



ARKANSAS INSURANCE DEPARTMENT FUNERAL SERVICES DIVISION | BURIAL ASSOCIATIONS

SEMI-ANNUAL REPORT (S.A.R.) ARKANSAS CODE ANNOTATED (A.C.A.) AND RULES

The completion and submission of the Burial Association Semi-Annual Report (S.A.R.) is a statutory requirement (i.e., required by law). The current law(s) and rule(s) that pertain to the S.A.R. are:

Arkansas Code Annotated (A.C.A.)

[A.C.A. § 23-78-120 Semi-annual reports. \[Effective July 1, 2018.\]](#)

Current through all laws of the 2018 Fiscal Session and 2018 Second Extraordinary Session, including changes and corrections by the Arkansas Code Revision Commission.

- (a)
- (1) Using forms provided by the State Board of Embalmers, Funeral Directors, Cemeteries, and Burial Services, each burial association or society licensed in this state shall file a semiannual report showing the actual financial condition of the burial association or society as of June 30 and December 31 of each year.
 - (2) The report shall include documents and information as required by rule of the board.
- (b)
- (1) (A) The report required under this section is due as of June 30 and December 31 each year.
(B) A report is **delinquent** if:
 - (i) It is **due as of June 30**, and it is filed with the board **after August 15 of the year it is due**; or
 - (ii) It is **due as of December 31**, and it is filed with the board **after February 15 of the year next following the year it is due**.
 - (2) If a due date under subdivision (b)(1) of this section falls on a weekend or holiday, the report shall be due on the first business day following the weekend or holiday.
 - (3)
 - (A) The board may grant an extension of time to submit a report for good cause.
 - (B) A burial association or society shall file a request for an extension to the board in writing before the due date of the report.
 - (4)
 - (A) A report submitted to the board **that omits required documents or information shall not be considered as filed** with the board and will be returned to the burial association or society for corrections or completion.
 - (B) A report that omits required documents or information is delinquent if the submission of documents or information to complete the report:
 - (i) Causes a report that is due as of June 30 to be filed with the board after August 15 of the year it is due; or
 - (ii) Causes a report that is due as of December 31 to be filed with the board after February 15 of the year next following the year it is due.
 - (5) A burial association or society whose report is delinquent is subject to a **financial penalty** established by rule of the board.
- (c) The board shall recover costs incurred in conducting audits and preparing the semiannual report from those associations which fail to file the report prior to the expiration of the deadline referred to in subsection (b) of this section. Costs to be recouped shall include:
- (1) Round-trip mileage from the board's office to the association, at the rate then prevailing for other state employees engaged in travel;
 - (2) Per diem expenses at the rate then prevailing for other state employees engaged in travel;
 - (3) Plus a two-hundred-fifty-dollar fee for preparing the report.

History:

Acts 1953, No. 91, § 14; 1985, No. 480, § 2; A.S.A. 1947, § 66-1814; Acts 2011, No. 875, § 4; 2017, No. 788, § 83.

Rules and Regulations Governing Burial Associations

Rule 10. Semi-Annual Reports. Each burial association or society licensed in this state shall file a Semi-Annual report showing the actual financial condition of the association as of June 30 and December 31, of each year on forms approved and/or provided by the Board. In addition to the accurate December Semi-Annual Report, other items or documents to be filed shall include, but are not limited to, the following:

- a) **Annual fee** of six hundred dollars (\$600.00) per association;
- b) **Membership fees** of twenty-five cents (\$0.25) per member based on the number of members as of December 31st; membership fees are considered to be a component of the annual license fee.
- c) **Minutes from the Annual Meeting** for the calendar year;
- d) **Proof of Bond** in good standing;
- e) **New Business 443 Reserves Report**, if applicable*

* Based on the reserve requirements established under **Arkansas Act 443** of the 1987 Regular Session (SB221)

Act 443 of the 1987 Regular Session (Approved 03-27-1987)

"AN ACT TO AMEND SECTION 10 OF ACT 91 OF 1953, AS AMENDED [ARK. STAT. 66-1810] TO INCREASE THE MAXIMUM AMOUNT OF CERTIFICATES ISSUED BY BURIAL ASSOCIATIONS AND TO PROVIDE FOR FULL PAYMENT OF BENEFITS WHEN A FUNERAL HOME OTHER THAN THE CONTRACT FUNERAL HOME PERFORMS THE FUNERAL SERVICE; TO AMEND SECTION 5 OF ACT 91 OF 1953 [ARK. STAT. 66-1805] AND SUBSECTION (A) OF SECTION 14 OF ACT 91 OF 1953, AS AMENDED [ARK. STAT. 66-1814(A)] TO PROVIDE THAT THE BURIAL ASSOCIATION BOARD SHALL HAVE AUTHORITY TO ESTABLISH RATES AND RESERVE REQUIREMENTS OF BURIAL ASSOCIATIONS; AND FOR OTHER PURPOSES."

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

SECTION 1. Section 10 of Act 91 of 1953, as amended, the same being Arkansas Statute 66-1810, is hereby amended to read as follows:

"Section 10. (a) No Burial Association shall issue a certificate for benefits for any member in excess of two thousand five hundred dollars (\$2,500.00); no certificate shall provide for free service, merchandise or supplies in addition to the amount of benefits set forth in said certificate. (b) If other than the contract funeral home performs the funeral service, the benefit shall be paid to that licensed funeral home on the basis of one hundred percent (100%) of the face amount of the certificate, in cash."

SECTION 2. Section 5 of Act 91 of 1953, the same being Arkansas Statute 66-1805, is hereby amended to read as follows:

"Section 5. The Burial Association Board hereinafter appointed shall have full and complete authority to grant Certificates of Authority to Burial Associations; revoke as herein provided Certificates of Authority, Charters, or other authority granted to Burial Associations in this State; fix the minimum assessments or minimum membership dues for which Burial Associations may issue Certificates for benefits in specified amounts; supervise the affairs of all Burial Associations organized and/or operating in this State; conduct hearings as herein provided; collect, receive, hold and expend annual license fees as herein provided; and adopt and enforce such rules and regulations as it may deem necessary and expedient for the proper operation of the Board and the carrying out of the objects and purposes of this act. **The Burial Association Board shall establish actuarial rates and reserve requirements necessary to insure the financial integrity of all Burial Associations.** The powers and authority set out in this section shall not be in diminution or limitation of the powers and authority vested in the Board by the various sections of this act, but said Board shall possess all powers and authority, whether set forth in this section or not, to enable it to carry out the intent and purpose of this act."

SECTION 3. Subsection (A) of section 14 of Act 91 of 1953, as amended, the same being Arkansas Statute 66-1814(A), is hereby amended to read as follows:

"(A) **Seventy-five percent (75%) of the collections of any burial association or society shall be solely for the payment of benefits provided by membership certificates, and shall not be used for the payment of operating expenses.** Provided, however, that the annual license fee shall not be considered an operating expense and said annual license fee may be paid from the mortuary fund. However, the association or society may, subject to the reserve requirements established by the Burial Association Board, invest any portion of such seventy-five percent (75%) of the collections not needed for the immediate payment of benefits or not needed for the reasonably anticipated payment of benefits in (1) U.S. Treasury Bonds, direct or indirect obligations of the Federal Government; (2) Bonds, notes, debentures or other obligations issued by an agency of the U.S. Government, the principal and interest of which are fully guaranteed by the U.S. Government, and mortgages on real estate which are fully guaranteed as to principal and interest by the U.S. Government or agency thereof; (3) preferred stocks of corporations created or existing under the laws of the United States or any state thereof. Provided such funds shall be invested only in preferred stocks designated as "A" rated or the equivalent by one or more nationally recognized investment services, and approved by the Burial Association Board. Provided further, that no more than fifteen percent (15%) of the total funds of any burial association or society available for investment shall be invested in preferred stocks; (4) Certificates of deposit of any state or national bank in Arkansas which is insured by the Federal Deposit Insurance Corporation. Provided if the certificates of deposit issued by any such bank shall exceed the amount of the same insured by the Federal Deposit Insurance Corporation, such bank shall furnish to the association or secretary and the Burial Association Board or the Executive Secretary of the Board, evidence of the assignment of bonds or other securities issued by the State of Arkansas or the United States of America to secure the payment of such certificates. This may be done by making such assignment through a Federal Reserve Bank or through a correspondent bank. In the alternative, the issuing bank may make such assignment in such other form or manner as may be approved by said Burial Board or Executive Secretary of such Board; (5) Savings accounts of any savings and loan association which are insured by the Federal Savings and Loan Insurance Corporation. Provided that if the savings account of any such Association shall exceed the amount of the same insured by the Federal Savings and Loan Insurance Corporation, such association shall furnish to the depositing burial association or secretary and the Burial Association Board or the Executive Secretary of the Board, evidence of the assignment of bonds, or other securities issued by the State of Arkansas or the United States of America, to secure payment of such accounts. The savings and loan association in which the accounts exist shall make such assignment in a form and manner approved by the said Burial Board or Executive Secretary of said Board; (6) "A" rated or better corporate bonds, as designated by one or more nationally recognized investment services; (7) "A" rated State and Municipal bonds as designated by one or more nationally recognized investment services. Provided, however, that such bonds must be issued by governmental entities in the State of Arkansas. Provided further, that no more than 30% of the total funds of any burial association or society available for investment shall be invested in State or Municipal bonds. Seventy-five percent (75%) of the interest derived from such investment shall also not be usable for the payment of operating expenses."

SECTION 4. All laws and parts of laws in conflict with this Act are hereby repealed.