of the pre-need insurance policy and the identity of the individual or entity to whom it is paid. [PL 2025, c. 203, §2 (NEW).]

[PL 2025, c. 203, §2 (NEW).]

SECTION HISTORY

PL 2025, c. 203, §2 (NEW).