

# HOUSE BILL No. 6115

June 6, 2018, Introduced by Reps. Theis and Bellino and referred to the Committee on Insurance.

A bill to amend 1956 PA 218, entitled "The insurance code of 1956," by amending section 2080 (MCL 500.2080), as amended by 2008 PA 513.

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

1       Sec. 2080. (1) ~~It is unlawful for any~~ **A** life or accident  
2 insurer authorized to do business in this state ~~to~~ **SHALL NOT** own,  
3 manage, supervise, operate, or maintain a ~~mortuary or undertaking~~  
4 **FUNERAL** establishment, or ~~to~~ permit its officers, agents, or  
5 employees to own or maintain ~~any such~~ **A** funeral ~~or undertaking~~  
6 establishment.

7       (2) Except as otherwise provided in subsection (6), ~~it is~~  
8 ~~unlawful for any~~ **A** life insurance ~~,~~ **OR** sick or funeral benefit  
9 company, or any company, corporation, or association engaged in a

1 similar business, ~~to~~ **SHALL NOT** contract or agree with any funeral  
2 director, undertaker, or mortuary to the effect that the funeral  
3 director, undertaker, or mortuary conducts the funeral of any  
4 person insured by the company, corporation, or association.

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

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

1 establishment, cemetery, or seller of his or her choice for the  
2 rendering of the funeral goods or services or cemetery goods or  
3 services. Except as otherwise provided in this subsection, each  
4 associated life insurance policy or annuity contract delivered or  
5 issued for delivery in this state ~~shall~~**MUST** have a death benefit  
6 that is sufficient to cover the initial contract price of the  
7 cemetery goods or services or funeral goods or services and that  
8 increases at an annual rate of not less than the ~~consumer price~~  
9 ~~index~~**CONSUMER PRICE INDEX**. However, a life insurer may provide an  
10 associated life insurance policy or annuity contract with a limited  
11 death benefit to an insured who does not meet insurance  
12 requirements for a policy that provides immediate full coverage or  
13 who chooses not to answer medical questions required for a policy  
14 that provides immediate full coverage. An associated life insurance  
15 policy or annuity contract with a limited death benefit ~~shall~~**MUST**  
16 disclose in boldfaced type that the death benefit will not be  
17 sufficient to cover the initial contract price for the cemetery  
18 goods and services or funeral goods and services for a period of up  
19 to 2 years if the premium is not paid in full and that during this  
20 period the price for those goods and services may increase at a  
21 rate higher than the increase in the ~~consumer price index~~**CONSUMER**  
22 **PRICE INDEX** for this period.

23 (4) A person ~~shall~~**MUST** not be designated as the beneficiary  
24 in any policy of life or accident insurance ~~whereby~~**UNDER WHICH** the  
25 beneficiary, directly or indirectly, ~~shall~~**MUST**, in return for all  
26 or a part of the proceeds of the policy of insurance, furnish  
27 cemetery services or goods or funeral services or goods in

1 connection therewith. **WITH THE POLICY.**

2 (5) Except as otherwise provided in subsection (6), ~~it shall~~  
3 ~~be unlawful for any~~ **A** life, ~~or accident, or sick, or funeral~~  
4 benefit company, or any **OTHER** person, ~~company, corporation, or~~  
5 ~~association, to~~ **SHALL NOT** offer or furnish goods or services or  
6 anything but money to its insureds or to his or her heirs,  
7 representatives, attorneys, relatives, associates, or assigns in  
8 ~~any~~ connection with, or by way of, encumbrance, assignment,  
9 payment, settlement, satisfaction, discharge, or release of any  
10 insurance policy. However, this subsection does not prohibit ~~any~~ **A**  
11 company, corporation, or association from furnishing medical,  
12 surgical, or hospital service.

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

26 (a) The assignment is an inseparable part of the contract for  
27 the cemetery services or goods or funeral services or goods for

1 which the assigned proceeds serve as payment.

2 (b) The assignment is revocable by the assignor, **THE**  
3 assignor's successor ~~or~~, if the assignor is the insured, ~~by~~ the  
4 representative of the insured's estate ~~prior to~~ **BEFORE** the  
5 provision of the cemetery services or goods or funeral services or  
6 goods.

7 (c) The contract for funeral services or goods or cemetery  
8 services or goods and the assignment provide that ~~upon~~ **ON**  
9 revocation of the assignment, the contract for the cemetery  
10 services or goods or funeral services or goods is revoked and  
11 cemetery services or goods or funeral services or goods may be  
12 obtained from any cemetery, funeral establishment, or seller.

13 (d) The assignment contains the following disclosure in  
14 boldfaced type:

15 "This assignment may be revoked by the assignor or assignor's  
16 successor or, if the assignor is also the insured and deceased, by  
17 the representative of the insured's estate before the rendering of  
18 the cemetery services or goods or funeral services or goods. If the  
19 assignment is revoked, the death benefit under the life insurance  
20 policy or annuity contract ~~shall~~ **WILL** be paid in accordance with  
21 the beneficiary designation under the insurance policy or annuity  
22 contract."

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

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

27 (ii) For the assignment of an associated life insurance policy

1 or annuity contract, that any increase in the price of the cemetery  
2 services or goods or funeral services or goods does not exceed the  
3 ultimate death benefit under the life insurance policy or annuity  
4 contract. This requirement does not apply to an insurance policy or  
5 annuity contract with a limited death benefit during the period  
6 that the limited death benefit is in effect. During this period,  
7 ~~neither the beneficiary nor~~ **AND** ~~the seller is~~ **ARE NOT** obligated to  
8 fulfill the terms of the contract for the cemetery services or  
9 goods or funeral services or goods for which the assigned proceeds  
10 serve as payment and the assignment of the associated life  
11 insurance policy or annuity contract may be revoked.

12 (iii) For the assignment of a nonassociated life insurance  
13 policy or annuity contract, that any increase in the price of the  
14 cemetery services or goods or the funeral services or goods ~~shall~~  
15 **MUST** not exceed the ~~consumer price index~~ **CONSUMER PRICE INDEX** or  
16 the retail price list in effect when the death occurs, whichever is  
17 less.

18 (iv) That if the ultimate death benefit under a ~~THE~~ life  
19 insurance policy or annuity contract exceeds the price of the  
20 cemetery services or goods or funeral services or goods at the time  
21 of performance, the excess amount ~~shall~~ **MUST** be distributed to the  
22 beneficiary designated under the life insurance policy or annuity  
23 contract or the insured's estate.

24 (v) That any addition to or modification of the contract for  
25 cemetery services or goods or funeral services or goods does not  
26 revoke the assignment or the contract for the cemetery services or  
27 goods or funeral services or goods that are not affected by the

1 addition or modification for which the assigned proceeds are  
2 payment unless the assignment is revoked.

3 (f) The assignment is limited to that portion of the proceeds  
4 of the life insurance policy or annuity contract that is needed to  
5 pay for the cemetery services or goods or funeral services or goods  
6 for which the assignor has contracted.

7 (g) For an associated life insurance policy or annuity  
8 contract, the death benefit of the life insurance policy or annuity  
9 contract subject to the assignment does not exceed \$5,000.00 when  
10 the first premium payment is made on the life insurance policy or  
11 annuity contract. For a nonassociated life insurance policy or  
12 annuity contract, the initial amount of proceeds assigned does not  
13 exceed \$5,000.00. The maximum amounts in this subdivision ~~shall~~  
14 **MUST** be adjusted annually in accordance with the ~~consumer price~~  
15 ~~index.~~ **CONSUMER PRICE INDEX.**

16 (h) The assignment ~~shall~~ **MUST** contain the dispute resolution  
17 rights in subsection (8). After the death of the insured but before  
18 the cemetery services or goods or funeral services or goods are  
19 provided, the funeral establishment, cemetery, or seller shall  
20 provide to a representative of the insured's estate a separate  
21 document entitled, "dispute resolution disclosure statement," ~~which~~  
22 ~~shall~~ **THAT MUST** clearly set forth the dispute resolution rights in  
23 subsection (8). The dispute resolution disclosure statement ~~shall~~  
24 **MUST** be filed with the ~~commissioner~~ **DIRECTOR** and ~~shall be~~ **IS**  
25 considered approved unless disapproved within 30 days after the  
26 submission. The language used to set forth the dispute resolution  
27 rights in subsection (8) ~~shall~~ **MUST** be written in a manner



1 ~~calculated to be~~ **THAT IS** understood by a person of ordinary  
2 intelligence.

3 (i) The assignor and not the assignee is responsible for  
4 making the premium payments due on the life insurance policy or  
5 annuity contract. This subdivision does not apply to an insurance  
6 producer when acting as a fiduciary ~~pursuant to~~ **UNDER** section 1207.

7 (j) After the death of the insured but before the cemetery  
8 services or goods or funeral services or goods are provided, the  
9 representative of the insured's estate is provided with a current  
10 price list for the cemetery services or goods or funeral services  
11 or goods provided ~~pursuant to~~ **UNDER** the assignment.

12 (k) At the time the assignment is made, the assignee complies  
13 with the price disclosure rules of the ~~federal trade commission~~  
14 **FEDERAL TRADE COMMISSION** prescribed in 16 CFR part 453 whether or  
15 not the rules by their own terms apply to the offering.

16 (l) At the time the assignment is made, the assignor certifies  
17 that the insured does not have in effect other life insurance  
18 policies or annuity contracts that have been assigned as payment  
19 for cemetery goods or services or funeral goods or services which  
20 together with the additional assignment would have an aggregate  
21 face value in excess of the limitation provided in subdivision (g).

22 (m) For the assignment of a nonassociated life insurance  
23 policy or annuity contract, the assignment complies with both of  
24 the following:

25 (i) The assignment is sufficient to cover the initial contract  
26 price of the cemetery goods or services or funeral goods or  
27 services.

1           (ii) The assignment provides that any increase in the price of  
2 the cemetery services or goods or the funeral services or goods  
3 shall ~~MUST~~ not exceed the ~~consumer price index~~ **CONSUMER PRICE INDEX**  
4 or the retail price list in effect when the death occurs, whichever  
5 is less.

6           (7) An insurer or an insurance producer shall not make a false  
7 or misleading statement, oral or written, regarding an assignment  
8 subject to subsection (6) or regarding the rights or obligations of  
9 any party or prospective party to the assignment. An insurer or an  
10 insurance producer shall not advertise or promote an assignment  
11 subject to subsection (6) in a manner that is false, misleading,  
12 deceptive, or unfair. The ~~commissioner~~ **DIRECTOR** shall promulgate  
13 rules regulating the solicitation of plans promoting assignments  
14 subject to subsection (6) to protect against solicitations that are  
15 intimidating, vexatious, fraudulent, or misleading, or which take  
16 unfair advantage of a person's ignorance or emotional  
17 vulnerability.

18           (8) After ~~the~~ cemetery services or goods or funeral services  
19 or goods **THAT ARE SUBJECT TO AN ASSIGNMENT UNDER THIS SECTION** are  
20 provided, the funeral establishment, cemetery, or seller shall  
21 provide to a representative of the insured's estate a statement to  
22 be signed by the representative of the insured's estate authorizing  
23 the release of the assignment proceeds for the payment of the  
24 cemetery services or goods or funeral services or goods. The  
25 insurer shall release to the funeral establishment, cemetery, or  
26 seller the assignment proceeds ~~upon~~ **ON** receipt of the authorization  
27 statement signed by a representative of the insured's estate. If a

1 representative of the insured's estate fails to sign the  
2 authorization statement, the following ~~shall~~**MUST** take place:

3 (a) The funeral establishment, cemetery, or seller shall  
4 provide the representative of the insured's estate with a dispute  
5 resolution notice, a copy of which is to be sent to the insurer and  
6 the ~~commissioner~~**DIRECTOR** that states all of the following:

7 (i) That the funeral establishment, cemetery, or seller has  
8 provided the cemetery services or goods or funeral services or  
9 goods.

10 (ii) That a representative of the insured's estate has refused  
11 to authorize the insurer to release the assignment proceeds for the  
12 payment of the cemetery services or goods or funeral services or  
13 goods.

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

16 (b) ~~Upon~~**ON** the receipt of the dispute resolution notice  
17 described in subdivision (a), the insurer shall retain the  
18 assignment proceeds for 30 days. The insurer shall release the  
19 assignment proceeds to the funeral establishment, cemetery, or  
20 seller if after the expiration of the 30 days the insurer is not  
21 informed that arbitration proceedings have been commenced, or  
22 pursuant to the award of the arbitrator.

23 (c) The funeral establishment, cemetery, seller, or a  
24 representative of the insured's estate may commence arbitration  
25 proceedings to determine the disposition of the assignment  
26 proceeds. Arbitration ~~shall~~**MUST** be conducted ~~pursuant to~~**UNDER** the  
27 rules and procedures of the American ~~arbitration association~~.

1 **ARBITRATION ASSOCIATION.** Expenses of the arbitration ~~shall~~**MUST** be  
2 shared equally by the insured's estate and the assignee unless  
3 otherwise ordered by the arbitrator.

4 (d) ~~Nothing in this~~**THIS** subsection ~~limits~~**DOES NOT LIMIT** the  
5 right of any party involved in the payment dispute to seek other  
6 recourse permitted by law.

7 (9) A life insurance producer shall not sell or solicit the  
8 sale of a life insurance policy or annuity contract with the  
9 intention of having the purchaser assign the proceeds of the policy  
10 or contract to a funeral establishment, cemetery, or seller with  
11 which the producer is associated unless all of the following  
12 conditions are met:

13 (a) The producer discloses in writing to the purchaser the  
14 nature of his or her association with the funeral establishment,  
15 cemetery, or seller and that both the funeral establishment,  
16 cemetery, or seller and the producer will or may profit from the  
17 transaction, if that is the case.

18 (b) A funeral establishment, cemetery, or seller that accepts  
19 assignments ~~pursuant to~~**UNDER** subsection (6) ~~shall also offer~~  
20 **OFFERS** to sell or provide cemetery goods or services or funeral  
21 goods or funeral services ~~pursuant to~~**UNDER** prepaid funeral  
22 contracts as provided in the prepaid funeral and cemetery sales  
23 act, 1986 PA 255, MCL 328.211 to 328.235, or ~~pursuant to~~**UNDER** the  
24 trust provisions of the cemetery regulation act, 1968 PA 251, MCL  
25 456.521 to 456.543.

26 (c) If the contemplated assignment is to be made to pay the  
27 cost of cemetery goods or services or funeral goods or ~~funeral~~

1 services, the producer ~~shall disclose~~ **DISCLOSES** in writing to the  
2 purchaser that the cemetery goods or services or funeral goods or  
3 services may also be purchased ~~prior to~~ **BEFORE** death by making  
4 payment directly to a funeral establishment, cemetery, or seller  
5 who will hold funds in escrow for the benefit of the purchaser  
6 ~~pursuant to~~ **UNDER** the prepaid funeral and cemetery sales act, 1986  
7 PA 255, MCL 328.211 to 328.235, or in trust ~~pursuant to the~~  
8 ~~provisions of~~ **UNDER** the cemetery regulation act, 1968 PA 251, MCL  
9 456.521 to 456.543. The written disclosure ~~shall~~ **MUST** also state  
10 that ~~upon~~ **ON** cancellation of the prepaid funeral contract, the  
11 purchaser is entitled to a refund of at least 90% of the principal  
12 and income earned.

13 (d) The sale of cemetery goods or services or funeral goods or  
14 services ~~shall~~ **IS** not ~~be~~ conditioned on the purchaser buying or  
15 agreeing to buy a life insurance policy or annuity contract or on  
16 the assignment of the proceeds of the policy or contract to that  
17 funeral establishment, cemetery, or seller.

18 (e) The sale of a life insurance policy or annuity contract  
19 ~~shall~~ **IS** not ~~be~~ conditioned on the purchaser buying or agreeing to  
20 buy cemetery goods or services or funeral goods or services from  
21 the funeral establishment, cemetery, or seller with which the  
22 producer is associated or on the assignment of the proceeds of the  
23 policy or contract to that funeral establishment, cemetery, or  
24 seller.

25 (f) A discount from the current price of cemetery goods or  
26 services or funeral goods or services ~~shall~~ **IS** not ~~be~~ offered as an  
27 inducement to purchase or assign a life insurance policy or annuity

1 contract.

2 (g) The life insurance policy or annuity contract sold by the  
3 producer may be canceled by the purchaser within 10 days after the  
4 receipt of the policy or annuity contract, in which event a full  
5 refund of all premiums ~~shall~~**WILL** be paid to the purchaser.

6 (h) The producer ~~shall disclose~~**DISCLOSES** in writing to the  
7 purchaser that the funeral establishment, cemetery, or seller with  
8 which the producer is associated will accept assignments of life  
9 insurance policies or annuity contracts sold by any other licensed  
10 producer.

11 (10) The ~~commissioner~~**DIRECTOR** or any other person, in order  
12 to force compliance with subsection (6) or (7), may bring an action  
13 in a circuit court in any county in which the assignee or insurance  
14 producer or any other person has solicited or sold a life insurance  
15 policy or annuity contract that is assigned ~~pursuant to~~**UNDER**  
16 subsection (6), whether or not that person has purchased the life  
17 insurance policy or annuity contract or is personally aggrieved by  
18 a violation of this section. The court may award damages and issue  
19 equitable orders in accordance with the Michigan court rules to  
20 restrain conduct in violation of this section.

21 (11) Any ~~A~~ person ~~violating any of the provisions of~~**THAT**  
22 **VIOLATES** this section is guilty of a misdemeanor, and ~~each~~  
23 ~~violation shall be a separate offense and upon~~**PUNISHABLE ON**  
24 conviction ~~shall be punished by~~ a fine not exceeding \$1,000.00 or  
25 by imprisonment for not more than 6 months, or both, ~~such fine and~~  
26 ~~imprisonment~~ within the discretion of the courts. **EACH VIOLATION IS**  
27 **A SEPARATE OFFENSE.**

1           (12) In addition to the penalty provided in subsection (11),  
2 if, after a hearing conducted ~~pursuant to~~**UNDER** the administrative  
3 procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328, the  
4 ~~commissioner~~**DIRECTOR** determines a person has violated this  
5 section, the ~~commissioner~~**DIRECTOR** may order the person to pay a  
6 civil fine of not more than \$10,000.00 for each violation and may  
7 also impose other sanctions provided ~~pursuant to~~**UNDER** chapter 12.  
8 The money collected under this subsection ~~shall~~**MUST** be deposited  
9 in the funeral consumers education and advocacy fund. The funeral  
10 consumers education and advocacy fund is created within the ~~office~~  
11 ~~of financial and insurance regulation~~**DEPARTMENT**. The ~~fund shall~~  
12 ~~be administered by the commissioner~~**DIRECTOR SHALL ADMINISTER THE**  
13 **FUND**. The money in the fund ~~shall~~**MUST** be used to do both of the  
14 following:

15           (a) To promote the education of consumers concerning the  
16 prearrangement and purchase of cemetery or funeral services or  
17 goods through the purchase and assignment of life insurance or  
18 annuity contracts.

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

21           (13) For purposes of this section, a life insurance producer  
22 is associated with a funeral establishment, cemetery, or seller if  
23 any of the following apply:

24           (a) The producer is a funeral establishment, cemetery, or  
25 seller.

26           (b) The producer owns an interest, directly or indirectly, in  
27 a corporation or other entity that holds an interest in a funeral

1 establishment, cemetery, or seller.

2 (c) The producer is an officer, employee, or agent of a  
3 funeral establishment, cemetery, or seller.

4 (d) The producer is an officer, employee, or agent of a  
5 corporation or other entity that holds an interest, either directly  
6 or indirectly, in a funeral establishment, cemetery, or seller, or  
7 in a corporation or other entity that holds an interest, directly  
8 or indirectly, in a corporation or other entity that holds an  
9 interest in a funeral establishment, cemetery, or seller.

10 (14) As used in this section:

11 (a) "Associated life insurance policy or annuity contract" is  
12 a life insurance policy or annuity contract that is marketed,  
13 designed, and intended to be assigned as payment for cemetery goods  
14 or services or funeral goods or services.

15 (b) "Casket" means any box or container consisting of 1 or  
16 more parts in which a dead human body is placed ~~prior to~~ **BEFORE**  
17 interment, entombment, or cremation ~~which~~ **THAT** may or may not be  
18 permanently interred, entombed, or cremated with the dead human  
19 body. A permanent interment or entombment receptacle designed or  
20 intended for use without a cemetery burial vault or other outside  
21 container ~~shall~~ **IS** also ~~be~~ considered a casket.

22 (c) "Catafalque" means an ornamental or decorative object or  
23 structure placed beneath, over, or around a casket, vault, or a  
24 dead human body ~~prior to~~ **BEFORE** final disposition of the dead human  
25 body.

26 (d) "Cemetery" means that term as defined in but not  
27 necessarily regulated under section 2 of the cemetery regulation



1 act, 1968 PA 251, MCL 456.522, or an officer, agent, or employee  
2 thereof.

3 (e) "Cemetery burial vault or other outside container" means a  
4 box or container used solely at the place of interment to  
5 permanently surround or enclose a casket and to support the earth  
6 above the casket after burial.

7 (f) "Cemetery goods" means land or interests in land, crypts,  
8 lawn crypts, mausoleum crypts, or niches that are sold by a  
9 cemetery. In addition, cemetery goods include cemetery burial  
10 vaults or other outside containers, markers, monuments, urns, and  
11 merchandise items used for the purpose of memorializing a decedent  
12 and placed on or in proximity to a place of interment or entombment  
13 of a casket, catafalque, or vault or to a place of inurnment ~~which~~  
14 **THAT** are sold by a cemetery.

15 (g) "Cemetery services" means those services customarily  
16 performed by a cemetery.

17 (h) "Combination unit" means any product consisting of a unit  
18 or a series of units designed or intended to be used together as  
19 both a casket and as a permanent burial receptacle.

20 (i) "Consumer ~~price index~~" **PRICE INDEX**" means the annual  
21 average percentage increase in the Detroit ~~consumer price index~~  
22 **CONSUMER PRICE INDEX** for all items for the prior 12-month period as  
23 reported by the United States ~~department~~ **DEPARTMENT** of ~~labor~~ **LABOR**  
24 and as certified by the ~~commissioner~~ **DIRECTOR**.

25 (j) "Funeral establishment" means a funeral establishment or a  
26 person ~~who~~ **THAT** is engaged in the practice of mortuary science as  
27 those terms are defined in section 1801 of the occupational code,

1 1980 PA 299, MCL 339.1801, or an officer, agent, or employee  
2 thereof. **OF THE FUNERAL ESTABLISHMENT OR PERSON.**

3 (k) "Funeral goods" means items of merchandise ~~which~~ **THAT** will  
4 be used in connection with a funeral or an alternative to a funeral  
5 or final disposition of human remains including, but not limited  
6 to, caskets, other burial containers, combination units, and  
7 catafalques. Funeral goods does not include cemetery goods.

8 (l) "Funeral services" means services customarily performed by  
9 a person who is licensed ~~pursuant to sections 1801 to 1812~~ **UNDER**  
10 **ARTICLE 18** of the occupational code, 1980 PA 299, MCL 339.1801 to  
11 339.1812. Funeral services includes, but is not limited to, care of  
12 human remains, embalming, preparation of human remains for final  
13 disposition, professional services relating to a funeral or an  
14 alternative to a funeral or final disposition of human remains,  
15 transportation of human remains, limousine services, use of  
16 facilities or equipment for viewing human remains, visitation,  
17 memorial services, or services used in connection with a funeral or  
18 alternative to a funeral, coordinating or conducting funeral rites  
19 or ceremonies, and other services provided in connection with a  
20 funeral, alternative to a funeral, or final disposition of human  
21 remains.

22 (m) "Limited death benefit" means the sum payable ~~upon~~ **ON** the  
23 insured's death during not more than the first 2 years that an  
24 associated life insurance policy or annuity contract is in effect  
25 that is less than the amount necessary to cover the initial  
26 contract price of cemetery goods and services or funeral goods and  
27 services, but that provides for a minimum benefit as follows:

1 (i) During the first year of the contract, not less than 25%  
2 of the initial contract price of cemetery goods and services or  
3 funeral goods and services.

4 (ii) During the second year of the contract, not less than 50%  
5 of the initial contract price of cemetery goods and services or  
6 funeral goods and services.

7 (n) "Nonassociated life insurance policy or annuity contract"  
8 means a life insurance policy or annuity contract that is not  
9 marketed to be assigned, designed to be assigned, or intended to be  
10 assigned as payment for cemetery goods or services or funeral goods  
11 or services.

12 (o) "Representative of **THE** insured's estate" means the person  
13 or persons legally entitled to make the funeral arrangements for  
14 the person whose life was insured.

15 (p) "Seller" means a person ~~who~~**THAT** offers to sell cemetery  
16 goods or services or funeral goods or services or any agent,  
17 officer, or employee ~~thereof.~~**OF THE PERSON.**