

## **INSTRUCTIONS FOR THE FILING OF DOCUMENTS NECESSARY TO OBTAIN A CERTIFICATE OF AUTHORITY**

The following documents are currently available from the Department of Insurance website [www.aldoi.gov/Preneed](http://www.aldoi.gov/Preneed):

1. Checklist - Preneed Certificate of Authority Application
2. Certificate of Authority – New Application – Funeral Establishment, Cemetery Authority, Combination Funeral Home/Cemetery and Third-Party Seller.
3. Checklist - Branch Registration
4. Branch Registration – New Application.
5. Contract for Funeral Merchandise and Services – (Trust Funded) – sample
6. Contract for Funeral Merchandise and Services – (Insurance-Annuity) - sample
7. Contract for Cemetery Merchandise and Services – (Trust Funded) - sample
8. Contract for Cemetery Merchandise and Services – (Insurance-Annuity) –sample
9. Outer Burial Container Disclosure – file with contract if installed prior to need
10. Trust Purchase of Life Insurance Disclosure – must be filed with contract if applicable
11. Stand Alone Trust Agreement – Funeral Merchandise and Services – sample
12. Association Trust Agreement – Funeral Merchandise and Services – sample
13. Stand Alone Trust Agreement – Cemetery Merchandise and Services – sample
14. Association Trust Agreement – Cemetery Merchandise and Services – sample
15. Registration of Preneed Sales Agent Form
16. Endowment Care Cemetery Trust Agreement – sample
17. (Endowment Care Cemetery) Board of Trustees Trust – sample
18. Surety Bond – sample (trust funded contract option)
19. Letter of Credit – sample (to cover equity shortfall or in lieu of surety bond)
20. Financial Statement Forms as Required by Rule 482-3-003-.10 (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 \$180.00, 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 on the website under the link “Preneed

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

If you use the sample contracts and/or trust forms provided by the Department without any modification or amendment whatsoever, the forms will be approved promptly. The sample contracts are not a substitute for the advice of an attorney. The Department of Insurance cannot provide legal advice nor make any representation that the samples are guaranteed to be correct, complete or up-to-date. The Department of Insurance is not responsible for any loss, injury, claim, liability, or damage related to your use of any samples it provides.

If the forms provided are modified or amended in any way, the approval process may 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 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 and 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.

The applicant must file a full and 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 482-3-003-.10, 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.

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