

Wednesday, October 14, 2009

TO: ALL LICENSED LIFE INSURERS AND PREPAID FUNERAL CONTRACTS ORGANIZATIONS

FROM: ARKANSAS INSURANCE DEPARTMENT

SUBJECT: PROPOSED RULE 63 AMENDED

“PRENEED INSURANCE REPLACEMENT AND PREPAID FUNERAL BENEFITS CONTRACT CANCELLATION REQUIREMENTS”

NOTICE OF PUBLIC HEARING

Pursuant to Arkansas Code Ann. §§ 23-61-108, 23-40-108(d), 23-66-307(c)(2) and 25-15-201, *et seq.*, and other applicable Arkansas laws or rules, NOTICE is hereby given that a PUBLIC HEARING will be held on December 15, 2009 at 9:00 A.M., in the First Floor Hearing Room, Arkansas Insurance Department (“Department”), 1200 West Third Street, Little Rock, Arkansas.

The purpose of the Public Hearing is to determine whether the Insurance Commissioner should adopt Proposed Rule 63, “PRENEED INSURANCE REPLACEMENT AND PREPAID FUNERAL BENEFITS CONTRACT CANCELLATION REQUIREMENTS,” as a permanent Rule. The proposed Rule amends current Rule 63, “TRUST FUND RELEASE FORMS FOR PREPAID FUNERAL BENEFITS CONTRACTS,” with a variety of new requirements governing the cancellation and transfer of prepaid funeral benefits contracts. The proposed Rule amends the earlier version of Rule 63 and (1) provides suitability notices to consumers for replacements of prepaid funeral contracts or replacements of life and annuity contracts funding prepaid funeral contracts, (2) establishes time deadlines to complete the process of cancellation or transfers of prepaid funeral contracts, and (3) updates Department cancellation request forms originally attached to this Rule. The proposed Rule also provides a variety of sales contract disclosure and solicitation requirements.

All interested persons are encouraged to attend the Public Hearing and may appear and present, orally or in writing, statements, arguments or opinions on the proposed Rule. All licensees and other interested persons are responsible for notifying their personnel, agents, and employees about this Public Hearing.

Persons wishing to testify should notify the Legal Division as soon as possible, and are requested to submit intended statements in writing in advance.

Direct your inquiries to the Legal Division at (501) 371-2820 or insurance.legal@arkansas.gov.

A copy of Proposed Rule 63 can be obtained on the Legal Division's Internet Web Site at <http://insurance.arkansas.gov/Legal%20Dataseservices/divpage.htm>.

Sincerely yours,

Booth Rand
Chief Counsel, Legal Division

cc: Jay Bradford, Commissioner
Lenita Blasingame, Deputy Commissioner
Rick Toland, Prepaid Funeral Division
Dan Honey, Director Life and Health Division
Bill Lacy, Acting General Counsel & Deputy Commissioner