

Article - Business Regulation

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§5-709.

(a) (1) A buyer may cancel a preneed burial contract as to preneed goods not delivered or preneed services not performed if the buyer:

(i) permanently moves more than 75 miles from the cemetery specified in the preneed burial contract; and

(ii) gives to the seller written notice, under oath, of the move and includes the buyer's new permanent address.

(2) In that event:

(i) the seller shall certify to the trustee:

1. the cancellation of the preneed burial contract;

2. the amount of the remaining specific funds applicable to the preneed burial contract; and

3. the name and address of the buyer; and

(ii) the trustee shall then pay to the buyer the remaining specific funds, accrued interest on the specific funds, and a prorated proportional share of total realized capital gains attributable to the specific funds.

(b) (1) Notwithstanding subsection (a) of this section, by written notice, a buyer may cancel the purchase of a casket or casket vault under a preneed burial contract at any time prior to the time the buyer needs the casket or casket vault for burial.

(2) In that event:

(i) the seller shall certify to the trustee:

1. the cancellation of the purchase of the casket or casket vault under the preneed burial contract;

2. the amount of the specific funds applicable to the casket or casket vault under the preneed burial contract; and

3. the name and address of the buyer;

(ii) the trustee shall pay to the buyer the specific funds, interest accrued on the specific funds, and a prorated proportional share of total realized

capital gains attributable to the specific funds; and

(iii) in addition to the refund paid by the trustee, the seller shall pay to the buyer an amount of money necessary to provide the buyer with a refund of 100% of the money paid for the casket or casket vault under the preneed burial contract.

(c) If a buyer fails to provide written notice of cancellation and defaults on a preneed burial contract and, as a result, the seller terminates the preneed burial contract:

(1) the seller shall certify to the trustee:

(i) the default and termination of the preneed burial contract;

(ii) the amount of the specific funds; and

(iii) the reasonable expenses of the seller; and

(2) the trustee shall then pay:

(i) to the buyer, those specific funds, accrued interest on the specific funds, and a prorated proportional share of total realized capital gains attributable to the specific funds, less the reasonable expenses of the seller; and

(ii) to the seller, the reasonable expenses of the seller.

(d) If specific funds on deposit in a trust account have been dormant for at least 50 years since the date of the last deposit or disbursement and the seller cannot locate the buyer:

(1) the seller shall certify to the trustee:

(i) that the trust account is dormant and the buyer cannot be located;

and

(ii) the amount of the specific funds; and

(2) the trustee shall then pay to the seller those specific funds, accrued interest on the specific funds, and a prorated proportional share of total realized capital gains attributable to the specific funds.

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