

2007 SESSION

INTRODUCED

065303432

HOUSE BILL NO. 571

Offered January 11, 2006

Prefiled January 10, 2006

A BILL to amend and reenact § 54.1-2822 of the Code of Virginia, relating to the Board of Funeral Directors and Embalmers; preneed funeral contracts.

Patron—Nixon

Referred to Committee on Health, Welfare and Institutions

Be it enacted by the General Assembly of Virginia:

1. That § 54.1-2822 of the Code of Virginia is amended and reenacted as follows:

§ 54.1-2822. Deposit of money received pursuant to preneed funeral contract.

Within thirty days following the receipt of any money paid pursuant to any preneed funeral contract or interest or income accrued thereon, unless such amounts are paid to fund either an annuity or an insurance policy which will be used to purchase the funeral supplies or services contracted for, the person receiving such amounts shall deposit all consideration paid pursuant to the terms of a preneed funeral contract in which the price of the supplies and services is not guaranteed, or ninety percent of all consideration paid pursuant to the terms of a preneed funeral contract in which the price of the supplies and services is guaranteed, in a special account in a bank or savings institution doing business in this Commonwealth.

The funds shall be deposited in separate, identifiable trust accounts setting forth the names of the depositor, the trustee for the person who is the subject of the contract, the name of the person who will render the funeral services and the name of the person who is the subject of the contract. The purchaser shall have the right to change the beneficiary and trustee of the trust at any time prior to the furnishing of the services or supplies contracted for under the preneed funeral contract. Trust account records shall be subject to examination by the Board. *The trustee may commingle the deposits in any preneed trust account for the purposes of the management thereof and the investment of funds therein.*

No funeral director, embalmer, funeral service licensee, owner of a funeral establishment, or any person employed by or having an interest in a funeral establishment shall serve as trustee of a trust account for which any such person, or any funeral establishment owned by or employing such person or in which such person has an interest, has been named the beneficiary or designated the provider of services, unless two or more such persons are named and serve as trustees and are required to act jointly in such fiduciary capacity.

2. That the provisions of this act are declarative of existing law.

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