



NORTH CAROLINA BOARD OF FUNERAL SERVICE

STANDARD PRENEED FUNERAL CONTRACT

ADOPTED _____ 2019

PRENEED FUNERAL ESTABLISHMENT No.: _____

SECTION 1: PRENEED FUNERAL ESTABLISHMENT, PURCHASER, BENEFICIARY

1. _____ ("Funeral Home")
(Preneed Funeral Establishment)

2. _____ ("Purchaser")
(Preneed Funeral Contract Purchaser)

3. _____ ("Beneficiary")
(Preneed Funeral Contract Beneficiary)

4. _____
Beneficiary's Address (Street / City / State / Zip)

5. Beneficiary's Social Security Number: _____

6. Beneficiary's Phone No: _____

7. Is this preneed funeral contract being transferred from another North Carolina preneed funeral establishment prior to Beneficiary's death? Note: Trust funds cannot be withdrawn from trust and used to purchase an insurance policy or product if the existing preneed funeral contract is irrevocable.

(choose one) _____ Yes or _____ No

If yes, provide name of original contracting funeral home: _____

8. Is this preneed funeral contract being written as an addition, amendment, and/or modification to an existing contract for Beneficiary between Purchaser and Funeral Home?

(choose one) _____ Yes or _____ No

SECTION 2: PRENEED FUNERAL FUNDS, DEPOSITS

1. N.C. Gen. Stat. § 90-210.60(7): "Preneed funeral funds" means all payments of cash made to [Funeral Home] [...], or prearrangement insurance policies [that name Funeral Home is knowingly named as an assignee or beneficiary thereof per 21 NCAC 34D .0103], but excluding the furnishing of cemetery lots, crypts, niches, and mausoleums, which have for a purpose or which by operation provide for the furnishing or delivery of personal property, merchandise, or services of any nature in connection with the final disposition of [Beneficiary], to be furnished or delivered at a time determinable by the death of [Beneficiary], or the providing of the proceeds of any insurance policy for such use[.]

2. N.C. Gen. Stat. § 90-210.61(a): Within five (5) business days, Funeral Home shall deposit in trust and/or apply for the purpose of purchasing one or more insurance policies or products, all preneed funeral funds received from Purchaser; provided, however, when the preneed funeral contract is funded by trust and the intention has hereinafter been fully disclosed in Section 9, Funeral Home may retain free from trust, up to ten percent (10%) of any trust payments made.

SECTION 3: PURCHASE PRICE

1. Funeral Home sells, and Purchaser purchases preneed services, facilities, equipment, and merchandise for Beneficiary.

The purchase price is \$ _____ ("Purchase Price") as of the date of this preneed funeral contract ("Contract"). Purchase Price has been arrived at as itemized on the Statement of Goods and Services Selected ("SGSS") hereinafter incorporated as page No. 2.

2. N.C. Gen. Stat. § 90-210.62(a): This is a NON-GUARANTEED or, STANDARD, preneed funeral contract. Funeral Home will provide services, facilities, equipment, merchandise, cash advance items, and N.C. sales & use tax on SGSS at Funeral Home's current retail price(s) at time of Beneficiary's death.

3. If, upon Beneficiary's death, preneed funeral funds are insufficient to cover the current retail price(s) at that time, Funeral Home will either credit the balance of the preneed funeral funds toward the current retail price of those items selected on SGSS or issue a refund to Beneficiary's estate, at the directive of Beneficiary's legal representative(s) and/or applicable law. Funeral Home shall not be required to refund any amounts retained pursuant to Section 10 of Contract, if disclosed and applicable.

4. If, upon Beneficiary's death, Funeral Home is directed by Beneficiary's legal representative(s) and/or applicable law to apply the balance of the preneed funeral funds toward the current retail price(s) of those items selected on SGSS, Funeral Home will not be required to provide any goods or services until any outstanding balance is received in full.

5. If, upon Beneficiary's death and full performance of Contract, preneed funeral funds exceed current retail price(s) of goods and services selected on SGSS at that time, Funeral Home will refund any excess funds in accordance with N.C. Gen. Stat. § 90-210.64(b) and (d).

SECTION 4: STATEMENT OF GOODS AND SERVICES SELECTED

Funeral Home: _____ Preneed Funeral Establishment No. _____

Beneficiary: _____ Last Four Nos. of Social Security No. _____

This statement of disclosure is provided under the requirements of North Carolina G.S. 90-210.25(e).

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. PROFESSIONAL SERVICES, FACILITIES, AND EQUIPMENT

Basic Services - Funeral Director, Staff, Overhead	_____	\$	_____
Embalming	_____	\$	_____
Other Preparation of Body (specify services)	_____	\$	_____
Viewing (specify)	_____	\$	_____
Funeral Ceremony	_____	\$	_____
Memorial Service	_____	\$	_____
Graveside Service	_____	\$	_____
Transfer of Remains (to Funeral Home within _____ mile local service radius)	_____	\$	_____
Hearse	_____	\$	_____
Limousine/Family Car	_____	\$	_____
Immediate Burial	_____	\$	_____
Direct Cremation	_____	\$	_____
Direct Hydrolysis	_____	\$	_____
Package Plan	_____	\$	_____

(must specify each item included in Package Plan)

Additional/Other Services, Facilities and Equipment	_____	\$	_____
_____	\$	_____	\$
_____	\$	_____	\$
_____	\$	_____	\$
_____	\$	_____	\$
_____	\$	_____	\$

TOTAL PROFESSIONAL SERVICES, FACILITIES, AND EQUIPMENT

\$ _____

B. MERCHANDISE

Casket _____ \$ _____

 (specify casket manufacturer, model number, material, and interior fabric/color above)

Outer Burial Container _____ \$ _____

 (specify outer burial container manufacturer, model number, material, & color, if applicable, above)

Additional/Other Merchandise	_____	\$	_____
_____	\$	_____	\$
_____	\$	_____	\$
_____	\$	_____	\$
_____	\$	_____	\$
_____	\$	_____	\$
_____	\$	_____	\$

TOTAL MERCHANDISE

\$ _____

C. CASH ADVANCE ITEMS AND N.C. SALES & USE TAX

<input type="checkbox"/> Certified Copies of Death Certificate	\$ _____	<input type="checkbox"/>	\$ _____
<input type="checkbox"/> Obituary Notices	\$ _____	<input type="checkbox"/>	\$ _____
<input type="checkbox"/> Opening/Closing Grave	\$ _____	<input type="checkbox"/>	\$ _____
<input type="checkbox"/> Cemetery Tent	\$ _____	<input type="checkbox"/>	\$ _____
<input type="checkbox"/> Other Cemetery Equipment	\$ _____	<input type="checkbox"/>	\$ _____
<input type="checkbox"/> Cemetery / Hydrolysis Charges	\$ _____	<input type="checkbox"/>	\$ _____
<input type="checkbox"/> Floral Arrangements	\$ _____	<input type="checkbox"/>	\$ _____
<input type="checkbox"/> Food / Catering Charges	\$ _____	<input type="checkbox"/>	\$ _____

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

Cash Advance Items \$ _____
 N.C. Sales & Use Tax \$ _____

CASH ADVANCE ITEMS AND N.C. SALES & USE TAX

\$ _____

D. OTHER (specify below) _____ \$ _____

E. PURCHASE PRICE

\$ _____

Legal, cemetery, crematory/hydrolysis licensee requirements that required the purchase of any item(s) listed above:

Reason for embalming: _____

SECTION 5: CREMATION / ALKALINE HYDROLYSIS

Per N.C. Gen. Stat. § 90-210.126(e), if SGSS includes arrangements for cremation or alkaline hydrolysis, Contract must specify the final disposition of Beneficiary’s cremated or hydrolyzed remains.

(Purchaser initial and insert instructions for final disposition of cremated or hydrolyzed remains)

- _____ (initials) _____ (Instructions for final disposition of Beneficiary’s cremated or hydrolyzed remains)

SECTION 6: CONTRACT MODIFICATIONS; AUTHORITY TO DISPOSE OF BODY OR BODY PARTS

1. N.C. Gen. Stat. § 90-210.63A(a): Unless further restricted as permitted by law, preneed funeral contracts may only be modified by mutual consent of Funeral Home and Purchaser, or after Purchaser’s death, Beneficiary or his/her legal representative(s).
2. N.C. Gen. Stat. § 90-210.63A(c): If permitted by law, Funeral Home and Purchaser/Beneficiary/Beneficiary’s legal representative(s) agree to modify any funeral good or service item selected, Funeral Home shall not be required to guarantee the price of the modified goods and services at the time of death and all other goods and services shall remain guaranteed. Purchaser will be entitled to receive credit for any goods or services originally funded, but not used, if Contract is modified. The amount of credit allowed for any such modified item will be calculated by treating the item as if it were a non-guaranteed cash advance item on the original SGSS and, in so doing, any interest or other growth earned on the principal shall be prorated as heretofore set forth in Section 3. If any modification increases Purchase Price, Funeral Home shall have no obligation to deliver merchandise or to perform any services for which payment in full has not been received. If any modification decreases Purchase Price, Funeral Home shall refund all monies in accordance with N.C. Gen. Stat. § 90-210.63A(c) and 90-210.64(a) and/or (d).
3. **Per N.C. Gen. Stat. § 90-210.63A(b): When the preneed contract purchaser and the preneed contract beneficiary are the same, the preneed contract purchaser may designate one or more individuals to change the arrangements or performing funeral establishment, or may designate that the arrangements or performing funeral establishment may not be changed without an order from the clerk of superior court in the county where probate proceedings are instituted upon a finding that the change is in the best interest of the estate.**

(Purchaser initial, if applicable)

- _____ **Purchaser/Beneficiary elects to invoke that authority granted to him/her under N.C. Gen. Stat. § 130A-420(a) and hereby authorizes the type, place, place, and method of disposition of his/her own dead body. Purchaser/Beneficiary does not authorize any individual to cancel Contract, including those goods and services selected on SGSS and performing funeral establishment, regardless of whether he/she/they deem such a change to be appropriate.**

(Purchaser initial one, if applicable)

- _____ Purchaser/Beneficiary authorizes the individual(s) hereinafter set forth in this section to modify those goods and services selected on SGSS but does not authorize any individual to select an alternative provider to perform Contract upon death of Purchaser/Beneficiary.
- _____ **Purchaser/Beneficiary elects to invoke that authority granted to him/her under N.C. Gen. Stat. § 130A-420(a) and hereby authorizes his/her right to authorize the type, place, and method of disposition of his/her own dead body. Purchaser authorizes the individual(s) hereinafter set forth in this section to select an alternative provider to perform Contract, only. Purchaser/Beneficiary does not convey any authorization to modify the goods and services, or the method of final disposition, selected on SGSS.**
- _____ Purchaser/Beneficiary authorizes the individual(s) hereinafter set forth in this section to make any desired changes to Contract upon death of Purchaser/Beneficiary.

(If opting to allow one or more survivors to make changes, enter below)

(Name/Relationship) _____ (Name/Relationship)

(Name/Relationship) _____ (Name/Relationship)

4. **Other:** This section **would not be necessary if:** (i) **Contract fully funded** and/or cremation or hydrolysis authorization form properly executed by Purchaser/Beneficiary at time of sale; (ii) Purchaser/Beneficiary heretofore elected to complete certain applicable portions of this section; and/or (iii) Contract being executed by health care agent, guardian of the person, or other individual(s) legally authorized to arrange for Beneficiary’s final disposition, as set forth in N.C. Gen. Stat. § 130A-420(a) or (a1).

- _____ **Purchaser/Beneficiary elects to invoke that authority granted to him/her under N.C. Gen. Stat. § 90-130A-420(a)(1), or its successor statute, and delegates the following individual(s) to arrange for the final disposition of his dead body in the event Contract is not fully funded upon death of Purchaser/Beneficiary and/or if Purchaser/Beneficiary arranged for cremation or hydrolysis but elected not to complete a preneed cremation or hydrolysis authorization form upon execution of Contract.**

(Name/Relationship) _____ (Name/Relationship)

SECTION 7: REVOCABILITY

Notice: Per N.C. Gen. Stat. § 90-210.62(a), Preneed funeral contracts may be revocable or irrevocable, at the option of the preneed funeral contract purchaser. Unless heretofore otherwise stipulated in Section 6, an election to make Contract irrevocable does not preclude it from be transferred to a successor funeral establishment at or prior to the death of the Beneficiary.

Warning: If Beneficiary has received, is applying to receive, or is receiving public assistance benefits, state and federal law may govern and/or restrict the use of preneed funeral funds used to fund Contract. Purchaser and/or Beneficiary is/are responsible for assuring any instrument(s) used to fund Contract was/were presented to Funeral Home in accordance with applicable law governing the Beneficiary's receipt of such benefits.

1. INSURANCE CONTRACTS

Insurance companies doing business in this State and, those policies and products sold thereby, are regulated by the N.C. Department of Insurance. Each company requires its policy holders/owners to make assignment designations using special forms obtained from the company, not those prescribed by the N.C. Board of Funeral Service and, without Purchaser so doing, Contract is de facto **REVOCABLE**. **Note:** If Contract is being transferred from another funeral establishment and existing contract is irrevocable then Contract **must** also be irrevocable and, therefore, insurance policy assignment designation documents must be executed in conjunction with Contract.

(Purchaser initial one)

- _____ Purchaser understands Contract is **REVOCABLE** and elects to only name Funeral Home as a beneficiary to each insurance policy hereinafter included in Section 8. **Note:** Beneficiary designation document(s) must be completed in conjunction with Contract and attached hereto.
- _____ Purchaser elects to make Contract **IRREVOCABLE** and has attached hereto, a copy of the irrevocable assignment form, or other appropriate form designation, as determined by each insurance company hereinafter named in Section 8. **(Contract must include appropriate irrevocable assignment designation documents from insurance company.)**

2. TRUST CONTRACTS

In North Carolina, **irrevocable trust preneed funeral contracts can only be revoked by court order** or, if Beneficiary has moved to another State and wishes to transfer Contract to a successor funeral establishment in that jurisdiction, by the Board. **Purchaser should consider his or her election to make Contract irrevocable carefully.** **Note:** If Contract is being transferred from another funeral establishment and existing contract is irrevocable, then Contract **must** also be irrevocable.

(Purchaser initial one)

- _____ Purchaser elects to make Contract **REVOCABLE**. In order to revoke Contract, Purchaser must deliver to financial institution a written demand for a refund and financial institution must deliver a written notice of refund to Funeral Home within five (5) business days.
- _____ Purchaser elects to make Contract **IRREVOCABLE**. **Purchaser does not have the right to revoke it unless Purchaser obtains a court or Board order, as determined by applicable law.**

SECTION 8: PURCHASE OF INSURANCE POLICY(IES) OR PRODUCT(S)

1. (Purchaser initial, if applicable)

- _____ **Contract is being funded or partially funded by insurance policy(ies) or product(s)**

2. (Purchaser initial one)

- _____ Purchaser pays Funeral Home total Purchase Price in cash, receipt which is acknowledged this date.
- _____ Purchaser elects to pay Purchase Price through one or more of the following insurance funding options.

3. (Purchaser initial all that apply – enter any amount{s} paid and insurance company information)

a. _____ Purchaser pays \$ _____ to be applied toward the purchase of **Single Premium Life Insurance Policy**
No. _____ underwritten through _____
(if known) (Name of Life Insurance Company)

b. _____ Purchaser pays \$ _____ to be applied to the purchase of **Multi-Pay Life Insurance Policy**
No. _____ underwritten through _____
(if known) (Name of Life Insurance Company)
the terms and conditions of which are set forth in the insurance policy.

c. _____ Purchaser pays \$ _____ to be applied toward an **insurance annuity or other product, policy**
No. _____ underwritten through _____
(if known) (Name of Life Insurance Company)

with further payments being made, as follows: _____

d. _____ Purchaser elects to fund or partially fund Contract by using the following previously purchased life insurance policy(ies) pursuant to 21 NCAC 34D .0103. The policy owner of each policy hereinafter set forth has named Funeral Home as an Assignee and/or Beneficiary of the insurance policy(ies). **(Policy owner must complete additional forms from insurance company.)**

i. _____
(Name of Insurance Company / Policy Number / Death Benefit on Date Contract Was Executed)

ii. _____
(Name of Insurance Company / Policy Number / Death Benefit on Date Contract Was Executed)

iii. _____
(Name of Insurance Company / Policy Number / Death Benefit on Date Contract Was Executed)

(use additional sheets if necessary)

4. **(Purchaser initial) Total amount paid toward insurance policy(ies) or product(s) on Contract date.**

▪ _____ On the date Contract was executed, Purchaser paid a total of \$ _____ for the insurance premium(s) or annuity payment(s) heretofore described in No. 3 of this Section in cash or, by check and/or electronic fund transfer, as set forth on the application(s) for insurance completed in connection with Contract.

5. **Purchase / Use of Insurance Policies or Products:** Contract is funded through the purchase of one or more life insurance policies or products OR by Funeral Home having been named as the assignee and/or the beneficiary of one or more previously purchased life insurance policies and/or products heretofore set forth in this section. For any insurance policy(ies) or product(s) sold by an insurance agent/representative of Funeral Home, total premiums paid to fund Contract are equal to the amount of money paid under the terms of the life insurance policy(ies) or product(s). The insurance policy(ies) or product(s) is/are regulated by the N.C. Department of Insurance.

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

SECTION 9: TRUST DEPOSIT(S)

1. **(Purchaser initial, if applicable)**

▪ _____ Contract is being funded or partially funded by trust deposit(s)

▪ **Entry of Purchaser's social security number below means that this purchase is made with Purchaser's funds, not Beneficiary's. Purchaser is responsible for income tax on trust income, if any.**

Purchaser's social security number: _____

2. **Trust Fund:** Funeral Home will deposit Purchaser's payment(s) toward Purchase Price, less any permitted amount(s) it retains, in a "financial institution" as defined by N.C. Gen. Stat. § 90-210.60(2).

3. **(Purchaser initial one – enter amount paid/to be paid and financial institution information)**

▪ _____ Purchaser pays Funeral Home total Purchase Price in cash, receipt which is acknowledged this date, to be deposited in trust at _____
(Name of Financial Institution)

▪ _____ Purchaser elects to pay \$ _____, receipt which is acknowledged this date, and will make further installments as follows: _____
_____, to be deposited in trust at _____
(Name of Financial Institution)

Any balance due shall become payable in full when Contract is performed. **Default:** If Purchaser does not make a payment when due, Funeral Home may declare Contract terminated, and Funeral Home will be relieved from further liability. Unless withdrawn (if Contract is revocable), all deposits will remain in trust, and Funeral Home will keep any amount retained by it, until Beneficiary's death.

4. Per N.C. Gen. Stat. § 90-210.61(a)(2), by writing initials below, Purchaser acknowledges that Funeral Home will retain, and not deposit in trust,

▪ _____ % (not to exceed 10%) of payments made by Purchaser. Purchaser and Funeral Home acknowledge that if Funeral Home performs Contract, Funeral Home shall give credit for the amount retained upon the death of Beneficiary and the performance of Contract.

▪ _____ **(Purchaser's initials)**

6. Per N.C. Gen. Stat. § 90-210.68(b), Funeral Home reserves right to transfer trust deposits to new financial institution at a future date. In order to execute such transfer, Funeral Home must complete a preneed trust memorandum on a form prescribed by the N.C. Board of Funeral Service. If Contract is revocable, Funeral Home must notify Purchaser in advance of the transfer.
7. Purchaser and Funeral Home agree that the financial institution with which preneed funeral funds are deposited in trust is authorized to disclose any and all information concerning the Trust Fund to Purchaser.

SECTION 10: LOCATION OF SALE

(Purchaser initial one)

- _____ By writing initials, Purchaser acknowledges that this sale was made at Funeral Home's **place of business**.
- _____ **THIS WAS AN OFF-PREMISES SALE. PURCHASER HAS RIGHT TO CANCEL CONTRACT AT ANY TIME PRIOR TO MIDNIGHT OF THE THIRD BUSINESS DAY AFTER THE DATE OF THIS TRANSACTION.**

SECTION 11: FILING FEE AND RECOVERY FUND; CONTRACT AMENDMENTS, ADDITIONS, & MODIFICATIONS; NOTIFICATION

1. Per N.C. Gen. Stat. § 90-210.67(d), a filing fee in the amount of \$20.00 must be paid to the N.C. Board of Funeral Service. A portion of this fee will be deposited into the Preneed Recovery Fund established under N.C. Gen. Stat. § 90-210.66(a). The purpose of the Fund is to reimburse purchasers of preneed funeral contracts who have suffered financial loss as a result malfeasance, misfeasance, default, failure or insolvency of any preneed funeral establishment licensee or individual preneed sales licensee who was licensed to sell preneed funeral contracts at the contract was sold.
2. **Contract Additions, Amendments, & Modifications:** Any addition, amendment, and/or other modification to Contract that a change in funding source(s) or a change in the items selected on SGSS must be filed on a contract form and, the \$20 filing fee must be paid to, the N.C. Board of Funeral Service.

(Purchaser initial)

- _____ By writing initials, Purchaser acknowledges that if Purchaser does not receive written notification from the N.C. 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 or 1-800-862-0636 (outside NC call 919-733-9380).

SECTION 12: OTHER DISCLOSURES

1. **Entire agreement:** Contract contains the entire agreement between Purchaser and Funeral Home and supersedes and integrates all communications and other agreements relating to this Subject. **Any changes to Contract must be submitted on a new form and filed with the N.C. Board of Funeral Service. Amendments and/or additions hereto shall not be used to make an irrevocable preneed funeral contract revocable.**
2. **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 will make reasonable substitution of comparable services, facilities or merchandise, and it will not be liable for any inconvenience, delay, emotional upset, pain and suffering, loss or damage experienced by Purchaser or Beneficiary, his/her/their estates, families, legatees, heirs or representatives.
3. **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 in connection with Contract are the express written warranties, if any, extended by the manufacturers thereof, and no warranties are expressed are implied by Funeral Home.
4. **16 C.F.R § 453 Funeral Industry Practices:**
 - **(Purchaser initial)**
_____ Funeral Home provided Purchaser with all applicable price lists and disclosures required by the Federal Trade Commission prior to the discussion of any selections made on SGSS. A copy of all such price lists and disclosures are also attached hereto.

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SECTION 13: ACKNOWLEDGEMENT

The parties have signed Contract this _____ day of _____, _____.

1. Name of accepting Funeral Home: _____

2. Funeral Home address: _____
(Street / P.O. Box)

(City / State / Zip)

3. Accepted by: _____
(Signature of Funeral Director or Funeral Service Licensee, binding Funeral Home to Contract) (FSL License No.) (FDL License No.)

4. Name of Preneed Sales Licensee that sold Contract: _____

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

Signature of Preneed Sales Licensee: _____
(Preneed Sales License No.)

6. Signature of Purchaser: _____

7. Address where all mail will be sent: _____
(Street / P.O. Box.)

(City / State / Zip)

8. **For insurance policy(ies) or product(s) sold, as indicated in Section 8, Agent accepting application(s) on behalf of Funeral Home:**

▪ Name: _____

▪ Signature: _____

9. **If Contract funded by trust deposit(s), as indicated in Section 9:**

▪ Trust account No: _____

▪ Trust fund tax I.D. No.: _____

▪ Date funds received by Financial Institution: _____

▪ Amount received by Financial Institution: \$ _____

▪ Amount retained free from trust deposit: \$ _____ (not to exceed 10% of total)

▪ Amount deposited in trust account: \$ _____

▪ Signature of Authorized Representative of Financial Institution: _____