ALABAMA DEPARTMENT OF INSURANCE
PRENEED REGULATION

CHAPTER 482-3-005

REQUIRED FUNERAL AND CEMETERY TRANSACTION RECORDS

TABLE OF CONTENTS

Page

482-3-005-.01 Authority and Purpose. 2

482-3-005-.02 Records Availability. 2

482-3-005-.03 Preneed contract log; cemetery property sales log – required. 2

482-3-005-.04 Preneed contract log – required content. 3

482-3-005-.05 Cemetery property sales log – required content. 4

482-3-005-.06 Additional required preneed records. 4

482-3-005-.07 Required endowment care cemetery records. 6

482-3-005-.08 Severability and Effective date. 7

482-3-005-.01 Authority and Purpose.

(1) This Chapter is adopted pursuant to Ala. Code §§ 27-2-17 and 27-17A-1 to -57 (2014).

(2) This Chapter sets forth rules, standards and requirements relating to record keeping by preneed certificate holders and cemetery authorities operating endowment care cemeteries under the Alabama Preneed Funeral and Cemetery Act of 2002, as amended. This Chapter operates in conjunction with Chapter 482-3-002, 482-3-003, and 482-3-004.

Author: Commissioner of Insurance
Statutory Authority: Ala. Code §§ 27-2-17, 27-17A-1 to -57 (2014)
History: New November 13, 2014, Effective January 1, 2015

482-3-005-.02 Records availability. Certificate holders selling preneed contracts for funeral and cemetery merchandise and services shall maintain accurate and up-to-date types of records specified in this Chapter in a manner so as to be readily retrievable and made available to the Commissioner and his designees for examination or other purposes.

Author: Commissioner of Insurance
Statutory Authority: Ala. Code §§ 27-2-17, 27-17A-1 to -57 (2014)
History: New November 13, 2014, Effective January 1, 2015

482-3-005-.03 Preneed contract log; cemetery property sales log - required.

(1) Each certificate holder selling funeral preneed contracts shall have and maintain a preneed contract log that includes the information set forth in Rule 482-3-005-.04 for each preneed contract sold.

(2) Each certificate holder selling cemetery preneed contracts shall have and maintain a cemetery property sales log that includes the information set forth in Rule 482-3-005-.05 for each preneed contract sold.

(3) Each certificate holder offering both funeral and cemetery preneed contracts shall have and maintain a preneed contract log and a cemetery property sales log.

(4) Each log must be formatted so that:

(a) The company name is on each page of the log.

(b) Each page of the log is sequentially numbered at the bottom.

(c) The log is typed or printed legibly.

(d) If the log is not being created using a computer spreadsheet, all contract items shall be completed using black or blue ink, except the columns for the current payment status, amount in trust, and cumulative amount in trust, may be written in pencil until the contract is paid in full.

(e) The log can be copied and scanned.

(5) Use of the Department's sample log forms published on the Department's website will be deemed compliance with this Rule. The certificate holder may create its own form of a log as long as all information categories in Rule 482-3-005-.04 or Rule 482-3-005-.05, as applicable, appear and the log is formatted as provided in paragraph (4). The certificate holder shall perform such staff training and engage in such oversight as may be necessary to reasonably assure that the log is maintained accurately and updated.

(6)Each log must be readily accessible and updated to current status on a not less than quarterly basis.

Author: Commissioner of Insurance
Statutory Authority: Ala. Code §§ 27-2-17, 27-17A-1 to -57 (2014)
History: New November 13, 2014, Effective January 1, 2015

482-3-005-.04 **Preneed contract log – required content.** If the Department's sample log form is not used, any substitute form of preneed contract log shall include the following information categories:

(a) Sequentially ordered contract number.

(b) Name of purchaser.

(c) Date of contract.

(d) Net amount of contract (contract price after insurance credits and all discounts).

(e) Itemization of purchase price of merchandise and services collected under the contract.

(f) Amount to be trusted (if applicable).

(g) Type of payments (paid-in-full or installments).

(h) Cumulative amount trusted for merchandise and services as of the paid-in-full date.

(i) Face amount of insurance sold (if applicable).

(j) Paid-in-full amount or cumulative installment payments.

(k) Partial delivery (yes/no).

(l) Date delivered.

(m) Date of burial (at need).

(n) Date contract voided or cancelled.

(o) Last payment date.

Author: Commissioner of Insurance
Statutory Authority: Ala. Code §§ 27-2-17, 27-17A-1 to -57 (2014)
History: New November 13, 2014, Effective January 1, 2015

482-3-005-.05 Cemetery property sales log – required content. If the Department's sample log form is not used, any substitute form of cemetery property sales log shall include the following information categories:

(a) Sequentially ordered contract number.

(b) Property owner.

(c) Date of contract.

(d) Net amount of contract (contract price after all discounts; if complimentary or free so designate on the log).

(e) Itemization of purchase price of merchandise and services collected under the contract.

(f) Amount to be trusted (if applicable).

(g) Paid-in-full amount or cumulative installment payments.

(h) Paid-in-full date.

(i) Cumulative amount due endowment care trust.

(j) Cumulative amount of endowment care contributions.

(k) Date of endowment care contributions.

(l) Date of burial (at need).

(m) Date contract voided or cancelled.

(n) Last payment date.

Author: Commissioner of Insurance
Statutory Authority: Ala. Code §§ 27-2-17, 27-17A-1 to -57 (2014)
History: New November 13, 2014, Effective January 1, 2015

482-3-005-.06 Additional required preneed records.

(1) A certificate holder shall maintain detailed records for each preneed contract written. The detailed records shall include, but not be limited to, a preneed contract file that includes all supporting documentation, such as the preneed contract; copies of insurance policies, annuity contracts or proof of deposits in trust; copies of any documentation requesting or authorizing withdrawals from a merchandise and services trust; notices of fulfillment and cancellation; and all correspondence to and from the preneed entity to the purchaser including copies of default notices

or cancellation letters. The certificate holder must have available this information on all preneed contracts sold since May 1, 2002.

(2) Funeral merchandise and services certificate holders shall maintain the following:

(a) The preneed contract log required in paragraph (1) of Rule 482-3-005-.03.

(b) Preneed files and at-need files.

(c) Monthly death reports.

(d) Funeral services log or list.

(e) Manual cash receipts for preneed and at-need.

(f) Accounts receivable.

(g) The current and historical versions of the dated price lists of available services and merchandise required by Ala. Code § 34-13-9 (2014).

(h) Advertising.

(i) Bank records and statements.

(j) Cash disbursement records.

(k) Balance sheet and financial records.

(l) Any changes in ownership and control.

(m) All wholesale price lists utilized.

(n) For funeral merchandise and services trusts:

1. Quarterly trust statements.
2. Trust transmittal records.
3. Copy of merchandise and services trust agreement.

(o) For contracts secured under a surety bond:

1. The bond(s).
2. Detailed bond reports.
3. Wholesale price of merchandise.

(p) For contracts funded by life insurance or annuities:

1. Policy status reports.

(3) Cemetery merchandise and services certificate holders shall maintain the following:

(a) The cemetery property sales log required in paragraph (2) of Rule 482-3-005-.03.

(b) Preneed contract files and at-need files.

(c) Interment log or list.

(d) Manual cash receipts for preneed and at-need.

(e) Plot maps/Cemetery rules and regulations.

(f) Pre-construction plans and sales.

(g) The current and historical versions of the dated price lists of available burial services and merchandise required by Ala. Code § 8-30-2 (2002).

(h) Advertising.

(i) Bank records and statements.

(j) Cash disbursement records.

(k) Balance sheet and financial records.

(l) Stored preneed merchandise.

(m) Any changes in ownership and control.

(n) All wholesale price lists utilized.

(o) For cemetery merchandise and services trusts:

1. Quarterly trust statements.
2. Trust transmittal records.
3. Copy of merchandise and services trust agreement.

(p) For contracts secured under a surety bond:

1. The bond(s).
2. Detailed bond reports.
3. Wholesale prices of merchandise.

(q) For contracts funded by life insurance or annuities:

1. Policy status reports.

Author: Commissioner of Insurance
Statutory Authority: Ala. Code §§ 27-2-17, 27-17A-1 to -57 (2014)
History: New November 13, 2014, Effective January 1, 2015

482-3-005-.07 <u>Required endowment care cemetery records.</u> In addition to statutory requirements, endowment care cemeteries shall maintain the following records:

(a) Cemetery property sales log as required in paragraph (2) of Rule 482-3-005-.03.

(b) At-need files.

(c) Interment log or list.

(d) Manual cash receipts.

(e) Plot maps/cemetery rules and regulations.

(f) Pre-construction plans and sales.

(g) The current and historical versions of the dated price lists of available burial services and merchandise required by Ala. Code § 8-30-2 (2002).

(h) Advertising.

(i) Bank records and statements.

(j) Cash disbursement records.

(k) Balance sheet and financial records.

(l) Stored preneed merchandise.

(m) Any changes in ownership and control.

(n) Endowment care trust fund board members, if applicable.

(o) Bond records or exemption notice from the Commissioner, if applicable.

(p) Quarterly trust statements.

(q) Trust transmittals.

(r) Copy of endowment care trust agreement(s).

Author: Commissioner of Insurance
Statutory Authority: Ala. Code §§ 27-2-17, 27-17A-1 to -57 (2014)
History: New November 13, 2014, Effective January 1, 2015

482-3-005-.08 Severability and Effective date.

(1) The provisions of this Chapter are severable. If any portion of this Chapter or the application of a provision to any person or circumstance is held invalid, the remainder of this Chapter, or the application of the provision to a person or persons or circumstances other than those to which it is held invalid, shall not be affected.

(2) This Chapter shall be effective January 1, 2015, upon its approval by the Commissioner of Insurance and upon its having been on file as a public document in the office of the Secretary of State for ten days.

Author: Commissioner of Insurance
Statutory Authority: Ala. Code §§ 27-2-17, 27-17A-1 to -57 (2014)
History: New November 13, 2014, Effective January 1, 2015