

**Title 20-DEPARTMENT OF INSURANCE, FINANCIAL INSTITUTIONS AND  
PROFESSIONAL REGISTRATION**

**Division 2120-State Board of Embalmers and Funeral Directors**

**Chapter 3 – Preneed**

**PROPOSED RULE**

**20 CSR 2120-3.210 Formation Of An Insurance Funded Preneed Contract** (rule number is proposed number)

*Purpose: The purpose of the proposed rule is to provide clarification of an insurance funded preneed contract.*

Purpose:

**(1) A preneed contract is required when a funeral home agrees to accept proceeds from a life insurance policy and use those proceeds to pay for funeral goods and services when those goods and services are not immediately required.**

**(2) Whenever an insurance funded preneed contract is formed, that agreement must be documented by a written agreement between a purchaser and a seller in compliance with the provision of Chapters 333 and 436.**

**(3) An insurance funded preneed contract may be guaranteed or non-guaranteed and shall clearly state on the contract whether the prices quoted are guaranteed.**

**(4) Any life insurance policy or annuity may be used as a funding source for a preneed contract regardless of when or from whom it was purchased including insurance policies marketed as a “final expense policy” or “burial policy.”**

**(5) A preneed contract funded by insurance may provide, as a term of the contract, that the contract is deemed cancelled if the insurance policy is cancelled or if the beneficiary or assignment is changed to another seller as such act shall be considered as a cancellation of the preneed contract by the purchaser.**

**(6) An insurance funded preneed contract may contain agreements between the seller and the purchaser of the impact of the insurance policy being cancelled, lapsed, being reduced paid up, a reduced face amount or any other contingency that results in the insurance amount paid out being less than anticipated at the time of entry into the preneed contract.**

**AUTHORITY: Sections 436.405.1(3), (4), (7), (8), 436.425, 436.450, 436.465, 436.520, RSMo.**