

HOUSE BILL No. 4603

April 17, 2001, Introduced by Reps. Ehardt, Raczkowski, Van Woerkom, Vander Veen, Voorhees, Hager, Sanborn and Julian and referred to the Committee on Commerce.

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

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

26 (2) A prepaid funeral contract approved by the ~~department~~
27 ~~of social services~~ FAMILY INDEPENDENCE AGENCY or department of

1 ~~mental~~ COMMUNITY health shall not be revoked or canceled by the
 2 contract seller, contract provider, contract buyer, or their suc-
 3 cessors, or the estate of the contract beneficiary either before
 4 or after the death of the contract beneficiary. ~~However, noth-~~
 5 ~~ing in this~~ THIS subsection ~~shall~~ DOES NOT prevent those
 6 legally entitled to make arrangements for a contract beneficiary
 7 from reallocating the amount paid under the prepaid contract to
 8 different funeral AND CEMETERY services and funeral goods AND
 9 CEMETERY MERCHANDISE. An irrevocable contract shall not be con-
 10 sidered in determining the eligibility of an applicant or recipi-
 11 ent for assistance given under ~~Act No. 280 of the Public Acts of~~
 12 ~~1939~~ THE SOCIAL WELFARE ACT, 1939 PA 280, MCL 400.1 TO
 13 400.119B. An irrevocable prepaid funeral contract made under
 14 this section ~~shall~~ IS not ~~be~~ subject to the cancellation pro-
 15 vision of section 13 or to THE PROVISIONS OF section ~~15(6)~~
 16 15(5).

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

21 (4) The ~~department of social services~~ FAMILY INDEPENDENCE
 22 AGENCY and department of ~~mental~~ COMMUNITY health may promulgate
 23 rules under the administrative procedures act of 1969, ~~Act~~
 24 ~~No. 306 of the Public Acts of 1969, being sections 24.201 to~~
 25 ~~24.328 of the Michigan Compiled Laws~~ 1969 PA 306, MCL 24.201 TO
 26 24.328, to provide for the uniform administration of this
 27 section.