

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

A Bill

SENATE BILL 611

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

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For An Act To Be Entitled

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

13

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Subtitle

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

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

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"23-40-101. Definitions.

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

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

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

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

1 benefits;

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

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

7 (6) Net investment income means:

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

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

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

21 (9) Seller means the organization selling prepaid funeral benefits or
22 owning any interest in any contract for prepaid funeral benefits pursuant to
23 this chapter;

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

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

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

33 23-40-102. Insurance Code not affected.

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

1 23-40-103. Burial associations exempted.

2 Nothing in this chapter shall apply to organizations or associations
3 operating in this state as burial associations pursuant to Ark. Code Ann. §
4 23-78-101 et seq."

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

7 "23-40-105. Administration.

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

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

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

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

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

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

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

4 "23-40-107. Application for initial or renewed permit.

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

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

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

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

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

32 23-40-108. Issuance, denial, or cancellation of permit.

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

1 (b)(1) The Insurance Commissioner may cancel a permit, deny an initial
2 application for permit, or refuse to renew a permit for failure to comply
3 with any material provision of this chapter or any valid rule or regulation
4 which the Insurance Commissioner has prescribed after thirty (30) days'
5 notice to the applicant or permittee setting forth the grounds for such
6 cancellation, denial of application for initial permit, or refusal to renew
7 and after a hearing if the applicant or permittee requests a hearing.

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

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

14 23-40-109. Sales contracts for prepaid funeral benefits.

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

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

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

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

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

1 accommodation items, the seller shall return the excess to the buyer or his
2 estate.

3 (e) The seller shall not be entitled to enforce a contract made in
4 violation of this chapter, but the purchaser, or his heirs, or his legal
5 representative shall be entitled to recover all amounts paid to the seller
6 under any contract made in violation hereof.

7 (f) This chapter shall not prohibit the assignment or transfer of
8 insurance contracts as consideration for prepaid funeral benefits furnished
9 in accordance with the provisions of this chapter nor the designation of an
10 organization licensed pursuant to the provisions of this chapter as
11 beneficiary of a funeral expense or other insurance policy. Such assignment,
12 transfer or designation shall not be deemed to be a prepaid contract."
13

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

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

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

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

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

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

29 (5) Any required documents or amendments thereto relating to the trust
30 fund;

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

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

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

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

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

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

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

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

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

18

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

20 "23-40-111. Trust funds - Creation - Deposits, withdrawals, and
21 transfers of funds.

22 (a) All contract proceeds collected under contracts for prepaid funeral
23 benefits, including funds collected under contracts entered into before June
24 28, 1985, shall be deposited with a trustee within forty-five (45) days after
25 collection, to be held, invested, and administered in a trust fund for the
26 benefit and protection of the contract purchasers pursuant to this chapter.

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

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

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

33 (e) The Insurance Commissioner shall first approve and authorize in
34 writing any transfer of funds from an existing trustee to a proposed new
35 trustee if the proposed new trustee meets the requirements of this chapter

1 and the rules and regulations promulgated thereunder.

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

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

9

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

11 "(a)(1) The trustees shall invest the trust fund only in the

12 following: (A) Demand deposits, savings accounts, certificates of
13 deposits, and all other accounts which are insured by the Federal Deposit
14 Insurance Corporation or the Federal Savings and Loan Insurance Corporation;

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

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

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

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

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

31

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

33 "23-40-113. Trust funds - Disbursements.

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

1 (1) Upon the death of the contract beneficiary and upon proper proof and
2 documentation being submitted to and approved by the Insurance Commissioner,
3 or pursuant to such other method as may be permitted under valid rules and
4 regulations adopted by the Insurance Commissioner, in which event the
5 contract proceeds shall be paid to the seller;

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

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

13 (4) Upon the withdrawal of net investment income or surplus by the
14 seller, which may be made at any time and from time to time."
15

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

17 "(b) The seller shall notify the Insurance Commissioner within ten
18 (10) days upon the filing of bankruptcy or upon becoming insolvent. Upon
19 receipt of notification, the Insurance Commissioner shall notify the trustee
20 of the trust fund, and all income earned after that date shall be held in
21 trust by the trustee, disbursed only upon the direction of the Insurance
22 Commissioner."
23

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

25 "(a) Each organization subject to this chapter shall designate an
26 agent or agents, either by names of the individuals or by titles of their
27 offices or positions, who shall be responsible for deposit of contract
28 proceeds collected under contracts for prepaid funeral benefits. The
29 organization shall notify the Insurance Commissioner of the designation
30 within ten (10) days after it becomes subject to this chapter, and shall also
31 notify the Insurance Commissioner of any changes in the designation within
32 ten (10) days after the change occurs."
33

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

1 "23-40-116. Annual report and fee.

2 (a) Each organization shall file an annual report and an annual report
3 fee with the Insurance Commissioner on or before March 15 of each year in
4 such form as the Insurance Commissioner may require, showing the names or
5 account numbers, or both, of all persons with whom contracts for prepaid
6 funeral benefits have been made prior to January 1 of that year which had not
7 been fully discharged on January 1, and also showing the date of contract,
8 the name of the trustee holding the trust fund, and the amount in the trust
9 fund under each contract on the preceding December 31.

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

16 (c) The annual report fee shall be based upon the aggregate contract
17 price of all contracts for prepaid funeral benefits outstanding and
18 unfulfilled as of December 31 of each year and shall be payable at the time
19 the annual report is filed. The annual report fee shall be fifty dollars
20 (\$50.00) for one million dollars (\$1,000,000), or fraction thereof, plus
21 twenty-five dollars (\$25.00) for each million, or fraction thereof, in excess
22 of one million dollars (\$1,000,000), up to a maximum annual report fee of
23 three hundred dollars (\$300).

24 23-40-117. Records required - Examination.

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

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

34 (2) Each permittee examined shall pay a fee for each examination not to
35 exceed one hundred dollars (\$100) per day, or fifty dollars (\$50.00) per half

1 day or fraction thereof, that any examiner is absent from the office of the
2 Insurance Commissioner for the purpose of making the examination. In
3 addition, the permittee shall pay the actual meals, hotel, and traveling
4 expenses of each authorized examiner from Little Rock and return. The fee and
5 expenses shall be prorated if more than one (1) examination is made on an
6 examination trip."

7

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

11 "23-40-119. This chapter shall be known as the Arkansas Prepaid
12 Funeral Benefits Law."

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

27 23-40-121. The Insurance Commissioner shall be responsible for the
28 regulation of the sale of prepaid funeral benefits and there is hereby
29 established, within the Arkansas Insurance Department, the Division of
30 Prepaid Funeral Benefits.

31 23-40-122. Cancellation. A purchaser may cancel a prepaid contract,
32 whether revocable or irrevocable, whether cash funded or funded by insurance
33 or an annuity, at any time prior to performance of the contract by the
34 seller, subject to the following conditions:

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

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

5 (b) After death, if the prepaid contract is revocable, the
6 purchaser, or his representative, shall be entitled to receive *one hundred*
7 *percent (100%)* of the amount paid to the seller by the purchaser, not to
8 exceed the contract price.

9 (c) If the prepaid contract is irrevocable, the purchaser shall
10 not have the right to a refund of any funds paid by him or proceeds paid to
11 the seller, but shall have the right to change the provider of the contract
12 services and merchandise to a substitute provider in which event the seller
13 shall transfer to the substitute provider not less than *one hundred percent*
14 *(100%)* of the amount paid to the seller by the purchaser, not to exceed the
15 contract price.

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

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

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

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

1 to exceed the original face amount of the policy.

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

3 (a) Prior to death of the contract beneficiary, if the prepaid
4 contract is revocable, the purchaser shall be entitled to receive a refund of
5 not less than *one hundred percent (100%)* of the annuity value, not to exceed
6 the premium paid by the purchaser for the annuity funding the prepaid
7 contract.

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

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

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

27

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

31

32 SECTION 14. If any provision of this act or the application thereof to
33 any person or circumstance is held invalid, such invalidity shall not affect
34 other provisions or applications of the act which can be given effect without
35 the invalid provision or application, and to this end the provisions of this

1 act are declared to be severable.

2

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

5

6 SECTION 16. EMERGENCY. It is hereby found and determined by the
7 General Assembly that the responsibility for the regulation of the sale of
8 prepaid funeral benefits should be transferred from the Arkansas Securities
9 Commissioner and Arkansas Securities Department to the Arkansas Insurance
10 Commissioner; that the orderly transfer of such responsibilities can be best
11 accomplished by causing such transfer to take effect at the beginning of the
12 next fiscal year in order to comport with the appropriations for the next
13 fiscal year for the Arkansas Securities Department and Arkansas Insurance
14 Department. Therefore, an emergency is hereby declared to exist, and this
15 act being immediately necessary for the preservation of the public peace,
16 health, and safety shall be in full force and effect from and after July 1,
17 1995.

18

/s/Todd