

INFLATION-PROOF INSURANCE PRENEED FUNERAL CONTRACT
Chapter 90, Article 13D, North Carolina General Statutes Governs this Contract

PRENEED FUNERAL ESTABLISHMENT NO. _____

_____ (“Funeral Home”) sells, and _____ (“Purchaser”) purchases preneed funeral services, facilities and merchandise for _____ (“Beneficiary”) whose address is _____ (_____)
Street address PO Box City State Zip Code Social Security no.

The purchase price is \$ _____ as of the date of this contract. Purchase price has been arrived at as itemized on the Inflation-Proof Preneed Statement of Funeral Goods and Services Selected, which must be attached.

If applicable, the amount the Purchaser paid to the Funeral Home \$ _____.

This contract is being funded by a life insurance policy or product. Funeral Home will accept the benefits of the life insurance policy or product as the full payment for the Guaranteed Funeral Goods and Services (Sections A + B on the Inflation-Proof Preneed Statement of Funeral Goods and Services Selected), even if the retail price for those items at the time of need is greater than the death benefit. Funeral Home is not entitled to receive the death benefits purchased to fund Non-Guaranteed Cash Advance Items and NC Sales and Use Tax (Sections C + D on the Inflation-Proof Preneed Statement of Funeral Goods and Services Selected) to cover the at-need retail price of guaranteed items, but must prorate any increase in the death benefit respectively.

The date from which this guarantee is effective will be determined by the type of life insurance policy or product purchased.

- 1. If the life insurance policy or product will pay an immediate death benefit which equals or exceeds the price of the Guaranteed Funeral Goods and Services for death from any cause, this guarantee is effective immediately.
- 2. If the life insurance policy or product has a limited death benefit, this guarantee will become effective at the end of the limited death benefit period; or
- 3. Other (specify) _____

If this contract is being funded by a previously purchased life insurance policy or product, please complete the following:

Name of Insurance Co.	Policy Number	Death Benefit
_____	_____	_____
Name of Insurance Co.	Policy Number	Death Benefit

Funeral Home will provide all items of services, merchandise and facilities listed in Sections A and B on the attached Statement of Funeral Goods and Services Selected without regard to future price increases. Funeral Home will be entitled to all death benefits from the insurance policy or product used to fund this preneed contract when Funeral Home has fully performed this contract.

A filing fee of \$20.00 must be paid to the NC Board of Funeral Service.

By writing initials, Purchaser acknowledges that if the Purchaser does not receive written notification from the NC Board of Funeral Service, within 30 days, that the Board has received a copy of this contract, the Purchaser will notify the Board at 1033 Wade Avenue, Suite 108, Raleigh NC 27605-1158 or call (919) 733-9380. The filing of this contract with the NC Board of Funeral Service is required by law for the Purchaser’s protection. <https://ncbfs.org/>

By writing initials, Purchaser acknowledges that this sale was made at Funeral Home’s place of business. If this was an off-premises sale, YOU, THE PURCHASER, MAY CANCEL THIS PRENEED CONTRACT AT ANY TIME PRIOR TO MIDNIGHT OF THE THIRD BUSINESS DAY AFTER THE DATE OF THIS TRANSACTION.

By writing initials, Purchaser chooses to make this contract **revocable or irrevocable**. If revocable, Purchaser has the right to revoke it. If irrevocable, Purchaser **does not** have the right to revoke it unless Purchaser obtains a court order.

Revocable: Irrevocable:

In accordance with NC Gen. Stat. Sec. 90-210.126(e), if this preneed contract includes a cremation, the purchaser hereby specifies the final disposition of the cremated remains: _____

The parties have signed this contract (which includes the provisions on the back) this _____ day of _____, 20 _____.

Name of accepting Funeral Home

Address of Funeral Home

City, State, Zip Code

Signature of Funeral Director or FS Licensee, binding Funeral Home to contract
FSL NO. _____ FD NO. _____

Signature of person who sold contract PN sales license no. _____

Signature of Purchaser

Address where all mail will be sent

City, State, Zip Code

Insurance Company and location of home office

Signature of agent accepting application from Funeral Home

Policy number if available

Signed and preneed sales license number affixed in presence of Purchaser at time of sale.

PURCHASE OF INSURANCE

This contract is funded through the purchase of a life insurance policy or product, with premiums equal to the amount of money paid under the terms of the life insurance policy or product. The insurance policy or product is regulated by the North Carolina Department of Insurance.

Funeral Home agrees that it will not transfer, assign, cash in, encumber or otherwise divert from its intended purpose any policy or product, which funds, in whole or part, this contract.

USE OF INSURANCE PROCEEDS

Funeral Home will be entitled to all funds from the insurance policies or products when Funeral Home has fully performed this contract. If Purchaser has failed to make any of the premium payments due and causes the policy or product to lapse, OR if insurance policy or product does not pay the full amount of death benefit because of terms and conditions found in the policy, Funeral Home is not obligated to provide items listed in contract at the contract purchase price. If the death benefit of the insurance policy or product is not sufficient to secure the guarantees set forth in this contract, Funeral Home will credit toward the at-need retail price the available death benefit. Any remaining balance will be due Funeral Home when contract is performed. If a percentage of the purchase price was paid for Non-Guaranteed Cash Advance Items and NC Sales and Use Tax listed on the Inflation-Proof Preneed Statement of Funeral Goods and Services Selected, Funeral Home shall apply up to an equal percentage of the total funds it receives to pay for Non-Guaranteed Cash Advance Items and NC Sales and Use Tax provided in performance of this contract. This percentage is determined by adding the Non-Guaranteed Cash Advance Items and the NC Sales and Use Tax (items C and D on the Inflation-Proof Preneed Statement of Funeral Goods and Services Selected) and dividing it by the cost of the Total Funeral Service (items A+B+C+D on the Inflation-Proof Preneed Statement of Funeral Goods and Services Selected). If the Insurance does not appreciate enough to cover the Non-Guaranteed Cash Advance Items and NC Sales and Use Tax, additional funds may be required to cover these expenses

REVOCATION

If this contract is revocable, you may revoke this contract at any time prior to the provision of goods and services by the Funeral Home. Designating Funeral Home to receive the proceeds of the life insurance policy or product does not restrict any right to purchase funeral merchandise or services in the open market, with the advantages of competition, at any time before Funeral Home delivers the funeral goods and services.

RIGHTS RESERVED

If a labor dispute, strike, government action, fire, war, epidemic, other disaster, changes in products or other causes beyond its control prevents or delays Funeral Home from providing the services, facilities or merchandise, Funeral Home may make reasonable substitution of comparable services, facilities or merchandise, and it will not be liable for inconvenience, delay, emotional upset, pain and suffering, loss or damage experienced by Purchaser or Beneficiary, their estates, families, legatees, heirs or legal representatives.

SUBSTITUTION OF FUNERAL HOME

If this contract is irrevocable, Purchaser, or, after his or her death, Beneficiary or his or her legal representative, may direct the substitution of another funeral home to provide equal service, merchandise and facilities at substitute funeral home's current price.

ENTIRE AGREEMENT

This form, together with the Inflation-Proof Preneed Statement of Funeral Goods and Services Selected, contains the entire agreement between Purchaser and Funeral Home and supersedes and integrates all communications and other agreements relating to this subject.

AMENDMENTS

Any changes to this contract must be filed as a new contract, marked "CONTRACT AMENDMENT," with the NC Board of Funeral Service and shall not change the irrevocable clause or directive by Purchaser that all funds along with growth be used for the purchase of funeral services, facilities or merchandise.

EXCLUSION OF WARRANTIES

There are no warranties of merchandise or fitness for a particular purpose extended by Funeral Home. The only warranties, express or implied, which are granted in connection with the services and merchandise sold under this contract are the express written warranties, if any, extended by the manufacturers of the merchandise sold, and no warranties are expressed or implied by Funeral Home.

DISCLOSURES BY FUNERAL HOME

All disclosures required by the Federal Trade Commission or other provisions of federal and North Carolina law are attached to this contract.

WARNING

If you have received, are applying to receive, or are receiving public assistance benefits, state and federal laws may restrict the use of the life insurance policy or product that is purchased to fund this contract. You should carefully review those laws to assure compliance with those provisions.

INFLATION-PROOF PRENEED STATEMENT OF FUNERAL GOODS AND SERVICES SELECTED

This statement of disclosure is provided under the requirements of North Carolina G.S. 90-210.25(e). Also, the Federal Trade Commission requires this form. The Funeral Home is licensed by the NC Board of Funeral Service whose mailing address is 1033 Wade Avenue, Suite 108, Raleigh, NC 27605-1158. <https://ncbfs.org/>

While the costs of goods and services are not guaranteed with an Inflation Proof Preneed Funeral Contract, the Funeral Home agrees to provide all items, except the Non-Guaranteed Cash Advance Items and NC Sales and Use Tax, without receipt of additional sums from the Purchaser and without regard to whether there are sufficient funds available in the trust or insurance policy when the items are provided.

Funeral Home _____ Preneed Establishment License Number _____

Name of Beneficiary _____ Date _____

Charges are only for those items that you selected or that are required. If we are required by law or by a cemetery or crematory to use any items, we will explain the reasons in writing below. If you selected a funeral that may require embalming, such as a funeral with viewing, you may have to pay for embalming. You do not have to pay for embalming you did not approve if you selected arrangements such as a direct cremation or immediate burial. If we charged for embalming, we will explain why below.

A. CHARGE FOR PROFESSIONAL SERVICES, FACILITIES AND EQUIPMENT

- Basic Services of Funeral Director and Staff and Overhead \$ _____
- Embalming \$ _____
- Other Preparation of the Body \$ _____
- Use of Facilities and/or Staff for Visitation/Viewing \$ _____
- Use of Facilities and/or Staff for Funeral Ceremony \$ _____
- Use of Facilities and/or Staff for Memorial Service \$ _____
- Use of Equipment and/or Staff for Graveside Service \$ _____
- Transfer of Remains to Funeral Home _____ miles radius \$ _____
- Hearse \$ _____
- Limousine or other Family Vehicle \$ _____
- Other Autos \$ _____
- Forwarding of Remains to another Funeral Home \$ _____
- Receiving Remains from another Funeral home \$ _____
- Direct Cremation \$ _____
- Immediate Burial \$ _____
- Package Plan _____ \$ _____

(package name)

- Additional Services, Facilities, and Equipment (Specify) _____ \$ _____
- _____ \$ _____
- _____ \$ _____
- _____ \$ _____
- _____ \$ _____
- _____ \$ _____
- _____ \$ _____

Total Additional Services, Facilities, and Equipment \$ _____

TOTAL SERVICES, FACILITIES AND EQUIPMENT \$ _____

B. CHARGES FOR MERCHANDISE

Casket (Specify manufacturer, model, material, color, interior fabric and color) \$ _____

Outer Burial Container (Specify manufacturer, model, and material) \$ _____

- Additional Merchandise (Specify): _____ \$ _____
- _____ \$ _____
- _____ \$ _____
- _____ \$ _____
- _____ \$ _____
- _____ \$ _____

TOTAL MERCHANDISE \$ _____

C. NON-GUARANTEED CASH ADVANCE ITEMS

We charge you for our services in obtaining those items marked with an "X"

- Obituary notices \$ _____ \$ _____
- Cemetery charges _____ \$ _____
- Certified copies of death certificate \$ _____ \$ _____
- Flowers \$ _____ \$ _____
- Crematory charges \$ _____ \$ _____
- \$ _____ \$ _____

TOTAL NON-GUARANTEED CASH ADVANCE ITEMS \$ _____

D. NC SALES and USE TAX \$ _____

TOTAL CASH ADVANCE ITEMS AND NC SALES and USE TAX \$ _____

E. OTHER (Specify) _____ \$ _____

TOTAL FUNERAL SERVICE (A+B+C+D+E) \$ _____

Disclosures: NC law does not require the purchase of any funeral goods or services (except a cremation container is required for cremations). If any other cemetery, or crematory requirement has required the purchase of any of the items listed above, we will explain the requirement

Reason for embalming _____

By writing initials, Purchaser acknowledges that a current casket and outer burial container price list was shown prior to discussing prices. A current General Price List was given to the purchaser for retention.

Executed at _____, NC Date _____

Signature of Purchaser _____

Signature of preneed licensee _____ License Number _____

NCBFS ISG&S 10/03(rev.12/12) Original remains with Funeral Home preneed file. -Copy to Purchaser -Copy to NCBFS -Copy to Financial Institution or Insurance Company.