

### **Revoking an Irrevocable Preneed Contract**

1. Generally, an irrevocable preneed contract may only be revoked by court order. However, there are two statutory exceptions to this general rule:
  - a. The Board may order that an irrevocable preneed contract (either standard or inflation-proof) be revoked when the preneed contract beneficiary no longer resides in North Carolina and a written copy of a new preneed funeral contract executed in the state where the preneed contract beneficiary now resides is submitted to the Board. NCGS 90-210.65(e)(1).
  - b. An irrevocable insurance-funded preneed contract becomes revocable if the underlying insurance policy used to fund the preneed contract lapses or is otherwise canceled. NCGS 90-210.65(e)(2).
2. To request a revocation order from the Board pursuant to exception 1.a. above, the preneed contract purchaser, preneed contract beneficiary, or the legal representative of either may seek an order of revocation from a North Carolina General Court of Justice. Alternatively, the preneed contract purchaser, preneed contract beneficiary, or the legal representative of either may seek an order of revocation from the Board by submitting a written request to the attention of the Board's Legal Department, which contains the preneed contract beneficiary name and address, and a copy of the new preneed contract executed under the laws of the state in which the preneed contract beneficiary now resides. Please note the following procedures:
  - a. Requests for out-of-state revocation orders from the Board are first reviewed by Board staff.
  - b. After Board staff receives the required information and documentation supporting the request for out-of-state revocation order, the same is then forwarded to the Board's Preneed Committee at its next monthly meeting for review and recommendation to the full Board regarding whether the request should be granted or denied.
  - c. At its next regularly scheduled meeting, the Board will then vote to either approve or reject the Preneed Committee's recommendation.
  - d. If the Board votes to approve the request for out-of-state revocation order, the Board will issue an order stating the same and provide a copy of said order to the preneed contract beneficiary, the financial institution used to fund the preneed

contract, the contracting preneed funeral establishment, and the successor preneed funeral establishment.

- e. If the Board votes to deny the request for out-of-state revocation order, the requester will receive written notice of the same via USPS First Class Mail.
3. To revoke an insurance-funded preneed contract pursuant to exception 1.b. above, the preneed funeral establishment should submit to the attention of the Board's Preneed Department a notice from the insurance company indicating that the policy used to fund the preneed contract has lapsed or been otherwise cancelled.
  4. Preneed funeral establishments should be cautious to ensure that they do not revoke an irrevocable preneed contract without first obtaining the requisite court order, Board order, or lapse/cancellation notice, depending on the situation.