

2009 SESSION

INTRODUCED

090038652

HOUSE BILL NO. 2467

Offered January 14, 2009

Prefiled January 14, 2009

A BILL to amend the Code of Virginia by adding a section numbered 38.2-3100.3, relating to life insurance or annuity contracts; funding preneed funeral contracts.

Patron—Morgan

Referred to Committee on Commerce and Labor

Be it enacted by the General Assembly of Virginia:

1. That the Code of Virginia is amended by adding a section numbered 38.2-3100.3 as follows:

§ 38.2-3100.3. Requirements of life insurance or annuity contracts used to fund preneed funeral contracts.

A. For purposes of this section, "preneed funeral contract" means any agreement where payment is made by the insured prior to the receipt of services or supplies contracted for, which evidences arrangements prior to death for (i) the providing of funeral services or (ii) the sale of funeral supplies.

B. Each individual and group life insurance policy issued or issued for delivery in Virginia, each individual and group annuity contract issued or issued for delivery in Virginia, and each certificate issued in connection with a group life insurance policy or group annuity contract issued or issued for delivery in Virginia shall include a provision specifying the means by which face amount adjustments will be made and benefits payable upon death will be adjusted, according to the provisions of subsection C of § 54.1-2820, when such a policy or contract will be used to fund a preneed funeral contract.

C. Each insurer proposing to issue individual or group life insurance policies or individual or group annuity contracts in Virginia for purposes of funding preneed funeral contracts shall clearly disclose the intended purpose and market for such policies and contracts when submitting the forms with the Commission for approval, in accordance with § 38.2-316.

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