

SUBSTITUTE FOR  
HOUSE BILL NO. 4603

A bill to amend 1986 PA 255, entitled  
"Prepaid funeral contract funding act,"  
by amending section 19 (MCL 328.229).

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Sec. 19. (1) A prepaid funeral contract may be made with an  
2 applicant for or recipient of assistance under the social welfare  
3 act, ~~Act No. 280 of the Public Acts of 1939, being sections~~  
4 ~~400.1 to 400.121 of the Michigan Compiled Laws~~ 1939 PA 280, MCL  
5 400.1 TO 400.119B, or a patient or a legal guardian of a patient  
6 in a ~~mental~~ COMMUNITY health care facility under the jurisdic-  
7 tion of the department of ~~mental~~ COMMUNITY health. If the  
8 ~~department of social services~~ FAMILY INDEPENDENCE AGENCY or  
9 department of ~~mental~~ COMMUNITY health determines that the  
10 contract is a fully paid guaranteed price contract, ~~of not more~~  
11 ~~than \$2,000.00~~ WHICH WHEN ADDED TO THE AMOUNT OF A DEATH BENEFIT

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1 FROM AN INSURANCE POLICY OR ANNUITY CONTRACT, THE PROCEEDS OF  
2 WHICH HAVE BEEN ASSIGNED PURSUANT TO SECTION 2080(6) OF THE  
3 INSURANCE CODE OF 1956, 1956 PA 218, MCL 500.2080, AS PAYMENT FOR  
4 FUNERAL GOODS OR FUNERAL SERVICES FOR THE CONTRACT BENEFICIARY  
5 THAT ARE NOT MORE THAN THAT AMOUNT ALLOWED UNDER SECTION  
6 2080(6)(G) OF THE INSURANCE CODE OF 1956, 1956 PA 218, MCL  
7 500.2080, PLUS \$2,000.00, exclusive of income, and that the state  
8 will not be liable for the funeral goods or funeral services,  
9 excluding an outside receptacle when required by the chosen ceme-  
10 tery, of the applicant for or recipient of assistance or patient  
11 allowable under contracts under this act, the prepaid funeral  
12 contract shall be made irrevocable at the request of the appli-  
13 cant for or recipient of assistance, or the patient or a legal  
14 guardian of a patient. The ~~department of social services~~  
15 FAMILY INDEPENDENCE AGENCY or department of ~~mental~~ COMMUNITY  
16 health shall advise the applicant for or recipient of assistance,  
17 or the patient or a legal guardian of a patient that additional  
18 funeral goods or funeral services subject to contract under this  
19 act will not be paid by the ~~department of social services~~  
20 FAMILY INDEPENDENCE AGENCY or department of ~~mental~~ COMMUNITY  
21 health but shall not specify or require approval of particular  
22 funeral goods or funeral services selected by the applicant for  
23 or recipient of assistance, or patient or a legal guardian of a  
24 patient.

25 (2) A prepaid funeral contract approved by the ~~department~~  
26 ~~of social services~~ FAMILY INDEPENDENCE AGENCY or department of  
27 ~~mental~~ COMMUNITY health shall not be revoked or canceled by the

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1 contract seller, contract provider, contract buyer, or their  
2 successors, or the estate of the contract beneficiary either  
3 before or after the death of the contract beneficiary. ~~However,~~  
4 ~~nothing in this~~ THIS subsection ~~shall~~ DOES NOT prevent those  
5 legally entitled to make arrangements for a contract beneficiary  
6 from reallocating the amount paid under the prepaid contract to  
7 different funeral services and funeral goods. A CONTRACT SELLER  
8 OR PROVIDER SHALL ASSIGN AN IRREVOCABLE PREPAID FUNERAL CONTRACT  
9 TO ANOTHER PROVIDER UPON THE WRITTEN REQUEST OF THE CONTRACT BEN-  
10 EFICIARY, HIS OR HER SUCCESSOR, OR THOSE LEGALLY ENTITLED TO MAKE  
11 ARRANGEMENTS FOR THE CONTRACT BENEFICIARY SO LONG AS THE WRITTEN  
12 REQUEST IS RECEIVED BEFORE A PROVIDER'S OBLIGATIONS HAVE BEEN  
13 PERFORMED. A CONTRACT SELLER OR A PROVIDER WHO ASSIGNS AN IRREV-  
14 OCABLE PREPAID FUNERAL CONTRACT PURSUANT TO THIS SECTION IS ENTI-  
15 TLED TO UP TO 10% OF THE PRINCIPAL AND UP TO 10% OF THE INCOME IN  
16 THE ESCROW ACCOUNT AS OF THE DATE OF THE ASSIGNMENT. An irrevoca-  
17 ble contract shall not be considered in determining the eligibil-  
18 ity of an applicant or recipient for assistance given under ~~Act~~  
19 ~~No. 280 of the Public Acts of 1939~~ THE SOCIAL WELFARE ACT, 1939  
20 PA 280, MCL 400.1 TO 400.119B. An irrevocable prepaid funeral  
21 contract made under this section ~~shall~~ IS not ~~be~~ subject to  
22 the cancellation provision of section 13 or to THE PROVISIONS OF  
23 section ~~15(6)~~ 15(5).

24 (3) Notwithstanding any other provisions of this act, funds  
25 paid in connection with an irrevocable prepaid funeral contract  
26 may, at the option of the provider, be held and deposited in the  
27 manner prescribed for a nonguaranteed price contract.

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1       (4) The ~~department of social services~~ FAMILY INDEPENDENCE  
2 AGENCY and department of ~~mental~~ COMMUNITY health may promulgate  
3 rules under the administrative procedures act of 1969, ~~Act~~  
4 ~~No. 306 of the Public Acts of 1969, being sections 24.201 to~~  
5 ~~24.328 of the Michigan Compiled Laws~~ 1969 PA 306, MCL 24.201 TO  
6 24.328, to provide for the uniform administration of this  
7 section.