

Staff Proposed Scope of Financial Examination
September 9-10, 2015 (tabled from August 4-5, 2015)

General

1. Is the seller licensed
2. Do the preneed contracts comply with the statutes as to form
3. Are the contracts properly signed
4. Does the seller properly deposit and track payments from consumers
5. Are the books and records sufficient to show compliance
6. Does the contract match the funding source and current location of funds
7. Does the seller have contracts with its providers and are those contracts in compliance with Ch. 436
8. Does the seller maintain its fulfilled files for 5 years
9. Does the seller records match the information provided on the seller annual report. (Review seller annual reports dating from last examination to current)
10. Review 100% of contracts sold since date of last examination materials
11. Were cancellations and/or transfers in compliance with statute
12. Mail consumer letters as needed to confirm data

Joint Accounts

13. Are the funds held jointly as required by statute
14. Are 100% of the funds paid by the consumer in the joint account
15. Are the seller's records adequate to verify compliance

Trust Accounts

16. Are deposits made timely
17. Have the right amounts of money been deposited
18. Does the trust agreement give control of assets to the trustee
19. Does the trust agreement comply with the statutes
20. Have all consumer payments been deposited – to include all contracts not yet fulfilled
21. Has the seller properly requested the 5% origination fee and 10% authorized distribution.
22. Has the trust made proper disbursements

Insurance Accounts

23. Do the policies comply with Ch. 436
24. Is the seller the beneficiary or assignee and not the owner
25. Does the seller properly handle consumer funds

Death Claims

26. Does the seller have proper procedures in place for death claims
27. Does the seller timely request payment from trustee and pay death claims
28. Does the seller pay the providers by the terms of the seller/provider contract
29. Complete a 5% or minimum of 20 contract review as sampling, increasing if concerns identified.