

Talking Points Regarding Emergency Rule 20 CSR 2120-3.405 – Preneed Agents – Missouri Law Exam

- 1) The definition of “preneed agent” is “any person authorized to sell a preneed contract for or on behalf of a seller”. (333.011 (9))
- 2) The definition of “seller” is “the person who executes a preneed contract with a purchaser...” (ie. Funeral home representative) (333.011 (11))
- 3) The “preneed agent” is only involved in the completion of the preneed contract. They are NOT involved in the embalming, funeral directing, care of the deceased body or any other “funeral related services” minus writing the required items on the preneed contract.
- 4) The regulation requires a “preneed agent” to take the Missouri Law exam and it covers the following:
 - a) Knowledge of Chapter 333 (Embalmers and Funeral Directors);
 - b) Rules governing the practice of embalming, funeral directing, and funeral home licensing along with government benefits, statutes, and rules governing the care, custody, shelter, disposition, and transportation of dead human bodies;
 - c) Knowledge of sections 436.400 to 436.520, relating to preneed statutes;
 - d) Knowledge of Chapters 193 (Department of Health and Senior Services) and 194 (Vital Statistics);
 - e) Questions regarding FTC rules and regulation and Occupational Safety and Health Administration requirements as they apply to MO licensees.
- 5) The only item which a “preneed agent” would ultimately need to be tested on would be section c) “Knowledge of sections 436.400 to 436.520, relating to preneed statutes”. Because that is what their job is about, creating preneed contracts and funding vehicles for people who are interested. Their job is not to embalm or be a funeral director. This regulation is overreaching the intent of the required test.
- 6) With this test in place it makes it more like a state which only allows funeral directors to write preneed life insurance. We have found this has a chilling effect on the amount of consumers that make the important decision to prearrange and prefund their funerals: to leave their family with peace of mind and not end up emotionally over-spending. This is because the funeral directors job to perform funerals, not preplan them.
- 7) In addition to the “preneed agent” signing the preneed contract we have a practice of a manager of funeral director also signing the preneed contract to make sure that everything is they way it should be. This could be a different way to go about making sure things are correct.
- 8) In addition to the “preneed agent” test a “preneed agent” that is selling life insurance to fund also has to take the insurance producers exam and are all ready licensed by the state.

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