



STATE OF ARKANSAS
DEPARTMENT OF INSURANCE

1 Commerce Way, Suite 502 | Little Rock, AR 72202-2087

Phone: (501) 371-2600 | Toll-Free: (800) 282-9134

Fax: (501) 682-0575

E-Mail: AID.Prepaid@arkansas.gov

Website: https://insurance.arkansas.gov/pages/industry-regulation/pre-paid-funeral/pre-paid-funeral-insurance/

AFFIDAVIT AND REQUEST OF PURCHASER TO CANCEL
A PREPAID FUNERAL BENEFITS CONTRACT

On this \_\_\_ day of \_\_\_, 20\_\_\_, I, \_\_\_\_\_, do state under oath I am
Contract Purchaser's Name
the purchaser of a prepaid funeral benefits contract with \_\_\_\_\_ of \_\_\_\_\_,
Original Selling Funeral Home
Arkansas.

I hereby request to cancel my prepaid funeral benefits contract with the above-referenced funeral home and to redeem (receive
a refund) or re-assign/transfer the proceeds from the [ ] trust fund, [ ] annuity policy, or [ ] insurance policy.

Please check one of the following:

[ ] CASH SURRENDER

[ ] RE-ASSIGNMENT/TRANSFER

1. The amount to be returned to me or re-assigned/ transferred to the substitute provider/funeral home. \$ \_\_\_\_\_ Insurance Company / Third Party Administrator

2. The amount to be retained by the Original Selling Funeral Home (pursuant to Ark. Code. Ann. § 23-40-122) \$(\_\_\_\_\_) Policy No. or Annuity No.

TOTAL AMOUNT TO BE DISBURSED OR RE-ASSIGNED/TRANSFERRED: \$ \_\_\_\_\_ Substitute Provider/Funeral Home

Contract Purchaser Information:

I certify that the responses herein are, to the best of my knowledge, accurate:

Contract Purchaser's Name

Signature of Contract Purchaser

Address Line 1

Signature of Substitute Provider/Funeral Home Authorized Representative

City, State, ZIP Code

Prepaid Funeral Benefits Contract Beneficiary (if different from purchaser)

[Notary Seal]

County of \_\_\_\_\_

State of \_\_\_\_\_

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

Notary Public Signature

Commission Expiration Date



## ARKANSAS INSURANCE DEPARTMENT | PREPAID FUNERAL BENEFITS DIVISION

### Cancelling or Re-Assigning/Transferring Prepaid Funeral Benefits Contracts

#### DEFINITIONS AND PROVISIONS

##### DEFINITIONS

- **Contract Beneficiary:** The person for whom the prepaid funeral benefits contract is being purchased. Upon the Contract Beneficiary's death, the prepaid licensee/funeral home will provide the services and merchandise, as listed in the prepaid funeral benefits contract.
- **Contract Purchaser:** The individual who signed (executed) the prepaid funeral benefits contract with the prepaid licensee/funeral home (or cemetery). This may or may not be the same person as is covered by the contract (Contract Beneficiary).
- **Irrevocable Contract:** Means that the prepaid funeral benefits contract may not be revoked by the contract purchaser/beneficiary. On irrevocable contracts, the contract purchaser is not entitled to a refund of monies paid in. However, A.C.A. § 23-40-122 allows for irrevocable contracts (and the principal funds paid in toward that contract) to be re-assigned/transferred to a substitute provider.
- **Original Selling Funeral Home:** The funeral home that originally wrote (executed) the prepaid funeral benefits contract with the Contract Purchaser.
- **Revocable Contract:** Means that the prepaid funeral benefits contract may be revoked by the contract purchaser/beneficiary.
- **Substitute Provider:** The funeral home to which a prepaid funeral benefits contract is being transferred (from the original selling funeral home).

Additional definitions regarding cancellations or re-assignments/transfers are included under the Arkansas Insurance Department's Rule No. 63, Section 4. Definitions and Section 7. Cancellation or Transfer of Prepaid Funeral Benefits Contracts.

##### REQUIREMENTS

- In the event an existing prepaid funeral benefits contract is replaced with another prepaid funeral benefits contract, the substitute provider (funeral home) that initiates the replacement and the contract purchaser shall also execute and comply with the requirements in the form **Appendix B** to AID Rule No. 63. [[AID Rule No. 63, Section 7. Cancellation or Transfer of Prepaid Funeral Benefits Contracts \(D\)](#)]

**Appendix B – Important Notice: Replacement of Prepaid Funeral Benefits Contract:** Document must be signed by both the Contract Beneficiary or the contract designee and the substitute provider/funeral home. The Contract Beneficiary must be given a copy of this disclosure.

- On **insurance/annuity-funded** prepaid funeral benefits contracts that are being re-assigned/transferred to a substitute provider where the insurance/annuity policy is being cancelled and a new policy is being issued, the producer who initiates the replacement or transaction shall comply with the requirements in the form **Appendix A** to AID Rule No. 63. [[AID Rule No. 63, Section 5. Replacement Standards for Life Insurance Policies, Certificates, and Annuity Contracts Funding Prepaid Funeral Benefits Contracts \(A\)\(1\)](#)]

**Appendix A – Important Notice: Replacement of Life Insurance or Annuities used to Fund Prepaid Funeral Benefits Contracts:** Document must be signed by both the applicant and the producer (if there is one), and copies left with the policyholder and sent to the seller of the original prepaid funeral benefits contract.

- Forms required on Cancellations and/or Re-Assignments/Transfers (per AID Rule No. 63):
  - ***Seller's Affidavit for Cancellation and Cash Surrender or Re-Assignment of Prepaid Funeral Benefits Contract Proceeds*** (form AID-FI-C2): Must be completed and signed by the original selling funeral home; acknowledges the Contract Purchaser's intention to cancel his/her prepaid funeral benefits contract. Must be notarized.
  - ***Affidavit and Request of Purchaser to Cancel a Prepaid Funeral Benefits Contract*** (form AID-FI-C3): Must be completed and signed by both the substitute provider/funeral home (on transfers only) and the Contract Purchaser. Must be notarized.
  - ***Appendix B to AID Rule No. 63:*** On all re-assignments/transfers, regardless of funding type (cash-funded/trust, insurance-funded, or annuity-funded).
  - ***Appendix A to AID Rule No. 63:*** Only on re-assignments/transfers on insurance- or annuity-funded contracts where the policy is being cancelled and another policy being issued as part of the transfer. Does not apply to cash-funded (trust) contract transfers.
  - If the insurance company or third party administrator that has the insurance/annuity policy has its own internal beneficiary change form or policy change form that is required, then it should also be completed.

**NOTE:** These are the only forms required by AID Rule No. 63 on cancellations or re-assignments/transfers. The original selling funeral home shall not require the contract purchaser to sign, acknowledge or provide any releases, notices, or agreements of the seller beyond the forms required by AID Rule No. 63. [[AID Rule No. 63, Section 7. Cancellation or Transfer of Prepaid Funeral Benefits Contracts \(C\)\(3\)](#)]

- For a detailed description of the cancellation and/or re-assignment/transfer requirements on revocable versus irrevocable contracts, please see [Ark. Code Ann. § 23-40-122 Cancellation or Transfer](#).