



ARKANSAS INSURANCE DEPARTMENT/PREPAID FUNERAL BENEFITS DIVISION

ANNUAL REPORT OF CASH-FUNDED (TRUST)
PREPAID FUNERAL BENEFITS CONTRACTS

Activity for the Period: January 1, 2014 - December 31, 2014

Deadline for Receipt by the Prepaid Funeral Benefits Division is March 15, 2015

In accordance with Arkansas Code Annotated (A.C.A.) § 23-40-119 (a) - (c)

Check(s) or money order(s) should be made payable to the "State Insurance Department Prepaid Trust Fund."
(See Page 3 of 5 for the Annual Report Fee Schedule)

Licensee/Funeral Home Name:

Mailing Address: Street No., Street Name, Apt/Suite No., or P.O. Box

City, State, ZIP Code

Business Phone: Business Fax:

Physical Location of Books & Records (if different from Mailing Address listed above):

Street No., Street Name, Apt/Suite No., or P.O. Box, City, State, ZIP Code

Supervisor of Books & Records:

Contact Phone (if different from Business Phone listed above):

Licensee/Funeral Home Contact E-Mail Address:

IMPORTANT: REQUIRED DOCUMENTATION/REPORTING TO SUPPORT IN-FORCE TOTALS

To validate the reported in-force totals (as of the period end referenced above), attach to this report (as "Exhibit A") a licensee/funeral home-generated report that contains the following data elements/information: (1) Contract Date, (2) Contract Number (if applicable), (3) Gross Contract Amount/Total, (4) Assignable Benefits (if applicable), and (5) Net Contract Amount/Total (which should be the amount of the fund to be deposited into the trust account). This should reflect only those OUTSTANDING and UNFULFILLED prepaid funeral benefits contracts that were ACTIVE as of year end. If the trustee/bank that maintains the trust account provides a year-end trust account report to the licensee/funeral home, a complete copy of that trust account report should be provided as well (for cross-checking purposes).

FOR ARKANSAS INSURANCE DEPARTMENT USE ONLY
[RECEIVED STAMP & ADMIN PENALTY/LATE FEE ASSESSED, IF ANY]

MAIL TO:

ARKANSAS INSURANCE DEPARTMENT
1200 WEST THIRD STREET
LITTLE ROCK, AR 72201-1904
ATTN: PREPAID FUNERAL BENEFITS DIVISION

OR E-MAIL TO: michelle.fahey@arkansas.gov
PHONE: (501) 371-2683 | FAX: (501) 371-2747



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AFFIDAVIT OF SELLER

BEFORE ME, the undersigned authority, on this day personally appeared _____, *Signer Name (i.e. Affiant)*,

an authorized representative, and _____, *Signer Name (i.e. Affiant)*, an authorized representative, of

_____, *Licensee/Funeral Home (i.e. Seller)*, and being by me duly sworn on oath did depose and

say, each for himself/herself that each of the Affiant(s) has read the above and foregoing Annual Report and the related prepaid funeral benefits contracts of said Seller, that each knows the contents thereof, and that the facts set forth therein are known by each of the said Affiant(s) to be in all things true and correct, to the best of his/her/their knowledge.

Affiant - Signature

Affiant - Signature

[Notary Seal]

NOTARY PUBLIC

STATE OF ARKANSAS
COUNTY OF _____

Subscribed to and sworn or affirmed before me this _____ day
of _____, 20 _____.

MY COMMISSION EXPIRES: _____

NOTARY PUBLIC SIGNATURE



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ANNUAL REPORT FEE SCHEDULE

Per Arkansas Code Annotated (A.C.A.) § 23-40-119 (c), the annual report fee shall be based on the total amount of aggregate contracts for prepaid funeral benefits outstanding and unfulfilled as of December 31st of each year and shall be payable at the time the annual report is filed.

Per A.C.A. § 23-40-119 (c)(2), the fee shall be based on the following schedule and shall be payable to the State Insurance Department Prepaid Trust Fund:

Table with 2 columns: AGGREGATE (COMBINED) TOTAL OF OUTSTANDING & UNFULFILLED PREPAID FUNERAL BENEFITS CONTRACTS IN ARKANSAS ONLY AS OF DECEMBER 31 and ANNUAL REPORT FEE DUE TO THE STATE OF ARKANSAS/ARKANSAS INSURANCE DEPT. Rows include fee amounts from \$200.00 to \$6,000.00 based on contract value ranges.

IMPORTANT: CALCULATING THE TOTAL OUTSTANDING/UNFULFILLED PREPAID FUNERAL BENEFITS CONTRACTS AMOUNT TO DETERMINE THE ANNUAL REPORT FEE DUE

The annual report fee due is determined by aggregating (combining) the GROSS CONTRACT AMOUNTS of all outstanding/unfulfilled prepaid funeral benefits contracts that were "active" as of December 31st of the year in review. This includes all "active" contracts, regardless of funding type: cash-funded (trust), insurance-funded, and annuity-funded.

Please pay only the Annual Report Fee when submitting this report. Check(s) or money order(s) should be made payable to the "State Insurance Department Prepaid Trust Fund." [A.C.A. § 23-40-119 (c)(2)]

TRUST ACCOUNT INFORMATION

Bank(s)/Trustee(s) or Brokerage Firm(s) within the State of Arkansas where the licensee's/funeral home's (Seller's) trust account is established, as required under A.C.A. § 23-40-114 (b):

Trustee Bank or Brokerage Firm Name Address Account Number(s)



**ANNUAL REPORT OF CASH-FUNDED (TRUST)
PREPAID FUNERAL BENEFITS CONTRACTS**

Activity for the Period: January 1, 2014 - December 31, 2014

CASH-FUNDED (TRUST) CONTRACTS: IN-FORCE ROLL-FORWARD

LICENSEE/FUNERAL HOME IN-FORCE DESCRIPTION	COUNT (#)	AMOUNT (\$)
CONTRACT PROCEEDS:		
1. Balance Due to the Trust Fund Account(s) as of December 31, 2013	_____	_____
2. Net Contracts Proceeds <u>Additions</u> on existing cash-funded contracts for 2014 (+)	<u>NOT APPLICABLE</u>	_____
3. Total of ALL NEW SALES for the calendar year 2014 (+)	_____	_____
4. Net Contracts Total of ALL TERMINATED CONTRACTS (due to Death, Cancellation, Outgoing Transfer) in 2014 (-)	(_____)	(_____)
5. Total Contracts Proceeds due to the Trust Fund as of December 31, 2014	_____	_____
UN-DISBURSED NET INVESTMENT INCOME:		
6. Balance due to the Trust Fund as of December 31, 2014	_____	_____
7. Additions for 2014	_____	_____
8. Net Deductions for 2014	_____	_____
9. Un-Disbursed Net Investment Income due to the Trust Fund as of December 31, 2014	_____	_____
SURPLUS FUNDS:		
10. Surplus Funds due to the Trust Fund as of December 31, 2013	_____	_____
11. Additions for 2014	_____	_____
12. Withdrawals for 2014	_____	_____
13. Total Surplus Funds due to the Trust Fund as of December 31, 2014	_____	_____
14. Total Trust Fund Liability (from Line 4 above)	_____	_____
15. Total Trust Fund Assets	_____	_____

IMPORTANT:

- If the total from (14) equals the total from (15), then the trust fund account is “in balance” and the trust account balance is sufficient to cover existing cash-funded (trust) contractual liabilities.
- If the total from (14) is greater than the total from (15), then the liabilities exceed the trust account balance, resulting in a **deficiency balance** in the trust. Deposit(s) to the trust account are required when deficiency balances are identified.
- If the total from (14) is less than the total from (15), then the trust account balance is sufficient to cover existing cash-funded (trust) contractual liabilities. Any excess amount in the trust account, over and above the total trust fund liability, should represent accrued interest income that is due and payable to the licensee/funeral home.

NOTE:

If the total from (15) is less than the total from (14), then a detailed reconciliation must be attached to this report.

A complete copy of the trustee/bank statement (as of December 31, 2014) should be attached to this cash-funded (trust) annual report for verification/reconciliation purposes.



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FORM COMPLETION INSTRUCTIONS & DEFINITIONS

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"Affiant" (defined): one who swears to an affidavit. The person(s) who complete the Annual Report forms on behalf of the licensee/funeral home.

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Additional comments regarding "gross" versus "net" contract amount: the "gross" contract amount is the "bottom line total" which includes all guaranteed services, guaranteed merchandise, guaranteed or non-guaranteed cash accommodation (advance) items, estimated sales tax, or any other items that may be itemized and included in the pre-need contract total. The "gross" contract amount is the amount that must be totaled up to determine the Annual Report Fee due. "Net" contract amount is the amount remaining *after* deductions for other pledged policies, burial association policies, funeral home credits or discounts, etc. On cash-funded (trust) pre-need contracts, the "net" contract amount is the amount to be deposited into the trust account; on insurance- and annuity-funded pre-need contracts, it is typically the amount for which the insurance policy/annuity is issued.

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Additional comments regarding the In-Force Roll-Forward:

Item (1): this is the BEGINNING contract count and gross contract amount as of January 1st of the year in review. It should be the same totals as were reported as the ending count/amount as of December 31st of the immediate prior year.

Item (2) Net Contracts Proceeds Additions on existing cash-funded contracts for 20XX: Any cash funds received and deposited during the year in review on cash-funded (trust) contracts that were issued prior to the current year.

NEWLY-ADDED FOR 2014 YEAR-END:

The cash-funded (trust) contracts count has been added to the in-force roll-forward for year-end 2014. Previously, we have only been asking for the number of new cash-funded (trust) contracts sold during the year in review. In order to complete the contracts count for 2014, it will be necessary for you to know and report the total count of active, cash-funded (trust) contracts as of December 31, 2013 (ending in-force count for immediate prior year = starting in-force count for current year), the number of newly-added cash-funded contracts during 2014, and the number of matured/terminated cash-funded contracts for 2014.

****IMPORTANT****

If you have any questions regarding the completion of these Annual Report forms, please don't hesitate to call or e-mail the Arkansas Insurance Department/Prepaid Funeral Benefits Division. Michelle Fahey (Administrative Specialist III) may be contacted by phone at (501) 371-2683 or by e-mail at michelle.fahey@arkansas.gov. We will be glad to answer your inquiries/questions.