

**INSTRUCTIONS FOR THE FILING OF DOCUMENTS
NECESSARY FOR THE SALE OF
PRENEED FUNERAL MERCHANDISE AND SERVICES
AND
PRENEED CEMETERY MERCHANDISE AND SERVICES**

The following documents are currently available from the Department of Insurance website www.aldoi.gov :

1. Checklist for Preneed Certificate of Authority
2. Application for Initial Certificate of Authority – Funeral Director, Funeral Establishment, Cemetery Authority and Third Party Seller.
3. Application for Initial Certificate of Authority – Branch Registrant.
4. Contract for Preneed Funeral Merchandise and Services.
5. Contract for Cemetery Merchandise and Services.
6. Stand Alone Trust Agreement – Funeral Merchandise and Services.
7. Association Trust Agreement – Funeral Merchandise and Services.
8. Stand Alone Trust Agreement – Cemetery Merchandise and Services.
9. Association Trust Agreement – Cemetery Merchandise and Services.
10. Registration of Preneed Sales Agent Form
11. Endowment Care Cemetery Trust Agreement
12. Endowment Care Cemetery Board of Trustees Trust
13. Preneed Surety Bond
14. Preneed Letter of Credit
15. Financial Statement Forms as Required by Rule 482-3-001-.05 (Excel Format).

You should choose and complete the forms which are appropriate for your needs. Feel free to make as many copies of the forms as necessary. All blanks should be filled in with the appropriate information. All signatures on the forms must be original. No photocopies or facsimiles of signatures will be accepted. When you submit your application, please attach a copy of the Checklist for Preneed Certificate of Authority Applications (with boxes checked as appropriate), so that we can expedite the review. Please note that we will be unable to review your application submission until such time as all documents have been filed and have been completed in their entirety.

The appropriate forms should be **mailed by U. S. Postal Service** to the Alabama Department of Insurance, P. O. Box 303351, Montgomery, Alabama 36130-3351.

The application for each certificate of authority and each branch registration must be accompanied by a check for \$150.00, made payable to the “Commissioner of Insurance, State of Alabama”. The financial information requested in the application for the certificate of authority should be filled in completely. If there is no asset or liability amount for any category, place a “0” on the blank line.

No person may obtain a certificate of authority for the preneed sale of funeral services unless the person or its agent, in the case of a corporate entity, holds a license as a funeral director or a funeral establishment.

Each person selling preneed funeral merchandise and services and/or cemetery merchandise and services for the certificate of authority holder must be registered as a preneed sales agent. Instructions and the form for agent registrations are found at www.aldoi.gov under Registration

and Renewal of Preneed Sales Agents. Please note that each preneed entity must have at least one preneed sales agent registered.

If you use the sample contract and trust forms provided by the Department without any modification or amendment whatsoever, the forms will be approved promptly. If the forms provided are modified or amended in any way, the approval process will take longer. The list of merchandise and services in the contracts should be regarded as variable. The Department of Insurance recognizes that not everyone offers the same merchandise and services. You may tailor-make the list of merchandise and services to fit what you offer in the way of merchandise and services. However, any other deviations from the forms provided will result in a delay in the approval process for your forms. The applications provided may not be modified or amended in any way whatsoever and none of the information requested should be considered variable. If the applications provided are modified or amended in any way, they will be returned without being approved.

If a funeral director or funeral establishment sells outer burial containers, outer burial containers may be added to the list of merchandise and services in the contract. However, in that case, the funeral merchandise and services contract must be modified on the second page by adding the following to DISCLOSURE 4: (4) 60% of the purchase price specified for outer burial containers.

If you plan to participate in an association trust, you do not need to file the association trust document, since the association will be expected to file that trust agreement for approval. You will need to file a participation agreement showing that you have joined that particular association.

Please submit a cover letter stating which forms are attached; whether the forms provided by the Alabama Department of Insurance are being used without any modifications and/or amendments (other than the list of merchandise or services); whether the forms provided by the Alabama Department of Insurance are modified and/or amended, and, if amended, provide a complete list or statement of those provisions that have been modified and/or amended, and how those provisions have been modified and/or amended. If the forms have been used without any modification and/or amendments, include in the cover letter a certification stating that fact.

The cover letter should also state the method of funding you plan to use for preneed funds collected. The methods of funding allowed by law are: life insurance, trusts, bonds and letters of credit. If life insurance is used, please indicate the name of the insurance company.

Instructions for completing the financial statements are included on page 7 of the application. The applicant must file a full a true statement of the financial condition of the funeral establishment, cemetery authority or third-party seller. This statement must be as of the last fiscal year ending prior to the date of the application. Under Rule 482-3-001-.05, the financial statement may be prepared on a generally accepted accounting principles basis or be prepared on the form of financial statement using the basis of accounting prescribed by that Rule.

If you plan to assert that your preneed trust fund on preneed contracts entered into prior to May 1, 2002, complies with Title 27, Chapter 17A, please contact the Alabama Department of Insurance for further instructions.

As each funeral director's, funeral establishment's, cemetery authority's or third party seller's forms are approved by the Alabama Department of Insurance, notification will be posted on the

Alabama Department of Insurance website at www.aldoi.gov. These approvals will be posted on a daily basis. In addition a certificate of authority will be mailed to each entity as the forms for that entity are approved. A listing of registered preneed sales agents will also be posted on the web site.