
By: **Delegates Kach, Krysiak, Eckardt, and Donoghue**
Introduced and read first time: March 4, 2002
Assigned to: Rules and Executive Nominations

A BILL ENTITLED

1 AN ACT concerning

2 **Insurance - Life Insurance Producers - Pre-Need Contracts**

3 FOR the purpose of authorizing life insurance producers to offer or provide certain
4 services under a pre-need contract to provide certain goods and services
5 purchased prior to the time of death; and generally relating to life insurance
6 producers and pre-need contracts.

7 BY repealing and reenacting, with amendments,
8 Article - Health Occupations
9 Section 7-101(r) and 7-405(b)
10 Annotated Code of Maryland
11 (2000 Replacement Volume and 2001 Supplement)

12 BY repealing and reenacting, without amendments,
13 Article - Health Occupations
14 Section 7-405(c)
15 Annotated Code of Maryland
16 (2000 Replacement Volume and 2001 Supplement)

17 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
18 MARYLAND, That the Laws of Maryland read as follows:

19 **Article - Health Occupations**

20 7-101.

21 (r) "Pre-need contract" means an agreement between a consumer and a
22 licensed funeral director, licensed mortician, LICENSED LIFE INSURANCE PRODUCER,
23 or surviving spouse to provide any goods and services purchased prior to the time of
24 death. Goods and services shall include:

25 (1) A service, including any form of preservation and disposition, that a
26 mortician normally provides in the ordinary course of business; or

1 (2) Merchandise, including a casket, vault, or clothing, that a mortician
2 normally provides in the ordinary course of business.

3 7-405.

4 (b) (1) Only a licensed mortician, a licensed funeral director, A LICENSED
5 LIFE INSURANCE PRODUCER, or a holder of a surviving spouse license may offer or
6 agree, directly or indirectly, to provide services or merchandise under a pre-need
7 contract.

8 (2) Notwithstanding the provisions of paragraph (1) of this subsection, a
9 licensed mortician or a licensed funeral director who is employed by a funeral
10 establishment may execute pre-need contracts on behalf of the funeral establishment
11 with which the mortician or funeral director is employed.

12 (3) Any funeral establishment on whose behalf pre-need contracts are
13 executed under this subsection must comply with the requirements of this section.

14 (c) (1) A pre-need contract shall contain:

15 (i) The name of each party to the contract and, if the beneficiary is
16 an individual other than the buyer, the name of the beneficiary of the contract;

17 (ii) A description of any service or merchandise to be provided
18 under the pre-need contract;

19 (iii) The total price of the services and merchandise agreed on; and

20 (iv) The method of payment.

21 (2) A pre-need contract shall be executed in duplicate and be signed by
22 each party.

23 (3) The seller shall give one of the duplicate originals of the pre-need
24 contract to the buyer.

25 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
26 October 1, 2002.