

As Engrossed: 3/7/95 3/24/95

1 **State of Arkansas**
2 **80th General Assembly**
3 **Regular Session, 1995**
4 **By: Senator Todd**

A Bill

ACT 852 OF 1995
SENATE BILL 611

5 *By: Representatives Allen, Cunningham, B.G. Hendrix, Newman, Pollan, and Young*
6
7

For An Act To Be Entitled

9 "AN ACT TO AMEND PROVISIONS OF THE ARKANSAS CODE
10 PERTAINING TO THE SALE OF PREPAID FUNERAL BENEFITS; AND
11 FOR OTHER PURPOSES."

Subtitle

14 "TO AMEND PROVISIONS OF THE ARKANSAS
15 CODE PERTAINING TO THE SALE OF PREPAID
16 FUNERAL BENEFITS."

17
18
19 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
20

21 SECTION 1. Arkansas Code 23-40-101 through 103 are amended to read as
22 follows:

23 "23-40-101. Definitions.

24 As used in this chapter, unless the context otherwise requires:

25 (1) Cash accommodation items means flowers, honorariums, death
26 certificates, sales taxes, grave opening and closing, cemetery charges, and
27 other items incidental to the funeral and disposition of the beneficiary which
28 are to be furnished or provided by a third party at the time of death;

29 (2) Contract price means the aggregate moneys to be paid and the
30 aggregate stated value of all other direct or indirect consideration to be
31 assigned by purchasers of prepaid funeral benefits as provided in the
32 contract, exclusive of any finance charge;

33 (3) Contract proceeds means the portion of the contract price collected
34 by the seller from a contract for the sale of prepaid funeral benefits;

35 (4) Licensee or Permittee means a person holding a valid permit or
36 license issued pursuant to this chapter;

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1 (5) Liquid investments means investments which can be sold at cost or
2 greater, liquidated without penalty, and collected within five (5) banking
3 days;

4 (6) Net investment income means:

5 (A) All revenue and earnings of the trust fund including, but not
6 limited to, interest, dividends, capital gains; minus

7 (B) Investment expenses, trustee's fees, capital losses, and all
8 revenue and earnings on cash accommodation funds;

9 (7) *'Prearrangement'* means an arrangement whereby a person, for himself
10 or on behalf of some other person makes arrangement for funeral and burial
11 services, prior to the death of such person, without consideration and without
12 an agreement or itemization specifying any particular service or merchandise,
13 or the cost thereof, through the assignment or transfer (including such
14 conditions as the assignor or transferor may choose to impose) of ownership to
15 a licensee, of an insurance policy or annuity contract, or proceeds thereof,
16 or by the designation of a licensee as beneficiary of any such insurance
17 policy or annuity contract.

18 (9) Seller means the organization selling prepaid funeral benefits or
19 owning any interest in any contract for prepaid funeral benefits pursuant to
20 this chapter;

21 (10) Surplus means the funds or other property in excess of the
22 undistributed net investment income and aggregate contract proceeds held in
23 the trust fund;

24 (11) Trustee means a state or national bank or savings and loan
25 association in this state;

26 (12) Net worth means the difference between the applicant's total
27 assets and total liabilities as reflected in a balance sheet prepared in
28 accordance with accounting principles and procedures approved by the Insurance
29 Commissioner.

30 23-40-102. Insurance Code not affected.

31 Nothing in this chapter shall apply to any licensed insurance company or
32 alter or affect any provisions of the Arkansas Insurance Code.

33 23-40-103. Burial associations exempted.

34 Nothing in this chapter shall apply to organizations or associations
35 operating in this state as burial associations pursuant to Ark. Code Ann. §

1 23-78-101 et seq."

2

3 SECTION 2. Arkansas Code 23-40-105 is amended to read as follows:

4 "23-40-105. Administration.

5 (a) This chapter shall be administered by the Insurance Commissioner.

6 (b) The Insurance Commissioner is authorized to prescribe reasonable
7 rules and regulations concerning keeping and inspection of records, the filing
8 of contracts and reports, and all other matters incidental to the orderly
9 administration of this chapter.

10 (c) The Insurance Commissioner is authorized to employ the personnel
11 necessary to carry out the provisions of this chapter and to fix their
12 compensation within the amounts made available by appropriation.

13 (d) The Insurance Commissioner may make and promulgate reasonable rules
14 and regulations for the administration of this chapter and for the purpose of
15 carrying out the intent hereof."

16

17 SECTION 3. Arkansas Code 23-40-106(a) is amended to read as follows:

18 "(a) Any individual, firm, partnership, corporation, society,
19 association, or other entity, hereinafter called an "organization", desiring
20 to sell prearranged or prepaid funeral services or funeral merchandise,
21 including caskets, grave vaults, and all other articles of merchandise
22 incidental to funeral services, in this state under a sales contract providing
23 for prepaid disposition or funeral benefits or merchandise to be delivered at
24 an undetermined future date depending upon the death of a contracting party,
25 hereinafter called prepaid funeral benefits, or any organization desiring to
26 purchase an interest in, or assume the liability of, any contract for prepaid
27 funeral benefits, shall obtain a permit from the State *Insurance Commissioner*
28 Department authorizing the transaction of this type of business before
29 entering into any such agreement or contract and prior to accepting money,
30 property, or any other direct or indirect consideration shall first apply for
31 and obtain a prepaid funeral benefits permit or license pursuant to the
32 provisions of this chapter."

33

34 SECTION 4. Arkansas Code 23-40-107 through 109 are amended to read as
35 follows:

1 "23-40-107. Application for initial or renewed permit.

2 (a) Each organization desiring to sell prepaid funeral benefits or any
3 organization desiring to purchase an interest in or assume the liability of
4 any contract for prepaid funeral benefits shall file an application for permit
5 with the Insurance Commissioner. Each initial and renewal application for
6 permit shall contain such information which the Insurance Commissioner by rule
7 or regulation shall reasonably prescribe.

8 (b) Each applicant shall, at the time of the application, pay a filing
9 fee of one hundred dollars (\$100) for the initial application and fifty
10 dollars (\$50.00) for a renewal application.

11 (c) Permits shall expire on June 1 of each year unless a renewal
12 application is filed with and approved by the Insurance Commissioner prior to
13 the permit expiration date. Each organization which has discontinued the sale
14 of prepaid funeral benefits, but which still has outstanding contracts, shall
15 obtain a renewal of its permit until all those contracts have been performed
16 or otherwise fully discharged. No filing fee shall be prorated. (d) (1)

17 Each applicant for a permit pursuant to the provisions of this chapter shall,
18 as of a date not preceding thirty (30) days of the application date, have a
19 net worth in an amount equal to the greater of five thousand dollars (\$5,000)
20 or three percent (3%) of the aggregate contract price of all contracts for
21 prepaid funeral benefits outstanding and unfulfilled as of the end of the
22 preceding calendar year, up to a maximum net worth of two hundred fifty
23 thousand dollars (\$250,000).

24 (2) Each applicant shall, at the time of application, file a sworn and
25 notarized certification of net worth form stating that the applicant satisfies
26 the net worth requirements of this chapter in a format as prescribed by the
27 Insurance Commissioner, as evidence that the applicant has, at a minimum, the
28 required net worth.

29 23-40-108. Issuance, denial, or cancellation of permit.

30 (a) The Insurance Commissioner may issue a permit conditioned upon
31 satisfactory completion of all requirements of this chapter prior to the
32 applicant's offering for sale or selling prepaid funeral benefits.

33 (b) (1) The Insurance Commissioner may cancel a permit, deny an initial
34 application for permit, or refuse to renew a permit for failure to comply with
35 any material provision of this chapter or any valid rule or regulation which

1 the Insurance Commissioner has prescribed after thirty (30) days' notice to
2 the applicant or permittee setting forth the grounds for such cancellation,
3 denial of application for initial permit, or refusal to renew and after a
4 hearing if the applicant or permittee requests a hearing.

5 (2) No organization shall be entitled to a new permit for a period of one
6 (1) year after cancellation or refusal by the Insurance Commissioner to renew
7 its permit, but shall thereafter be entitled to a new permit upon satisfactory
8 proof of compliance with this chapter.

9 (c) Any person aggrieved by the action of the Insurance Commissioner may
10 appeal therefrom to any state court of competent jurisdiction.

11 23-40-109. Sales contracts for prepaid funeral benefits.

12 (a) The Insurance Commissioner shall approve forms for sales contracts
13 for prepaid funeral benefits.

14 (b) All contracts for sale of prepaid funeral benefits must be in writing
15 and must set forth the specific merchandise and services to be provided by the
16 seller and the contract price.

17 (c) All forms of sales contracts for prepaid funeral benefits shall
18 contain the provisions incidental to the orderly administration of this
19 chapter as set forth in the rules as prescribed by the Insurance Commissioner.
20 No contract form shall be used without prior approval of the Insurance
21 Commissioner.

22 (d)(1) All contracts for sale of prepaid funeral benefits shall provide
23 that the seller shall furnish to the buyer the merchandise and services as set
24 forth in the contract at the contract price, regardless of the cost of the
25 merchandise or services at the date of the beneficiary's death.

26 (2) However, the seller shall not be required to furnish at the contract
27 price other items incidental to the funeral and disposition of the beneficiary
28 that are clearly identified in the contract as cash accommodation items. The
29 seller may charge the difference between the cash accommodation fund balance,
30 including accrued interest, and the market price of the cash accommodation
31 items as of the date of the beneficiary's death. In the event the total funds
32 on deposit shall exceed the market price of the cash accommodation items, the
33 seller shall return the excess to the buyer or his estate.

34 (e) The seller shall not be entitled to enforce a contract made in
35 violation of this chapter, but the purchaser, or his heirs, or his legal

1 representative shall be entitled to recover all amounts paid to the seller
2 under any contract made in violation hereof.

3 (f) This chapter shall not prohibit the assignment or transfer of
4 insurance contracts as consideration for prepaid funeral benefits furnished in
5 accordance with the provisions of this chapter nor the designation of an
6 organization licensed pursuant to the provisions of this chapter as
7 beneficiary of a funeral expense or other insurance policy. Such assignment,
8 transfer or designation shall not be deemed to be a prepaid contract."

9

10 SECTION 5. Arkansas Code 23-40-110(b) through (e) are amended to read
11 as follows:

12 "(b) At least fifteen (15) days prior to the proposed occurrence of an
13 event described in subsection (a) of this section, the seller shall file a
14 verified change of ownership application with the Insurance Commissioner which
15 shall contain the following:

16 (1) The name and address of the seller;

17 (2) The name and address of the organization proposing to acquire
18 property of the seller, hereinafter referred to as the "transferee";

19 (3) A description of the property and of the proposed transaction as set
20 forth in subsection (a) of this section;

21 (4) An accounting of the trust fund and all outstanding contracts, which
22 accounting shall contain all the information required in the annual report,
23 prepared as of a date within thirty (30) days of the required application
24 filing date;

25 (5) Any required documents or amendments thereto relating to the trust
26 fund;

27 (6) A copy of any notice proposed to be sent to the contract buyers after
28 the transfer;

29 (7) A filing fee of one hundred dollars (\$100); and

30 (8) Any other information which may reasonably be required by the
31 Insurance Commissioner pursuant to rule or order.

32 (c) The Insurance Commissioner shall approve the seller's application for
33 change of ownership by order if:

34 (1) The transferee set forth in the application holds a valid, current
35 permit pursuant to the provisions of this chapter;

1 (2) The accounting required is complete, accurate, and reflects the trust
2 fund whole and intact; and

3 (3) All required information and documents are filed and approved by the
4 Insurance Commissioner.

5 (d) The Insurance Commissioner shall have the authority by rule or order
6 to waive or reduce any or all the requirements contained in subsection (b) of
7 this section as not being necessary or appropriate in the public interest or
8 for the protection of the contract buyers.

9 (e) The seller, or interest therein, shall remain liable for all funds
10 and transactions to the effective date of the transfer. The Insurance
11 Commissioner shall recover from the seller, for the benefit and protection of
12 contract buyers, all contract proceeds which the seller has not properly
13 accounted for and deposited into the trust fund."
14

15 SECTION 6. Arkansas Code 23-40-111 is amended to read as follows:

16 "23-40-111. Trust funds - Creation - Deposits, withdrawals, and
17 transfers of funds.

18 (a) All contract proceeds collected under contracts for prepaid funeral
19 benefits, including funds collected under contracts entered into before June
20 28, 1985, shall be deposited with a trustee within forty-five (45) days after
21 collection, to be held, invested, and administered in a trust fund for the
22 benefit and protection of the contract purchasers pursuant to this chapter.

23 (b) Each trust fund shall be created by a letter or written agreement
24 which shall be filed with and approved by the Insurance Commissioner prior to
25 placement of funds.

26 (c) The seller may deposit money or property as surplus at any time.

27 (d) The Insurance Commissioner shall prescribe by regulation proper
28 affidavits and forms for the withdrawal of funds from the trust fund.

29 (e) The Insurance Commissioner shall first approve and authorize in
30 writing any transfer of funds from an existing trustee to a proposed new
31 trustee if the proposed new trustee meets the requirements of this chapter and
32 the rules and regulations promulgated thereunder.

33 (f) The permittee shall file a request for a transfer of funds, together
34 with a filing fee of fifty dollars (\$50.00) and any other information required
35 by rule or regulation.

1 (g) This section shall not apply to the proceeds of insurance policies or
2 contracts and it shall not be necessary to establish a trust for the payment
3 of such proceeds to the beneficiary designated in the policy or contract or
4 the assignee or transferee thereof."

5

6 SECTION 7. Arkansas Code 23-40-112(a) is amended to read as follows:

7 "(a) (1) The trustees shall invest the trust fund only in the following:

8 (A) Demand deposits, savings accounts, certificates of deposits, and
9 all other accounts which are insured by the Federal Deposit Insurance
10 Corporation or the Federal Savings and Loan Insurance Corporation;

11 (B) Bonds and obligations which are insured by, fully guaranteed as to
12 principal and interest by, and due from the United States Government or any of
13 its agencies, including the Federal National Mortgage Association and the
14 Government National Mortgage Association, and any repurchase obligations which
15 are secured by any of the foregoing;

16 (C) (i) Corporate, state, municipal, or political subdivision bonds or
17 obligations which are rated Aa or better by Moody's or AA or better by
18 Standard & Poor's rate services; or

19 (ii) Bonds of any school district in this state, provided, however, no
20 more than thirty percent (30%) of the total trust assets may be invested in
21 such school bonds; and

22 (D) Mutual funds or common trust funds whose portfolio is made up of
23 investments that are described in subdivisions (a) (1) (A) - (C) of this section.

24 (2) Investments described in subdivisions (a) (1) (B) - (D) of this section
25 shall be purchased and held by the trustee which has trust powers under a
26 trust agreement filed with and approved by the Insurance Commissioner."

27

28 SECTION 8. Arkansas Code 23-40-113 is amended to read as follows:

29 "23-40-113. Trust funds - Disbursements.

30 The trustee shall disburse money or other property from the trust fund only
31 as follows:

32 (1) Upon the death of the contract beneficiary and upon proper proof and
33 documentation being submitted to and approved by the Insurance Commissioner,
34 or pursuant to such other method as may be permitted under valid rules and
35 regulations adopted by the Insurance Commissioner, in which event the contract

1 proceeds shall be paid to the seller;

2 (2) Upon cancellation of the prepaid contract pursuant to 23-40-122 and
3 upon proper proof and documentation being submitted to and approved by the
4 Insurance Commissioner, or pursuant to such other method as may be permitted
5 under valid rules and regulations adopted by the Insurance Commissioner;

6 (3) Upon the breach of contract by either party, in which event the
7 contract proceeds shall be paid according to a judgment of a court of
8 competent jurisdiction;

9 (4) Upon the withdrawal of net investment income or surplus by the
10 seller, which may be made at any time and from time to time."

11

12 SECTION 9. Arkansas Code 23-40-114(b) is amended to read as follows:

13 "(b) The seller shall notify the Insurance Commissioner within ten (10)
14 days upon the filing of bankruptcy or upon becoming insolvent. Upon receipt of
15 notification, the Insurance Commissioner shall notify the trustee of the trust
16 fund, and all income earned after that date shall be held in trust by the
17 trustee, disbursed only upon the direction of the Insurance Commissioner."

18

19 SECTION 10. Arkansas Code 23-40-115(a) is amended to read as follows:

20 "(a) Each organization subject to this chapter shall designate an agent
21 or agents, either by names of the individuals or by titles of their offices or
22 positions, who shall be responsible for deposit of contract proceeds collected
23 under contracts for prepaid funeral benefits. The organization shall notify
24 the Insurance Commissioner of the designation within ten (10) days after it
25 becomes subject to this chapter, and shall also notify the Insurance
26 Commissioner of any changes in the designation within ten (10) days after the
27 change occurs."

28

29 SECTION 11. Arkansas Code 23-40-116 and 117 are amended to read as
30 follows:

31 "23-40-116. Annual report and fee.

32 (a) Each organization shall file an annual report and an annual report
33 fee with the Insurance Commissioner on or before March 15 of each year in such
34 form as the Insurance Commissioner may require, showing the names or account
35 numbers, or both, of all persons with whom contracts for prepaid funeral

1 benefits have been made prior to January 1 of that year which had not been
2 fully discharged on January 1, and also showing the date of contract, the name
3 of the trustee holding the trust fund, and the amount in the trust fund under
4 each contract on the preceding December 31.

5 (b) If any officer of any organization fails or refuses to file an annual
6 report, or to cause it to be filed within thirty (30) days after he has been
7 notified by the Insurance Commissioner that the report is due and has not been
8 received, then, upon a finding of such failure by a court of competent
9 jurisdiction, he shall be guilty of a misdemeanor and shall be punished as
10 prescribed in this chapter.

11 (c) The annual report fee shall be based upon the aggregate contract
12 price of all contracts for prepaid funeral benefits outstanding and
13 unfulfilled as of December 31 of each year and shall be payable at the time
14 the annual report is filed. The annual report fee shall be fifty dollars
15 (\$50.00) for one million dollars (\$1,000,000), or fraction thereof, plus
16 twenty-five dollars (\$25.00) for each million, or fraction thereof, in excess
17 of one million dollars (\$1,000,000), up to a maximum annual report fee of
18 three hundred dollars (\$300).

19 23-40-117. Records required - Examination.

20 (a) Each organization which has outstanding contracts for prepaid funeral
21 benefits shall maintain within this state any records which the Insurance
22 Commissioner may require to enable him to determine whether the organization
23 is complying with the provisions of this chapter.

24 (b) (1) The records shall be subject to examination by the Insurance
25 Commissioner, or his representatives, as often as he deems advisable and not
26 less frequently than every three (3) years, provided, however, that the
27 Insurance Commissioner shall determine the date of original examination
28 without regard to the date of the original permit.

29 (2) Each permittee examined shall pay a fee for each examination not to
30 exceed one hundred dollars (\$100) per day, or fifty dollars (\$50.00) per half
31 day or fraction thereof, that any examiner is absent from the office of the
32 Insurance Commissioner for the purpose of making the examination. In
33 addition, the permittee shall pay the actual meals, hotel, and traveling
34 expenses of each authorized examiner from Little Rock and return. The fee and
35 expenses shall be prorated if more than one (1) examination is made on an

1 examination trip."

2

3 SECTION 12. Subchapter 1 of Chapter 40 of Title 23 of the Arkansas Code
4 is amended by inserting at the end thereof additional sections to read as
5 follows:

6 "23-40-119. This chapter shall be known as the Arkansas Prepaid
7 Funeral Benefits Law.

8 23-40-120. The purpose of this act is to, on July 1, 1995, provide for
9 the regulation of the sale of prepaid funeral benefits by the State Insurance
10 Commissioner and to amend various provisions of Ark. Code Ann. 23-40-101 et
11 seq. All the responsibilities of the State Securities Commissioner and
12 Arkansas Securities Department for the regulation of the sale of prepaid
13 funeral benefits shall cease and such responsibilities shall be assumed by the
14 State Insurance Commissioner. On July 1, 1995 all records, books, files,
15 reports, documents, moneys and all things pertaining to the regulation of
16 prepaid funeral benefits shall be transferred to the State Insurance
17 Commissioner. All forms for the sale of prepaid funeral benefits, all trust
18 agreements and arrangements and all documents presently in use which have been
19 previously approved by the Securities Commissioner shall continue to be
20 approved until otherwise determined by the Insurance Commissioner pursuant to
21 a proper rule or order.

22 23-40-121. The Insurance Commissioner shall be responsible for the
23 regulation of the sale of prepaid funeral benefits and there is hereby
24 established, within the Arkansas Insurance Department, the Division of Prepaid
25 Funeral Benefits.

26 23-40-122. Cancellation. A purchaser may cancel a prepaid contract,
27 whether revocable or irrevocable, whether cash funded or funded by insurance
28 or an annuity, at any time prior to performance of the contract by the seller,
29 subject to the following conditions:

30 (1) In the case of a cash or trust funded prepaid contract:

31 (a) Prior to death of the contract beneficiary, if the prepaid
32 contract is revocable, the purchaser shall be entitled to receive a refund of
33 not less than *one hundred percent (100%)* of all sums paid to the seller by the
34 purchaser, not to exceed the contract price.

35 (b) After death, if the prepaid contract is revocable, the

1 purchaser, or his representative, shall be entitled to receive *one hundred*
2 *percent (100%)* of the amount paid to the seller by the purchaser, not to
3 exceed the contract price.

4 (c) If the prepaid contract is irrevocable, the purchaser shall
5 not have the right to a refund of any funds paid by him or proceeds paid to
6 the seller, but shall have the right to change the provider of the contract
7 services and merchandise to a substitute provider in which event the seller
8 shall transfer to the substitute provider not less than *one hundred percent*
9 *(100%)* of the amount paid to the seller by the purchaser, not to exceed the
10 contract price.

11 (2) In the case of a prepaid contract funded by life insurance:

12 (a) Prior to the death of the contract beneficiary, if the
13 prepaid contract is revocable, the purchaser shall have the right to receive
14 not less than *one hundred percent (100%)* of the cash surrender value of the
15 policy used to fund the prepaid contract not to exceed the premium paid by the
16 purchaser.

17 (b) After the death of the contract beneficiary, if the prepaid
18 contract is revocable, the purchaser (or his designee) shall be entitled to
19 receive not less than *one hundred percent (100%)* of the policy proceeds paid
20 to the seller not to exceed the original face amount of the policy.

21 (c) Prior to the death of the contract beneficiary, if the
22 contract is irrevocable, the prepaid contract purchaser shall not have the
23 right to a refund of any funds paid to the seller, but shall have the right to
24 change the provider of the prepaid contract services and merchandise to a
25 substitute provider in which event the seller shall transfer to the substitute
26 provider not less than *one hundred percent (100%)* of the cash surrender value
27 of the policy used to fund the prepaid contract not to exceed the premium paid
28 by the purchaser. After the death of the contract beneficiary, the seller
29 shall transfer to the substitute provider not less than *one hundred percent*
30 *(100%)* of the policy proceeds paid to the seller not to exceed the original
31 face amount of the policy.

32 (3) In the case of a prepaid contract funded by an annuity:

33 (a) Prior to death of the contract beneficiary, if the prepaid
34 contract is revocable, the purchaser shall be entitled to receive a refund of
35 not less than *one hundred percent (100%)* of the annuity value, not to exceed

1 the premium paid by the purchaser for the annuity funding the prepaid
2 contract.

3 (b) After the death of the contract beneficiary, if the prepaid
4 contract is revocable, the purchaser (or his designee) shall be entitled to
5 receive not less than *one hundred percent (100%)* of the annuity proceeds
6 received by the seller, not to exceed the premium paid by the purchaser.

7 (c) Prior to the death of the contract beneficiary, if the
8 prepaid contract is irrevocable, the purchaser shall not have the right to a
9 refund of any funds paid to the seller, but shall have the right to change the
10 provider of the prepaid contract services and merchandise to a substitute
11 provider in which event the seller shall transfer to the substitute provider
12 not less than *one hundred percent (100%)* of the annuity value, not to exceed
13 the premium paid by the purchaser. After the death of the contract
14 beneficiary, the seller shall transfer to the substitute provider not less
15 than *one hundred percent (100%)* of the annuity proceeds received by the
16 seller, not to exceed the premiums paid by the purchaser.

17 (4) *The prepaid contract shall contain a provision in substantially the*
18 *following form: NOTICE: If this contract is irrevocable and you choose to*
19 *transfer this contract to a substitute provider, the entire amount of the*
20 *contract will not be transferred and you may have to pay more to obtain 100%*
21 *of the services provided for in the contract."*

22

23 SECTION 13. All provisions of this act of a general and permanent
24 nature are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas
25 Code Revision Commission shall incorporate the same in the Code.

26

27 SECTION 14. If any provision of this act or the application thereof to
28 any person or circumstance is held invalid, such invalidity shall not affect
29 other provisions or applications of the act which can be given effect without
30 the invalid provision or application, and to this end the provisions of this
31 act are declared to be severable.

32

33 SECTION 15. All laws and parts of laws in conflict with this act are
34 hereby repealed.

35

1 SECTION 16. EMERGENCY. It is hereby found and determined by the
2 General Assembly that the responsibility for the regulation of the sale of
3 prepaid funeral benefits should be transferred from the Arkansas Securities
4 Commissioner and Arkansas Securities Department to the Arkansas Insurance
5 Commissioner; that the orderly transfer of such responsibilities can be best
6 accomplished by causing such transfer to take effect at the beginning of the
7 next fiscal year in order to comport with the appropriations for the next
8 fiscal year for the Arkansas Securities Department and Arkansas Insurance
9 Department. Therefore, an emergency is hereby declared to exist, and this act
10 being immediately necessary for the preservation of the public peace, health,
11 and safety shall be in full force and effect from and after July 1, 1995.

12 /s/Todd

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14 APPROVED: 3-31-95
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