

ARKANSAS REGISTER

Proposed Rule Cover Sheet



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Name of Department Arkansas Department of Commerce

Agency or Division Name Arkansas Insurance Department

Other Subdivision or Department, If Applicable State Board of Embalmers, Funeral Directors, Cemeteries, and Burial Services

Previous Agency Name, If Applicable _____

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Rule 6
Arkansas State Board of Embalmers, Funeral Directors, Cemeteries, and Burial Services
Rule Pertaining to Burial Associations

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Section 1. Officers of Associations

All officials of burial associations must be members of the association of which they are officers. In the event a person holds office in more than one association, he or she is required to hold membership in each association of which he or she is an officer. Total benefits which may be paid to such officer shall not exceed two thousand five hundred dollars (\$2,500).

Section 2. Owner of Funds

Since burial associations are non-profit mutual benefit societies, all assessments, dues, or other funds of whatever kind or character, collected or received by them over and above necessary expenses [which in no event may exceed twenty-five percent (25%) of its receipts for any given period] shall be and remain the property of the association for use and benefit of its members only.

Section 3. Mortuary Fund

(A) At least seventy-five percent (75%) of the receipts of each association must be allocated to the mortuary fund, and, when so allocated can be used for no purpose other than to meet its losses. The associations may 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 reasonable anticipated payment of benefits (B) At least seventy-five percent (75%) of all interest derived from investments of burial association funds

must be allocated to the mortuary fund and cannot be used for the payment of operating expenses.

Section 4. Expenses

Necessary expenses, including but not limited to printing, stationery, postage, office supplies, clerical work, and statutory fees may be paid by the association. No organization or promotional expense may be charged and in no event may expenses for any year exceed twenty-five percent (25%) of the gross receipts of dues or assessments, interest, and non-interest investment income of the association for such year.

Burial associations shall not be entitled to utilize any portion of twenty-five percent (25%) of gross receipts of dues, assessments, interest, or non-interest investment income, when such utilization would reduce the balance of monies available in the mortuary fund to such a level that the association would be unable to pay benefits which accrue to the members of the association.

In the event the entire sum equaling such twenty-five percent (25%) is not expended as aforesaid, then the amount remaining unexpended shall be converted into the mortuary fund at the end of such year and shall not thereafter be used for expenses. Statutory fees (annual license fees) are not considered operating expenses.

Section 5. Surplus Funds

Should any association have on hand, at the end of any calendar year, funds over and above its legal obligations said funds shall be retained by the association for the purpose of meeting its future losses.

Section 6. Association Not to Pledge Asset

No money may be borrowed from an association, nor can the association borrow money. The assets of the association may not be pledged for any purpose. The treasurer will be held accountable under his or her bond for any violation of this rule.

Section 7. Fidelity Bonds

Associations with money on hand will be required to have a bond with an approved corporate surety, on the secretary/treasurer and any other person(s) whose authorized signature is on the association's accounts. Bonds must be made in favor of the association, in the amount of the surplus of the association, less the monies invested as authorized, by Ark. Code Ann. §23-78-101 *et seq.* However, the bond shall not be less than two thousand five hundred dollars (\$2,500).

Section 8. Taxes

In the event a burial association becomes liable for taxes; such taxes may be paid from the mortuary fund. Provided, however, that should penalties be imposed by the taxing authority, such penalties shall not be paid from the mortuary fund.

Section 9. Books and Records

All books, accounts, and records must be kept at the main office of the association and in such manner as to accurately reflect the condition of the association, subject to inspection of any member of the association or representative of the Board. Books of an association may be closed not more than 30 days prior to an assessment, and all members receiving certificates more than 30 days prior to an assessment shall be included in the assessment.

Section 10. Annual Reports

Each burial association or society licensed in this state shall file an annual report showing the actual financial condition of the association as of December 31, of each year on forms approved and provided by the Board. In addition to the accurate December

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 (\$0.20) 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.

If the report is not received in the office by March 15th and 15th of the next calendar year, then the report is delinquent and a one hundred dollar per day (\$100/day) delinquent fee for a maximum period of ten (10) days will be assessed. . Should it become necessary for the Board's auditor to travel to the association to procure the report, the Board's office shall recover expenses incurred as a result of the association's failure to file the report. These expenses shall be paid by the association from the allowable operating expenses, and not from the mortuary fund.

The Board may grant an extension of time to submit a report for good cause. A burial association or society shall file a request for an extension to the Board in writing before the due date of the report.

Section 11. Funeral Directors

The by-laws of burial associations may provide that the secretary/treasurer, upon being notified of the death of a member shall designate a funeral director to prepare the body for internment according to the terms of the certificate held by the member at time of death.

Section 12. Certificates of Benefits

If at any time the contract funeral home customarily employed by the association cannot provide the service, then the secretary/treasurer shall pay the servicing funeral home which provides the service according to the member's contract in accordance with Ark. Code § 23-78-112:

- (a) For memberships issued after July 19, 1987, one hundred percent (100%) of the face amount of the certificate is paid to the servicing funeral home.
- (b) For membership issued before July 1, 1967, the benefit is paid to the servicing funeral home according to the agreement contained in the certificate of membership between the member and the burial association.
- (c) For memberships issued between July 1, 1967, through August 5, 1976, the benefit is payable to the servicing funeral home outside of the service area of the contract funeral home at a minimum rate of seventy percent (70%) of the face amount of the certificate or seventy percent (70%) of the amount credited on the at-need or final billing statement, whichever is higher.
- (d) For memberships issued between August 5, 1976, through July 19, 1987, the benefit is payable to the servicing funeral home outside of the contract funeral home of the burial association's service area at a minimum rate of eighty percent (80%) of the certificate for benefit face amount or eighty percent (80%) of the amount credited on the at-need or final billing statement, whichever is higher.

Section 13. Minutes of Meeting

Minutes of the annual meeting shall be submitted to the Board's office with the annual report. Minutes of a special meeting called to address changes in officers, rates, or other matters pertaining to the operation of a burial association shall be submitted to the office for approval within thirty (30) days. An approved copy will be returned to the association for its records.

Section 14. Advertisements

Advertisements, either in newspapers, by radio, by circulars or by any other method, must be submitted to the Board for approval before being published.

Section 15. Burial Certificates

No association shall state in its certificate, or advertise, any particular type or make of merchandise, that will be furnished by the association.

Section 16. Printing

Before new applications, forms, or certificates of membership are printed, the printer's copies should be submitted to the Board's office for approval.

Section 17. Applications

Applications for membership must be kept on file in the office of the association in the order in which they are received and shall show the number of the certificate. A copy of the certificate of membership shall be kept with the application. The date of increase or an addition to the membership must be noted on permanent record cards in the files of the association and a copy of the new certificate of membership shall be kept with the application. All applications for membership must be signed by the applicant, or his or her parent, or legal representative and the soliciting agent.

In addition to the requirement of Article 12 of the Board by-laws, burial associations shall complete the following applications on each prospective burial association member and shall comply with the underwriting guidelines established by the Board. (Included) Violation of any rule may result in sanctions as provided for by Ark. Code § 23-78-101 *et seq.* and the rules promulgated pursuant to its enforcement by the Board.

Only a burial association licensed by the Board may write certificates of membership up to a maximum of two thousand five hundred dollars (\$2,500). All certificates must comply with the minimum rates, reserve requirements contained in the Section 45 and the underwriting guidelines established by the Section 42.

Section 18. Membership Dues

A minimum of four assessments must be collected each year (or the sum of four assessments) as required by the minimum rates established by the Board. For those associations which operate from the collection of dues, such dues must be collected at least four times during each year as required by the minimum rates established by the Board.

Section 19. Minimum Rates

The following rates are the minimum rates which may be charged by a burial association in Arkansas per quarter:

Age	\$100	\$500	\$1,000	\$1,500	\$2,000	\$2,500
0-1	\$ 0.25	\$ 1.25	\$ 2.50	\$ 3.75	\$ 5.00	\$ 6.25
2	\$ 0.25	\$ 1.25	\$ 2.50	\$ 3.75	\$ 5.00	\$ 6.25
3	\$ 0.25	\$ 1.25	\$ 2.50	\$ 3.75	\$ 5.00	\$ 6.25
4	\$ 0.25	\$ 1.25	\$ 2.50	\$ 3.75	\$ 5.00	\$ 6.25
5	\$ 0.25	\$ 1.25	\$ 2.50	\$ 3.75	\$ 5.00	\$ 6.25
6	\$ 0.25	\$ 1.25	\$ 2.50	\$ 3.75	\$ 5.00	\$ 6.25
7	\$ 0.25	\$ 1.25	\$ 2.50	\$ 3.75	\$ 5.00	\$ 6.25
8	\$ 0.25	\$ 1.25	\$ 2.50	\$ 3.75	\$ 5.00	\$ 6.25
9	\$ 0.25	\$ 1.25	\$ 2.50	\$ 3.75	\$ 5.00	\$ 6.25
10	\$ 0.30	\$ 1.50	\$ 3.00	\$ 4.50	\$ 6.00	\$ 7.50
11	\$ 0.30	\$ 1.50	\$ 3.00	\$ 4.50	\$ 6.00	\$ 7.50
Age	\$100	\$500	\$1,000	\$1,500	\$2,000	\$2,500

12	\$ 0.30	\$ 1.50	\$ 3.00	\$ 4.50	\$ 6.00	\$ 7.50
13	\$ 0.30	\$ 1.50	\$ 3.00	\$ 4.50	\$ 6.00	\$ 7.50
14	\$ 0.30	\$ 1.50	\$ 3.00	\$ 4.50	\$ 6.00	\$ 7.50
15	\$ 0.30	\$ 1.50	\$ 3.00	\$ 4.50	\$ 6.00	\$ 7.50
16	\$ 0.30	\$ 1.50	\$ 3.00	\$ 4.50	\$ 6.00	\$ 7.50
17	\$ 0.30	\$ 1.50	\$ 3.00	\$ 4.50	\$ 6.00	\$ 7.50
18	\$ 0.30	\$ 1.50	\$ 3.00	\$ 4.50	\$ 6.00	\$ 7.50
19	\$ 0.30	\$ 1.50	\$ 3.00	\$ 4.50	\$ 6.00	\$ 7.50
20	\$ 0.30	\$ 1.50	\$ 3.00	\$ 4.50	\$ 6.00	\$ 7.50
21	\$ 0.30	\$ 1.50	\$ 3.00	\$ 4.50	\$ 6.00	\$ 7.50
22	\$ 0.30	\$ 1.50	\$ 3.00	\$ 4.50	\$ 6.00	\$ 7.50
23	\$ 0.30	\$ 1.50	\$ 3.00	\$ 4.50	\$ 6.00	\$ 7.50
24	\$ 0.30	\$ 1.50	\$ 3.00	\$ 4.50	\$ 6.00	\$ 7.50
25	\$ 0.40	\$ 2.00	\$ 4.00	\$ 6.00	\$ 8.00	\$ 10.00
26	\$ 0.40	\$ 2.00	\$ 4.00	\$ 6.00	\$ 8.00	\$ 10.00
27	\$ 0.40	\$ 2.00	\$ 4.00	\$ 6.00	\$ 8.00	\$ 10.00
28	\$ 0.40	\$ 2.00	\$ 4.00	\$ 6.00	\$ 8.00	\$ 10.00
29	\$ 0.40	\$ 2.00	\$ 4.00	\$ 6.00	\$ 8.00	\$ 10.00
30	\$ 0.40	\$ 2.00	\$ 4.00	\$ 6.00	\$ 8.00	\$ 10.00
31	\$ 0.40	\$ 2.00	\$ 4.00	\$ 6.00	\$ 8.00	\$ 10.00
32	\$ 0.40	\$ 2.00	\$ 4.00	\$ 6.00	\$ 8.00	\$ 10.00
33	\$ 0.40	\$ 2.00	\$ 4.00	\$ 6.00	\$ 8.00	\$ 10.00
34	\$ 0.40	\$ 2.00	\$ 4.00	\$ 6.00	\$ 8.00	\$ 10.00
35	\$ 0.60	\$ 3.00	\$ 6.00	\$ 9.00	\$ 12.00	\$ 15.00
36	\$ 0.60	\$ 3.00	\$ 6.00	\$ 9.00	\$ 12.00	\$ 15.00
37	\$ 0.60	\$ 3.00	\$ 6.00	\$ 9.00	\$ 12.00	\$ 15.00
38	\$ 0.60	\$ 3.00	\$ 6.00	\$ 9.00	\$ 12.00	\$ 15.00
Age	\$100	\$500	\$1,000	\$1,500	\$2,000	\$2,500

39	\$ 0.60	\$ 3.00	\$ 6.00	\$ 9.00	\$ 12.00	\$ 15.00
40	\$ 0.60	\$ 3.00	\$ 6.00	\$ 9.00	\$ 12.00	\$ 15.00
41	\$ 0.60	\$ 3.00	\$ 6.00	\$ 9.00	\$ 12.00	\$ 15.00
42	\$ 0.60	\$ 3.00	\$ 6.00	\$ 9.00	\$ 12.00	\$ 15.00
43	\$ 0.60	\$ 3.00	\$ 6.00	\$ 9.00	\$ 12.00	\$ 15.00
44	\$ 0.60	\$ 3.00	\$ 6.00	\$ 9.00	\$ 12.00	\$ 15.00
45	\$ 0.80	\$ 4.00	\$ 8.00	\$ 12.00	\$ 16.00	\$ 20.00
46	\$ 0.80	\$ 4.00	\$ 8.00	\$ 12.00	\$ 16.00	\$ 20.00
47	\$ 0.80	\$ 4.00	\$ 8.00	\$ 12.00	\$ 16.00	\$ 20.00
48	\$ 0.80	\$ 4.00	\$ 8.00	\$ 12.00	\$ 16.00	\$ 20.00
49	\$ 0.80	\$ 4.00	\$ 8.00	\$ 12.00	\$ 16.00	\$ 20.00
50	\$ 1.00	\$ 5.00	\$ 10.00	\$ 15.00	\$ 20.00	\$ 25.00
51	\$ 1.00	\$ 5.00	\$ 10.00	\$ 15.00	\$ 20.00	\$ 25.00
52	\$ 1.00	\$ 5.00	\$ 10.00	\$ 15.00	\$ 20.00	\$ 25.00
53	\$ 1.00	\$ 5.00	\$ 10.00	\$ 15.00	\$ 20.00	\$ 25.00
54	\$ 1.00	\$ 5.00	\$ 10.00	\$ 15.00	\$ 20.00	\$ 25.00
55	\$ 1.25	\$ 6.25	\$ 12.50	\$ 18.75	\$ 25.00	\$ 31.25
56	\$ 1.25	\$ 6.25	\$ 12.50	\$ 18.75	\$ 25.00	\$ 31.25
57	\$ 1.25	\$ 6.25	\$ 12.50	\$ 18.75	\$ 25.00	\$ 31.25
58	\$ 1.25	\$ 6.25	\$ 12.50	\$ 18.75	\$ 25.00	\$ 31.25
59	\$ 1.40	\$ 7.00	\$ 14.00	\$ 21.00	\$ 28.00	\$ 35.00
60	\$ 1.50	\$ 7.50	\$ 15.00	\$ 22.50	\$ 30.00	\$ 37.50
61	\$ 1.60	\$ 8.00	\$ 16.00	\$ 24.00	\$ 32.00	\$ 40.00
62	\$ 1.70	\$ 8.50	\$ 17.00	\$ 25.50	\$ 34.00	\$ 42.50
63	\$ 1.80	\$ 9.00	\$ 18.00	\$ 27.00	\$ 36.00	\$ 45.00
64	\$ 1.90	\$ 9.50	\$ 19.00	\$ 28.50	\$ 38.00	\$ 47.50
65	\$ 2.05	\$ 10.25	\$ 20.50	\$ 30.75	\$ 41.00	\$ 51.25
Age	\$100	\$500	\$1,000	\$1,500	\$2,000	\$2,500

66	\$ 2.15	\$ 10.75	\$ 21.50	\$ 32.25	\$ 43.00	
67	\$ 2.30	\$ 11.50	\$ 23.00	\$ 34.50	\$ 46.00	
68	\$ 2.50	\$ 12.50	\$ 25.00	\$ 37.50	\$ 50.00	
69	\$ 2.65	\$ 13.25	\$ 26.50	\$ 39.75	\$ 53.00	
70	\$ 2.75	\$ 13.75	\$ 27.50	\$ 41.25	\$ 55.00	
71	\$ 2.90	\$ 14.50	\$ 29.00			
72	\$ 3.00	\$ 15.50	\$ 31.00			
73	\$ 3.30	\$ 16.50	\$ 33.00			
74	\$ 3.50	\$ 17.50	\$ 35.00			
75	\$ 3.70	\$ 18.50	\$ 37.00			
76	\$ 3.95	\$ 19.25	\$ 39.00			
77	\$ 4.20	\$ 21.00	\$ 42.00			
78	\$ 4.45	\$ 22.25	\$ 44.50			
79	\$ 4.75	\$ 23.75	\$ 47.50			
80	\$ 5.05	\$ 25.25	\$ 50.50			
81	\$ 5.40	\$ 27.00	\$ 54.00			
82	\$ 5.75	\$ 28.75	\$ 57.50			
83	\$ 6.15	\$ 30.75	\$ 61.50			
84	\$ 6.60	\$ 33.00	\$ 66.00			
85	\$ 7.15	\$ 33.75	\$ 71.50			
86	\$ 7.75	\$ 38.75	\$ 77.50			
87	\$ 8.50	\$ 42.50	\$ 85.00			
88	\$ 9.15	\$ 45.75	\$ 91.50			
89	\$ 10.00	\$ 50.00	\$ 100.00			

Section 20. Applicants 80 Years of Age and Above A doctor's statement of health, signed by the family physician, must be obtained on all persons eighty (80) years of age and above, who make application for membership.

Any person who is a patient or resident of a state hospital or a nursing home must have a good health statement, signed by the attending physician, attached to and made a part of the application for membership.

Persons in state hospitals or mental institutions can have their benefits increased if they get a good health statement signed by their doctor.

Section 21. Increase in Benefits

Any increase in benefits on present members may be written on a regular application form or on a printed form for this purpose. Such applications must be kept on file by the association, in the order in which they are received, and must show the number of the certificate and the date must be noted on the permanent record card of the association. A copy of the certificate of membership shall be kept with said application.

Section 22. Maximum Benefits

No member may have more than five hundred dollars (\$500) in benefits for certificates issued prior to or on July 19, 1987, or two thousand five hundred dollars (\$2,500). for certificates issued after July 19, 1987.

Section 23. Grace Period

Each member of a burial association shall be entitled to a thirty(30)-day grace period for payment of dues or assessments. The association shall be liable for payment of benefits for any member of the association, which dies during the thirty-(30)-day grace period.

Section 24. Reinstatement of Membership

A member who has permitted his or her membership to lapse, for no longer than a period of 48 months, may be reinstated for good cause as determined by the secretary/treasurer.. In such case, the assessments or dues in arrears must be paid. Otherwise, the member shall be written at the new rate at his or her attained age.

Section 25. Certificates in Two Associations

Should a person hold a certificate with two different associations not in the same service area, the association whose contract funeral home provides the services shall be the only one required to honor its policy. The non-servicing association shall refund one hundred percent (100%) of all dues paid. Further, should any burial association knowingly solicit memberships from persons holding a certificate in another association, the soliciting association may be subject to disciplinary action by the Board.

Section 26. Agents

1. Every person soliciting for an association must be a licensed agent for the association. Application forms for such license will be furnished upon request to the Board's office.
2. No agent shall be permitted to write applications for burial associations without a license to write such applications. The agent must have a separate license for each association, for which he writes, and cannot be licensed to write for more than one association during any one calendar year, within the same service area.
3. Any person who without having obtained an agent's license, has solicited, sold or attempted to sell membership certificates, will be refused a license and may face sanctions.

Section 27. Agent Applications

Applications to the Board for an agent's license must be filled out, signed before a notary public by the applicant, an officer of the association, and accompanied by the statutory fee.

Section 28 Agent License Fees

The agent's license, regardless of the date issued, expires January 1, but may be renewed at any time before February 1, upon written request by the association and payment of the fee. After February 1, the Board may require that a formal application be filed with an accompanying affidavit to the effect that no solicitations have been made by the applicant since his or her license expired.

Section 29. Misrepresentation of Facts

Any agent who solicits members for any association upon a misrepresentation of facts may have his or her license revoked. The certificate of authority of any burial association, which shall knowingly permit or condone such conduct on the part of its agents, may also be revoked.

Section 30. Incontestable Benefits

Any certificate shall be incontestable, except for fraud, after the same has been in force for a period of one year.

Section 31. Use of Particular Words

Burial associations may use the terms "premiums" and "policy" in lieu of "dues" and "certificates".

Section 32. Refund of Dues

In the event the secretary/treasurer of an association shall deem it advisable to refund a member, any sum of money claimed due by such member, then such amount of the refund claim that has been credited to the mortuary fund, shall be paid from such mortuary fund and treated as a benefit paid.

Section 33. Deposits of Membership Dues – Shortages and Overdraws

(a) All assessments, membership dues or other funds collected by any burial association must be deposited by the secretary/treasurer of the association within twenty (20) business days from the date collected or received by the association. All collections must be deposited into the burial association's mortuary fund for payment of membership benefits or invested.

(b) All accounts, records, and books reflecting the financial status of all burial associations shall be open to inspection by the Board's auditor and employees of the Board. Anytime a shortage is found in a burial association by the auditors, it shall be considered prima facie violation of the Burial Association Act and the Board may initiate action to remove the secretary/treasurer and revoke or suspend the Certificate of Authority granted to the burial association.

(c) In addition, the Board may immediately call upon the secretary/treasurer's bond.

(d) Funds received by an agent of a burial association are considered to have been received by the association. Associations shall not permit agents to deduct the operating expense from collections prior to remitting them to the secretary/treasurer of the association. All funds collected must be deposited in the bank account of the association and all disbursements must be made by check, signed by the secretary/treasurer of the association. The exception to this rule is that the membership fee may be paid directly to the secretary/treasurer or to some other person appointed by the association as agent and licensed by the Board.

Section 34. Benefits Owing

If at the end of any calendar year the funds in the treasury of the association are insufficient to meet the losses, then the secretary/treasurer may cause an extra assessment to be levied. The association shall charge off the benefits owing if not paid by the following annual report and the contract funeral home shall absorb the loss. Payments owing to a servicing funeral home, other than the contract funeral home, shall have priority and paid as funds are available.

Section 35. Service Area Notification to Members

All burial associations, upon notification of address change outside the service area, shall notify in writing that policy holder of changes in benefits, if any.

Section 36. Assumption of Burial Associations by Insurance Companies

36.1. Burial Associations petitioning the State Board of Embalmers, Funeral Directors, Cemeteries, and Burial Services for approval for assumption by an insurance company shall submit the following documents to the Board at least 90 days prior to the proposed effective date of the assumption:

- a) A notarized copy of the minutes of the meeting at which the assumption was approved.
- b) A copy of the public notice announcing the meeting to discuss the assumption.
- c) A notarized copy of the letter to be sent to all association policy holders stating the date, time, and place of the public meeting, as well as the particulars of the assumption.

36.2. In order that an insurance company may assume a burial association, the following conditions must be met:

- a) The insurer must be a legal reserve or stipulated premium insurance company, actively engaged in business in the State of Arkansas, for the last two (2) years.
- b) The assuming insurance company must conduct an independent actuarial study to determine the amount of money that is needed to reserve the policies of the burial association being assumed. This study is subject to Board approval.
- c) The face amount of the policy issued by the insurance company, in lieu of the membership certificate, shall be in the same amount and at the same premium rate as the membership certificate.

- d) The assuming insurance company must state in its assumption agreement, that all claims, on behalf of a policyholder, will be paid in cash and in an amount not less than 100% of the face amount of the benefit that the member was entitled to under the certificate of membership in the burial association.
- e) The owner of the policy shall have the exclusive right to name the beneficiary of his or her choice and the owner may change the beneficiary at his or her option in writing.
- f) The insurance provider shall not require the policyholder to select either services or merchandise from any particular provider of such services or merchandise in order that the 100% of the face amount of the policy, issued in lieu of membership certificates, be payable.
- g) The funds in the mortuary reserve fund will be disbursed as follows:
 - 1. All just claims, debts and obligations of the burial association will be paid.
 - 2. A pro-rata distribution will be made to the policyholders opting out of the assumption.
 - 3. The Reserve amount, **36.2 (b)**, as determined by the independent actuarial study, will be paid to the assuming insurance company.
 - 4. After all required disbursements are made, any funds remaining in the mortuary reserve shall be returned to the policyholders.
- h) All holders of membership certificates in a burial association shall be assumed by the insurance company, in the same amount and at the same premium rate as under the membership certificate, without being required to submit proof of insurability.

36.3. Insurance companies wishing to assume a burial association shall submit the following documents to the board, at least ninety (90) days prior to the proposed effective date of the assumption:

- a) Petition for assumption
- b) The plan of liquidation
- c) The assumption agreement

d) The assumption notice

Upon receipt of the documents from both the burial association and the assuming insurance company, the Executive Secretary shall review the documents submitted for compliance with this section. Additionally, a copy of the documents shall be submitted to the Arkansas Insurance Department for review regarding the petitioners' compliance with the Department rules. The secretary shall provide the Board with a copy of the documents at least twenty (20) business days prior to the next regularly scheduled Board meeting for consideration at that meeting.

36.4. Plan of liquidation. The plan of liquidation shall include:

- a) The effective date of the planned liquidation;
- b) The transfer of the rights held under the membership certificate to the insurance company and that the burial association shall have no liabilities as of the effective date of the liquidation;
- c) A plan to transfer the assets of the association as provided for in 36.2 g;
- d) The date of the closing of the burial association;
- e) A statement that the insurance company accepts cession of the burial association membership certificates and that it assumes all liabilities of the membership certificates, together with all debts and obligations of the association being assumed, and further that the liabilities, debts and obligations of the association shall not be greater than the association had prior to the assumption, except that there shall be no less than one hundred percent (100%) of the face amount of the policy payable, in cash; and
- f) That policies shall be issued by the insurance company stating the name of the insurance company, the names of the insured, the amount of coverage for each individual and the premium rates for each individual covered by the policy.

36.5. Assumption agreement. The assumption agreement shall include:

- a) That the benefits formerly contemplated under the membership certificates are now payable through the insurance company and that such benefits are payable in cash only;
- b) That the insurance company shall have the right to assume those assets of the burial association as provided for in 36.2g, in exchange for the liabilities of the association;
- c) That if the holder of a membership certificate in a burial association does not desire to be assumed by the insurance company and "wishes to opt out," he or she may, within sixty (60) days, return the assumption notice and request this "opt out" pro rata share of the association's reserves as computed and certified by the assuming insurance company. Continued payment of premiums constitutes acceptance of the assumption;
- d) That the coverage provided through the insurance company shall be in the same amount and at the same premium rate as that held under the certificate of membership in the association; and
- e) That those responsible for making funeral arrangements for the deceased policyholder shall have the freedom to choose a funeral home or other funeral service and merchandise provider of their choice, and further that such choice shall not diminish the face amount of the policy of such.

36.6. Assumption notice. The assumption notice shall be mailed or provided to each member of the association being assumed. The notice of assumption shall be provided to each member in good standing, on the effective date of the assumption, without proof of insurability. The assumption notice shall provide the following:

- a) Effective date of the assumption.
- b) Information regarding the assumption including:
 - 1. Uninterrupted insurance coverage without proof of insurability,

2. Continued, same premium rate,
 3. Proceeds payable in 100% of the face amount, in cash,
 4. Exclusive right of the policyholder to name the beneficiary of his or her choice and right to change the beneficiary at his or her option, in writing.
- c) Information regarding the opting out provisions, including:
1. Policyholders right to a pro rata share of the mortuary fund reserves as determined by 35.2g.

36.7. Audit of burial association. The Board shall conduct an audit of the burial association being assumed by the insurance company within seven (7) days of the effective date of the assumption.

36.8. All costs associated with the assumption of a burial association shall be paid by the assuming insurance company.

Section 37. Separation of Accounts – Old Business/New Business

All burial association memberships written on or after July 1, 1987, shall be reserved based on the actuarial table approved by the Board. Collections and interest derived from Act 443 new business must not be used in any manner to pay claims on old business. The excess revenue or mortuary fund derived from old business shall likewise not be used to pay claims on Act 443 new business.

* Those associations with revenue insufficient to pay old business claims are required to conduct a fifth assessment each year, pay the contract funeral home a maximum of 50% of face amount of each certificate and take no expenses until the revenue reaches the point that no claims are written off and the Board determines that the extra assessment, 50% settlement, and forfeiture of expenses are no longer necessary.

Section 38. New Business Guaranty Fund

There is hereby established a fund to ensure the solvency of "new business," as that term is used in these rules, which shall be known as the "New Business Emergency Guaranty Fund."

- A. The assessments for the New Business Emergency Guaranty fund paid to the Board shall be maintained in an interest-bearing account in a financial institution organized and operating under the laws of the State of Arkansas. The fund shall be under the exclusive control of the Board.
- B. The fund shall be used, at the Board's sole discretion, to pay claims, if any that arise from new business written pursuant to the Board's rules and regulations prior to an association's having sufficient funds in its new business account to satisfy such claims.
- C. The Board specifically reserves the right to make such additional assessments for the fund as it deems reasonable and necessary based on its experience in administering the fund. .

Section 39. Use of New Business Surplus Funds

Each year following the annual report r, any association having "surplus funds" from its new business, as that term is defined in this rule, may apply to the Board for authorization to transfer all or part of those surplus funds to its old business account if that old business, according to the association's annual report, has funds insufficient to meet the reserve requirements for its membership calculated according to the reserve table contained in Section 43 of this rule. Upon receipt of such a request, the Board shall approve or disapprove same within sixty (60) days, taking into consideration other remedial measures, if any, that have been invoked by the Board.

"Surplus funds," as that term is used in this rule, means those new business funds held by an association, as reflected by its annual report, in excess of:

- (1) The association's new business reserve requirements as determined pursuant to Section 43 of this rule;

- (2) The association's new business claims that have been filed with or reported to the association prior to the annual report;
- (3) The association's incurred but not reported claims, as determined by that association's actual experience over the preceding three years; and
- (4) The association's accounts, bills, and expenses that are unpaid as of the annual report.

Section 40. Prohibition from Paying Member Assessments

Neither a funeral home nor any person employed by or otherwise associated with a funeral home may subsidize a member's benefit by paying all or a portion of any assessment.

Section 41. Medical Guidelines (Exhibit A)

Section 42. Death Within 24 Months

If death occurs within 24 months of the date of issue from any reason other than an accident, the claim will be reviewed by the Board. If there has been a material misrepresentation prior to date of issue of the certificate, or if the death is due to suicide, the certificate will be ruled invalid, and a refund of all dues paid will be made.

Section 43. Chamberlain Table (Exhibit B)

Section 44. Penalties

The secretary/treasurer of the burial association shall file the December annual report by March 15th of the next calendar year. All other required documents, and the annual fee are due on or before March 15th of the next calendar year. Reports and fees not received in the Board's office by the due date will be delinquent and a \$100.00 per day delinquent fee, for a maximum period of ten (10) days (\$1,000) will be levied. If the report is not received within ten (10) days of the due date, the Board's auditor will be

sent to procure the report. The Board shall recover the fees associated pursuant to Ark. Code Ann. 23-78-120. The association cannot pay the delinquent fees or the cost to procure the report from the mortuary fund.

Section 45. Use of Old Business Surplus Funds

Each year following the annual report required by Section 10 of this rule, any association having "surplus funds" from its old business, as that term is defined in this rule, may apply to the Board for authorization to transfer all or part of those surplus funds to its new business account if that new business account, according to the association's annual report has funds insufficient to meet the reserve requirements for its membership calculated according to the reserve table contained in Section 43 of this rule. Upon receipt of such request, the Board shall approve or disapprove it within sixty (60) days, taking into consideration other remedial measures, if any, that have been invoked by the Board.

"Surplus funds," as that term is used in this rule, means those old business funds held by an association, as reflected by its annual report, in excess of the total face value of outstanding policies.

Section 46. Annual License Fees

- a) The annual fee of six hundred dollars (\$600) will be due with the annual report .
- b) Annual membership fees based on the total actual membership count as of December 31st will be twenty cents (\$0.20) per member and will be due with the annual report . Annual membership fees are considered to be a component of the annual license fee.

Section 47. Mergers and Acquisitions

Mergers and acquisitions are allowed with Board approval. Plans are required to be submitted to the Board before twenty (20) days prior to a regular Board meeting.

Section 48. Dissolutions

Dissolutions of burial associations are allowed with Board approval after submitting plans for making the members whole. Plans are required to be submitted to the Board before twenty (20) days prior to a regular Board meeting.

Section 49. Effective Date

This rule is effective after review and approval by the Arkansas Legislative Council, thirty (30) days after filing of the approved Rule with the Arkansas Secretary of State.

Rule 6

Arkansas State Board of Embalmers, Funeral Directors, Cemeteries, and Burial Services

Rules AND REGULATIONS GOVERNING Pertaining to Burial Associations

BURIAL ASSOCIATIONS

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Section 1. — Officers of ~~Associations~~Associations.

All officials of burial associations must be members of the association of which they are officers. In the event, a person holds office in more than one association, he or ~~/~~she is required to hold membership in each association of which he or ~~/~~she is an officer. Total benefits which may be paid to such officer shall not exceed two thousand five hundred dollars (\$2,500).~~.00.~~

1. —

Section 2. — Owner of ~~Funds~~Funds.

Since burial associations are non-profit mutual benefit societies, all assessments, dues, ~~and~~ ~~/~~or other funds of whatever kind or character, collected or received by them over and above necessary expenses (~~[~~which in no event may exceed twenty-five percent (25%) of its receipts for any given period~~]~~) shall be and remain the property of the association for use and benefit of its members only. (~~Amendment by Act 360 of 1981~~).

2. —

Section 3. — Mortuary ~~Fund~~Fund.

— —

(A) At least seventy-five percent (75%) of the receipts of each association must be allocated to the ~~Mortuary Fund~~mortuary fund, and, when so allocated can be used for no purpose other than to meet its losses. The associations may 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 reasonable anticipated payment of benefits ~~as authorized by Act 91 of 1953 as amended by Act 360 of 1981.~~ (B) At least seventy-five percent (75%) of all interest derived from investments of burial association funds must be allocated to the ~~Mortuary Fund~~mortuary fund and cannot be used for the payment of operating expenses. ~~(Amended by Act 360 of 1981).~~

Section 4. Expenses.

3. Necessary expenses, including but not limited to printing, stationery, postage, office supplies, clerical ~~hire~~work, and statutory fees may be paid by the association. No organization or promotional expense may be charged and in no event may expenses for any year exceed twenty-five percent (25%) of the gross receipts of dues ~~or~~ assessments, interest, and non-interest investment income of the association for such year.

Burial ~~A~~associations shall not be entitled to utilize any portion ~~of collections or interest for operating expenses of twenty-five percent~~ (25%) of gross receipts of dues, assessments, interest, or non-interest investment income, when such utilization would reduce the balance of monies available in the mortuary fund to such a level that the association would be unable to pay benefits which accrue to the members of the association.

In the event the entire sum equaling such twenty-five percent (25%) is not expended as aforesaid, then the amount remaining unexpended shall be converted into the ~~Mortuary Fund~~mortuary fund at the end of such year and shall not thereafter be

used for expenses. Statutory ~~Fees-fees~~ (~~Annual-annual License-license Feesfees~~) are not considered operating expenses. (~~Amendment by Act 360 of 1981 Ark. Code § 23-78-122~~).

Section 5. Surplus ~~FundsFunds~~.

Should any association have on hand, at the end of any calendar year, funds over and above its legal obligations said funds shall be retained by the association for the purpose of meeting its future losses. (~~Effective July 1, 1985~~).

5. _____

Section 6. Association ~~Not-Not to Pledge-Pledge AssetsAsset~~.

6. No money may be borrowed from an ~~Association~~association, nor can the ~~Association-association~~ borrow money. The assets of the ~~Association-association~~ may not be pledged for any purpose. The ~~Treasurer-treasurer~~ will be held accountable under his or her bond for any violation of this rule.

Section 7. Fidelity ~~BondsBonds~~.

Associations with money on hand will be required to have a bond with an approved corporate surety, on the ~~Secretarysecretary~~/~~Treasurer-treasurer~~ and any other person(s) whose authorized signature is on the association's accounts. Bonds must be made in favor of the association, in the amount of the surplus of the association, less the monies invested as authorized, by Ark. Code Ann. §23-78-101 et seq(~~Effective July 1, 1985~~).

However, the bond shall not be less than two thousand five hundred dollars (\$2,500).~~00~~.

7.

Section 8. Taxes.

8. In the event, a burial association becomes liable for taxes; such taxes may be paid from the ~~Mortuary Fund~~mortuary fund. Provided, however, that should penalties be imposed by the taxing authority, such penalties shall not be paid from the ~~Mortuary Fund~~mortuary fund. (~~Effective July 1, 1985~~).

Section 9. Books and ~~Records~~Records.

9. All books, accounts, and records must be kept at the main office of the association and in such manner as to accurately reflect the condition of the association, subject to inspection of any member of the association or representative of the Board. Books of an association may be closed not more than 30 days prior to an assessment, ~~and all~~and all members receiving certificates more than 30 days prior to an assessment, shall be included in the assessment.

Section 10. ~~Semi-Annual~~Annual ReportsReports.

10.—Each burial association or society licensed in this state shall file an ~~Semi-A~~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-A~~Annual Report~~report~~, other ~~items~~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.~~20~~5) 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~~annual ~~Meeting~~meeting for the calendar year;
- d) Proof of ~~Bond~~bond in good standing;

e) New Business 443 Reserves Report, if applicable.

If ~~said the report(s)~~ is not received in the ~~Board's~~ office by ~~March 15th~~ ~~August 15th~~ and ~~February 15th of the next calendar year, then the report is delinquent and a one hundred dollar per day (\$100/day) delinquent fee for a maximum period of ten (10) days, penalties will be assessed, and if necessary, the Board will take action to procure the report, if not received within ten (10) days from due date.~~ Should it become necessary for the Board's ~~Auditor~~ auditor to travel to the association to procure the report, the Board's office shall recover expenses incurred as a result of the association's failure to file the report. These expenses shall be ~~those authorized by Ark. Code Ann. §23-78-101-120(c) and shall be paid by the association from the allowable operating expenses, and not from the Mortuary Fund~~ mortuary fund. ~~(Act 480 of 1985, effective July 1, 1985).~~

The ~~Board~~ Board may grant an extension of time to submit a report for good cause. A burial association or society shall file a request for an extension to the Board in writing before the due date of the report. ~~Ark. Code Ann. § 23-78-120 (b) (3) (A)(B).~~

Section 11. Funeral ~~Directors~~ Directors.

The by-laws of burial associations may provide that the ~~Secretary~~ secretary / ~~Treasurer~~ treasurer, upon being notified of the death of a member shall designate a funeral director to prepare the body for internment according to the terms of the certificate held by the member at time of death.

11.

Section 12. Certificates of Benefits—

If at any time the contract funeral home customarily employed by the association cannot provide the service ~~the funeral~~, then the ~~Secretary~~ secretary / ~~Treasurer~~ treasurer shall pay the servicing funeral home which

provides the service according to the member's contract in accordance with ~~Article~~
22 Ark. Code § 23-78-112:

- (a) ~~For memberships issued after July 19, 1987, of the By laws or~~ one hundred percent (100%) of the face amount of the certificate is paid to the servicing funeral home.
- (b) ~~f~~For membership issued before July 1, 1967, under Act 443 the benefit is paid to the servicing funeral home according to the agreement contained in the certificate of membership between the member and the burial association.
- (c) For memberships issued between July 1, 1967, through August 5, 1976, the benefit is payable to the servicing funeral home outside of the service area of the contract funeral home at a minimum rate of seventy percent (70%) of the face amount of the certificate or seventy percent (70%) of the amount credited on the at-need or final billing statement, whichever is higher.
- (d) For memberships issued between August 5, 1976, through July 19, 1987, the benefit is payable to the servicing funeral home outside of the contract funeral home of the burial association's service area at a minimum rate of eighty percent (80%) of the certificate for benefit face amount or eighty percent (80%) of the amount credited on the at-need or final billing statement, whichever is higher.

Section 13. Minutes of ~~Meeting~~ Meeting:

~~12.~~ Minutes of the annual meeting shall be submitted to the Board's office with the annual ~~December~~ report; Minutes of a special meeting called to address changes in officers, rates, or other matters pertaining to the operation of a burial association shall be submitted to the ~~Board~~ office for approval within thirty (30) days. An approved copy will be returned to the association for its records.

Section 14. Advertisements:

13. Advertisements, either in newspapers, by radio, by circulars or by any other method, must be submitted to the Board for approval before being published.

Section 15. Burial ~~Certificates~~Certificates:

14. No association shall state in its certificate, or advertise, any particular type or make of merchandise, that will be furnished by ~~said~~ the association.

Section 16. Printing:

15. Before new applications, forms, or certificates of membership are printed, the printer's copies should be submitted to the Board's office for approval.

Section 17. Applications:

Applications for membership must be kept on file in the office of the association in the order in which they are ~~received, and~~ received and shall show the number of ~~said~~ the certificate. A copy of the certificate of membership shall be kept with ~~said~~ the application. ~~The~~ Date of increase or an addition to the membership must be noted on permanent record cards in the files of the association and a copy of the new certificate of membership shall be kept with ~~said~~ the application. All applications for membership must be signed by the applicant, or ~~his or her~~ or her parent, or legal representative and the soliciting agent.

In addition to the requirement of Article 12 of the Board by-laws, burial associations shall complete the following applications on each prospective burial association member and shall comply with the underwriting guidelines established by the Board. (Included) Violation of any rule may result in sanctions as provided for by Ark. Code § 23-78-101 et seq. and the rules promulgated pursuant to its enforcement by the Board.

Only a burial association licensed by the Board may write certificates of membership up to a maximum of two thousand five hundred dollars (\$2,500). All certificates must comply with the minimum rates, reserve requirements contained in the Rule Section 45 and the underwriting guidelines established by the Rule Section 42.

16.

Section 18. Membership ~~Dues~~Dues:

17. A minimum of four assessments must be collected each year (or the sum of four assessments), as required by the minimum rates established by the Board. For those ~~Associations~~associations, which operate from the collection of dues, such dues must be collected at least four times during each year as required by the minimum rates established by the Board.

Section 19. Minimum ~~Rate~~Rates:

18. The following rates are the minimum rates which may be charged by a ~~Burial-burial Association~~association in Arkansas per quarter:

<u>Age</u>	<u>\$100</u>	<u>\$500</u>	<u>\$1,000</u>	<u>\$1,500</u>	<u>\$2,000</u>	<u>\$2,500</u>
<u>0-1</u>	<u>\$ 0.25</u>	<u>\$ 1.25</u>	<u>\$ 2.50</u>	<u>\$ 3.75</u>	<u>\$ 5.00</u>	<u>\$ 6.25</u>
<u>2</u>	<u>\$ 0.25</u>	<u>\$ 1.25</u>	<u>\$ 2.50</u>	<u>\$ 3.75</u>	<u>\$ 5.00</u>	<u>\$ 6.25</u>
<u>3</u>	<u>\$ 0.25</u>	<u>\$ 1.25</u>	<u>\$ 2.50</u>	<u>\$ 3.75</u>	<u>\$ 5.00</u>	<u>\$ 6.25</u>
<u>4</u>	<u>\$ 0.25</u>	<u>\$ 1.25</u>	<u>\$ 2.50</u>	<u>\$ 3.75</u>	<u>\$ 5.00</u>	<u>\$ 6.25</u>
<u>5</u>	<u>\$ 0.25</u>	<u>\$ 1.25</u>	<u>\$ 2.50</u>	<u>\$ 3.75</u>	<u>\$ 5.00</u>	<u>\$ 6.25</u>
<u>6</u>	<u>\$ 0.25</u>	<u>\$ 1.25</u>	<u>\$ 2.50</u>	<u>\$ 3.75</u>	<u>\$ 5.00</u>	<u>\$ 6.25</u>
<u>7</u>	<u>\$ 0.25</u>	<u>\$ 1.25</u>	<u>\$ 2.50</u>	<u>\$ 3.75</u>	<u>\$ 5.00</u>	<u>\$ 6.25</u>
<u>8</u>	<u>\$ 0.25</u>	<u>\$ 1.25</u>	<u>\$ 2.50</u>	<u>\$ 3.75</u>	<u>\$ 5.00</u>	<u>\$ 6.25</u>
<u>9</u>	<u>\$ 0.25</u>	<u>\$ 1.25</u>	<u>\$ 2.50</u>	<u>\$ 3.75</u>	<u>\$ 5.00</u>	<u>\$ 6.25</u>
<u>10</u>	<u>\$ 0.30</u>	<u>\$ 1.50</u>	<u>\$ 3.00</u>	<u>\$ 4.50</u>	<u>\$ 6.00</u>	<u>\$ 7.50</u>
<u>11</u>	<u>\$ 0.30</u>	<u>\$ 1.50</u>	<u>\$ 3.00</u>	<u>\$ 4.50</u>	<u>\$ 6.00</u>	<u>\$ 7.50</u>

<u>Age</u>	<u>\$100</u>	<u>\$500</u>	<u>\$1,000</u>	<u>\$1,500</u>	<u>\$2,000</u>	<u>\$2,500</u>
<u>12</u>	<u>\$ 0.30</u>	<u>\$ 1.50</u>	<u>\$ 3.00</u>	<u>\$ 4.50</u>	<u>\$ 6.00</u>	<u>\$ 7.50</u>
<u>13</u>	<u>\$ 0.30</u>	<u>\$ 1.50</u>	<u>\$ 3.00</u>	<u>\$ 4.50</u>	<u>\$ 6.00</u>	<u>\$ 7.50</u>
<u>14</u>	<u>\$ 0.30</u>	<u>\$ 1.50</u>	<u>\$ 3.00</u>	<u>\$ 4.50</u>	<u>\$ 6.00</u>	<u>\$ 7.50</u>
<u>15</u>	<u>\$ 0.30</u>	<u>\$ 1.50</u>	<u>\$ 3.00</u>	<u>\$ 4.50</u>	<u>\$ 6.00</u>	<u>\$ 7.50</u>
<u>16</u>	<u>\$ 0.30</u>	<u>\$ 1.50</u>	<u>\$ 3.00</u>	<u>\$ 4.50</u>	<u>\$ 6.00</u>	<u>\$ 7.50</u>
<u>17</u>	<u>\$ 0.30</u>	<u>\$ 1.50</u>	<u>\$ 3.00</u>	<u>\$ 4.50</u>	<u>\$ 6.00</u>	<u>\$ 7.50</u>
<u>18</u>	<u>\$ 0.30</u>	<u>\$ 1.50</u>	<u>\$ 3.00</u>	<u>\$ 4.50</u>	<u>\$ 6.00</u>	<u>\$ 7.50</u>
<u>19</u>	<u>\$ 0.30</u>	<u>\$ 1.50</u>	<u>\$ 3.00</u>	<u>\$ 4.50</u>	<u>\$ 6.00</u>	<u>\$ 7.50</u>
<u>20</u>	<u>\$ 0.30</u>	<u>\$ 1.50</u>	<u>\$ 3.00</u>	<u>\$ 4.50</u>	<u>\$ 6.00</u>	<u>\$ 7.50</u>
<u>21</u>	<u>\$ 0.30</u>	<u>\$ 1.50</u>	<u>\$ 3.00</u>	<u>\$ 4.50</u>	<u>\$ 6.00</u>	<u>\$ 7.50</u>
<u>22</u>	<u>\$ 0.30</u>	<u>\$ 1.50</u>	<u>\$ 3.00</u>	<u>\$ 4.50</u>	<u>\$ 6.00</u>	<u>\$ 7.50</u>
<u>23</u>	<u>\$ 0.30</u>	<u>\$ 1.50</u>	<u>\$ 3.00</u>	<u>\$ 4.50</u>	<u>\$ 6.00</u>	<u>\$ 7.50</u>
<u>24</u>	<u>\$ 0.30</u>	<u>\$ 1.50</u>	<u>\$ 3.00</u>	<u>\$ 4.50</u>	<u>\$ 6.00</u>	<u>\$ 7.50</u>
<u>25</u>	<u>\$ 0.40</u>	<u>\$ 2.00</u>	<u>\$ 4.00</u>	<u>\$ 6.00</u>	<u>\$ 8.00</u>	<u>\$ 10.00</u>
<u>26</u>	<u>\$ 0.40</u>	<u>\$ 2.00</u>	<u>\$ 4.00</u>	<u>\$ 6.00</u>	<u>\$ 8.00</u>	<u>\$ 10.00</u>
<u>27</u>	<u>\$ 0.40</u>	<u>\$ 2.00</u>	<u>\$ 4.00</u>	<u>\$ 6.00</u>	<u>\$ 8.00</u>	<u>\$ 10.00</u>
<u>28</u>	<u>\$ 0.40</u>	<u>\$ 2.00</u>	<u>\$ 4.00</u>	<u>\$ 6.00</u>	<u>\$ 8.00</u>	<u>\$ 10.00</u>
<u>29</u>	<u>\$ 0.40</u>	<u>\$ 2.00</u>	<u>\$ 4.00</u>	<u>\$ 6.00</u>	<u>\$ 8.00</u>	<u>\$ 10.00</u>
<u>30</u>	<u>\$ 0.40</u>	<u>\$ 2.00</u>	<u>\$ 4.00</u>	<u>\$ 6.00</u>	<u>\$ 8.00</u>	<u>\$ 10.00</u>
<u>31</u>	<u>\$ 0.40</u>	<u>\$ 2.00</u>	<u>\$ 4.00</u>	<u>\$ 6.00</u>	<u>\$ 8.00</u>	<u>\$ 10.00</u>
<u>32</u>	<u>\$ 0.40</u>	<u>\$ 2.00</u>	<u>\$ 4.00</u>	<u>\$ 6.00</u>	<u>\$ 8.00</u>	<u>\$ 10.00</u>
<u>33</u>	<u>\$ 0.40</u>	<u>\$ 2.00</u>	<u>\$ 4.00</u>	<u>\$ 6.00</u>	<u>\$ 8.00</u>	<u>\$ 10.00</u>
<u>34</u>	<u>\$ 0.40</u>	<u>\$ 2.00</u>	<u>\$ 4.00</u>	<u>\$ 6.00</u>	<u>\$ 8.00</u>	<u>\$ 10.00</u>
<u>35</u>	<u>\$ 0.60</u>	<u>\$ 3.00</u>	<u>\$ 6.00</u>	<u>\$ 9.00</u>	<u>\$ 12.00</u>	<u>\$ 15.00</u>
<u>36</u>	<u>\$ 0.60</u>	<u>\$ 3.00</u>	<u>\$ 6.00</u>	<u>\$ 9.00</u>	<u>\$ 12.00</u>	<u>\$ 15.00</u>
<u>37</u>	<u>\$ 0.60</u>	<u>\$ 3.00</u>	<u>\$ 6.00</u>	<u>\$ 9.00</u>	<u>\$ 12.00</u>	<u>\$ 15.00</u>
<u>38</u>	<u>\$ 0.60</u>	<u>\$ 3.00</u>	<u>\$ 6.00</u>	<u>\$ 9.00</u>	<u>\$ 12.00</u>	<u>\$ 15.00</u>

<u>Age</u>	<u>\$100</u>	<u>\$500</u>	<u>\$1,000</u>	<u>\$1,500</u>	<u>\$2,000</u>	<u>\$2,500</u>
<u>39</u>	<u>\$ 0.60</u>	<u>\$ 3.00</u>	<u>\$ 6.00</u>	<u>\$ 9.00</u>	<u>\$ 12.00</u>	<u>\$ 15.00</u>
<u>40</u>	<u>\$ 0.60</u>	<u>\$ 3.00</u>	<u>\$ 6.00</u>	<u>\$ 9.00</u>	<u>\$ 12.00</u>	<u>\$ 15.00</u>
<u>41</u>	<u>\$ 0.60</u>	<u>\$ 3.00</u>	<u>\$ 6.00</u>	<u>\$ 9.00</u>	<u>\$ 12.00</u>	<u>\$ 15.00</u>
<u>42</u>	<u>\$ 0.60</u>	<u>\$ 3.00</u>	<u>\$ 6.00</u>	<u>\$ 9.00</u>	<u>\$ 12.00</u>	<u>\$ 15.00</u>
<u>43</u>	<u>\$ 0.60</u>	<u>\$ 3.00</u>	<u>\$ 6.00</u>	<u>\$ 9.00</u>	<u>\$ 12.00</u>	<u>\$ 15.00</u>
<u>44</u>	<u>\$ 0.60</u>	<u>\$ 3.00</u>	<u>\$ 6.00</u>	<u>\$ 9.00</u>	<u>\$ 12.00</u>	<u>\$ 15.00</u>
<u>45</u>	<u>\$ 0.80</u>	<u>\$ 4.00</u>	<u>\$ 8.00</u>	<u>\$ 12.00</u>	<u>\$ 16.00</u>	<u>\$ 20.00</u>
<u>46</u>	<u>\$ 0.80</u>	<u>\$ 4.00</u>	<u>\$ 8.00</u>	<u>\$ 12.00</u>	<u>\$ 16.00</u>	<u>\$ 20.00</u>
<u>47</u>	<u>\$ 0.80</u>	<u>\$ 4.00</u>	<u>\$ 8.00</u>	<u>\$ 12.00</u>	<u>\$ 16.00</u>	<u>\$ 20.00</u>
<u>48</u>	<u>\$ 0.80</u>	<u>\$ 4.00</u>	<u>\$ 8.00</u>	<u>\$ 12.00</u>	<u>\$ 16.00</u>	<u>\$ 20.00</u>
<u>49</u>	<u>\$ 0.80</u>	<u>\$ 4.00</u>	<u>\$ 8.00</u>	<u>\$ 12.00</u>	<u>\$ 16.00</u>	<u>\$ 20.00</u>
<u>50</u>	<u>\$ 1.00</u>	<u>\$ 5.00</u>	<u>\$ 10.00</u>	<u>\$ 15.00</u>	<u>\$ 20.00</u>	<u>\$ 25.00</u>
<u>51</u>	<u>\$ 1.00</u>	<u>\$ 5.00</u>	<u>\$ 10.00</u>	<u>\$ 15.00</u>	<u>\$ 20.00</u>	<u>\$ 25.00</u>
<u>52</u>	<u>\$ 1.00</u>	<u>\$ 5.00</u>	<u>\$ 10.00</u>	<u>\$ 15.00</u>	<u>\$ 20.00</u>	<u>\$ 25.00</u>
<u>53</u>	<u>\$ 1.00</u>	<u>\$ 5.00</u>	<u>\$ 10.00</u>	<u>\$ 15.00</u>	<u>\$ 20.00</u>	<u>\$ 25.00</u>
<u>54</u>	<u>\$ 1.00</u>	<u>\$ 5.00</u>	<u>\$ 10.00</u>	<u>\$ 15.00</u>	<u>\$ 20.00</u>	<u>\$ 25.00</u>
<u>55</u>	<u>\$ 1.25</u>	<u>\$ 6.25</u>	<u>\$ 12.50</u>	<u>\$ 18.75</u>	<u>\$ 25.00</u>	<u>\$ 31.25</u>
<u>56</u>	<u>\$ 1.25</u>	<u>\$ 6.25</u>	<u>\$ 12.50</u>	<u>\$ 18.75</u>	<u>\$ 25.00</u>	<u>\$ 31.25</u>
<u>57</u>	<u>\$ 1.25</u>	<u>\$ 6.25</u>	<u>\$ 12.50</u>	<u>\$ 18.75</u>	<u>\$ 25.00</u>	<u>\$ 31.25</u>
<u>58</u>	<u>\$ 1.25</u>	<u>\$ 6.25</u>	<u>\$ 12.50</u>	<u>\$ 18.75</u>	<u>\$ 25.00</u>	<u>\$ 31.25</u>
<u>59</u>	<u>\$ 1.40</u>	<u>\$ 7.00</u>	<u>\$ 14.00</u>	<u>\$ 21.00</u>	<u>\$ 28.00</u>	<u>\$ 35.00</u>
<u>60</u>	<u>\$ 1.50</u>	<u>\$ 7.50</u>	<u>\$ 15.00</u>	<u>\$ 22.50</u>	<u>\$ 30.00</u>	<u>\$ 37.50</u>
<u>61</u>	<u>\$ 1.60</u>	<u>\$ 8.00</u>	<u>\$ 16.00</u>	<u>\$ 24.00</u>	<u>\$ 32.00</u>	<u>\$ 40.00</u>
<u>62</u>	<u>\$ 1.70</u>	<u>\$ 8.50</u>	<u>\$ 17.00</u>	<u>\$ 25.50</u>	<u>\$ 34.00</u>	<u>\$ 42.50</u>
<u>63</u>	<u>\$ 1.80</u>	<u>\$ 9.00</u>	<u>\$ 18.00</u>	<u>\$ 27.00</u>	<u>\$ 36.00</u>	<u>\$ 45.00</u>
<u>64</u>	<u>\$ 1.90</u>	<u>\$ 9.50</u>	<u>\$ 19.00</u>	<u>\$ 28.50</u>	<u>\$ 38.00</u>	<u>\$ 47.50</u>
<u>65</u>	<u>\$ 2.05</u>	<u>\$ 10.25</u>	<u>\$ 20.50</u>	<u>\$ 30.75</u>	<u>\$ 41.00</u>	<u>\$ 51.25</u>

<u>Age</u>	<u>\$100</u>	<u>\$500</u>	<u>\$1,000</u>	<u>\$1,500</u>	<u>\$2,000</u>	<u>\$2,500</u>
<u>66</u>	<u>\$ 2.15</u>	<u>\$ 10.75</u>	<u>\$ 21.50</u>	<u>\$ 32.25</u>	<u>\$ 43.00</u>	-
<u>67</u>	<u>\$ 2.30</u>	<u>\$ 11.50</u>	<u>\$ 23.00</u>	<u>\$ 34.50</u>	<u>\$ 46.00</u>	-
<u>68</u>	<u>\$ 2.50</u>	<u>\$ 12.50</u>	<u>\$ 25.00</u>	<u>\$ 37.50</u>	<u>\$ 50.00</u>	-
<u>69</u>	<u>\$ 2.65</u>	<u>\$ 13.25</u>	<u>\$ 26.50</u>	<u>\$ 39.75</u>	<u>\$ 53.00</u>	-
<u>70</u>	<u>\$ 2.75</u>	<u>\$ 13.75</u>	<u>\$ 27.50</u>	<u>\$ 41.25</u>	<u>\$ 55.00</u>	-
<u>71</u>	<u>\$ 2.90</u>	<u>\$ 14.50</u>	<u>\$ 29.00</u>	-	-	-
<u>72</u>	<u>\$ 3.00</u>	<u>\$ 15.50</u>	<u>\$ 31.00</u>	-	-	-
<u>73</u>	<u>\$ 3.30</u>	<u>\$ 16.50</u>	<u>\$ 33.00</u>	-	-	-
<u>74</u>	<u>\$ 3.50</u>	<u>\$ 17.50</u>	<u>\$ 35.00</u>	-	-	-
<u>75</u>	<u>\$ 3.70</u>	<u>\$ 18.50</u>	<u>\$ 37.00</u>	-	-	-
<u>76</u>	<u>\$ 3.95</u>	<u>\$ 19.25</u>	<u>\$ 39.00</u>	-	-	-
<u>77</u>	<u>\$ 4.20</u>	<u>\$ 21.00</u>	<u>\$ 42.00</u>	-	-	-
<u>78</u>	<u>\$ 4.45</u>	<u>\$ 22.25</u>	<u>\$ 44.50</u>	-	-	-
<u>79</u>	<u>\$ 4.75</u>	<u>\$ 23.75</u>	<u>\$ 47.50</u>	-	-	-
<u>80</u>	<u>\$ 5.05</u>	<u>\$ 25.25</u>	<u>\$ 50.50</u>	-	-	-
<u>81</u>	<u>\$ 5.40</u>	<u>\$ 27.00</u>	<u>\$ 54.00</u>	-	-	-
<u>82</u>	<u>\$ 5.75</u>	<u>\$ 28.75</u>	<u>\$ 57.50</u>	-	-	-
<u>83</u>	<u>\$ 6.15</u>	<u>\$ 30.75</u>	<u>\$ 61.50</u>	-	-	-
<u>84</u>	<u>\$ 6.60</u>	<u>\$ 33.00</u>	<u>\$ 66.00</u>	-	-	-
<u>85</u>	<u>\$ 7.15</u>	<u>\$ 33.75</u>	<u>\$ 71.50</u>	-	-	-
<u>86</u>	<u>\$ 7.75</u>	<u>\$ 38.75</u>	<u>\$ 77.50</u>	-	-	-
<u>87</u>	<u>\$ 8.50</u>	<u>\$ 42.50</u>	<u>\$ 85.00</u>	-	-	-
<u>88</u>	<u>\$ 9.15</u>	<u>\$ 45.75</u>	<u>\$ 91.50</u>	-	-	-
<u>89</u>	<u>\$ 10.00</u>	<u>\$ 50.00</u>	<u>\$ 100.00</u>	-	-	-

<u>Age</u>	<u>\$100</u>	<u>500</u>	<u>1000</u>	<u>1500</u>	<u>2000</u>	<u>2500</u>
<u>0-1</u>	<u>.25</u>	<u>1.25</u>	<u>2.50</u>	<u>3.75</u>	<u>5.00</u>	<u>6.25</u>
<u>2</u>	<u>.25</u>	<u>1.25</u>	<u>2.50</u>	<u>3.75</u>	<u>5.00</u>	<u>6.25</u>

3	.25	1.25	2.50	3.75	5.00	6.25
4	.25	1.25	2.50	3.75	5.00	6.25
5	.25	1.25	2.50	3.75	5.00	6.25
6	.25	1.25	2.50	3.75	5.00	6.25

<u>Age</u>	<u>\$100</u>	<u>500</u>	<u>1000</u>	<u>1500</u>	<u>2000</u>	<u>2500</u>
7	.25	1.25	2.50	3.75	5.00	6.25
8	.25	1.25	2.50	3.75	5.00	6.25
9	.25	1.25	2.50	3.75	5.00	6.25
10	.30	1.50	3.00	4.50	6.00	7.50
11	.30	1.50	3.00	4.50	6.00	7.50
12	.30	1.50	3.00	4.50	6.00	7.50
13	.30	1.50	3.00	4.50	6.00	7.50
14	.30	1.50	3.00	4.50	6.00	7.50
15	.30	1.50	3.00	4.50	6.00	7.50
16	.30	1.50	3.00	4.50	6.00	7.50
17	.30	1.50	3.00	4.50	6.00	7.50
18	.30	1.50	3.00	4.50	6.00	7.50
19	.30	1.50	3.00	4.50	6.00	7.50
20	.30	1.50	3.00	4.50	6.00	7.50
21	.30	1.50	3.00	4.50	6.00	7.50
22	.30	1.50	3.00	4.50	6.00	7.50
23	.30	1.50	3.00	4.50	6.00	7.50
24	.30	1.50	3.00	4.50	6.00	7.50
25	.40	2.00	4.00	6.00	8.00	10.00
26	.40	2.00	4.00	6.00	8.00	10.00
27	.40	2.00	4.00	6.00	8.00	10.00
28	.40	2.00	4.00	6.00	8.00	10.00
29	.40	2.00	4.00	6.00	8.00	10.00

30	.40	2.00	4.00	6.00	8.00	10.00
31	.40	2.00	4.00	6.00	8.00	10.00
32	.40	2.00	4.00	6.00	8.00	10.00
33	.40	2.00	4.00	6.00	8.00	10.00
34	.40	2.00	4.00	6.00	8.00	10.00
35	.60	3.00	6.00	9.00	12.00	15.00
36	.60	3.00	6.00	9.00	12.00	15.00
37	.60	3.00	6.00	9.00	12.00	15.00
38	.60	3.00	6.00	9.00	12.00	15.00
39	.60	3.00	6.00	9.00	12.00	15.00
40	.60	3.00	6.00	9.00	12.00	15.00
41	.60	3.00	6.00	9.00	12.00	15.00
42	.60	3.00	6.00	9.00	12.00	15.00
43	.60	3.00	6.00	9.00	12.00	15.00
44	.60	3.00	6.00	9.00	12.00	15.00
45	.80	4.00	8.00	12.00	16.00	20.00
46	.80	4.00	8.00	12.00	16.00	20.00
47	.80	4.00	8.00	12.00	16.00	20.00
48	.80	4.00	8.00	12.00	16.00	20.00
49	.80	4.00	8.00	12.00	16.00	20.00
50	1.00	5.00	10.00	15.00	20.00	25.00

<u>Age</u>	<u>\$100</u>	<u>500</u>	<u>1000</u>	<u>1500</u>	<u>2000</u>	<u>2500</u>
51	1.00	5.00	10.00	15.00	20.00	25.00
52	1.00	5.00	10.00	15.00	20.00	25.00
53	1.00	5.00	10.00	15.00	20.00	25.00
54	1.00	5.00	10.00	15.00	20.00	25.00
55	1.25	6.25	12.50	18.75	25.00	31.25
56	1.25	6.25	12.50	18.75	25.00	31.25
57	1.25	6.25	12.50	18.75	25.00	31.25

58	1.25	6.25	12.50	18.75	25.00	31.25
59	1.40	7.00	14.00	21.00	28.00	35.00
60	1.50	7.50	15.00	22.50	30.00	37.50
61	1.60	8.00	16.00	24.00	32.00	40.00
62	1.70	8.50	17.00	25.50	34.00	42.50
63	1.80	9.00	18.00	27.00	36.00	45.00
64	1.90	9.50	19.00	28.50	38.00	47.50
65	2.05	10.25	20.50	30.75	41.00	51.25
66	2.15	10.75	21.50	32.25	43.00	
67	2.30	11.50	23.00	34.50	46.00	
68	2.50	12.50	25.00	37.50	50.00	
69	2.65	13.25	26.50	39.75	53.00	
70	2.75	13.75	27.50	41.25	55.00	
71	2.90	14.50	29.00			
72	3.00	15.50	31.00			
73	3.30	16.50	33.00			
74	3.50	17.50	35.00			
75	3.70	18.50	37.00			
76	3.95	19.25	39.00			
77	4.20	21.00	42.00			
78	4.45	22.25	44.50			
79	4.75	23.75	47.50			
80	5.05	25.25	50.50			
81	5.40	27.00	54.00			
82	5.75	28.75	57.50			
83	6.15	30.75	61.50			
84	6.60	33.00	66.00			
85	7.15	33.75	71.50			
86	7.75	38.75	77.50			

87	8.50	42.50	85.00
88	9.15	45.75	91.50
89	10.00	50.00	100.00

~~Effective 3/10/88~~

~~19. —~~ **Section 20.** Applicants ~~80 Years~~ Years Old of Age and ~~Above~~ Above.

A doctor's statement of health, signed by the family physician, must be obtained on all persons eighty (80) years of age and above, who make application for membership.

Any person who is a patient or resident of a ~~State-state Hospital-hospital~~ or a ~~Nursing-nursing Home-home~~ must have a good health statement, signed by the attending physician, attached to and made a part of the application for membership.

Persons in ~~State-state Hospitals-hospitals~~ or mental institutions can have their benefits increased if they get a good health statement signed by their doctor.

Section 21. Increase in ~~Benefits~~ Benefits.

Any increase in benefits on present members may be written on a regular application form or on a printed form for this purpose. Such applications must be kept on file by the association, in the order in which they are received, and must show the number of the certificate and the date must be noted on the permanent record card of the association. A copy of the certificate of membership shall be kept with said application.

Section 22. - Maximum ~~Benefits~~ Benefits.

~~20.~~ No member may have more than five hundred dollars (\$500.00) in Benefits-benefits in Act 91 Association for certificates issued prior to or on July 19, 1987.

or two thousand five hundred dollars (\$2,500).00 in an Act 443 Association for certificates issued after July 19, 1987.

Section 23. Grace ~~Period~~Period.

Each member of a burial association shall be entitled to a thirty ~~(30)~~ (30)-day grace period for payment of dues or assessments. The association shall be liable for payment of benefits for any member of ~~said~~ the association, which dies during the thirty ~~(30)~~ (30)-day grace period.

21.

Section 24. Reinstatement of ~~Membership~~Membership.

A member who has permitted his or her membership to lapse, for no longer than a period of ~~one year~~ 48 months, may be reinstated ~~upon terms fixed in the by laws of the association and by submitting an updated application and signing a statement of good health for good cause as determined by the secretary/treasurer. as in the original application.~~ In such case, the assessments or dues in arrears must be paid. Otherwise, the member shall be written at the new rate at his or ~~/~~her attained age.

22.

Section 25. Certificates in ~~Two-Two Associations~~Associations.

23. Should a person hold a certificate with two different associations not in the same service area, the association whose contract funeral home provides the services ~~the remains~~ shall be the only one required to honor its policy. The non-servicing association shall refund one hundred percent (100%) of all dues paid. Further, should any burial association knowingly solicit memberships from persons holding a certificate in another association, said the soliciting association may be subject to disciplinary action by the Board. ~~(Act 679 of 1985) (Effective July 1, 1985).~~

Section 26. Agents-

~~24.~~ 1. Every person soliciting for an association must be a licensed agent for ~~said~~ the association. Application forms for such license will be furnished upon request to the Board's office.

2.

No agent shall be permitted to write applications for burial associations without a license to write such applications. The agent must have a separate license for each association, for which he writes, and cannot be licensed to write for more than one association during any one calendar year, within the same service area.

3.

Any person who without having obtained an agent's license, has solicited, sold or attempted to sell membership certificates, will be refused a license and ~~prosecuted under the law and these regulations, if properly brought to the attention of the Board may face sanctions.~~ ~~(Effective July 1, 1985).~~

~~26.~~ Section 27. ~~Agent Applications~~ Applications.

Applications to the Board for an agent's license must be filled out, signed before a ~~Notary notary Public public~~ by the applicant, an officer of the association, and accompanied by the statutory fee.

Section 287. ~~Agent License~~ License Fees ~~Fees.~~

The agent's license, regardless of the date issued, expires January 1, but may be renewed at any time before February 1, upon written request by the association and payment of the fee. After February 1, the Board may require that a formal application be filed with an accompanying affidavit to the effect that no solicitations have been made by the applicant since his or her license expired.

~~Section~~ Section 29. ~~Misrepresentation of Facts~~ Facts.

~~28.~~ Any agent who solicits members for any association upon a misrepresentation of facts may have his or her license revoked. The certificate of authority of any burial association, which shall knowingly permit or condone such conduct on the part of its agents, may also be revoked.

Section 30. Incontestable ~~Benefits~~Benefits.

~~29.~~ Any certificate shall be incontestable, except for fraud, after the same has been in force for a period of one year.

Section 31. Use of ~~Particular~~Particular ~~Words~~Words.

~~30.~~ Burial associations may use the terms "~~Premiums~~premiums" and "~~Policy~~policy" in lieu of "~~Dues~~dues" and "~~Certificates~~certificates".

Section 32. Refund of ~~Dues~~Dues.

~~31.~~ In the event the ~~Secretary~~secretary/~~Treasurer~~treasurer of an association shall deem it advisable to refund a member, any sum of money claimed due by such member, then such amount of the refund claim that has been credited to the ~~Mortuary Fund~~mortuary fund, shall be paid from such ~~Mortuary Fund~~mortuary fund and treated as a benefit paid.

Section 33. ~~———~~Deposits of ~~Membership~~Membership ~~Dues~~Dues - ~~Shortages~~Shortages and ~~Overdraws~~Overdraws.

(a) All assessments, membership dues ~~and~~/or other funds collected by any burial association must be deposited by the ~~Secretary~~secretary/~~Treasurer~~treasurer of the association within ~~five~~twenty (520) business days from the date collected ~~and~~/or received by the association. All collections must be deposited into the burial association's ~~Mortuary Fund~~mortuary fund for payment of membership benefits or invested ~~as authorized by Act 91 of 1953 Ark. Code. Ann. §23-78-122 as amended,~~

~~provided however that each burial association operating in this State is authorized to keep \$300.00 cash on hand, said funds are hereby specifically exempted from the aforementioned requirement.~~

(b) All accounts, records, and books reflecting the financial status of all burial associations shall be open to inspection by the ~~Board's Auditor~~ auditor and employees of the ~~Arkansas Burial Association~~ Board. Anytime a shortage is found in a burial association by the auditors, it shall be considered prima facie violation of the Burial Association Act (~~Ark. Code. Ann. §23-78-101 et. seq.~~) and the Board may ~~immediately take steps~~ initiate action to remove the ~~Secretary~~ secretary/~~Treasurer~~ treasurer and/or revoke or suspend the Certificate of Authority granted ~~under said Act~~ to the burial association.

~~32.~~(c) In addition, the Board may immediately call upon the

~~Secretary~~ secretary/~~Treasurer's~~ treasurer's bond.

—(d) Funds received by an agent of a burial association are considered to have been received by the association. Associations shall not permit agents to deduct the operating expense from collections prior to remitting them to the ~~Secretary~~ secretary/~~Treasurer~~ treasurer of the association. All funds collected must be deposited in the bank account of the association and all disbursements must be made by check, signed by the ~~Secretary~~ secretary/~~Treasurer~~ treasurer of the association. The exception to this rule is that the membership fee may be paid directly to the ~~Secretary~~ secretary/~~Treasurer~~ treasurer or to some other person appointed by the association as ~~solicitor~~ agent and licensed by the Board. (~~Effective July 1, 1985~~).

Section 34. ~~Benefits~~ Owing

If at the end of any calendar year the funds in the treasury of the association are insufficient to meet the losses, then the ~~Secretary~~ secretary/~~Treasurer~~ treasurer may cause an extra assessment to be levied. The association, shall charge off the benefits

owing if not paid by the following ~~June 30 Semi Annual Report~~ annual report and the contract funeral home shall absorb the loss. Payments owing to a servicing funeral home, other than the contract funeral home, shall have priority and paid as funds are available.

Section 35.- Service Area ~~Area Notification~~ Notification to ~~Members~~ Members:-

All burial associations, upon notification of address change outside the service area, shall notify in writing that policy holder of changes in benefits, if any.

~~33.~~

Section 36. Assumption of Burial ~~Burial Associations~~ Associations by ~~Insurance~~ Insurance Companies Companies:-

~~35.36.1.~~ Burial Associations petitioning the ~~Arkansas Burial Association~~ State Board of Embalmers, Funeral Directors, Cemeteries, and Burial Services for approval for assumption by an insurance company shall submit the following documents to the Board at least 90 days prior to the proposed effective date of the assumption:

- a) A notarized copy of the minutes of the meeting at which the assumption was approved.
- b) A copy of the ~~Public~~ public ~~Notice~~ notice announcing the meeting to discuss the assumption.
- c) A notarized copy of the letter ~~which will~~ to be sent to all ~~of the~~ association policy holders stating the date, time, and place of the public meeting, as well as the particulars of the assumption.

~~35.36.2.~~ In order that an insurance company may assume a burial association, the following conditions must be met:

- a) The insurer must be a legal reserve or stipulated premium insurance company, actively engaged in business in the State of Arkansas, for the last two (2) years.
- b) The assuming insurance company must conduct an independent actuarial study to determine the amount of ~~the~~ money that is needed to reserve the policies of the ~~Burial-burial Association-association~~ being assumed. This study is subject to Board approval.
- c) The face amount of the policy issued by the insurance company, in lieu of the membership certificate, shall be in the same amount and at the same premium rate as the membership certificate.
- d) The assuming insurance company must state in its ~~Assumption-assumption~~ agreement, that all claims, ~~in on~~ behalf of a policyholder, will be paid in cash and in an amount not less than 100% of the face amount of the benefit that the member was entitled to under the certificate of membership in the burial association.
- e) The owner of the policy shall have the exclusive right to ~~the~~ name ~~of~~ the beneficiary of his ~~or her~~ choice, and ~~the owner~~ may change ~~said the~~ beneficiary at his ~~or her~~ option in writing.
- f) The insurance provider shall not require the policyholder to select either services or merchandise from ~~any~~ particular provider of such services or merchandise in order that the 100% of the face amount of the policy, issued in lieu of membership certificates, be payable.
- g) The funds in the mortuary reserve fund will be disbursed as follows:
 - 1. All just claims, debts and obligations of the ~~Burial-burial Association~~ association will be paid.
 - 2. A pro-rata distribution will be made to the policyholders opting out of the assumption.
 - 3. The Reserve amount, ~~3536.2~~ (b), as determined by the independent actuarial study, will be paid to the assuming insurance company.

4. After all required disbursements are made, any funds remaining in the mortuary reserve shall be returned to the policyholders.
- h) All holders of membership certificates in a burial association shall be assumed by the insurance company, in the same amount and at the same premium rate as under the membership certificate, without being required to submit proof of insurability.

~~35.3.~~ 36.3. Insurance companies wishing to assume a burial association shall submit the following documents to the ~~Arkansas Burial Association~~board, at least ninety (90) days prior to the proposed effective date of the assumption:

- a) Petition for ~~Assumption~~assumption
- b) The plan of ~~Liquidation~~liquidation
- c) The ~~Assumption~~assumption ~~Agreement~~agreement
- d) The ~~Assumption~~assumption ~~Notice~~notice

Upon receipt of the documents from both the burial association and the assuming insurance company, the ~~Executive~~Executive ~~Secretary~~Secretary shall review the documents submitted for compliance with this ~~Rule~~section.

Additionally, a copyies of the documents shall be submitted to the Arkansas Insurance Department for ~~comment~~review regarding the petitioners' compliance with the ~~Insurance Department Regulations~~Department rules. The ~~Secretary~~secretary shall provide ~~each the Board~~each the Board ~~member~~member with a copyies of the documents at least twenty (20) business days prior to the next regularly scheduled ~~Board~~Board Meetingmeeting for consideration at that meeting. ~~The Board will then table the petition and take the matter under advisement for consideration at its next regularly scheduled meeting.~~

~~35.36.4.~~ 36.4. Plan of ~~Liquidation~~liquidation. The ~~Plan~~plan of ~~Liquidation~~liquidation shall include:

- a) The effective date of the planned liquidation:-

- b) The transfer of the rights held under the membership certificate to the insurance company and that the burial association shall have no liabilities as of the effective date of the liquidation-;
- c) A plan to transfer the assets of the association as provided for in ~~3536.2 g~~;
- d) The date of the closing of the burial association-;
- e) A statement that the insurance company accepts cession of the burial association membership certificates and that it assumes all liabilities of the membership certificates, together with all debts and obligations of the association being assumed, and further that the liabilities, debts and obligations of the association shall not be greater than the association had prior to the assumption, except that there shall be no less than one hundred percent (100%) of the face amount of the policy payable, in cash-; and
- f) That policies shall be issued by the insurance company stating the name of the insurance company, the names of the insured, the amount of coverage for each individual and the premium rates for each individual covered by the policy.

~~35.36.5. Assumption Agreement~~agreement. The ~~Assumption~~assumption ~~Agreement~~agreement shall include:

- a) That the benefits formerly contemplated under the membership certificates are now payable through the insurance company and that such benefits are payable in cash only-;
- b) That the insurance company shall have the right to assume those assets of the burial association as provided for in ~~3536.2g~~, in exchange for the liabilities of the association-;
- c) That if the holder of a membership certificate in a burial association does not desire to be assumed by the insurance company and "wishes to opt out", he or she may, within sixty (60) days, return the ~~Assumption~~assumption ~~Notice~~notice and request this "opt out" ~~out~~ pro rata share of the association's

reserves as computed and certified by the assuming insurance company.

Continued payment of premiums constitutes acceptance of the assumption;

- d) That the coverage provided through the insurance company shall be in the same amount and at the same premium rate as that held under the certificate of membership in the association; and
- e) That those responsible for making funeral arrangements for the deceased policyholder shall have the freedom to choose a funeral home or other funeral service and ~~or~~ merchandise provider of their choice, and further that such choice shall not diminish the face amount of the policy of such.

3536.6. Assumption ~~Notice~~notice. The ~~Assumption~~assumption ~~Notice~~notice shall be mailed or ~~or~~ provided to each member of the association being assumed. ~~Said~~ The ~~Notice~~notice of ~~Assumption~~assumption shall be provided to each member in good standing, on the effective date of the assumption, without proof of insurability. The ~~Assumption~~assumption ~~Notice~~notice shall provide the following:

- a) Effective date of the ~~Assumption~~assumption.
- b) Information regarding the assumption including:
 - 1. Uninterrupted insurance coverage without proof of insurability,
 - 2. Continued, same premium rate,
 - 3. Proceeds payable in 100% of the face amount, in cash,
 - 4. Exclusive right of the policyholder to name the beneficiary of his or ~~or~~ her choice and right to change ~~said~~ the beneficiary at his or ~~or~~ her option, in writing.
- c) Information regarding the opting out provisions, including:
 - 1. Policyholders right to a pro rata share of the ~~mortuary fund~~mortuary fund reserves as determined by 35.2g.

3536.7. Audit of ~~Burial~~burial ~~Association~~association. The ~~Arkansas Burial Association~~ Board shall conduct an audit of the ~~Burial~~burial ~~Association~~

association being assumed by the insurance company within seven (7) days of the effective date of the assumption.

~~3536.8.~~ All costs associated with the assumption of a ~~Burial-burial Association~~ association shall be paid by the assuming ~~Insurance-insurance~~ Companycompany.

~~36. — Board Meeting.~~ The Board shall meet when business dictates at such time and/or place designated by the Board.

~~37~~**Section 37. Separation of Accounts – Old Business/New Business**

All burial association memberships written on or after ~~the effective date of this rule,~~ July 1, 1987~~1987~~, shall be reserved ~~on the basis of~~ based on the actuarial table approved by the Board. Collections and interest derived from Act 443 new business must not be used in any manner to pay claims on old business. The excess revenue or mortuary fund derived from old business shall likewise not be used to pay claims on Act 443 new business.

* Those associations with revenue insufficient to pay old business claims are required to conduct a fifth assessment each year, pay the contract funeral home a maximum of 50% of face amount of each certificate and take no expenses until the revenue reaches the point that no claims are written off and the ~~Burial Association~~ Board ~~rules~~ determines that the extra assessment, 50% settlement, and forfeiture of expenses ~~is are~~ no longer necessary.

~~38. — In addition to the requirement of Article 12 of the Board by laws, burial associations shall complete the following applications on each prospective burial association member and shall comply with the underwriting guidelines established by the Board. (Included) Violation of any rule may result in sanctions as provided for Act~~

91 of 1953 and the rules and regulations promulgated pursuant to its enforcement by the Board.

~~38.1.~~ Only a burial association licensed by the Board may write certificates of membership up to a maximum of \$2,500.00. All certificates must comply with the minimum rates, reserve requirements contained in the Burial Association Board Rule 45 and the underwriting guidelines established by the Burial Association Board Rule 42.

Section 3938. New Business Guaranty Fund:

There is hereby established a fund to ~~insure~~ensure the solvency of "new business," as that term is used in these rules, which shall be known as the "New Business Emergency Guaranty Fund."

~~A.~~ The New Business Emergency Guaranty Fund shall be initially established by a special, one time assessment by the Board for each member in an active burial association in the amount of \$.10 per member. That assessment must be paid by each burial association prior to its writing any new business under the provision of Act 443 of 1987.

~~B.A.~~ The assessments for the New Business Emergency Guaranty fund shall be paid to the ~~Board~~ Board's Secretary ~~secretary who~~ which shall be maintained the Fund's assets, on behalf of the Board, in an ~~interest~~ interest- bearing account in a financial institution organized and operating under the laws of the State of Arkansas. The ~~Fund~~ fund shall be under the exclusive control of the ~~Board~~ Board.

~~C.B.~~ The fund shall be used, at the ~~Board's~~ Board's sole discretion, to pay claims, if any that arise from new business written pursuant to the ~~Board's~~ Board's rules and regulations prior to an association's having sufficient funds in its new business account to satisfy such claims.

~~D.C.~~ The ~~Board~~ Board specifically reserves the right to make such additional assessments for the ~~Fund~~ fund as it deems reasonable and necessary based

on its experience in administering the ~~Fund~~fund. (~~Effective date of New Business, March 8, 1988~~).

Section 4039. Use of ~~New New Business Business Surplus Surplus Funds~~Funds:

Each year following the ~~annual~~ ~~December semi-annual~~ report ~~required by Rule 10 of the Board's Rules and Regulations~~, any association having "surplus funds" from its new business, as that term is defined in this rule, may apply to the ~~Board~~ ~~Board~~ for authorization to transfer all or part of those surplus funds to its old business account if that old business, according to the association's ~~annual~~ ~~December semi-annual~~ report, has funds insufficient to meet the reserve requirements for its membership calculated according to the reserve table contained in ~~rule~~ Section 45 43 of this rule. Upon receipt of such a request, the Board shall approve or disapprove same within ~~30~~ sixty (60) days, taking into consideration other remedial measures, if any, that have been invoked by the ~~Board~~ ~~Board~~ ~~pursuant to rule Section 37 of this rule~~.

"~~surplus~~ ~~Surplus~~ funds,"; as that term is used ~~herein in this rule~~, means those new business funds held by an association, as reflected by its ~~December 31 semi-annual~~ report, in excess of:

- (1) The association's new business reserve requirements as determined pursuant to rule Section 453 of this rule;
- (2) The association's new business claims that have been filed with or reported to the association prior to the ~~December 31 semi-annual~~ report;
- (3) The association's incurred but not reported claims, as determined by that association's actual experience over the preceding three years; and
- (4) The association's accounts, bills, and expenses that are unpaid as of the ~~December 31 semi-annual~~ report.

Section 40. Prohibition from Paying Member Assessments

41. —Neither a funeral home nor any person employed by or otherwise associated with a funeral home may subsidize a member's benefit by paying all or a portion of any assessment.

Section 41. Medical Guidelines (Included Exhibit A)

42.

Section 42. Death Within 24 Months

43. If death occurs within 24 months of the date of issue from any reason other than an accident, the claim will be reviewed by the ~~Arkansas Burial Association B~~Board. If there has been a material misrepresentation prior to date of issue of the certificate, or if the death is due to suicide, the certificate will be ruled ~~invalid~~invalid, and a refund of all dues paid will be made.

44. New Business Form.

45. Section 43. Chamberlain Table: (included Exhibit B)

Section 44. PENALTY RULEenalties.

46. The ~~Secretary~~secretary/~~Treasurer~~treasurer of the burial association shall file the December ~~semi~~-annual report ~~by March~~FebruaryMarch 15th of the next calendar year, ~~a~~
All other required documents, and pay the annual fee are due on or before February
FebruaryMarch 15th of the next calendar year. ~~The June semi-annual report must be~~
~~filed by on or before August 15th.~~ Reports and fees not received in the ~~B~~board's office
by the ~~se due~~ dates will be delinquent and a \$100.00 per day delinquent fee, for a
maximum period of ten (10) days (\$1,000) will be levied. If the report is not received
within ten (10) days of the due date, the ~~Board~~Board's Auditor-auditor will be sent to
procure the report. The ~~Board~~Board shall recover the fees associated pursuant to Ark.

Code Ann. 23-78-120. The association cannot pay the delinquent fees or the cost to procure the report from the ~~Mortuary Fund~~ mortuary fund.

Section 45. Use of ~~Old Old Business~~ Business Surplus-Surplus FundsFunds.

47. Each year following the ~~December semi~~-annual report required by Rule Section 10 of the Board's Rules Governing Burial Associations and Regulations this rule, any association having "surplus funds" from its old business, as that term is defined in this rule, may apply to the ~~Board~~ Board for authorization to transfer all or part of those surplus funds to its new business account if that new business account, according to the association's ~~December semi~~-annual report has funds insufficient to meet the reserve requirements for its membership calculated according to the reserve table contained in ~~rule~~ Rule Section 45-43 of this rule. Upon receipt of such request, the ~~Board~~ Board shall approve or disapprove it within sixty (60) days, taking into consideration other remedial measures, if any, that have been invoked by the ~~Board~~ Board.

"Surplus ~~Funds~~ funds," as that term is used herein in this rule, means those old business funds held by an association, as reflected by its ~~December semi~~-annual report, in excess of the total face value of outstanding policies.

48. Section 46. Annual ~~License~~ License FeesFees.

- a) The annual fee of six hundred dollars (\$600-~~00~~) will be due with the ~~December 31st Semi-Annual annual Report report~~ payable no later than February 1st.
- b) Annual membership fees based on the total actual membership count as of December 31st will be twenty-~~five~~ cents (\$0.~~25~~20) per member and will be due with the ~~December 31st Semi-Annual annual Report report~~ payable no later than February 1st. Annual membership fees are considered to be a component of the annual license fee.

b)

Section 47. Mergers and Acquisitions

Mergers and acquisitions are allowed with Board approval. Plans are required to be submitted to the Board before twenty (20) days prior to a regular Board meeting.

Section 48. Dissolutions

Dissolutions of burial associations are allowed with Board approval after submitting plans for making the members whole. Plans are required to be submitted to the Board before twenty (20) days prior to a regular Board meeting.

Section 49. Effective Date

This rule is effective after review and approval by the Arkansas Legislative Council, ten (10) days after filing of the approved Rule with the Arkansas Secretary of State.

Mergers and Acquisitio

ns.

Dissolutions

STATE BOARD OF EMBALMERS, FUNERAL DIRECTORS, CEMETERIES, AND
BURIAL SERVICES

EXECUTIVE SUMMARY

The proposed amendments are needed to implement 2023 legislation and to make other miscellaneous changes.

PURPOSE

The State Board of Embalmers, Funeral Directors, Cemeteries, and Burial Services ("Board") seeks Governor Sanders' review of proposed amendments to an existing rule governing burial associations in Arkansas.

BACKGROUND

- Act 81 of 2023 clarifies the terms of benefits of membership and minimum percentage payables to substitute service-providing funeral homes based on membership data and proximity to the contract funeral home.
- Act 82 of 2023 changes the requirements for semi-annual financial reporting for the burial associations to annual reporting for the burial associations.

KEY POINTS

- The language implementing Act 81 begins on the markup page 7, Section 12.
- The language implementing Act 82 begins on the markup page 5, Section 10.
- Sections 41 and 43, Medical Guidelines and the Chamberlain Table, respectively, will appear with Rule 6 as exhibits.
- The sections addressing board meetings and new business forms are deleted as those sections are no longer needed.
- The first subsection of Section 38 New Business Guaranty Fund is deleted as it pertains to a one-time assessment that was completed pursuant to Act 443 of 1987 for the establishment of the fund and is no longer applicable.
- On markup page 28, Section 39 Use of New Business Surplus Funds has been amended to extend the time to submit a request for the use of surplus funds from new business funds to old business funds from thirty (30) days to sixty (60) days to allow ample time for the Board to consider the requests and any

alternative remedial measures.

- On markup page 30, Section 46 Annual License Fees, membership fees have been reduced from twenty-five cents (\$0.25) per member to twenty cents (\$0.20) per member.
- Sections 47 and 48 have been added to the rule to set deadlines for burial associations to submit plans for mergers, acquisitions, and dissolutions to the Board.

RECOMMENDATION

We recommend that the amendments be approved as proposed by the Board.



Hugh McDonald
SECRETARY OF COMMERCE

Alan McClain
COMMISSIONER,
ARKANSAS INSURANCE
DEPARTMENT

June 5, 2024

Honorable John Thurston
Arkansas Secretary of State
State Capitol Building
Little Rock, AR 72201
Attn. Arkansas Register

sent via email: register@sos.arkansas.gov

Re: State Board of Embalmers, Funeral Directors, Cemeteries, and Burial Services
Proposed Amended Rule 6 - Rules and Regulations Governing Burial Associations

Dear Secretary:

The Arkansas Insurance Department has scheduled a public hearing as to Proposed Amended Rule 6 - Rules and Regulations Governing Burial Associations. Enclosed are the DOI Notices of Public Hearing and a copy of the proposed rule.

Please arrange to publish the information in a format acceptable to the Secretary for at least 30 days in advance. Can you send us confirmation that we can use in the transcript as a public hearing exhibit? An electronic filing will be made within the statutorily required 7 days. Thanks for your help.

Sincerely,

A handwritten signature in cursive script that reads "Clara Mezza".

Clara Mezza
Administrative Analyst
Legal Division
clara.mezza@arkansas.gov
501-683-3497

Enclosures



Hugh McDonald
SECRETARY OF COMMERCE

Alan McClain
COMMISSIONER,
ARKANSAS INSURANCE
DEPARTMENT

DATE: JUNE 3, 2024

TO: ALL INTERESTED PARTIES

**FROM: STATE BOARD OF EMBALMERS, FUNERAL DIRECTORS,
CEMETERIES, AND BURIAL SERVICES**

**SUBJECT: RULE 6: "RULE AND REGULATIONS GOVERNING BURIAL
ASSOCIATIONS"**

NOTICE OF PUBLIC HEARING

Please find attached or available by electronic publication by the State Board of Embalmers, Funeral Directors, Cemeteries, and Burial Services ("Board") Proposed Rule 6, "Rule and Regulations Governing Burial Associations."

Pursuant to Arkansas Administrative Procedure Act, and other applicable laws or rules, NOTICE is hereby given that a PUBLIC HEARING will be held on July 16, 2024, at 9:00 a.m., in the Second Floor Hearing Room ("Diamond Mine"), at the Arkansas Department of Commerce, 1 Commerce Way, Little Rock, AR 72202.

The Board is adopting amendments to existing Rule 6 that implement 2023 legislation and amend other miscellaneous portions of the rule.

The Notice is required by the Arkansas Administrative Procedure Act, more specifically, Ark. Code Ann. § 25-15-206. Copies of the proposed Rule may be obtained by writing or calling the Board, or by visiting its Internet site at <https://insurance.gov/industry-regulation/pre-paid-funeral/embalmers-funeral-directors-burial-association/rules-regulations/>. Comments from the public will be

accepted until July 16, 2024, and may be submitted to the Board in writing at 1 Commerce Way, Ste. 502, Little Rock, AR 72202, or electronically to the following email address: aid.efd@arkansas.gov.

Sincerely,

A handwritten signature in blue ink, reading "Tasha Tidwell". The signature is fluid and cursive, with the first name "Tasha" and last name "Tidwell" clearly distinguishable.

Tasha Tidwell
Associate Counsel
Arkansas Insurance Department
Counsel for the Board

QUESTIONNAIRE FOR FILING PROPOSED RULES AND REGULATIONS
WITH THE ARKANSAS LEGISLATIVE COUNCIL

DEPARTMENT/AGENCY Department of Commerce / Arkansas Insurance Department
DIVISION Legal Division
DIVISION DIRECTOR Booth Rand, Chief Legal Counsel
CONTACT PERSON _____
ADDRESS 1 Commerce Way Ste 504 Little Rock, AR 72202
PHONE NO. 501-371-2820 **FAX NO.** 501-371-2618 **E-MAIL** _____
NAME OF PRESENTER AT COMMITTEE MEETING _____
PRESENTER E-MAIL _____

INSTRUCTIONS

- A. Please make copies of this form for future use.
B. Please answer each question completely using layman terms. You may use additional sheets, if necessary.
C. If you have a method of indexing your rules, please give the proposed citation after "Short Title of this Rule" below.
D. Submit two (2) copies of this questionnaire and financial impact statement attached to the front of two (2) copies of the proposed rule and required documents. Mail or deliver to:

Administrative Rules Review Section
Arkansas Legislative Council
Bureau of Legislative Research
One Capitol Mall, 5th Floor
Little Rock, AR 72201

1. What is the short title of this rule? _____
2. What is the subject of the proposed rule? _____
3. Is this rule required to comply with a federal statute, rule, or regulation? Yes ☐ No ☐
If yes, please provide the federal rule, regulation, and/or statute citation. _____
4. Was this rule filed under the emergency provisions of the Administrative Procedure Act?
Yes ☐ No ☐
If yes, what is the effective date of the emergency rule? _____
- When does the emergency rule expire? _____
- Will this emergency rule be promulgated under the permanent provisions of the Administrative Procedure Act?
Yes ☐ No ☐

5. Is this a new rule? Yes ☐ No ☐
If yes, please provide a brief summary explaining the regulation.

Does this repeal an existing rule? Yes ☐ No ☐
If yes, a copy of the repealed rule is to be included with your completed questionnaire. If it is being replaced with a new rule, please provide a summary of the rule giving an explanation of what the rule does. _____

Is this an amendment to an existing rule? Yes ☐ No ☐
If yes, please attach a mark-up showing the changes in the existing rule and a summary of the substantive changes. *** **Note: The summary should explain what the amendment does, and the mark-up copy should be clearly labeled "mark-up."** See attached mark-up of proposed changes.

6. Cite the state law that grants the authority for this proposed rule? If codified, please give the Arkansas Code citation.

7. What is the purpose of this proposed rule? Why is it necessary?

See attached Summary.

8. Please provide the address where this rule is publicly accessible in electronic form via the Internet as required by Arkansas Code § 25-19-108(b). <https://www.insurance.arkansas.gov/pages/industry-regulation/>

9. Will a public hearing be held on this proposed rule? Yes ☐ No ☐
If yes, please complete the following:

Date: TBD

Time: _____

Arkansas Department of Commerce,
Second Floor Hearing Room, 1

Place: Commerce Way, Little Rock, AR 72202

10. When does the public comment period expire for permanent promulgation? (Must provide a date.)

11. What is the proposed effective date of this proposed rule? (Must provide a date.)

12. Please provide a copy of the notice required under Ark. Code Ann. § 25-15-204(a), and proof of the publication of said notice.. **Email confirmation dates attached.**

13. Please provide proof of filing the rule with the Secretary of State and the Arkansas State Library as required pursuant to Ark. Code Ann. § 25-15-204(e). **Email confirmation.**

14. Please give the names of persons, groups, or organizations that you expect to comment on these rules?
Please provide their position (for or against) if known.

SEE PAGE 4 FOR FINACIAL IMPACT!

FINANCIAL IMPACT STATEMENT

PLEASE ANSWER ALL QUESTIONS COMPLETELY

DEPARTMENT Arkansas Insurance Department

DIVISION Legal Division

PERSON COMPLETING THIS STATEMENT _____

TELEPHONE 501-371-2820 **FAX** 501-371-2618 **EMAIL:** _____

To comply with Ark. Code Ann. § 25-15-204(e), please complete the following Financial Impact Statement and file two copies with the questionnaire and proposed rules.

SHORT TITLE OF THIS RULE _____

1. Does this proposed, amended, or repealed rule have a financial impact? Yes ☐ No ☐
2. Is the rule based on the best reasonably obtainable scientific, technical, economic, or other evidence and information available concerning the need for, consequences of, and alternatives to the rule? Yes ☐ No ☐
3. In consideration of the alternatives to this rule, was this rule determined by the agency to be the least costly rule considered? Yes ☐ No ☐

If an agency is proposing a more costly rule, please state the following:

(a) How the additional benefits of the more costly rule justify its additional cost;

(b) The reason for adoption of the more costly rule;

(c) Whether the more costly rule is based on the interests of public health, safety, or welfare, and if so, please explain; and;

(d) Whether the reason is within the scope of the agency's statutory authority; and if so, please explain.

4. If the purpose of this rule is to implement a federal rule or regulation, please state the following:

(a) What is the cost to implement the federal rule or regulation?

NONE or NOT APPLICABLE.

Current Fiscal Year

General Revenue _____
Federal Funds _____

Next Fiscal Year

General Revenue _____
Federal Funds _____

Cash Funds	_____
Special Revenue	_____
Other (Identify)	_____
Total	_____

Cash Funds	_____
Special Revenue	_____
Other (Identify)	_____
Total	_____

(b) What is the additional cost of the state rule?

Current Fiscal Year

General Revenue	_____
Federal Funds	_____
Cash Funds	_____
Special Revenue	_____
Other (Identify)	_____
Total	_____

Next Fiscal Year

General Revenue	_____
Federal Funds	_____
Cash Funds	_____
Special Revenue	_____
Other (Identify)	_____
Total	_____

5. What is the total estimated cost by fiscal year to any private individual, entity and business subject to the proposed, amended, or repealed rule? Identify the entity(ies) subject to the proposed rule and explain how they are affected.

There should be no financial impact on small business.

Current Fiscal Year

\$ _____

Next Fiscal Year

\$ _____

6. What is the total estimated cost by fiscal year to state, county, and municipal government to implement this rule? Is this the cost of the program or grant? Please explain how the government is affected.

NONE

Current Fiscal Year

\$ _____

Next Fiscal Year

\$ _____

7. With respect to the agency's answers to Questions #5 and #6 above, is there a new or increased cost or obligation of at least one hundred thousand dollars (\$100,000) per year to a private individual, private entity, private business, state government, county government, municipal government, or to two (2) or more of those entities combined?

NOT APPLICABLE

Yes ☐

No ☐

If YES, the agency is required by Ark. Code Ann. § 25-15-204(e)(4) to file written findings at the time of filing the financial impact statement. The written findings shall be filed simultaneously with the financial impact statement and shall include, without limitation, the following:

- (1) a statement of the rule's basis and purpose;
- (2) the problem the agency seeks to address with the proposed rule, including a statement of whether a rule is required by statute;
- (3) a description of the factual evidence that:
 - (a) justifies the agency's need for the proposed rule; and
 - (b) describes how the benefits of the rule meet the relevant statutory objectives and justify the rule's costs;
- (4) a list of less costly alternatives to the proposed rule and the reasons why the alternatives do not adequately address the problem to be solved by the proposed rule;
- (5) a list of alternatives to the proposed rule that were suggested as a result of public comment and the reasons why the alternatives do not adequately address the problem to be solved by the proposed rule;
- (6) a statement of whether existing rules have created or contributed to the problem the agency seeks to address with the proposed rule and, if existing rules have created or contributed to the problem, an explanation of why amendment or repeal of the rule creating or contributing to the problem is not a sufficient response; and
- (7) an agency plan for review of the rule no less than every ten (10) years to determine whether, based upon the evidence, there remains a need for the rule including, without limitation, whether:
 - (a) the rule is achieving the statutory objectives;
 - (b) the benefits of the rule continue to justify its costs; and
 - (c) the rule can be amended or repealed to reduce costs while continuing to achieve the statutory objectives.