RULE 110
PREPAID FUNERAL BENEFITS CONTRACTS TRANSFER FEE

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Section 1. Authority

This Rule is promulgated pursuant to Section Two (2) of Act 880 of 2015 of the Arkansas General Assembly, codified in Ark. Code Ann. § 23-40-122(b); authority is also found in Ark. Code Ann. § 23-61-108, Ark. Code Ann. § 25-15-204, and other applicable laws or rules.

Section 2. Purpose

The purpose of this Rule is to establish a fee for a transfer or cancellation of prepaid funeral benefits contracts, when the transfer or cancellation is initiated by the policyholder.

Section 3. Definitions

A. "Seller" means the organization who sold the prepaid funeral benefits contract to the consumer.
B. "Policyholder" means the contract purchaser.
C. "Funding life insurance company" means the life insurance company that is responsible for funding the prepaid funeral benefits contract.
D. "Substitute provider" means the funeral home which is assuming the prepaid funeral benefits contract in the case of a transfer.

Section 4. Fee

Either the seller or the funding life insurance company, but not both, is permitted to collect a fee not to exceed thirty-five dollars ($35.00) for the policyholder initiated transfer of the contract to a substitute provider or, alternatively, for the cancellation of the contract.

Section 5. Requirements

The purpose of the fee is to defray the administrative costs of the seller in effecting the policyholder initiated transfer or cancellation. The fee may be paid by either the policyholder or the substitute provider. Any seller or funding life insurance company who intends to collect the fee shall give written notice in the contract that the policyholder may be responsible to pay the fee in the event the policyholder chooses to transfer the contract to a substitute provider, or chooses to cancel the contract.

Sellers who sell cash-funded contracts are allowed to collect the fee upon any policyholder initiated transfer or cancellation.

Section 6. Effective Date

This Rule shall apply to all sellers and funding life insurance companies wishing to collect the fee on and after December 1, 2015.

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ALLEN KERR
INSURANCE COMMISSIONER
STATE OF ARKANSAS

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DATE