

August 21, 2009

Becky Dunn, Executive Director  
Missouri State Board of Embalmers and  
Funeral Directors  
3605 MO Blvd.  
Jefferson City, MO 65109

Dear Becky:

I would like for you to include in next week's agenda a discussion regarding the new preneed contract requirements from Senate Bill 1.

I realize that we discussed this issue at the August 11<sup>th</sup> meeting but I believe that Section 436.425.1 RSMo, needs to be discussed further. Both Earl Kraus, the Division attorney and Sharon Euler, the Assistant Attorney General expressed their opinion at the meeting that "All preneed contracts....." means that each and every contract must contain the prescribed provisions for all three types of funding. In other words, even if a contract was trust funded, it must contain the appropriate language for insurance and joint account as well as trust language. I and many others do not believe this was the intent of the legislation as this would serve no purpose and only be confusing to consumers.

The purpose of this section is understood and it is agreed that all preneed contracts must contain some universal provisions outlined in this section such as 436.425.1 (1)(2)(3)(4)(7)(8)(9)(12)(13)(14)(15) and (16). Why would a trust contract or joint account need to contain the provisions applicable to insurance such as (5) (6) or (11)? Why would an insurance contract need to contain provisions appropriate only for a trust funded contract or joint account such as (10)?

To require such language that does not relate to the funding on the contract the consumer is purchasing does not seem to be in the best interest of the consumer. It is important to know exactly how the Board interprets this section before any new preneed contract can be drafted.

From past experience I know that implementing a new law is very tedious and requires an enormous amount of work. Greg and I want you to know

that we appreciate all the hard work you, your staff and the Board are doing to implement Senate Bill 1. Thank you.

Sincerely

Darlene Russell, CPC  
Greg Russell, CFSP, CPC