

GENERAL ASSEMBLY OF NORTH CAROLINA  
1993 SESSION

CHAPTER 242  
SENATE BILL 466

AN ACT TO ALLOW THE ORIGINAL CONTRACTING PRENEED LICENSEE TO  
RETAIN UP TO TEN PERCENT OF THE FUNDS WHEN TRANSFERRING  
TRUST DEPOSITS TO A SUCCESSOR FUNERAL ESTABLISHMENT.

The General Assembly of North Carolina enacts:

Section 1. G.S. 90-210.63(a) reads as rewritten:

"(a) If the preneed funeral contract is irrevocable, the preneed funeral contract purchaser, or after his death the preneed funeral contract beneficiary or his legal representative, upon written notice to the financial institution or insurance company and the preneed licensee who is a party to the preneed funeral contract, may direct the substitution of a different funeral establishment to furnish funeral services and merchandise.

(1) If the substitution is made after the death of the preneed funeral contract beneficiary, a funeral establishment providing any funeral services or merchandise need not be a preneed licensee under this Article to receive payment for such services or merchandise. The original contracting preneed licensee shall be entitled to payment for any services or merchandise provided pursuant to G.S. 90-210.65(d).

~~(2) If the substitution is made before the death of the preneed funeral contract beneficiary, the substitution must be to a preneed licensee. If the preneed funeral contract is funded by a trust deposit or deposits, the financial institution shall immediately pay the funds held to the original contracting preneed licensee.~~ If the substitution is made before the death of the preneed funeral contract beneficiary, the substitution must be to a preneed licensee. If the preneed funeral contract is funded by a trust deposit or deposits, the financial institution shall immediately pay the funds held to the original contracting preneed licensee.

(2) The original contracting preneed licensee shall immediately pay all such funds received to the successor funeral establishment so designated; provided, however, regardless of whether the substitution is made before or after the death of the preneed funeral contract beneficiary, the original contracting preneed licensee shall not be required to give credit for the amount retained pursuant to G.S. 90-210.61(a)(2). Provided G.S. 90-210.61(a)(2), and provided further, if the original contracting preneed licensee did not retain any portion of

payments made to it as is permitted by G.S. 90-210.61(a)(2) then such preneed licensee may retain up to ten percent (10%) of said funds received from the financial institution. Upon making payments pursuant to this subsection, the financial institution and the original contracting preneed licensee shall be relieved from all further contractual liability thereon.

- (3) If the preneed funeral contract is funded by a prearrangement insurance policy, the insurance company shall not pay any of the funds until the death of the preneed funeral contract beneficiary, and the insurance company shall pay the funds in accordance with the terms of the policy."

Sec. 2. This act is effective upon ratification.

In the General Assembly read three times and ratified this the 30th day of June, 1993.

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Dennis A. Wicker  
President of the Senate

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Daniel Blue, Jr.  
Speaker of the House of Representatives