

# HOUSE BILL No. 4786

May 17, 2001, Introduced by Rep. Tabor and referred to the Committee on Senior Health, Security and Retirement.

A bill to amend 1956 PA 218, entitled  
"The insurance code of 1956,"  
by amending section 2080 (MCL 500.2080), as amended by 1986 PA  
318.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Sec. 2080. (1) It ~~shall be~~ IS unlawful for any life or  
2 accident insurer authorized to do business in this state to own,  
3 manage, supervise, operate, or maintain a mortuary or undertaking  
4 establishment, or to permit its officers, agents, or employees to  
5 own or maintain ~~any such funeral~~ A MORTUARY or undertaking  
6 establishment.

7       (2) Except as otherwise provided in subsection (6), it  
8 ~~shall be~~ IS unlawful for any life insurance, sick or funeral  
9 benefit company, or any company, corporation, or association  
10 engaged in a similar business to contract or agree with any

1 funeral director, undertaker, or mortuary to the effect that  
2 ~~such~~ THE funeral director, undertaker, or mortuary shall con-  
3 duct the funeral of any person insured by ~~such~~ THAT company,  
4 corporation, or association.

5 (3) A funeral establishment, cemetery, or seller shall not  
6 be licensed as an insurance agent under chapter 12 other than as  
7 a limited licensee pursuant to this subsection and chapter 12. A  
8 funeral establishment, cemetery, or seller shall not be a limited  
9 life insurance agent unless that funeral establishment, cemetery,  
10 or seller provides a written assurance to the commissioner at the  
11 time of application for the limited licensure and with each  
12 LICENSE renewal ~~thereof~~ that he or she has read and understands  
13 the conditions contained in subsection (9) and agrees to comply  
14 with those conditions. A person licensed as a limited life  
15 insurance agent under this subsection and chapter 12 ~~shall be~~  
16 IS authorized and licensed to sell only associated life insurance  
17 policies or annuity contracts and ~~shall~~ IS not ~~be~~ authorized  
18 or licensed to sell any other type of insurance policy or annuity  
19 contract. A person licensed as a limited life insurance agent  
20 under this subsection and chapter 12 to sell associated life  
21 insurance policies or annuity contracts shall not sell cemetery  
22 goods or services or funeral goods or services unless all of the  
23 conditions provided in subsection (9) are met. A person licensed  
24 as a life insurance agent, other than a limited life insurance  
25 agent, shall not sell cemetery goods or services or funeral goods  
26 or services or be associated with a funeral establishment,  
27 cemetery, or seller. Notwithstanding any other provision in this

1 act, a funeral establishment, cemetery, or seller may advise  
2 customers or potential customers of the availability of life  
3 insurance, the proceeds of which may be assigned pursuant to  
4 subsection (6), and may provide application forms and other  
5 information in regard to ~~such~~ THAT life insurance. If an  
6 application form is provided, the funeral establishment, ceme-  
7 tery, or seller shall also provide to the person a list annually  
8 prepared by the commissioner setting forth the life insurance  
9 companies offering in Michigan associated life insurance policies  
10 or annuity contracts. The list shall include the name, address,  
11 and telephone number of an agent for each of the life insurance  
12 companies listed. The list also shall include a statement that a  
13 person who is insured under any life insurance policy or annuity  
14 contract may assign all or a portion of the proceeds, not to  
15 exceed the amount provided in subsection (6)(g), of the existing  
16 life insurance policy or annuity contract for the payment of  
17 funeral services and goods or cemetery services or goods to any  
18 funeral establishment, cemetery, or seller ~~which~~ THAT has  
19 accepted any other assignment of an associated life insurance  
20 policy or annuity contract during that calendar year. The  
21 funeral establishment, cemetery, or seller shall accept an  
22 assignment on the proceeds from any associated or nonassociated  
23 life insurance policy or annuity contract pursuant to  
24 subsection (6), and this requirement on the funeral establish-  
25 ment, cemetery, or seller shall be set forth in the statement  
26 prepared by the ~~insurance~~ commissioner. The assignor or the  
27 person or persons legally entitled to make funeral arrangements

1 for the person whose life was insured may contract with the  
2 funeral establishment, cemetery, or seller of his or her choice  
3 for the rendering of the funeral goods or services or cemetery  
4 goods or services. ~~Each~~ EXCEPT AS PROVIDED IN THIS SECTION,  
5 EACH associated life insurance policy or annuity contract deliv-  
6 ered or issued for delivery in this state shall ~~have a death~~  
7 ~~benefit that is sufficient to cover the initial contract price of~~  
8 ~~the cemetery goods or services or funeral goods or services and~~  
9 ~~that increases~~ INCREASE at an annual rate of not less than the  
10 consumer price index. A LIFE INSURANCE COMPANY OFFERING ASSOCI-  
11 ATED LIFE INSURANCE OR ANNUITY CONTRACTS IN THIS STATE MAY OFFER  
12 LIFE INSURANCE OR ANNUITY CONTRACTS THAT DO NOT GUARANTEE AN  
13 INCREASE AT AN ANNUAL RATE OF NOT LESS THAN THE CONSUMER PRICE  
14 INDEX, BUT ONLY IF THE SELLER IS PROVIDED WITH THE OPTION OF  
15 OFFERING BOTH INDEXED AND NON-INDEXED LIFE INSURANCE OR ANNUITY  
16 CONTRACTS TO FUND CEMETERY GOODS AND SERVICES OR FUNERAL GOODS OR  
17 SERVICES. IN ADDITION, EACH ASSOCIATED LIFE INSURANCE POLICY OR  
18 ANNUITY CONTRACT SHALL DISCLOSE THE DEATH BENEFIT AND ANY REDUC-  
19 TION IN THE DEATH BENEFIT IF IT IS A LIMITED DEATH BENEFIT  
20 POLICY. EACH APPLICATION FOR AN ASSOCIATED LIFE INSURANCE POLICY  
21 THAT PROVIDES FOR A LIMITED DEATH BENEFIT SHALL CONTAIN AN  
22 ACKNOWLEDGMENT FROM THE APPLICANT THAT THE APPLICANT HAS BEEN  
23 NOTIFIED OF THE LIMITED DEATH BENEFIT AND THE PERIOD OF THE  
24 LIMITATION. ANY LIMITED DEATH BENEFIT PERIOD SHALL NOT EXCEED 2  
25 YEARS.

26 (4) A person shall not be designated as the beneficiary in  
27 any policy of life or accident insurance whereby the beneficiary,

1 directly or indirectly, shall, in return for all or a part of the  
2 proceeds of ~~such~~ THE policy of insurance, furnish cemetery  
3 services or goods or funeral services or goods in connection  
4 ~~therewith~~ WITH THE POLICY.

5 (5) Except as otherwise provided in subsection (6), it  
6 ~~shall be~~ IS unlawful for any life or accident, or sick or  
7 funeral benefit company, or any person, company, corporation, or  
8 association, to offer or furnish goods or services or anything  
9 but money to its insureds or to ~~his or her~~ THEIR heirs, repre-  
10 sentatives, attorneys, relatives, associates, or assigns in any  
11 connection with, or by way of encumbrance, assignment, payment,  
12 settlement, satisfaction, discharge, or release of any insurance  
13 policy. However, this subsection ~~shall~~ DOES not prohibit any  
14 company, corporation, or association from furnishing medical,  
15 surgical, or hospital service.

16 (6) Notwithstanding any other provision in this act, a life  
17 insurer may write a life insurance policy or annuity contract  
18 ~~which is~~ subject to an assignment of the proceeds of the insur-  
19 ance policy or annuity contract as payment for cemetery services  
20 or goods or funeral services or goods as provided in this subsec-  
21 tion regardless of the relationship between the life insurer and  
22 the assignee. An assignment of the proceeds of the insurance  
23 policy or annuity contract pursuant to this subsection shall be  
24 in writing on a form approved by the commissioner. A predeath  
25 assignment of the proceeds of a life insurance policy or annuity  
26 contract as payment for cemetery or funeral services or goods is

1 void unless all of the following conditions and criteria are  
2 met:

3 (a) The assignment is an inseparable part of the contract  
4 for the cemetery services or goods or funeral services or goods  
5 for which the assigned proceeds serve as payment.

6 (b) The assignment is revocable by the assignor, assignor's  
7 successor, or if the assignor is the insured by the representa-  
8 tive of the insured's estate prior to the provision of the ceme-  
9 tery services or goods or funeral services or goods.

10 (c) The contract for funeral services or goods or cemetery  
11 services or goods and the assignment provide that upon revocation  
12 of the assignment, the contract for the cemetery services or  
13 goods or funeral services or goods is revoked and cemetery serv-  
14 ices or goods or funeral services or goods may be obtained from  
15 any cemetery, funeral establishment, or seller.

16 (d) The assignment contains the following disclosure in  
17 boldfaced type:

18 "This assignment may be revoked by the assignor or  
19 assignor's successor or, if the assignor is also the insured and  
20 deceased, by the representative of the insured's estate before  
21 the rendering of the cemetery services or goods or funeral serv-  
22 ices or goods. If the assignment is revoked, the death benefit  
23 under the life insurance policy or annuity contract shall be paid  
24 in accordance with the beneficiary designation under the insur-  
25 ance policy or annuity contract.".

26 (e) The assignment provides for all of the following:

1       (i) That the actual price of the cemetery services or goods  
2 or funeral services or goods delivered at the time of death may  
3 be more than or less than the price set forth in the assignment.

4       (ii) For the assignment of an associated life insurance  
5 policy or annuity contract, that any increase in the price of the  
6 cemetery services or goods or funeral services or goods shall not  
7 exceed the ultimate death benefit under the life insurance policy  
8 or annuity contract.

9       (iii) For the assignment of a nonassociated life insurance  
10 policy or annuity contract, that any increase in the price of the  
11 cemetery services or goods or the funeral services or goods shall  
12 not exceed the consumer price index or the retail price list in  
13 effect when the death occurs, whichever is less.

14       (iv) That if the ultimate death benefit under a life insur-  
15 ance policy or annuity contract exceeds the price of the cemetery  
16 services or goods or funeral services or goods at the time of  
17 performance, the excess amount shall be distributed to the bene-  
18 ficiary designated under the life insurance policy or annuity  
19 contract or the insured's estate.

20       (v) That any addition to or modification of the contract for  
21 cemetery services or goods or funeral services or goods does not  
22 revoke the assignment or the contract for the cemetery services  
23 or goods or funeral services or goods ~~which~~ THAT are not  
24 affected by the addition or modification for which the assigned  
25 proceeds are payment unless the assignment is revoked.

26       (f) The assignment is limited to that portion of the  
27 proceeds of the life insurance policy or annuity contract ~~which~~

1 THAT is needed to pay for the cemetery services or goods or  
2 funeral services or goods for which the assignor has contracted.

3 (g) In the case of an associated life insurance policy or  
4 annuity contract, the death benefit of the life insurance policy  
5 or annuity contract ~~which~~ THAT is subject to the assignment  
6 does not exceed ~~\$5,000.00~~ \$15,000.00 when the first premium  
7 payment is made on the life insurance policy or annuity  
8 contract. In the case of a nonassociated life insurance policy  
9 or annuity contract, the initial amount of proceeds assigned does  
10 not exceed ~~\$5,000.00~~ \$15,000.00. The maximum amounts in this  
11 subdivision shall be adjusted annually in accordance with the  
12 consumer price index.

13 (h) The assignment shall contain the dispute resolution  
14 rights ~~set forth~~ in subsection (8). After the death of the  
15 insured but before the cemetery services or goods or funeral  
16 services or goods are provided, the funeral establishment, ceme-  
17 tery, or seller shall provide to a representative of the  
18 insured's estate a separate document entitled, "dispute resolu-  
19 tion disclosure statement," which shall clearly set forth the  
20 dispute resolution rights ~~set forth~~ in subsection (8). The  
21 dispute resolution disclosure statement shall be filed with the  
22 commissioner and shall be considered approved unless disapproved  
23 within 30 days after the submission. The language used to ~~set~~  
24 ~~forth~~ DESCRIBE the dispute resolution rights in subsection (8)  
25 shall be written in a manner calculated to be understood by a  
26 person of ordinary intelligence.



1 (i) The assignor and not the assignee is responsible for  
2 making the premium payments due on the life insurance policy or  
3 annuity contract. This subdivision does not apply to an insur-  
4 ance agent when acting as a fiduciary pursuant to section 1207.

5 (j) After the death of the insured but before the cemetery  
6 services or goods or funeral services or goods are provided, the  
7 representative of the insured's estate is provided with a current  
8 price list for the cemetery services or goods or funeral services  
9 or goods provided pursuant to the assignment.

10 (k) At the time the assignment is made, the assignee com-  
11 plies with the price disclosure rules of the federal trade com-  
12 mission prescribed in 16 C.F.R. ~~—~~ part 453, whether or not the  
13 rules by their own terms apply to the offering.

14 (l) At the time the assignment is made, the assignor certi-  
15 fies that the insured does not have in effect other life insur-  
16 ance policies or annuity contracts that have been assigned as  
17 payment for cemetery goods or services or funeral goods or serv-  
18 ices ~~which~~ THAT together with the additional assignment would  
19 have an aggregate face value in excess of the limitation provided  
20 in subdivision ~~(h)~~ (G).

21 (m) For the assignment of a nonassociated life insurance  
22 policy or annuity contract, the assignment complies with both of  
23 the following:

24 (i) The assignment ~~is sufficient to cover the initial con-~~  
25 ~~tract price of the cemetery goods or services or funeral goods or~~  
26 ~~services~~ CLEARLY DISCLOSES WHETHER THE AMOUNT ASSIGNED IS  
27 SUFFICIENT TO COVER THE INITIAL CONTRACT PRICE OF THE CEMETERY

1 GOODS OR SERVICES OR FUNERAL GOODS OR SERVICES, AND IF NOT, ANY  
2 OBLIGATION THAT EXISTS TO PAY FOR THE DIFFERENCE BETWEEN THE CON-  
3 TRACT PRICE OF THE CEMETERY GOODS OR SERVICES OR FUNERAL GOODS OR  
4 SERVICES AND THE AMOUNT ASSIGNED.

5 (ii) The assignment provides that any increase in the price  
6 of the cemetery services or goods or the funeral services or  
7 goods shall not exceed the consumer price index or the retail  
8 price list in effect when the death occurs, whichever is less.

9 (7) An insurer or an insurance agent shall not make a false  
10 or misleading statement, oral or written, regarding an assignment  
11 subject to subsection (6) or regarding the rights or obligations  
12 of any party or prospective party to ~~such an~~ THAT assignment.

13 An insurer or an insurance agent shall not advertise or promote  
14 an assignment subject to subsection (6) in a manner ~~which~~ THAT  
15 is false, misleading, deceptive, or unfair. The commissioner  
16 shall promulgate rules regulating the solicitation of plans pro-  
17 moting assignments subject to subsection (6) to protect against  
18 solicitations ~~which~~ THAT are intimidating, vexatious, fraudu-  
19 lent, or misleading, or which take unfair advantage of a person's  
20 ignorance or emotional vulnerability.

21 (8) After the cemetery services or goods or funeral services  
22 or goods are provided, the funeral establishment, cemetery, or  
23 seller shall provide to a representative of the insured's estate  
24 a statement to be signed by the representative of the insured's  
25 estate authorizing the release of the assignment proceeds for the  
26 payment of the cemetery services or goods or funeral services or  
27 goods. The insurer shall release to the funeral establishment,

1 cemetery, or seller the assignment proceeds upon receipt of the  
2 authorization statement signed by a representative of the  
3 insured's estate. If a representative of the insured's estate  
4 fails to sign the authorization statement, the following shall  
5 take place:

6 (a) The funeral establishment, cemetery, or seller shall  
7 provide the representative of the insured's estate with a dispute  
8 resolution notice, a copy of which is to be sent to the insurer  
9 and the ~~insurance~~ commissioner that states all of the  
10 following:

11 (i) That the funeral establishment, cemetery, or seller has  
12 provided the cemetery services or goods or funeral services or  
13 goods.

14 (ii) That a representative of the insured's estate has  
15 refused to authorize the insurer to release the assignment pro-  
16 ceeds for the payment of the cemetery services or goods or  
17 funeral services or goods.

18 (iii) That a representative of the insured's estate may seek  
19 arbitration to resolve the payment dispute.

20 (b) Upon the receipt of the dispute resolution notice  
21 described in subdivision (a), the insurer shall retain the  
22 assignment proceeds for 30 days. The insurer shall release the  
23 assignment proceeds to the funeral establishment, cemetery, or  
24 seller if after the expiration of the 30 days the insurer is not  
25 informed that arbitration proceedings have been commenced, or  
26 pursuant to the award of the arbitrator.

1 (c) The funeral establishment, cemetery, seller, or a  
2 representative of the insured's estate may commence arbitration  
3 proceedings to determine the disposition of the assignment  
4 proceeds. Arbitration shall be conducted pursuant to the rules  
5 and procedures of the American arbitration association. Expenses  
6 of the arbitration shall be shared equally by the insured's  
7 estate and the assignee unless otherwise ordered by the  
8 arbitrator.

9 (d) Nothing in this subsection ~~shall limit~~ LIMITS the  
10 right of any party involved in the payment dispute to seek other  
11 recourse permitted by law.

12 (9) A life insurance agent shall not sell or solicit the  
13 sale of a life insurance policy or annuity contract with the  
14 intention of having the purchaser assign the proceeds of the  
15 policy or contract to a funeral establishment, cemetery, or  
16 seller with which the agent is associated unless all of the fol-  
17 lowing conditions are met:

18 (a) The agent ~~shall disclose~~ DISCLOSES in writing to the  
19 purchaser the nature of his or her association with the funeral  
20 establishment, cemetery, or seller and that both the funeral  
21 establishment, cemetery, or seller and the agent will or may  
22 profit from the transaction, if that is the case.

23 (b) ~~A~~ IF THE funeral establishment, cemetery, or seller  
24 ~~which~~ accepts assignments pursuant to subsection (6), ~~shall~~  
25 ~~also offer~~ IT ALSO OFFERS to sell or provide cemetery goods or  
26 services or funeral goods or funeral services pursuant to prepaid  
27 funeral contracts as provided in the prepaid funeral contract

1 funding act, 1986 PA 255, MCL 328.211 TO 328.235, pursuant to the  
2 trust provisions of the cemetery regulation act, ~~Act No. 251 of~~  
3 ~~the Public Acts of 1968, being sections 456.521 to 456.543 of the~~  
4 ~~Michigan Compiled Laws~~ 1968 PA 251, MCL 456.521 TO 456.543.

5 (c) If the contemplated assignment is to be made to pay the  
6 cost of cemetery goods or services or funeral goods or funeral  
7 services, the agent ~~shall disclose~~ DISCLOSES in writing to the  
8 purchaser that the cemetery goods or services or funeral goods or  
9 services may also be purchased prior to death by making payment  
10 directly to a funeral establishment, cemetery, or seller who will  
11 hold funds in escrow for the benefit of the purchaser pursuant to  
12 the prepaid funeral contract funding act, 1986 PA 255, MCL  
13 328.211 TO 328.235, or in trust pursuant to the provisions of the  
14 cemetery regulation act, ~~Act No. 251 of the Public Acts of 1968~~  
15 1968 PA 251, MCL 456.521 TO 456.543. The written disclosure  
16 shall also state that upon cancellation of the prepaid funeral  
17 contract, the purchaser is entitled to a refund of at least 90%  
18 of the principal and income earned.

19 (d) The sale of cemetery goods or services or funeral goods  
20 or services ~~shall~~ IS not ~~be~~ conditioned on the purchaser  
21 buying or agreeing to buy a life insurance policy or annuity con-  
22 tract or on the assignment of the proceeds of the policy or con-  
23 tract to that funeral establishment, cemetery, or seller.

24 (e) The sale of a life insurance policy or annuity contract  
25 ~~shall~~ IS not ~~be~~ conditioned on the purchaser buying or agree-  
26 ing to buy cemetery goods or services or funeral goods or  
27 services from the funeral establishment, cemetery, or seller with

1 which the agent is associated or on the assignment of the  
2 proceeds of the policy or contract to that funeral establishment,  
3 cemetery, or seller.

4 (f) A discount from the current price of cemetery goods or  
5 services or funeral goods or services ~~shall~~ IS not ~~be~~ offered  
6 as an inducement to purchase or assign a life insurance policy or  
7 annuity contract.

8 (g) The life insurance policy or annuity contract sold by  
9 the agent may be canceled by the purchaser within 10 days after  
10 the receipt of the policy or annuity contract, in which event a  
11 full refund of all premiums shall be paid to the purchaser.

12 (h) The agent ~~shall disclose~~ DISCLOSES in writing to the  
13 purchaser that the funeral establishment, cemetery, or seller  
14 with which the agent is associated will accept assignments of  
15 life insurance policies or annuity contracts sold by any other  
16 licensed agent.

17 (10) The commissioner or any other person, in order to force  
18 compliance with subsection (6) or (7), may bring an action in a  
19 circuit court in any county in which the assignee or insurance  
20 agent or any other person has solicited or sold a life insurance  
21 policy or annuity contract that is assigned pursuant to  
22 subsection (6), whether or not that person has purchased the life  
23 insurance policy or annuity contract or is personally aggrieved  
24 by a violation of this section. The court may award damages and  
25 issue equitable orders in accordance with the Michigan court  
26 rules to restrain conduct in violation of this section.

1 (11) Any person violating any of the provisions of this  
2 section ~~shall be deemed~~ IS guilty of a misdemeanor, and each  
3 violation ~~thereof shall be~~ IS a separate offense ~~and upon con-~~  
4 ~~viction shall be punished~~ PUNISHABLE by a fine not exceeding  
5 \$1,000.00 or by imprisonment for not more than 6 months, or both.  
6 ~~such fine and imprisonment within the discretion of the courts.~~

7 (12) In addition to the penalty provided in subsection (11),  
8 if, after a hearing conducted pursuant to the administrative pro-  
9 cedures act of 1969, ~~Act No. 306 of the Public Acts of 1969,~~  
10 ~~being sections 24.201 to 24.328 of the Michigan Compiled Laws~~  
11 1969 PA 306, MCL 24.201 TO 24.328, the commissioner determines a  
12 person has violated this section, the commissioner may order the  
13 person to pay a civil fine of not more than \$10,000.00 for each  
14 violation and may also impose other sanctions provided pursuant  
15 to chapter 12. The money collected under this subsection shall  
16 be deposited in the funeral consumers education and advocacy  
17 fund. The funeral consumers education and advocacy fund is cre-  
18 ated within the insurance bureau. The fund shall be administered  
19 by the commissioner. The money in the fund shall be used to do  
20 both of the following:

21 (a) To promote the education of consumers with regard to the  
22 prearrangement and purchase of cemetery or funeral services or  
23 goods through the purchase and assignment of life insurance or  
24 annuity contracts.

25 (b) To provide legal assistance to persons who were injured  
26 as a result of a violation of this section.

1 (13) For purposes of this section, a life insurance agent is  
2 associated with a funeral establishment, cemetery, or seller if  
3 any of the following apply:

4 (a) The agent is a funeral establishment, cemetery, or  
5 seller.

6 (b) The agent owns an interest, directly or indirectly, in a  
7 corporation or other entity ~~which~~ THAT holds an interest in a  
8 funeral establishment, cemetery, or seller.

9 (c) The agent is an officer, employee, or agent of a funeral  
10 establishment, cemetery, or seller.

11 (d) The agent is an officer, employee, or agent of a corpo-  
12 ration or other entity ~~which~~ THAT holds an interest, either  
13 directly or indirectly, in a funeral establishment, cemetery, or  
14 seller, or in a corporation or other entity ~~which~~ THAT holds an  
15 interest, directly or indirectly, in a corporation or other  
16 entity ~~which~~ THAT holds an interest in a funeral establishment,  
17 cemetery, or seller.

18 (14) As used in this section:

19 (a) "Associated life insurance policy or annuity contract"  
20 is a life insurance policy or annuity contract that is marketed,  
21 designed, and intended to be assigned as payment for cemetery  
22 goods or services or funeral goods or services.

23 (b) "Casket" means any box or container consisting of 1 or  
24 more parts in which a dead human body is placed prior to inter-  
25 ment, entombment, or cremation which may or may not be per-  
26 manently interred, entombed, or cremated with the dead human  
27 body. A permanent interment or entombment receptacle ~~which~~



1 THAT is designed or intended for use without a cemetery burial  
2 vault or other outside container ~~shall~~ IS also ~~be~~ considered  
3 a casket.

4 (c) "Catafalque" means an ornamental or decorative object or  
5 structure ~~which~~ THAT is placed beneath, over, or around a  
6 casket, vault, or a dead human body prior to final disposition of  
7 the dead human body.

8 (d) "Cemetery" means that term as defined in but not neces-  
9 sarily regulated under section 2 of the cemetery regulation act,  
10 ~~Act No. 251 of the Public Acts of 1968, being section 456.522 of~~  
11 ~~the Michigan Compiled Laws 1968 PA 251, MCL 456.522, or an offi-~~  
12 ~~cer, agent, or employee thereof~~ OF A CEMETERY.

13 (e) "Cemetery burial vault or other outside container" means  
14 a box or container ~~which~~ THAT is used solely at the place of  
15 interment to permanently surround or enclose a casket and to sup-  
16 port the earth above the casket after burial.

17 (f) "Cemetery goods" means land or interests in land,  
18 crypts, lawn crypts, mausoleum crypts, or niches that are sold by  
19 a cemetery. In addition, cemetery goods shall include cemetery  
20 burial vaults or other outside containers, markers, monuments,  
21 urns, and merchandise items used for the purpose of memorializing  
22 a decedent and placed on or in proximity to a place of interment  
23 or entombment of a casket, catafalque, or vault or to a place of  
24 inurnment ~~which are~~ sold by a cemetery.

25 (g) "Cemetery services" means those services customarily  
26 performed by a cemetery.

1 (h) "Combination unit" means any product consisting of a  
 2 unit or a series of units ~~which~~ THAT are designed or intended  
 3 to be used together as both a casket and as a permanent burial  
 4 receptacle.

5 (i) "Consumer price index" means the annual average percen-  
 6 tage increase in the Detroit consumer price index for all items  
 7 for the prior 12-month period as reported by the United States  
 8 department of labor and as certified by the commissioner.

9 (j) "Funeral establishment" means a funeral establishment or  
 10 a person who is engaged in the practice of mortuary science as  
 11 those terms are defined in section 1801 of the occupational code,  
 12 ~~Act No. 299 of the Public Acts of 1980, being section 339.1801~~  
 13 ~~of the Michigan Compiled Laws~~ 1980 PA 299, MCL 339.1801, or an  
 14 officer, agent, or employee ~~thereof~~ OF THAT ESTABLISHMENT OR  
 15 PERSON.

16 (k) "Funeral goods" means items of merchandise ~~which~~ THAT  
 17 will be used in connection with a funeral or an alternative to a  
 18 funeral or final disposition of human remains including, but not  
 19 limited to, caskets, other burial containers, combination units,  
 20 and catafalques. Funeral goods does not include cemetery goods.

21 (l) "Funeral services" means services customarily performed  
 22 by a person who is licensed pursuant to sections 1801 to 1812 of  
 23 the occupational code, ~~Act No. 299 of the Public Acts of 1980,~~  
 24 ~~being sections 339.1801 to 339.1812 of the Michigan Compiled~~  
 25 ~~Laws~~ 1980 PA 299, MCL 339.1801 TO 339.1812. Funeral services  
 26 ~~includes~~ INCLUDE, but ~~is~~ ARE not limited to, care of human  
 27 remains, embalming, preparation of human remains for final

1 disposition, professional services relating to a funeral or an  
 2 alternative to a funeral or final disposition of human remains,  
 3 transportation of human remains, limousine services, use of  
 4 facilities or equipment for viewing human remains, visitation,  
 5 memorial services, or services ~~which~~ THAT are used in connec-  
 6 tion with a funeral or alternative to a funeral, coordinating or  
 7 conducting funeral rites or ceremonies, and other services pro-  
 8 vided in connection with a funeral, alternative to a funeral, or  
 9 final disposition of human remains.

10 (M) "LIMITED DEATH BENEFIT POLICY" MEANS A LIFE INSURANCE  
 11 POLICY THAT HAS A DEATH BENEFIT EQUAL TO THE SUM OF THE PREMIUMS  
 12 PAID AT THE TIME OF DEATH FOR A PERIOD OF TIME NOT TO EXCEED 2  
 13 YEARS AFTER THE POLICY IS ISSUED, PLUS INTEREST ON THE PREMIUM  
 14 PAID AT THE RATE OF 5% COMPOUNDED ANNUALLY.

15 (N) ~~(n)~~ "Nonassociated life insurance policy or annuity  
 16 contract" means a life insurance policy or annuity contract that  
 17 is not marketed to be assigned, designed to be assigned, or  
 18 intended to be assigned as payment for cemetery goods or services  
 19 or funeral goods or services.

20 (O) ~~(n)~~ "Representative of insured's estate" means the  
 21 person or persons legally entitled to make the funeral arrange-  
 22 ments for the person whose life was insured.

23 (P) ~~(o)~~ "Seller" means a person who offers to sell ceme-  
 24 tery goods or services or funeral goods or services or any agent,  
 25 officer, or employee ~~thereof~~ OF THAT PERSON.