

SUBSTITUTE FOR  
SENATE BILL NO. 1534

A bill to amend 1956 PA 218, entitled  
"The insurance code of 1956,"  
by amending section 2080 (MCL 500.2080), as amended by 1986 PA 318.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1       Sec. 2080. (1) It ~~shall be~~**IS** unlawful for any life or  
2       accident insurer authorized to do business in this state to own,  
3       manage, supervise, operate, or maintain a mortuary or undertaking  
4       establishment, or to permit its officers, agents, or employees to  
5       own or maintain any such funeral or undertaking establishment.  
6       (2) Except as otherwise provided in subsection (6), it ~~shall~~  
7       ~~be~~**IS** unlawful for any life insurance, sick or funeral benefit  
8       company, or any company, corporation, or association engaged in a  
9       similar business to contract or agree with any funeral director,  
10      undertaker, or mortuary to the effect that ~~such~~**THE** funeral  
11      director, undertaker, or mortuary ~~shall conduct~~**CONDUCTS** the

1 funeral of any person insured by ~~such~~**THE** company, corporation, or  
2 association.

3 (3) A funeral establishment, cemetery, or seller shall not be  
4 licensed as an insurance ~~agent~~**PRODUCER** under chapter 12 other than  
5 as a limited licensee pursuant to this subsection and chapter 12. A  
6 funeral establishment, cemetery, or seller shall not be a limited  
7 life insurance ~~agent~~**PRODUCER** unless that funeral establishment,  
8 cemetery, or seller provides a written assurance to the  
9 commissioner at the time of application for the limited licensure  
10 and with each **LICENSE** renewal ~~thereof~~ that he or she has read and  
11 understands the conditions contained in subsection (9) and agrees  
12 to comply with those conditions. A person licensed as a limited  
13 life insurance ~~agent~~**PRODUCER** under this subsection and chapter 12  
14 ~~shall be~~**IS** authorized and licensed to sell only **AN** associated life  
15 insurance ~~policies~~**POLICY** or annuity ~~contracts~~**CONTRACT** and ~~shall~~  
16 **IS** not ~~be~~ authorized or licensed to sell any other type of  
17 insurance policy or annuity contract. A person licensed as a  
18 limited life insurance ~~agent~~**PRODUCER** under this subsection and  
19 chapter 12 to sell associated life insurance policies or annuity  
20 contracts shall not sell cemetery goods or services or funeral  
21 goods or services unless all of the conditions provided in  
22 subsection (9) are met. A person licensed as a life insurance ~~agent~~  
23 **PRODUCER**, other than a limited life insurance ~~agent~~**PRODUCER**, shall  
24 not sell cemetery goods or services or funeral goods or services or  
25 be associated with a funeral establishment, cemetery, or seller.  
26 Notwithstanding any other provision in this act, a funeral  
27 establishment, cemetery, or seller may advise customers or

1 potential customers of the availability of life insurance, the  
2 proceeds of which may be assigned pursuant to subsection (6), and  
3 may provide application forms and other information in regard to  
4 ~~such~~ **THAT** life insurance. If an application form is provided, the  
5 funeral establishment, cemetery, or seller shall also provide to  
6 the person a list annually prepared by the commissioner setting  
7 forth the life insurance companies offering in Michigan associated  
8 life insurance policies or annuity contracts. The list shall  
9 include the name, address, and telephone number of ~~an agent~~ **A**  
10 **PRODUCER** for each of the life insurance companies listed. The list  
11 also shall include a statement that a person who is insured under  
12 any life insurance policy or annuity contract may assign all or a  
13 portion of the proceeds, not to exceed the amount provided in  
14 subsection (6)(g), of the existing life insurance policy or annuity  
15 contract for the payment of funeral services ~~and~~ **OR** goods or  
16 cemetery services or goods to any funeral establishment, cemetery,  
17 or seller ~~which~~ **THAT** has accepted any other assignment of an  
18 associated life insurance policy or annuity contract during that  
19 calendar year. The funeral establishment, cemetery, or seller shall  
20 accept an assignment on the proceeds from any associated or  
21 nonassociated life insurance policy or annuity contract pursuant to  
22 subsection (6), and this requirement on the funeral establishment,  
23 cemetery, or seller shall be set forth in the statement prepared by  
24 the ~~insurance~~ commissioner. The assignor or the person or persons  
25 legally entitled to make funeral arrangements for the person whose  
26 life was insured may contract with the funeral establishment,  
27 cemetery, or seller of his or her choice for the rendering of the

1 funeral goods or services or cemetery goods or services. Each  
2 **EXCEPT AS OTHERWISE PROVIDED IN THIS SUBSECTION, EACH** associated  
3 life insurance policy or annuity contract delivered or issued for  
4 delivery in this state shall have a death benefit that is  
5 sufficient to cover the initial contract price of the cemetery  
6 goods or services or funeral goods or services and that increases  
7 at an annual rate of not less than the consumer price index.  
8 **HOWEVER, A LIFE INSURER MAY PROVIDE AN ASSOCIATED LIFE INSURANCE**  
9 **POLICY OR ANNUITY CONTRACT WITH A LIMITED DEATH BENEFIT TO AN**  
10 **INSURED WHO DOES NOT MEET INSURANCE REQUIREMENTS FOR A POLICY THAT**  
11 **PROVIDES IMMEDIATE FULL COVERAGE OR WHO CHOOSES NOT TO ANSWER**  
12 **MEDICAL QUESTIONS REQUIRED FOR A POLICY THAT PROVIDES IMMEDIATE**  
13 **FULL COVERAGE. AN ASSOCIATED LIFE INSURANCE POLICY OR ANNUITY**  
14 **CONTRACT WITH A LIMITED DEATH BENEFIT SHALL DISCLOSE IN BOLDFACED**  
15 **TYPE THAT THE DEATH BENEFIT WILL NOT BE SUFFICIENT TO COVER THE**  
16 **INITIAL CONTRACT PRICE FOR THE CEMETERY GOODS AND SERVICES OR**  
17 **FUNERAL GOODS AND SERVICES FOR A PERIOD OF UP TO 2 YEARS IF THE**  
18 **PREMIUM IS NOT PAID IN FULL AND THAT DURING THIS PERIOD THE PRICE**  
19 **FOR THOSE GOODS AND SERVICES MAY INCREASE AT A RATE HIGHER THAN THE**  
20 **INCREASE IN THE CONSUMER PRICE INDEX FOR THIS PERIOD.**

21 (4) A person shall not be designated as the beneficiary in any  
22 policy of life or accident insurance whereby the beneficiary,  
23 directly or indirectly, shall, in return for all or a part of the  
24 proceeds of ~~such~~**THE** policy of insurance, furnish cemetery services  
25 or goods or funeral services or goods in connection therewith.

26 (5) Except as otherwise provided in subsection (6), it shall  
27 be unlawful for any life or accident, or sick or funeral benefit

1 company, or any person, company, corporation, or association, to  
2 offer or furnish goods or services or anything but money to its  
3 insureds or to his or her heirs, representatives, attorneys,  
4 relatives, associates, or assigns in any connection with, or by way  
5 of encumbrance, assignment, payment, settlement, satisfaction,  
6 discharge, or release of any insurance policy. However, this  
7 subsection ~~shall~~ **DOES** not prohibit any company, corporation, or  
8 association from furnishing medical, surgical, or hospital service.

9 (6) Notwithstanding any other provision in this act, a life  
10 insurer may write a life insurance policy or annuity contract ~~which~~  
11 **THAT** is subject to an assignment of the proceeds of the insurance  
12 policy or annuity contract as payment for cemetery services or  
13 goods or funeral services or goods as provided in this subsection  
14 regardless of the relationship between the life insurer and the  
15 assignee. An assignment of the proceeds of the insurance policy or  
16 annuity contract pursuant to this subsection shall be in writing on  
17 a form approved by the commissioner. A predeath assignment of the  
18 proceeds of a life insurance policy or annuity contract as payment  
19 for cemetery **SERVICES OR GOODS** or funeral services or goods is void  
20 unless all of the following conditions and criteria are met:

21 (a) The assignment is an inseparable part of the contract for  
22 the cemetery services or goods or funeral services or goods for  
23 which the assigned proceeds serve as payment.

24 (b) The assignment is revocable by the assignor, assignor's  
25 successor, or if the assignor is the insured by the representative  
26 of the insured's estate prior to the provision of the cemetery  
27 services or goods or funeral services or goods.

1           (c) The contract for funeral services or goods or cemetery  
2 services or goods and the assignment provide that upon revocation  
3 of the assignment, the contract for the cemetery services or goods  
4 or funeral services or goods is revoked and cemetery services or  
5 goods or funeral services or goods may be obtained from any  
6 cemetery, funeral establishment, or seller.

7           (d) The assignment contains the following disclosure in  
8 boldfaced type:

9           "This assignment may be revoked by the assignor or assignor's  
10 successor or, if the assignor is also the insured and deceased, by  
11 the representative of the insured's estate before the rendering of  
12 the cemetery services or goods or funeral services or goods. If the  
13 assignment is revoked, the death benefit under the life insurance  
14 policy or annuity contract shall be paid in accordance with the  
15 beneficiary designation under the insurance policy or annuity  
16 contract."

17           (e) The assignment provides for all of the following:

18           (i) That the actual price of the cemetery services or goods or  
19 funeral services or goods delivered at the time of death may be  
20 more than or less than the price set forth in the assignment.

21           (ii) For the assignment of an associated life insurance policy  
22 or annuity contract, that any increase in the price of the cemetery  
23 services or goods or funeral services or goods ~~shall~~**DOES** not  
24 exceed the ultimate death benefit under the life insurance policy  
25 or annuity contract. **THIS REQUIREMENT DOES NOT APPLY TO AN**  
26 **INSURANCE POLICY OR ANNUITY CONTRACT WITH A LIMITED DEATH BENEFIT**  
27 **DURING THE PERIOD THAT THE LIMITED DEATH BENEFIT IS IN EFFECT.**

1 DURING THIS PERIOD, NEITHER THE BENEFICIARY NOR THE SELLER IS  
2 OBLIGATED TO FULFILL THE TERMS OF THE CONTRACT FOR THE CEMETERY  
3 SERVICES OR GOODS OR FUNERAL SERVICES OR GOODS FOR WHICH THE  
4 ASSIGNED PROCEEDS SERVE AS PAYMENT AND THE ASSIGNMENT OF THE  
5 ASSOCIATED LIFE INSURANCE POLICY OR ANNUITY CONTRACT MAY BE  
6 REVOKED.

7 (iii) For the assignment of a nonassociated life insurance  
8 policy or annuity contract, that any increase in the price of the  
9 cemetery services or goods or the funeral services or goods shall  
10 not exceed the consumer price index or the retail price list in  
11 effect when the death occurs, whichever is less.

12 (iv) That if the ultimate death benefit under a life insurance  
13 policy or annuity contract exceeds the price of the cemetery  
14 services or goods or funeral services or goods at the time of  
15 performance, the excess amount shall be distributed to the  
16 beneficiary designated under the life insurance policy or annuity  
17 contract or the insured's estate.

18 (v) That any addition to or modification of the contract for  
19 cemetery services or goods or funeral services or goods does not  
20 revoke the assignment or the contract for the cemetery services or  
21 goods or funeral services or goods ~~which~~**THAT** are not affected by  
22 the addition or modification for which the assigned proceeds are  
23 payment unless the assignment is revoked.

24 (f) The assignment is limited to that portion of the proceeds  
25 of the life insurance policy or annuity contract ~~which~~**THAT** is  
26 needed to pay for the cemetery services or goods or funeral  
27 services or goods for which the assignor has contracted.

1           (g) ~~In the case of~~ **FOR** an associated life insurance policy or  
2 annuity contract, the death benefit of the life insurance policy or  
3 annuity contract ~~which is~~ subject to the assignment does not exceed  
4 \$5,000.00 when the first premium payment is made on the life  
5 insurance policy or annuity contract. ~~In the case of~~ **FOR** a  
6 nonassociated life insurance policy or annuity contract, the  
7 initial amount of proceeds assigned does not exceed \$5,000.00. The  
8 maximum amounts in this subdivision shall be adjusted annually in  
9 accordance with the consumer price index.

10           (h) The assignment shall contain the dispute resolution rights  
11 ~~set forth~~ in subsection (8). After the death of the insured but  
12 before the cemetery services or goods or funeral services or goods  
13 are provided, the funeral establishment, cemetery, or seller shall  
14 provide to a representative of the insured's estate a separate  
15 document entitled, "dispute resolution disclosure statement," which  
16 shall clearly set forth the dispute resolution rights ~~set forth~~ in  
17 subsection (8). The dispute resolution disclosure statement shall  
18 be filed with the commissioner and shall be considered approved  
19 unless disapproved within 30 days after the submission. The  
20 language used to set forth the dispute resolution rights in  
21 subsection (8) shall be written in a manner calculated to be  
22 understood by a person of ordinary intelligence.

23           (i) The assignor and not the assignee is responsible for  
24 making the premium payments due on the life insurance policy or  
25 annuity contract. This subdivision does not apply to an insurance  
26 ~~agent~~ **PRODUCER** when acting as a fiduciary pursuant to section 1207.

27           (j) After the death of the insured but before the cemetery



1 services or goods or funeral services or goods are provided, the  
2 representative of the insured's estate is provided with a current  
3 price list for the cemetery services or goods or funeral services  
4 or goods provided pursuant to the assignment.

5 (k) At the time the assignment is made, the assignee complies  
6 with the price disclosure rules of the federal trade commission  
7 prescribed in 16 ~~C.F.R.~~, **CFR** part 453, whether or not the rules by  
8 their own terms apply to the offering.

9 (l) At the time the assignment is made, the assignor certifies  
10 that the insured does not have in effect other life insurance  
11 policies or annuity contracts that have been assigned as payment  
12 for cemetery goods or services or funeral goods or services which  
13 together with the additional assignment would have an aggregate  
14 face value in excess of the limitation provided in subdivision ~~(h)~~  
15 **(G)**.

16 (m) For the assignment of a nonassociated life insurance  
17 policy or annuity contract, the assignment complies with both of  
18 the following:

19 (i) The assignment is sufficient to cover the initial contract  
20 price of the cemetery goods or services or funeral goods or  
21 services.

22 (ii) The assignment provides that any increase in the price of  
23 the cemetery services or goods or the funeral services or goods  
24 shall not exceed the consumer price index or the retail price list  
25 in effect when the death occurs, whichever is less.

26 (7) An insurer or an insurance ~~agent~~ **PRODUCER** shall not make a  
27 false or misleading statement, oral or written, regarding an

1 assignment subject to subsection (6) or regarding the rights or  
2 obligations of any party or prospective party to ~~such an~~ **THE**  
3 assignment. An insurer or an insurance ~~agent~~ **PRODUCER** shall not  
4 advertise or promote an assignment subject to subsection (6) in a  
5 manner ~~which~~ **THAT** is false, misleading, deceptive, or unfair. The  
6 commissioner shall promulgate rules regulating the solicitation of  
7 plans promoting assignments subject to subsection (6) to protect  
8 against solicitations ~~which~~ **THAT** are intimidating, vexatious,  
9 fraudulent, or misleading, or which take unfair advantage of a  
10 person's ignorance or emotional vulnerability.

11 (8) After the cemetery services or goods or funeral services  
12 or goods are provided, the funeral establishment, cemetery, or  
13 seller shall provide to a representative of the insured's estate a  
14 statement to be signed by the representative of the insured's  
15 estate authorizing the release of the assignment proceeds for the  
16 payment of the cemetery services or goods or funeral services or  
17 goods. The insurer shall release to the funeral establishment,  
18 cemetery, or seller the assignment proceeds upon receipt of the  
19 authorization statement signed by a representative of the insured's  
20 estate. If a representative of the insured's estate fails to sign  
21 the authorization statement, the following shall take place:

22 (a) The funeral establishment, cemetery, or seller shall  
23 provide the representative of the insured's estate with a dispute  
24 resolution notice, a copy of which is to be sent to the insurer and  
25 the ~~insurance~~ commissioner that states all of the following:

26 (i) That the funeral establishment, cemetery, or seller has  
27 provided the cemetery services or goods or funeral services or

1 goods.

2 (ii) That a representative of the insured's estate has refused  
3 to authorize the insurer to release the assignment proceeds for the  
4 payment of the cemetery services or goods or funeral services or  
5 goods.

6 (iii) That a representative of the insured's estate may seek  
7 arbitration to resolve the payment dispute.

8 (b) Upon the receipt of the dispute resolution notice  
9 described in subdivision (a), the insurer shall retain the  
10 assignment proceeds for 30 days. The insurer shall release the  
11 assignment proceeds to the funeral establishment, cemetery, or  
12 seller if after the expiration of the 30 days the insurer is not  
13 informed that arbitration proceedings have been commenced, or  
14 pursuant to the award of the arbitrator.

15 (c) The funeral establishment, cemetery, seller, or a  
16 representative of the insured's estate may commence arbitration  
17 proceedings to determine the disposition of the assignment  
18 proceeds. Arbitration shall be conducted pursuant to the rules and  
19 procedures of the American arbitration association. Expenses of the  
20 arbitration shall be shared equally by the insured's estate and the  
21 assignee unless otherwise ordered by the arbitrator.

22 (d) Nothing in this subsection ~~shall limit~~ **LIMITS** the right of  
23 any party involved in the payment dispute to seek other recourse  
24 permitted by law.

25 (9) A life insurance ~~agent~~ **PRODUCER** shall not sell or solicit  
26 the sale of a life insurance policy or annuity contract with the  
27 intention of having the purchaser assign the proceeds of the policy

1 or contract to a funeral establishment, cemetery, or seller with  
2 which the ~~agent~~-**PRODUCER** is associated unless all of the following  
3 conditions are met:

4 (a) The ~~agent shall disclose~~-**PRODUCER DISCLOSES** in writing to  
5 the purchaser the nature of his or her association with the funeral  
6 establishment, cemetery, or seller and that both the funeral  
7 establishment, cemetery, or seller and the ~~agent~~-**PRODUCER** will or  
8 may profit from the transaction, if that is the case.

9 (b) A funeral establishment, cemetery, or seller ~~which~~-**THAT**  
10 accepts assignments pursuant to subsection (6) shall also offer to  
11 sell or provide cemetery goods or services or funeral goods or  
12 funeral services pursuant to prepaid funeral contracts as provided  
13 in the prepaid funeral ~~contract funding act~~-**AND CEMETERY SALES ACT,**  
14 **1986 PA 255, MCL 328.211 TO 328.235,** or pursuant to the trust  
15 provisions of the cemetery regulation act, ~~Act No. 251 of the~~  
16 ~~Public Acts of 1968, being sections 456.521 to 456.543 of the~~  
17 ~~Michigan Compiled Laws~~-**1968 PA 251, MCL 456.521 TO 456.543.**

18 (c) If the contemplated assignment is to be made to pay the  
19 cost of cemetery goods or services or funeral goods or funeral  
20 services, the ~~agent~~-**PRODUCER** shall disclose in writing to the  
21 purchaser that the cemetery goods or services or funeral goods or  
22 services may also be purchased prior to death by making payment  
23 directly to a funeral establishment, cemetery, or seller who will  
24 hold funds in escrow for the benefit of the purchaser pursuant to  
25 the prepaid funeral ~~contract funding act~~-**AND CEMETERY SALES ACT,**  
26 **1986 PA 255, MCL 328.211 TO 328.235,** or in trust pursuant to the  
27 provisions of the cemetery regulation act, ~~Act No. 251 of the~~

1 ~~Public Acts of 1968~~ **1968 PA 251, MCL 456.521 TO 456.543**. The  
2 written disclosure shall also state that upon cancellation of the  
3 prepaid funeral contract, the purchaser is entitled to a refund of  
4 at least 90% of the principal and income earned.

5 (d) The sale of cemetery goods or services or funeral goods or  
6 services shall not be conditioned on the purchaser buying or  
7 agreeing to buy a life insurance policy or annuity contract or on  
8 the assignment of the proceeds of the policy or contract to that  
9 funeral establishment, cemetery, or seller.

10 (e) The sale of a life insurance policy or annuity contract  
11 shall not be conditioned on the purchaser buying or agreeing to buy  
12 cemetery goods or services or funeral goods or services from the  
13 funeral establishment, cemetery, or seller with which the ~~agent~~  
14 **PRODUCER** is associated or on the assignment of the proceeds of the  
15 policy or contract to that funeral establishment, cemetery, or  
16 seller.

17 (f) A discount from the current price of cemetery goods or  
18 services or funeral goods or services shall not be offered as an  
19 inducement to purchase or assign a life insurance policy or annuity  
20 contract.

21 (g) The life insurance policy or annuity contract sold by the  
22 ~~agent~~**PRODUCER** may be canceled by the purchaser within 10 days  
23 after the receipt of the policy or annuity contract, in which event  
24 a full refund of all premiums shall be paid to the purchaser.

25 (h) The ~~agent~~**PRODUCER** shall disclose in writing to the  
26 purchaser that the funeral establishment, cemetery, or seller with  
27 which the ~~agent~~**PRODUCER** is associated will accept assignments of

1 life insurance policies or annuity contracts sold by any other  
2 licensed agent—**PRODUCER**.

3 (10) The commissioner or any other person, in order to force  
4 compliance with subsection (6) or (7), may bring an action in a  
5 circuit court in any county in which the assignee or insurance  
6 agent—**PRODUCER** or any other person has solicited or sold a life  
7 insurance policy or annuity contract that is assigned pursuant to  
8 subsection (6), whether or not that person has purchased the life  
9 insurance policy or annuity contract or is personally aggrieved by  
10 a violation of this section. The court may award damages and issue  
11 equitable orders in accordance with the Michigan court rules to  
12 restrain conduct in violation of this section.

13 (11) Any person violating any of the provisions of this  
14 section ~~shall be deemed~~ **IS** guilty of a misdemeanor, and each  
15 violation ~~thereof~~ shall be a separate offense and upon conviction  
16 shall be punished by a fine not exceeding \$1,000.00 or by  
17 imprisonment for not more than 6 months, or both such fine and  
18 imprisonment within the discretion of the courts.

19 (12) In addition to the penalty provided in subsection (11),  
20 if, after a hearing conducted pursuant to the administrative  
21 procedures act of 1969, ~~Act No. 306 of the Public Acts of 1969,~~  
22 ~~being sections 24.201 to 24.328 of the Michigan Compiled Laws 1969~~  
23 **PA 306, MCL 24.201 TO 24.328**, the commissioner determines a person  
24 has violated this section, the commissioner may order the person to  
25 pay a civil fine of not more than \$10,000.00 for each violation and  
26 may also impose other sanctions provided pursuant to chapter 12.  
27 The money collected under this subsection shall be deposited in the

1 funeral consumers education and advocacy fund. The funeral  
2 consumers education and advocacy fund is created within the  
3 ~~insurance bureau~~ **OFFICE OF FINANCIAL AND INSURANCE REGULATION**. The  
4 fund shall be administered by the commissioner. The money in the  
5 fund shall be used to do both of the following:

6 (a) To promote the education of consumers ~~with regard to~~  
7 **CONCERNING** the prearrangement and purchase of cemetery or funeral  
8 services or goods through the purchase and assignment of life  
9 insurance or annuity contracts.

10 (b) To provide legal assistance to persons who were injured as  
11 a result of a violation of this section.

12 (13) For purposes of this section, a life insurance ~~agent~~  
13 **PRODUCER** is associated with a funeral establishment, cemetery, or  
14 seller if any of the following apply:

15 (a) The ~~agent~~ **PRODUCER** is a funeral establishment, cemetery,  
16 or seller.

17 (b) The ~~agent~~ **PRODUCER** owns an interest, directly or  
18 indirectly, in a corporation or other entity ~~which~~ **THAT** holds an  
19 interest in a funeral establishment, cemetery, or seller.

20 (c) The ~~agent~~ **PRODUCER** is an officer, employee, or agent of a  
21 funeral establishment, cemetery, or seller.

22 (d) The ~~agent~~ **PRODUCER** is an officer, employee, or agent of a  
23 corporation or other entity ~~which~~ **THAT** holds an interest, either  
24 directly or indirectly, in a funeral establishment, cemetery, or  
25 seller, or in a corporation or other entity ~~which~~ **THAT** holds an  
26 interest, directly or indirectly, in a corporation or other entity  
27 ~~which~~ **THAT** holds an interest in a funeral establishment, cemetery,

1 or seller.

2 (14) As used in this section:

3 (a) "Associated life insurance policy or annuity contract" is  
4 a life insurance policy or annuity contract that is marketed,  
5 designed, and intended to be assigned as payment for cemetery goods  
6 or services or funeral goods or services.

7 (b) "Casket" means any box or container consisting of 1 or  
8 more parts in which a dead human body is placed prior to interment,  
9 entombment, or cremation which may or may not be permanently  
10 interred, entombed, or cremated with the dead human body. A  
11 permanent interment or entombment receptacle ~~which is~~ designed or  
12 intended for use without a cemetery burial vault or other outside  
13 container shall also be considered a casket.

14 (c) "Catafalque" means an ornamental or decorative object or  
15 structure ~~which is~~ placed beneath, over, or around a casket, vault,  
16 or a dead human body prior to final disposition of the dead human  
17 body.

18 (d) "Cemetery" means that term as defined in but not  
19 necessarily regulated under section 2 of the cemetery regulation  
20 act, ~~Act No. 251 of the Public Acts of 1968, being section 456.522~~  
21 ~~of the Michigan Compiled Laws 1968 PA 251, MCL 456.522~~, or an  
22 officer, agent, or employee thereof.

23 (e) "Cemetery burial vault or other outside container" means a  
24 box or container ~~which is~~ used solely at the place of interment to  
25 permanently surround or enclose a casket and to support the earth  
26 above the casket after burial.

27 (f) "Cemetery goods" means land or interests in land, crypts,



1 lawn crypts, mausoleum crypts, or niches that are sold by a  
2 cemetery. In addition, cemetery goods ~~shall~~ include cemetery burial  
3 vaults or other outside containers, markers, monuments, urns, and  
4 merchandise items used for the purpose of memorializing a decedent  
5 and placed on or in proximity to a place of interment or entombment  
6 of a casket, catafalque, or vault or to a place of inurnment which  
7 are sold by a cemetery.

8 (g) "Cemetery services" means those services customarily  
9 performed by a cemetery.

10 (h) "Combination unit" means any product consisting of a unit  
11 or a series of units ~~which are~~ designed or intended to be used  
12 together as both a casket and as a permanent burial receptacle.

13 (i) "Consumer price index" means the annual average percentage  
14 increase in the Detroit consumer price index for all items for the  
15 prior 12-month period as reported by the United States department  
16 of labor and as certified by the commissioner.

17 (j) "Funeral establishment" means a funeral establishment or a  
18 person who is engaged in the practice of mortuary science as those  
19 terms are defined in section 1801 of the occupational code, ~~Act No.~~  
20 ~~299 of the Public Acts of 1980, being section 339.1801 of the~~  
21 ~~Michigan Compiled Laws 1980 PA 299, MCL 339.1801~~, or an officer,  
22 agent, or employee thereof.

23 (k) "Funeral goods" means items of merchandise which will be  
24 used in connection with a funeral or an alternative to a funeral or  
25 final disposition of human remains including, but not limited to,  
26 caskets, other burial containers, combination units, and  
27 catafalques. Funeral goods does not include cemetery goods.

1           (l) "Funeral services" means services customarily performed by  
2 a person who is licensed pursuant to sections 1801 to 1812 of the  
3 occupational code, ~~Act No. 299 of the Public Acts of 1980, being~~  
4 ~~sections 339.1801 to 339.1812 of the Michigan Compiled Laws 1980 PA~~  
5 **299, MCL 339.1801 TO 339.1812**. Funeral services includes, but is  
6 not limited to, care of human remains, embalming, preparation of  
7 human remains for final disposition, professional services relating  
8 to a funeral or an alternative to a funeral or final disposition of  
9 human remains, transportation of human remains, limousine services,  
10 use of facilities or equipment for viewing human remains,  
11 visitation, memorial services, or services ~~which are used in~~  
12 connection with a funeral or alternative to a funeral, coordinating  
13 or conducting funeral rites or ceremonies, and other services  
14 provided in connection with a funeral, alternative to a funeral, or  
15 final disposition of human remains.

16           (M) **"LIMITED DEATH BENEFIT" MEANS THE SUM PAYABLE UPON THE**  
17 **INSURED'S DEATH DURING NOT MORE THAN THE FIRST 2 YEARS THAT AN**  
18 **ASSOCIATED LIFE INSURANCE POLICY OR ANNUITY CONTRACT IS IN EFFECT**  
19 **THAT IS LESS THAN THE AMOUNT NECESSARY TO COVER THE INITIAL**  
20 **CONTRACT PRICE OF CEMETERY GOODS AND SERVICES OR FUNERAL GOODS AND**  
21 **SERVICES, BUT THAT PROVIDES FOR A MINIMUM BENEFIT AS FOLLOWS:**

22           (i) **DURING THE FIRST YEAR OF THE CONTRACT, NOT LESS THAN 25% OF**  
23 **THE INITIAL CONTRACT PRICE OF CEMETERY GOODS AND SERVICES OR**  
24 **FUNERAL GOODS AND SERVICES.**

25           (ii) **DURING THE SECOND YEAR OF THE CONTRACT, NOT LESS THAN 50%**  
26 **OF THE INITIAL CONTRACT PRICE OF CEMETERY GOODS AND SERVICES OR**  
27 **FUNERAL GOODS AND SERVICES.**

1           **(N)** ~~(m)~~—"Nonassociated life insurance policy or annuity  
2 contract" means a life insurance policy or annuity contract that is  
3 not marketed to be assigned, designed to be assigned, or intended  
4 to be assigned as payment for cemetery goods or services or funeral  
5 goods or services.

6           **(O)** ~~(n)~~—"Representative of insured's estate" means the person  
7 or persons legally entitled to make the funeral arrangements for  
8 the person whose life was insured.

9           **(P)** ~~(o)~~—"Seller" means a person who offers to sell cemetery  
10 goods or services or funeral goods or services or any agent,  
11 officer, or employee thereof.