

STATE OF ARKANSAS



ARKANSAS BURIAL ASSOCIATION BOARD

Room 304 • Gazette Building — Little Rock, Arkansas 72201

CHAS. E. MOORE
Executive Secretary
376-2247

August 4, 1976

Mr. George Jernigan
Secretary of State
State Capitol
Little Rock, Arkansas 72201

Dear Mr. Jernigan:

Enclosed as Exhibit A is the action taken by the Arkansas Burial Association Board in a Public Hearing held on July 28, 1976, which includes all By-laws and Rules and Regulations which were amended or repealed. In addition, all other By-laws and Rules and Regulations were re-enacted and enclosed as Exhibit B is a comprehensive list of By-laws and Rules and Regulations governing Burial Associations in the State of Arkansas.

Sincerely,

ARKANSAS BURIAL ASSN, BOARD

C. E. Moore

C. E. Moore
Executive Secretary

CEM:ac
Enclosure

FILED

AUG 5 1976

GEORGE O. JERNIGAN, JR.
SECRETARY OF STATE

BY *Paul L. Lantry*

BY-LAWS

Article #3: Any person who is in good health may become a member of this Association. The correct age of each person to be covered by the certificate for which application is made must be written in the application, and shall be subject to verification by any record this Association may deem necessary to prove or establish the true date of the birth of such person. Any certificate shall be incontestable, except for fraud, after the same has been in effect for one year. (Amended)

Article #14: The Association shall make such minimum assessments and collect such dues as shall be by law provided. (Amended)

Article #18: (Reinstated) All funds received by the Association shall be placed in an insured bank to the credit of the Association, and all disbursements shall be by check signed by the Secretary-Treasurer.

Article #19 (Repealed)

Article #21 (Repealed)

Article #24: Failure to notify the Secretary-Treasurer of the death of a member within the service area of the Association before burial shall relieve the Association of liability under the certificate of such deceased member. If a member dies outside the service area of the Association to which he belongs and funeral and burial is to be out of such service area, notification of death is not necessary in order for the minimum benefit (not less than 80%) to be collectible on the certificate, regardless of the servicing funeral home. If a member dies outside of the service area of the Association to which he belongs and either the funeral or interment is within the area of such association, then said association must be given the option of handling the funeral or interment, as the case may be, in order for benefits to be collectible on the certificate by the servicing funeral home. The service area shall be considered 25 miles. No merchandise will be used as settlement of claims except agreed to by all three parties, namely the contract funeral director, the servicing funeral director and the family. (Amended)

Article #28: If at any time the funeral home customarily employed by the association cannot service the funeral, then the Secretary-Treasurer shall pay at least 80 per cent of the face value of the certificate to the servicing funeral director. (amended)

RULES AND REGULATIONS

#10 (Repealed)

#11: Each Burial Association or Society licensed in this State shall file a Semi-Annual report showing the actual condition of the Association as of June 30 and December 31 of each year on forms provided by the Board. If said report is not filed within thirty (30) days from the date upon which it is due, the Board may revoke and cancel the authorization of such Burial Association to transact business in the State of Arkansas. (Amended.)

#13 (Repealed)

FILED

AUG 5 1976

GEORGE O. JERNIGAN, JR.
SECRETARY OF STATE

ARKANSAS BURIAL ASSOCIATION BOARD
BY-LAWS

All Burial Associations shall have and maintain rules and by laws embodying the following:

ARTICLE 1. The name of this Association shall be _____, a mutual benevolent association, and the principal place of business of the Association shall be _____.

ARTICLE 2. The objects and purposes for which this Association is formed and the purposes for which it has been organized shall be to provide a plan for each member of this Association for the payment of all or a part of the funeral expenses of such member, or a plan for the furnishing or undertaking to furnish merchandise, supplies and services or any other character of burial benefits to such member, or a plan for the issuance of a certificate which provides for the payment of funeral benefits to such member in merchandise, services or supplies, including the services of funeral directors and embalmers.

ARTICLE 3. Any person who is in good health may become a member of this Association. The correct age of each person to be covered by the certificate for which application is made must be written in the application, and shall be subject to verification of any record this Association may deem necessary to prove or establish the true date of the birth of such person. Any certificate shall be incontestable, except for fraud, after the same has been in effect for one year.

ARTICLE 4. The first meeting of the Association shall be held on the _____ day of _____, at the principal office of the Association, and successive annual meetings shall be held on the corresponding date of each year at said place, at which meetings each member in good standing in accordance with these by-laws shall be entitled to vote, either in person or by proxy. A member in good standing is hereby defined to mean any person entitled to receive benefits under a certificate. No further notice than is contained in these by-laws shall be given of the date of annual meetings.

ARTICLE 5. Any number of members in good standing present at an annual meeting in person or by proxy shall constitute a quorum for the transaction of business, and any action taken by a majority at such annual meeting shall be binding upon the Association as a whole.

ARTICLE 6. The officers of the Association shall consist of a President, Vice President, and Secretary-Treasurer, who together shall constitute a Board of Directors, and who shall be elected at the annual meetings of the association. They shall serve for a term of one year and until their successors are elected and qualified. They shall assume office immediately after their election. The Board of Directors shall have full power and authority to manage and direct the affairs of the Association in compliance with the by-laws.

ARTICLE 7. The Secretary-Treasurer shall be the executive officer of the Association and shall keep all records, books and accounts, approve or reject applications and issue certificates of membership, levy and collect all assessments or membership dues, sign all checks, contracts and other documents for the Association, employ all agents and do & perform all things necessary or proper in the operation of the Association and to its best interest in accordance with these by-laws, the laws of State of Arkansas and the Rules and Regulations of the Burial Association Board. He shall make a good and sufficient bond, payable to the Association, for the use and benefit of this Association, in a sum fixed by the said Association to account for all money and property of the Association coming into his hands. The Association may at any time require an increase in the amount of such bond. Premium of such bond shall be paid by the Association.

ARTICLE 8. No person shall be eligible to serve as an officer or director of the Association unless he or she is a member in good standing.

ARTICLE 9. The books and records of the Association shall be kept so as to accurately reflect the actual condition of the Association at all times.

ARTICLE 10. Salaries and the cost of necessary records, forms, stationery, stamps and miscellaneous office expense are to be paid by check signed by the Secretary-Treasurer, and in no event shall expense for any year exceed twenty percent (20%) of the gross receipts for such year.

ARTICLE 11. The Association shall not borrow money nor shall its assets be pledged for any purpose.

ARTICLE 12: Application for membership shall be made in writing and certification by the applicant or a relative or guardian; shall state the correct age and condition of health of each person for whom a membership is desired; and any misstatement of age of an applicant for membership shall change the amount of benefits of such member to the benefits which such member would have received based upon the amounts of membership dues paid by or for him or her had his or her correct age been stated in the application and certificate issued thereon.

ARTICLE 13. Membership in the Association shall be upon application and payment of a membership fee. The application must be approved by the Secretary-Treasurer. If the application is rejected, the fee will be returned to the applicant.

ARTICLE 14. The Association shall make such minimum assessments and collect such dues as shall be by law provided.

ARTICLE 15. The membership fee, equal to a quarterly assessment, shall be paid to the Secretary-Treasurer or to some other person appointed by the Association as solicitor and licensed by the Burial Association Board.

ARTICLE 16. Each certificate issued by the Association shall contain, among other things, a summary of the By-laws of the Association.

ARTICLE 17. Assessments or membership dues shall be levied against all persons who have been members of the Association for thirty days or more, and notice of said assessment or accrual of membership dues shall be mailed to the address of the member shown on the application blank unless notice of change of address has been given to the Association. Change of address should be given promptly to avoid failure to receive notice of assessment or accrual of membership dues.

ARTICLE 18. All funds received by the Association shall be placed in an insured bank to the credit of the Association, and all disbursements shall be by check signed by the Secretary-Treasurer.

ARTICLE 19: The service and casket to members holding benefit certificates with the Association shall be up to the standard of, and in keeping with the services and caskets sold at similar prices by funeral directors of this and other towns in this territory.

ARTICLE 20. If any member's certificate shall lapse for non-payment of assessment or membership dues, such certificate may be reinstated within 12 months thereafter by payment of all defaulted amounts, and the furnishing of a certificate of good health. Reinstatement of certificate holder could be made without paying back dues, providing there was no age change.

ARTICLE 21. Members whose health has failed or who have passed into a new age group since the certificate of membership lapsed cannot be reinstated, and any misrepresentation as to the state of health or age of any member made for the purpose of obtaining reinstatement as a member of the Association shall render the certificate issued as a result of such misrepresentation null and void and the Association will not be liable for any claim made on account of such certificate.

ARTICLE 22. Failure to notify the Secretary-Treasurer of the death of a member within the service area of the Association before burial shall relieve the Association of liability under the certificate of such deceased member. If a member dies outside the service area of the Association to which he belongs and funeral and burial is to be out of such service area notification of death is not necessary in order for the minimum benefit (not less than 80%) to be collectible on the certificate, regardless of the servicing funeral home. If a member dies outside of the service area of the Association to which he belongs and either the funeral or interment is within the area of such association, then said association must be given the option of handling the funeral or interment, as the case may be, in order for benefits to be collectible on the certificate by the servicing funeral home. The service area shall be considered 25 miles. No merchandise will be used as settlement of claims except agreed to by all three parties, namely the contract funeral director, the servicing funeral director and the family.

ARTICLE 25. If the body of any member shall be lost, destroyed or be rendered incapable of burial, then upon proof satisfactory to the Association of such fact, the Association shall refund all of the Assessments or membership dues paid to the Association for benefits for such member. The refund shall be made to the person paying such assessments or membership dues or to his executor or administrator.

ARTICLE 26. In the event legislation or regulations by either the State of Arkansas or the United States of America are enacted or promulgated prohibiting the operation of Burial Associations, all funds in the Treasury of this Association, after all just claims against the Association have been settled or paid, shall be divided pro rata among the certificate holders of the Association in good standing at the time.

ARTICLE 27. If at the end of any calendar year the funds in the Treasury of the Association are more than sufficient to meet losses and expenses for such year, then the surplus shall be carried as a reserve for the sole purpose of meeting future losses and expenses.

ARTICLE 28. If at any time the funeral home customarily employed by the association cannot the funeral, then the Secretary-Treasurer shall pay at least 80 per cent of the face value of the certificate to the servicing funeral director.

ARKANSAS BURIAL ASSOCIATION BOARD
RULES AND REGULATIONS GOVERNING
BURIAL ASSOCIATIONS

Exhibit B

1. All officials of Burial Associations must be members of the Association of which they are officers.
2. Ownership of 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 percent (20%) of its receipts for any given period) shall be and remain the property of the Association for use and benefit of its members only.
3. Mortuary Fund. At least eighty per cent (80%) 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. One hundred per cent (100%) of all interest derived from investments of Burial Association funds must be allocated to the Mortuary Fund, which interest is not usable for the payment of operating expenses, in accordance with Section 14 of Act 91.
4. Expenses: Necessary expenses including but not limited to printing, stationer postage, office supplies, clerical hire, 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 20% of the gross receipts of dues or assessments of the Association for such year. In the event the entire sum equaling such 20% is not expended as aforesaid, then the amount remaining unexpended may be converted into the Mortuary Fund at the end of such year but shall not thereafter be used for expenses.
5. Surplus Funds. Should any Association have on hand at the end of any fiscal year any funds over and above its legal obligations, said funds may be retained by the Association for the purpose only of meeting its future losses. If, for any reason, an Association should be liquidated or discontinue operations, all funds on hand after its just claims have been paid, shall be distributed to the members of the Association then in good standing ratably as their interests may appear.
6. Association Not to Pledge Assets. No money may be borrowed from an Association or by it and the assets of the Association may not be pledged for any purpose. The Treasurer will be held accountable under his bond for any violation of this rule.
7. Fidelity Bonds. Associations with money on hand will be required to take out a Bond on the Secretary-Treasurer, made in favor of the Burial Association, in the amount of the surplus of the Association, less the money invested in U. S. Government Bonds, Federal Building and Loan Associations or other securities approved by the Executive Secretary or the Board.
8. Interest from Investments. In the event the Revenue Department shall determine that Burial Associations are liable for income tax on interest derived from investments of Burial Association funds, such income tax may be paid from the Mortuary Fund.
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.
10. Semi-Annual Reports: Each Burial Association or Society licensed in this State shall file a Semi-Annual report showing the actual condition of the Association as of June 30 and December 31 of each year on forms provided by the Board. If said report is not filed within thirty (30) days from the date upon which it is due, the Board may revoke and cancel the authorization of such Burial Association to transact business in the State of Arkansas.
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 interment according to the terms of the certificate held by the member at time of death.

If at any time the Funeral Home customarily employed by the Association cannot service the funeral, then the Secretary-Treasurer shall pay at least 80 per cent of the face value of the certificate to the servicing Funeral Director in accordance with Article 22 of the By-laws.

12. Minutes of Meeting. Minutes of annual meeting must be submitted to the Board's office in duplicate; also when any change is made in the officers, the rates or anything pertaining to the operation of a Burial Association, minutes of the meeting (in duplicate) should be submitted to the office of the Board for approval. One copy will be returned to the Association for its records.

13. 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.

14. Burial Certificates. No Association shall state in its certificate, or advertise, any particular type or make of merchandise that will be furnished by said Association.

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

16. Applications. Applications for membership must be kept on file in the office of the Association in order in which they are received, and shall show number of certificate. Date of raise or an addition to the membership must be noted on permanent record cards in the files of the Association

All applications for membership must be signed by the applicant, his parent, or legal representative and the soliciting agent.

17. 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.

18. Minimum Rate. The following rates are the minimum rates which may be charged by any Burial Association in Arkansas in multiples of \$100.00:

1 day to 10 years, inclusive	.25
11 years to 25 years, inclusive	.30
26 years to 35 years, inclusive	.40
36 years to 45 years, inclusive	.60
46 years to 50 years, inclusive	.80
51 years to 55 years, inclusive	1.00
56 years to 60 years, inclusive	1.25
61 years to 65 years, inclusive	1.60
66 years to 70 years, inclusive	2.35
71 years to 75 years, inclusive	3.10
76 years to 80 years, inclusive	4.40
81 years to 85 years, inclusive	6.50

19. Applicants 80 Years Old and Above. A doctor's statement of health, signed by the family physician, must be obtained on all persons 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.

20. Increase in Benefits. Any raise 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.

21. Maximum Benefits. No member may have more than \$500.00 in Benefits in an Association.

22. Grace Period. Each member of a Burial Association shall be entitled to a 30 day grace period for payment of dues or assessments. The Association shall be liable for payment of benefits for any member of said Association which dies during the 30 day grace period.

23. Reinstatement of Membership. A member who has permitted his membership to lapse, for not longer than a period of one year, may be reinstated upon terms fixed in the By-Laws of the Association and by signing a statement of good health 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 attained age.

24. Certificate in Two Associations. No certificate shall be issued to a person holding a certificate in another Association. Should a person hold a certificate with two different Associations, the Association which issued the first certificate is the only one which shall be required to honor its policy. The non-servicing Association shall refund 100% of all dues paid. Further should any Burial Association knowingly solicit memberships from persons holding a certificate in another association, said Association may be subject to disciplinary action by the Board.

25. Agents. Every person soliciting for an Association must be a licensed agent for said Association. Form of application for such license will be furnished upon request.

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 at a time. No agent can write for more than one Association during any one calendar year.

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.

26. Applications. Applications to the Board for agent's licenses must be filled out, signed before a Notary Public by the applicant and an officer of the Association and accompanied by the statutory fee.

27. License Fees. The agent's license, regardless of the date issued, expire 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.

28. 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.

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

30. Use of Particular Words. Burial Associations may use the terms "Premiums" and "Policy" in lieu of "Dues" and "Certificates".

31. 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 as had been credited to the Mortuary Fund, shall be paid from such Mortuary Fund and treated as a benefit paid.

32. Shortage and Overdrawals. Any time a shortage is found in a burial association by the auditors, the Secretary-Treasurer of the Association shall be ordered to appear before the Board and advised at that time if the shortage is not made up within a reasonable length of time, such time to be decided by the Board at that meeting, the Board will immediately call on his Fidelity Bond for payment and the Board will ask that he be removed as Secretary-Treasurer.

Neither the Funeral Home, nor any person can subsidize a member's benefit by paying a portion of the dues.

33. 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 must cause an extra assessment to be levied, or the servicing Funeral Director must absorb the loss, before the next Semi-Annual Report is made.

34. All Burial Associations under the jurisdiction of the Arkansas Burial Association Board in the State of Arkansas, shall notify in writing all policy holders who live out of the trade area of the Burial Association in which they hold membership or any policy holder changing address outside of the trade area after this date, the method of settlement that will be made.

35. Board Meeting. The Board shall meet on the 4th Wednesday of each calendar quarter (January, April, July, and October) at 10:00 a.m. at the Arkansas Burial Association Board Office.