

RULE AND REGULATION 84  
PREPAID FUNERAL BENEFITS CONTRACTS RECOVERY FUND FEES

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SECTION 1. PURPOSE. The purpose of this Rule is to establish a rule and regulation from which to promulgate needed adjustments in the future to per-contract fees which are charged to fund the Prepaid Funeral Contracts Recovery Program Fund under Ark. Code Ann. §23-40-119 (d)(1)(A)(i)(a).

SECTION 2. AUTHORITY & EFFECTIVE DATE. Authority for this Rule is given to the Insurance Commissioner for the State of Arkansas by Ark. Code Ann. §23-40-119 (d)(2)(A)(i) which states that the Insurance Commissioner, on and after July 1, 2001, may by rule or regulation eliminate, reduce, suspend, or increase the per-contract fee or the portion of the per-contract fee allotted to the Prepaid Funeral Contracts Recovery Program Fund.

SECTION 3. APPLICABILITY AND SCOPE. This Rule shall apply to all persons engaged in the business of selling prepaid funeral benefits contracts under Ark. Code Ann. §23-40-101, et seq., as amended by Act 852 of 1995.

SECTION 4. PER CONTRACT FEE AMOUNTS. Effective for all prepaid funeral benefits contracts executed on and after August 1, 2004, until August 1, 2005, each licensee selling a prepaid funeral benefits contract shall remit to the State Insurance Department a one-time per-contract fee of not less than ten dollars (\$10.00) for each prepaid funeral benefits contract, including any amendments thereto, entered into by the licensee whether cash or trust funded or funded by an insurance policy or annuity contract. However, on and after August 1, 2005, each licensee selling a prepaid funeral benefits contract shall remit to the State Insurance Department a one-time per-contract fee of not less than five dollars (\$5.00) for each prepaid funeral benefits contract, including any amendments thereto, entered into by the licensee whether cash or trust funded or funded by an insurance policy or annuity contract. A five dollar increase in the per contract fees is needed during the above described period, from August 1, 2004 to August 1, 2005, to increase funds in the Prepaid Funeral Contracts Recovery Program to safely meet potential reparation claims transfers for purchasers from organizations found deficient under Ark. Code Ann. §23-40-119 (f)(1)(A) and Ark. Code Ann. §23-40-119 (f)(1)(B).

SECTION 5. SEVERABILITY. If any provision of this Rule and Regulation, or the application thereof to any person or circumstance, is held invalid, such invalidity shall not affect other provisions or applications of this Rule and Regulation which can be given effect without the invalid provision or application, and to that end the provisions of this Rule and Regulation are severable.

(signed by Mike Pickens)

(June 30, 2004)

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MIKE PICKENS  
INSURANCE COMMISSIONER

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DATE