

06/01/07 MODEL PRENEED CONTRACTS AND REPORTING FORMS

The Division of Occupational and Professional Licensing has approved model contract forms which may be used by preneed funeral arrangement providers. Please note all information identified within brackets [] on the model contract forms is the preneed provider's license and address information and contract number which must be preprinted on the contract form.

Use of model contract forms is not mandatory. A preneed provider may develop their own forms, but they must comply with requirements set forth in the statute and Division rules.

Each preneed funeral arrangement provider is required to maintain an annual report, subject to Division audit at anytime.

The following model forms are included in this packet:

- Checklist for preneed contract compliance
- Model contract funded by money placed in trust
- Model contract funded by insurance
- Model Exhibit "A" Goods and Services Selected
- Model Exhibit "B" Notice of Cancellation (three days)
- Annual Report Instructions

The following checklist is prepared to assist the preneed provider in drafting and the Division in reviewing preneed funeral arrangement contract forms to ensure compliance with statutory and rules requirements.

Utah Code Annotated 58-9-701(1) (2007), states that all contract forms and modifications of contract forms must comply with Division requirements.

For ease of reference, the material contained in brackets [] on this checklist is the reference to the applicable law (Utah Code Annotated) or rule (Utah Administrative Code) which applies to the item referred to.

CHECKLIST

Preneed Provider: _____

Contact Person: _____

Part I. Every Contract:

- _____ 1. Uses clear and understandable language [58-9-701(2)(a)].

- _____ 2. Uses clear and understandable language with easy-to-read style and type with minimum type size containing no more than 6 lines per vertical inch and no more than 15 characters per horizontal inch [58-9-701(2)(a) and R156-9-607(3)].

- _____ 3. Bears the following preprinted information about the Provider:
[58-9-701(2)(b)]:
 - _____ a. Name.
 - _____ b. Address.
 - _____ c. Phone number.
 - _____ d. Preneed provider license number.

- _____ 4. Forms are sequentially numbered by contract form [58-9-701(2)(c)].

- _____ 5. Clearly provides that the contract is a guaranteed product contract [58-9-701(2)(d)].

- _____ 6. Includes an itemized Statement of Funeral Goods and Services selected with required disclosures (See Model Contract forms and Exhibit "B" for sample).

- _____ 7. Irrevocable by Buyer except as specified by statute for breach, inability to perform or per terms identified in contract [58-9-702(5)].

- _____ 8. Irrevocable by Provider except as specified by statute for non payment or per terms identified in contract [58-9-702(4)].

- _____ 9. Has obligation of provider to notify persons, who may handle funeral arrangement, that a preneed contract has been purchased, if requested by buyer [58-7-701(7)]

- _____ 10. Addresses death and/or requested burial of Recipient outside of Provider's service area.

- _____ 11. Addresses death of Buyer before payment required under contract has been paid in full.
- _____ 12. Clearly informs Buyer of his right to cancel the contract before midnight of the third business day after Buyer signs the contract and contains a preprinted form for doing so.
- _____ 13. Addresses impossibility of performance.
- _____ 14. Addresses mutual rescission of contract.
- _____ 15. Addresses assignment of contract to other providers.
- _____ 16. Provides that contract may only be modified by written instrument executed by Provider and Purchaser.
- _____ 17. Contains an "entire contract" clause.
- _____ 18. Requires signature of Buyer, Preneed Sales Agent, and notarized signature of Funeral Service Director.
- _____ 19. Opinion letter from counsel if contract substantially different than model contract [R156-9-607(4)].
- _____ 20. Contains required Medicaid provision [R156-9-608].

Part II. Contracts Funded by Money to be Placed in Trust:

- _____ 1. Provides that the trust is established as required by statute [58-9-703].
 - _____ a. Requires that all monies received be deposited and trusted within required time frames specified by statute, 10 days for money, 35 days for negotiable instruments [58-9-702].
 - _____ b. Contains required financial disclosures (See Model Contract and Exhibit "A" for sample).
- _____ 2. Contains a clear statement about refund of payments or distribution of trust corpus and unexpended interest which would be made to Buyer or Buyer's representative upon revocation of the contract by either Buyer or Provider.
 - _____ a. If Buyer is to be assessed a revocation fee upon default or

revocation by buyer, contract clearly provides for such a fee and the revocation fee does not exceed the 25% maximum limit set by rule [58-9-703(4)(c), R156-9-617].

- _____ 3. Provides for distribution of trust earnings per priority and maximum limits set forth in statute and rule [58-9-704, R156-9-614].
- _____ 4. Unless contract is revoked and Provider is entitled to retain a revocation fee, provides for the distribution of trust corpus to Provider, only upon Recipient's death [58-9-704(4)].

Part III. Contracts Funded by Insurance:

- _____ 1. Provides that the insurance policy or product is filed with the Insurance Department and meets the requirements Title 31A, Insurance Code [58-9-701(2)(f)].
- _____ 2. Provides that the provider beneficiary designation will be contingent upon the provision of funeral goods and services by the named beneficiary [R156-9-606(1)], using "as the [provider's] interests may appear on the preneed contract" or substantially similar beneficiary designation language.
- _____ 3. Provides life insurance proceeds payable to a provider shall not exceed the provider's insurable interest in the recipient of goods and services and that excess proceeds not payable to the provider shall be returned to the owner of the life insurance policy or his heirs and beneficiaries unless otherwise designated by the owner or his heirs and beneficiaries. [R156-9-615].
 - _____ a. Defines insurable interest as an amount not exceeding the provider's current price for the goods and services provided, as determined by the provider's price list in effect at the recipient's death [R156-9-615(1)].

06/01/07 Model contract

Contract number: [sequential number]

[Provider's name]

Preneed Funeral Arrangement Provider

Utah License No. [Provider's preneed license number]

[Provider's address & phone number]

**Guaranteed Preneed Funeral Arrangement Contract
Funded by Money Placed in Trust**

This Contract is entered into this _____ day of _____, 20____,

between _____ ("Buyer")
and [provider] ("Provider"), a preneed funeral arrangement provider licensed in the
State of Utah. This is a guaranteed product contract funded by money placed in trust.

1. RECIPIENT OF GOODS AND SERVICES: Recipient of goods and services means the individual who at death will receive the goods and services purchased under this Contract. The Recipient of goods and services or beneficiary of this contract is as follows:

Recipient	SSN#	Date of Birth

Address	City	State	Zip

2. BUYER REPRESENTATIVE: The Buyer shall have the right to appoint a representative, who shall have the Buyer's power of attorney, to act for and on behalf of the Buyer. In the event the Buyer's representative predeceases the Buyer, the Buyer or the Buyer's next of kin shall have the right to appoint a replacement representative.

Representative	SSN#	Date of Birth

Address	City	State	Zip

3. PROVIDER'S OBLIGATIONS: Absent a default by Buyer, Provider agrees that at the time of need it or its successors or assigns will furnish the funeral goods and services selected on Exhibit "A", "Statement of Funeral Goods and Services Selected", regardless of the market price at the time of need. Provider agrees that if any of the goods and services selected by Buyer are not provided due to impossibility or impracticability, Provider will return to Buyer or Buyer's Representative or heirs the consideration paid for the unused goods and services together with any unexpended

interest earnings thereupon.

4. ITEMS NOT INCLUDED IN THIS CONTRACT: This contract does not include goods and services not selected from Exhibit "A" for inclusion in this contract.

5. BUYER'S RIGHT TO CANCEL: If this contract was solicited at your residence and you do not want the goods and services, you may cancel this contract by mailing a cancellation notice to Provider. **The notice must state that you do not want the goods and services and must be mailed to the office of the Provider at the address set forth herein before midnight on the third business day after you sign this Contract.**

6. BUYER'S OBLIGATIONS: Buyer agrees to remit to Provider payment for funeral goods and services as follows:

- a. TOTAL CASH PRICE \$ _____
- b. DOWN PAYMENT \$ _____
- c. UNPAID BALANCE OF CASH PRICE (a-b) \$ _____
- d. FINANCE CHARGE (If any) \$ _____
(Finance charges must be deposited in trust account and are subject to the requirements of Utah Code Annotated § 58-9-704 (2003))
- e. TOTAL OF PAYMENTS (c+d) \$ _____
- f. DEFERRED PAYMENT PRICE (b +e) \$ _____
- g. ANNUAL INTEREST RATE (If any) _____ %

The amount financed shall be due in monthly payments of \$ _____ with the first payment due on _____ and subsequent payments due on the _____ day of each month thereafter until this contract is paid in full. Full payment will require monthly payments and one final payment of \$ _____ which is due on the _____ day of _____, 20 _____. A LATE FEE shall be assessed in the amount of _____ % of each overdue payment, not to exceed \$ _____. Buyer may at anytime and without penalty prepay his/her obligations under this contract with interest (if any) being assessed only on the unpaid principal balance.

7. IRREVOCABILITY: This contract is irrevocable except as provided in Paragraphs 14 and 15.

8. FUNDS TO BE PLACED IN TRUST: In accordance with UTAH CODE ANN. § 58-9-

703 (2003), Provider shall promptly deposit one hundred percent (100%) of all funds received from Buyer including finance charges or late charges, if any, into a trust account with [Provider's designated trustee], a Utah financial institution authorized to engage in the trust business. Provider's trust account numbers are as follows:

Mortuary: _____; and Individual:

_____. The trust Agreement shall comply with the requirements of UTAH CODE ANN. § 58-9-703 (2003), including among other requirements: (1) that Provider report all amounts deposited into trust in the name of Recipient of Goods and Services and the Agreement number; (2) that the trustee establish a separate account within the trust for each contract; and (3) that the trustee separately account for each contract by recording trust earnings and disbursements with respect to each contract in the corpus of the trust. This accounting requirement shall not be construed to prohibit the trustee from collectively investing in part or in whole the aggregate trust corpus to obtain an advantageous rate of return on the trust corpus.

9. DISTRIBUTION OF TRUST EARNINGS TO PROVIDER: In accordance with UTAH CODE ANN. § 58-9-704 (2003), the trustee shall, upon proper documentation, distribute to Provider earnings on trust funds, subject to any maximum amounts established by law or rule, according to the following priority:

- (a) to pay the reasonable trustee expenses of administering the trust and any amounts necessary to pay taxes incurred on the interest earned by the trust fund.
- (b) to pay reasonable Provider expenses associated with:
 - (i) the sale of preneed contracts;
 - (ii) administering the collection, remittance, and accounting of the amount of payments made into the corpus of the trust; and
 - (iii) reporting required with respect to preneed contracts sold by Provider;
- (c) to pay Provider costs of providing personal property and services required under this contract; and
- (d) to pay Provider available funds left in the individual trust account after:
 - (i) this contract has been fully performed by Provider; or
 - (ii) this contract is revoked by Provider as provided herein; and
 - (iii) all amounts payable to Buyer, Buyer's representative or heirs, Recipient of Goods and Services, or any other person have been paid in full.

10. DISTRIBUTION OF TRUST CORPUS TO PROVIDER: In accordance with UTAH CODE ANN. § 58-9-705 (2003), the trustee shall distribute to Provider all funds that have been credited to Buyer upon proper documentation of any one of the following:

- (a) the death of Recipient of Goods and Services, which shall be demonstrated to the trustee by Provider furnishing to the trustee a request for payment from the trust accompanied by a certified copy of the death

- certificate of Recipient of Goods and Services; or
- (b) the revocation of this contract by Provider or Buyer according to the terms and conditions set forth in paragraph 14 or 15, which shall be demonstrated to the trustee by Provider furnishing to the trustee satisfactory evidence that the contract has been revoked and that all funds due Buyer or Buyer's Representative or heirs have been paid in full.

11. DISTRIBUTION OF TRUST CORPUS AND UNEXPENDED TRUST EARNINGS TO BUYER OR BUYER'S REPRESENTATIVE OR HEIRS: In accordance with UTAH

CODE ANN. § 58-9-705(3) (2003), the trustee shall distribute to Buyer or Buyer's Representative or heirs all funds that have been credited to Buyer upon proper documentation of any one of the following:

- (a) a judgment to the benefit of a Buyer or Beneficiary upon a finding of evidence that the Provider is in substantial breach of this contract, or that there is substantial evidence that the Provider is or will be unable to provide the personal property or services to the Beneficiary under this contract;
- (b) a bankruptcy which will result in the liquidation of Provider's estate;
- (c) any finding by a court which determines that the funds should be rightfully returned to the Buyer or Buyer's Representative or heirs;
- (d) the assignment of the trust corpus and unexpended interest to Buyer or Buyer's Representative or heirs; or
- (e) the mutual rescission of the contract pursuant to paragraph 20, if the terms and conditions of the mutual rescission provide for such a distribution.
- (f) any portion of the trust fund and interest not earned by the provider by the provider failing to provide the good and services selected within a reasonable period of time after the recipient's death.

12. DEATH AND/OR REQUESTED BURIAL OF RECIPIENT OF GOODS AND SERVICES OUTSIDE PROVIDER'S SERVICE AREA: If the death of Recipient of

Goods and Services occurs outside the area Provider is reasonably able to serve, Provider shall, at the request of Buyer or Buyer's representative or heirs, make arrangements for like services by another funeral home and shall assign to the funeral home all rights to distribution of the trust corpus and any unexpended earnings of the trust corpus funding this agreement. All charges by another funeral home in excess of the amounts held pursuant to this contract shall be the sole responsibility of Buyer or Buyer's Representative or heirs. If Provider is not requested to make arrangements for like services by another funeral home, Provider shall assign to a funeral home designated by Buyer or absent such a designation, to Buyer or Buyer's Representative or heirs, all rights to distribution of the trust corpus and any unexpended earnings of the trust corpus funding this contract. Following the assignment by Provider as described, Provider shall be relieved of all liabilities and obligations under this contract.

13. DEATH OF BUYER PRIOR TO PAYMENT IN FULL: If Buyer dies before the total purchase price has been paid in full, Provider agrees that it will provide the goods and services selected in EXHIBIT "A", at the time of need, provided Buyer's Representative or heirs pay the remaining balance due under this contract or make satisfactory supplemental arrangements for the funeral services with Provider. If Buyer's Representative or heirs fail to pay the remaining balance due under this contract or to make satisfactory supplemental arrangements, Provider shall, at the request of Buyer's Representative or heirs, assign to a funeral home designated by Buyer's Representative or heirs the trust corpus and any unexpended earnings of the trust corpus. Following assignment by Provider to another funeral home as described or, in the absence of the designation of a funeral home, to Buyer's Representative or heirs, Provider shall be relieved of all liabilities and obligations under this contract.

14. BUYER DEFAULT: Buyer shall be in default if after receipt of a notice of default from Provider, Buyer or Buyer's Representative or heirs fail to bring current any arrearage under this contract within the time period specified in the notice of default. The notice of default shall provide Buyer a minimum of thirty (30) days to cure the arrearage. Provider may revoke this contract for Buyer default. If this contract is revoked for Buyer default, Provider shall refund to Buyer an amount equal to the trust corpus and unexpended trust earnings less a _____ % revocation fee, provided that the revocation fee may not exceed the maximum revocation fee specified by law or rule of twenty five percent. After payment of the refund, Provider shall be entitled a distribution of the trust corpus and unexpended trust earnings and shall be relieved of all liabilities and obligations under this contract.

15. PROVIDER DEFAULT: Provider shall be in default upon any of the following conditions:

- (a) failure to provide the goods and services at the time of need when requested; or
- (b) substantial evidence that the provider is or will be unable to provide the personal property or services to the beneficiary as provided under the contract.

Buyer may revoke this contract for Provider default. If this contract is revoked for Provider default, Buyer shall be entitled to a refund of the trust corpus and unexpended trust earnings and provider shall be relieved of all liabilities and obligations under this contract.

16. IMPOSSIBILITY OF PERFORMANCE: In the event it becomes impossible for provider to perform this contract as a result of destruction of its facilities by fire, flood, or otherwise, or because of labor disputes, government enactment or regulations, wars, epidemic, or other disaster, Provider shall, at the request of Buyer or Buyer's Representative or heirs, make arrangements for like services by another funeral home and shall assign to the funeral home all rights to distribution of the trust corpus and any

unexpended earnings of the trust corpus funding this agreement. All charges by another funeral home in excess of the amounts held pursuant to this contract shall be the sole responsibility of Buyer or Buyer's Representative or heirs. If Provider is not requested to make arrangements for like services by another funeral home, Provider shall release all the trusted funds including the trust corpus and any unexpended earning to a funeral home designated by Buyer or Buyer's Representative or heirs, or absent such a designation, to Buyer or Buyer's Representative or heirs. Following the release of the trusted funds by Provider as described, Provider shall be relieved of all liabilities and obligations under this contract.

17. INCORPORATION BY REFERENCE OF EXHIBITS: All Exhibits referenced in this contract are incorporated by reference into this contract.

18. MODIFICATION: This contract may be modified only by an instrument in writing executed by Provider and Buyer.

19. MUTUAL RESCISSION: This contract may be rescinded by written mutual agreement by the parties thereto.

20. MEDICAID ELIGIBILITY NOTICE: Under federal regulations, a Medicaid recipient whose preneed contract is revoked or mutually rescinded may become ineligible for Medicaid benefits. Before permitting or causing your preneed agreement to be rescinded or revoked, Buyer should seek the advice of a private attorney or a Medicaid representative.

21. ASSIGNMENT: The Buyer shall not assign its rights hereunder without the written consent of the Provider. Provider may assign its rights hereunder to a Utah licensed preneed funeral arrangement provider.

22. ATTORNEY'S FEES AND COURT COSTS. If either party to this contract incurs attorney's fees and/or court costs to enforce this contract or establish the default of the other, that party shall be entitled to attorney's fees and court costs.

23. ENTIRE CONTRACT: This contract contains the entire agreement of Provider and Buyer and supersedes and cancels any and all prior negotiations, representations, understandings, or agreements between the parties. There are no verbal agreements which modify, interpret, construe, or affect this contract.

24. NOTICE TO BUYER'S REPRESENTATIVE. It is advisable to inform persons living outside of your personal residence, who may be responsible to make arrangements funeral arrangements, that you have entered into a preneed funeral arrangement contract so that when a death occurs, they will know to contact us. As required by UTAH CODE ANN. § 58-9-701(7) (2003), if you desire, we will assist you in informing these persons. Please indicate if you want us to assist by indicating your choice below:

(check one)

I want you to provide written notice to the following persons that I have entered into a preneed funeral arrangement contract and provide a copy of the entire contract to them.

Name and address of persons to inform. Attach additional names if desired.

Name

Address City State Zip

I want you to provide written notice to the following persons that I have entered into a preneed funeral arrangement contract and give them information regarding who to contact to arrange for funeral services, but do not provide a copy of the entire contract to them.

Name and address of persons to inform. Attach additional names if desired.

Name

Address City State Zip

I do not want you to advise anyone. I will be responsible for informing persons who will be responsible for these funeral arrangements to contact you.

25. REQUIRED SIGNATURES: This contract is not valid until all required signatures below have been obtained. The Buyer should seek legal counsel before signing this contract if Buyer does not fully understand the contract.

Buyer's signature Date Signed

Preneed Sales Agent's Signature License No. Date Signed

Funeral Service Director's Signature License No. Date Signed

06/01/07 Model contract

Contract number: [sequential number]

[Provider's name]

Preneed Funeral Arrangement Provider

Utah License No. [Provider's preneed license number]

[Provider's address & phone number]

Guaranteed Preneed Funeral Arrangement Contract Funded by Insurance

This Contract is entered into this _____ day of _____, 20____,

between _____ ("**Buyer**")

and [provider] ("**Provider**"), a preneed funeral arrangement provider licensed in the State of Utah. This is a guaranteed product contract, not insurance, although the contract is funded by insurance.

1. RECIPIENT OF GOODS AND SERVICES: Recipient of goods and services means the individual who at death will receive the goods and services purchased under this Contract. The Recipient of goods and services or beneficiary of this contract is as follows:

Recipient	SSN#	Date of Birth	
Address	City	State	Zip

2. BUYER REPRESENTATIVE: The Buyer shall have the right to appoint a representative, who shall have the Buyer's power of attorney, to act for and on behalf of the Buyer. In the event the Buyer's representative predeceases the Buyer, the Buyer or the Buyer's next of kin shall have the right to appoint a replacement representative.

Representative	SSN#	Date of Birth	
Address	City	State	Zip

3. PROVIDER'S OBLIGATIONS: Absent a default by Buyer, Provider agrees that at the time of need it or its successors or assigns will furnish the funeral goods and services selected on Exhibit "A", "Statement of Funeral Goods and Services Selected", regardless of the market price at the time of need. Provider shall not accept nor be entitled to the life insurance proceeds funding this Contract, beyond the Provider's insurable interest which is defined as the current price for goods and services as

determined by Provider's price list in effect at Recipient's death for such goods and services actually furnished under this contract. Provider further agrees that the life insurance policy is a policy which complies with the requirements of Title 31A, "Insurance Code", and is filed with the Utah Department of Insurance. Provider agrees to assign any claim or right to any amount in excess of the insurable interest under the life insurance policy to a funeral service provider designated by the Buyer or Buyer's representative or if no provider is designated will assign such claim or right under the life insurance policy to the Buyer or Buyer's Representative or heirs.

4. ITEMS NOT INCLUDED IN THIS CONTRACT: This contract does not include goods and services not selected from Exhibit "A" for inclusion in this contract.

5. BUYER'S RIGHT TO CANCEL: If this contract was solicited at your residence and you do not want the goods and services, you may cancel this contract by mailing a cancellation notice to Provider. The notice must state that you do not want the goods and services and must be mailed to the office of the Provider at the address set forth herein before midnight on the third business day after you sign this Contract. (See Exhibit "B"). This right is distinct from an insured's right under UTAH CODE ANN. § 31A-22-423, to cancel any insurance policy funding this agreement by delivering or mailing the insurance policy to the insurer or its agent within ten days after the policy is delivered to the insured, requesting cancellation of the policy.

6. BUYER'S OBLIGATIONS: Buyer agrees to designate Provider as the beneficiary of a life insurance policy to be written on the life of the Recipient of Goods and Services of this Contract, in a face amount at least equal to the total amount set forth at Exhibit "A". The beneficiary designation shall be made contingent upon the provision of the funeral goods and services by the Provider as its interests may appear. In other words, the designation shall require that the Provider provide the funeral goods and services selected in this Contract before being entitled to the proceeds of the life insurance policy which funds this Contract.

7. IRREVOCABILITY: This contract is irrevocable except as set forth in paragraphs 10 and 11.

8. LIFE INSURANCE PROCEEDS: Provider shall be entitled to payment of the life insurance proceeds representing the prorata portion of the total insurance purchased for the contract price of the goods and services selected which is funding this contract upon providing the funeral goods and services selected in this contract, provided that the proceeds of the prorata portion may not exceed the lower of the Provider's price for the goods and services as set forth in exhibit "A" or the provider's price list in effect at

the date it provides the goods and services. The Buyer or the Buyer's designated beneficiary is entitled to any proceeds beyond Provider's insurable interest or to funds to which the Provider is not entitled.

9. DEATH AND/OR REQUESTED BURIAL OF RECIPIENT OF GOODS AND SERVICES OUTSIDE PROVIDER'S SERVICE AREA: If the death of recipient of goods and services occurs outside the area the provider is reasonably able to serve, Provider shall assign its rights under the life insurance policy to the funeral service provider designated by the Buyer or Buyer's representative. All charges by another funeral home in excess of the amounts available under the life insurance policy shall be the sole responsibility of Buyer or Buyer's Representative or heirs. Following such assignment, Provider shall then be relieved of all liabilities and obligations under this Contract.

10. BUYER DEFAULT: The Buyer shall be in default upon the occurrence of any of the following:

- (a) changing the beneficiary designation of an insurance policy funding this Contract in whole or in part;
- (b) allowing an insurance policy funding this Contract in whole or in part to lapse;
- (c) borrowing against an insurance policy funding this Contract in whole or in part;
- (d) assigning an insurance policy funding this Contract in whole or in part; or
- (e) any other action upon part of the policy owner or insured which may result in cancellation of policy or nonpayment of policy proceeds.

11. PROVIDER DEFAULT: Provider shall be in default upon any of the following conditions:

- (a) failure to provide the goods and services at the time of need when requested; or
- (b) substantial evidence that the provider is or will be unable to provide the personal property or services to the beneficiary as provided under the contract.

Buyer may revoke this contract for Provider default. If this contract is revoked for Provider default, Buyer shall be entitled to assignment of the insurance policy to the Buyer.

12. IMPOSSIBILITY OF PERFORMANCE: In the event it becomes impossible for Provider to perform this contract as a result of destruction of its facilities by fire, flood, or otherwise, or because of labor disputes, government enactment or regulations, water epidemic, or other disaster, Provider shall at the request of Buyer or Buyer's Representative or heirs assign its rights under the life insurance policy to the funeral service provider designated by the Buyer or Buyer's representative or heirs. All charges by another funeral home in excess of the amounts available under the life insurance policy shall be the sole responsibility of Buyer or Buyer's Representative or heirs. Following such assignment, Provider shall then be relieved of all liabilities and obligations under this Contract.

13. INCORPORATION BY REFERENCE OF EXHIBITS: All Exhibits referenced in this Contract are incorporated by reference into this Contract.

14. MODIFICATION: This Contract may be modified only by a written agreement signed by the Provider and Buyer.

15. MUTUAL RESCISSION: This Contract may be rescinded by written agreement signed by the Provider and Buyer.

16. MEDICAID ELIGIBILITY NOTICE: Under federal regulations, a Medicaid recipient whose preneed contract is revoked or mutually rescinded may become ineligible for Medicaid benefits. Before permitting or causing your preneed agreement to be rescinded or revoked, Buyer should seek the advice of a private attorney or a Medicaid representative.

17. ASSIGNMENT: The Buyer shall not assign its rights hereunder without the written consent of the Provider. Provider may assign its rights hereunder.

18. ATTORNEY'S FEES AND COURT COSTS. If either party to this Contract incurs attorney's fees and/or court costs to enforce this Contract or establish the default of the other, that party shall be entitled to attorney's fees and court costs.

19. ENTIRE CONTRACT: This Contract contains the entire agreement of the Provider and Buyer and supersedes and cancels any and all prior negotiations, representations,

understandings, or agreements between the parties. There are no verbal agreements which modify, interpret, construe, or affect this Contract.

20. NOTICE TO BUYER'S REPRESENTATIVE. It is advisable to inform persons living outside of your personal residence, who may be responsible to make arrangements funeral arrangements, that you have entered into a preneed funeral arrangement contract so that when a death occurs, they will know to contact us. As required by UTAH CODE ANN. § 58-9-701(7) (2003), if you desire, we will assist you in informing these persons. Please indicate if you want us to assist by indicating your choice below:

(check one)

_____ I want you to provide written notice to the following persons that I have entered into a preneed funeral arrangement contract and provide a copy of the entire contract to them.

Name and address of persons to inform. Attach additional names if desired.

Name

Address City State Zip

_____ I want you to provide written notice to the following persons that I have entered into a preneed funeral arrangement contract and give them information regarding who to contact to arrange for funeral services, but do not provide a copy of the entire contract to them.

Name and address of persons to inform. Attach additional names if desired.

Name

Address City State Zip

_____ I do not want you to advise anyone. I will be responsible for informing persons who will be responsible for these funeral arrangements to contact you.

21. REQUIRED SIGNATURES: This contract is not valid until all required signatures below have been obtained. The Buyer should seek legal counsel before signing this

[Provider's name]
Preneed Funeral Arrangement Provider
Utah License No. [Provider's preneed license number]
[Provider's address & phone number]

SUMMARY OF SELECTIONS

- 1. Total cost of professional services selected \$ _____
- 2. Total cost of facilities and equipment selected \$ _____
- 3. Total cost of automotive equipment selected \$ _____
- 4. Total cost of funeral goods selected \$ _____
- 5. Total cost of cemetery privileges/goods selected \$ _____
- 6. Total cost of special funeral services and goods selected \$ _____
- 7. Sales tax \$ _____
- 8. Grand total of all funeral goods and services selected \$ _____
- 9. Total funded by purchase of insurance or placed in trust \$ _____

(Line 8 and line 9 should be the same amount)

STATEMENT OF FUNERAL GOODS AND SERVICES SELECTED

Charges are only for those items that you selected or that are required. If we are required by law or by a cemetery or crematory to use any items, we will explain the reasons in writing below.

1. PROFESSIONAL SERVICES

- a. Services of Funeral Director/Staff \$ _____

Note: You may not decline the services of the funeral director and staff. This fee for our services will be added to the total cost of the funeral arrangements you select. This fee is already included in the charges for direct cremations, immediate burials, and forwarding or receiving remains. The service includes but is not limited to, staff to respond to initial request for

service; arrangement conference with family or responsible party; preparation and filing of necessary certificates and permits; placement of obituary notices; preparation of funeral services and attendance prior to, during and following the funeral; and coordination of service with cemetery, crematory, vault companies and others as required. Also included in this charge are overhead expenses relative to our facility such as insurance, maintenance and utility expenses, secretarial and administrative costs, and equipment and inventory expenses.

b. Complete embalming and preparation \$ _____

Note: Except in certain special cases, embalming is not required by law. Embalming may be necessary, however, if you select certain funeral arrangements, such as a funeral with a viewing. If you do not want embalming, you usually have the right to choose an arrangement which does not require you to pay for it, such as direct cremation or immediate burial. Utah law requires burial or cremation within 24 hours of death if no embalming unless refrigeration is available. Refrigeration (is) (is not) available at our funeral home. If a body is being taken out of the state or is being transported by common carrier, it must be embalmed. Embalming is being provided herein because _____.

c. Complete preparation of body \$ _____

d. Partial preparation and/or restoration of the body when no embalming is performed

Hair Dressing	\$ _____
Full Dressing	\$ _____
Special care of autopsied remains	\$ _____
Cosmetics	\$ _____
Washing, disinfection and special care	\$ _____
Refrigeration	\$ _____
Other	\$ _____

Total cost of professional services selected \$ _____

2. FACILITIES AND EQUIPMENT

a. Full viewing/visitation	\$ _____
b. Partial viewing/visitation	
Visitation or stateroom per day or portion thereof	\$ _____
Visitation or stateroom per evening or portion thereof	\$ _____
Day of services use	\$ _____

- c. Funeral ceremony \$ _____
- d. Gravesite ceremony \$ _____
- e. Other \$ _____

Total cost of facilities and equipment selected \$ _____

3. AUTOMOTIVE EQUIPMENT

Note: Service area for use of all automotive equipment is _____ miles. The cost outside the service area will be the per mile rate in effect at the time of need.

- a. Transfer of remains to funeral home \$ _____
- b. Funeral coach \$ _____
- c. Limousine (s) Qty. _____ \$ _____
- d. Floral van (s) Qty. _____ \$ _____
- e. Other Qty. _____ \$ _____

Total cost of automotive equipment selected \$ _____

4. FUNERAL GOODS

- a. Casket \$ _____
 Manufacturer Name _____
 Model # _____
 Exterior material & color _____
 Interior material & color _____
- b. Cremation urn \$ _____
 Type _____
- c. Special religious items \$ _____
 Type _____
 Qty. _____
- d. Burial clothing \$ _____
 Type _____
- e. Air shipping tray \$ _____
 Type _____
- f. Certified death certificates \$ _____
 Qty. _____
- g. Obituary \$ _____
 Type _____
- h. Acknowledgment cards \$ _____
 Type _____
 Qty. _____
- i. Register book \$ _____
 Type _____
 Qty. _____

- j. Programs \$ _____
Type _____
Qty. _____
- k. Vases \$ _____
Type _____
Qty. _____
- l. Flowers \$ _____
Type _____
Qty. _____
- m. Musical services \$ _____
Type _____
Qty. _____
- n. Clergy honorarium \$ _____
- o. Other services \$ _____
Type _____

Total cost of funeral goods selected \$ _____

5. CEMETERY PRIVILEGES/GOODS

- a. Outer burial container (vault) \$ _____
Manufacturer _____ Model # _____
Model Name _____ Material _____

Note: In most areas of the country, no state or local law makes you buy a container to surround the casket in the grave. However, many cemeteries ask that you have such a container so that the grave will not sink in. Either a burial vault or a grave liner will satisfy these requirements.

- b. Gravemarker(s) \$ _____
Type _____
- c. Gravemarker engraving \$ _____
- d. Gravemarker installation \$ _____
- e. Gravemarker maintenance \$ _____

Total cost of cemetery privileges/goods selected \$ _____

6. SPECIAL CHARGES

- a. Forwarding of remains \$ _____

Note: This charge includes transfer of remains, embalming and professional care, services of the funeral director and staff, motor equipment within a _____ mile radius. This charge does not include the container used for forwarding remains, viewing or funeral ceremony.

b. Receiving of remains \$ _____

Note: This charge includes transfer of remains, housing of remains, services of funeral director and staff, transfer to cemetery. This charge does not include viewing, funeral ceremony or merchandise.

c. Direct Cremation

i. Direct cremation with container provided by Buyer \$ _____
ii. Direct cremation with unfinished box \$ _____
iii. Direct cremation with alternative container \$ _____
iv. Direct cremation with casket selected from Provider
(in addition to cost of casket) \$ _____

Note: If the direct cremation cannot be accomplished within 24 hours of death as required by Utah law, refrigeration is required. An additional charge for refrigeration will be incurred at the time of need. The charges for direct cremation include removal of remains within _____ miles, local transportation to crematory, necessary authorizations, and services of staff. This charge does not include visitation, rites or ceremonies. If you want to arrange a direct cremation, you can use an unfinished wood box or an alternative container. Alternative containers can be made of materials like heavy cardboard or composition materials (with or without an outside covering), or pouches of canvas, if permitted by the crematory. Provider's crematory (does) (does not) permit the use of pouches of canvas. The cost of transportation in vehicles of Provider beyond the mileage limit specified above will be charged at the per mile rate in effect at the time of need.

d. Immediate Burial

i. Immediate burial with casket provided by Buyer \$ _____
ii. Immediate burial with cloth covered in softwood
casket selected from Provider \$ _____
iii. Immediate burial with casket selected
from Provider
(in addition to the cost of casket) \$ _____

Note: If the immediate burial cannot be accomplished within 24 hours of death as required by Utah law, refrigeration is required. An additional charge for refrigeration will be incurred at the time of need. The charges for immediate burial include removal and shelter of remains within _____ miles, transportation to the cemetery, necessary authorizations, and services of staff. The cost of transportation in vehicles of Provider beyond the mileage limit specified above will be charged at the per mile rate in effect at the time of need.

e. Other \$ _____

Total cost of special funeral services and goods selected \$ _____

7. SALES TAX \$ _____

Note: If sales tax is not included in this contract the sales tax will be charged at the time of need at the current tax rate.

Grand total of all funeral goods and services selected \$ _____

DISCLOSURE/DISCLAIMER ACKNOWLEDGMENT

Buyer acknowledges that Provider or his Sales Agent fully explained the content of this Statement of Goods and Services Selected to Buyer. In addition, Buyer acknowledges the following:

1. Prior to discussing prices, goods, or services, Provider furnished or showed Buyer its prices contained in the following price lists:
 - a. General Price List dated _____;
 - b. Casket Price List dated _____ and/or
 - c. Outer Burial Container Price List dated _____.
2. Provider did not represent to Buyer that the goods and services selected would delay the natural decomposition of human remains for an indefinite or long time.
3. The only warranties, express or implied, including warranty of fitness for a particular purpose, granted in connection with the funeral goods selected herein were those extended by the manufacturers thereof.

Buyer's Signature _____ Date Signed _____

06/01/07 Model contract

**EXHIBIT "B"
NOTICE OF CANCELLATION**

You may cancel this transaction without any penalty or obligation, within three business days from the above date.

If you cancel any property traded in, any payments made by you under the contract or sale, and any negotiable instrument executed by you will be returned within 10 business days following receipt by the seller or your cancellation notice, and any security interest arising out of the transaction will be canceled.

If you cancel, you must make available to the seller at your residence, in substantially as good condition as when received, any goods delivered to you under this contract or sale, or you may if you wish, comply with the instructions of the seller regarding the return shipment of the goods at the seller's expense and risk.

If you do make the goods available to the seller and the seller does not pick them up within 20 days of the date of your notice of cancellation, you may retain or dispose of the goods without any further obligation. If you fail to make the goods available to the seller, or if you agree to return the goods to the seller and fail to do so, then you remain liable for performance of all obligations under the contract.

TO CANCEL THIS TRANSACTION, MAIL OR DELIVER A SIGNED AND DATED COPY OF THIS CANCELLATION NOTICE OR ANY OTHER WRITTEN NOTICE, OR SEND A TELEGRAM, TO:

[Name and Address of Provider]

NOT LATER THAN MIDNIGHT OF _____

I hereby cancel this transaction.

Buyer's Signature

Date Signed

06/01/07

**INSTRUCTIONS FOR
PRENEED FUNERAL ARRANGEMENT PROVIDER'S ANNUAL REPORT**

INSTRUCTIONS: As required by UTAH CODE ANN. §58-9-706(2007) and UTAH ADMINISTRATIVE CODE § R156-91-616 the report shall include the following:

Page 1: A statement of compliance of owners.

Page 2: A summary of trust accounts and funds held and insurance contracts in force.

Page 3: A CPA verification that funds are in trust or in insurance contracts in force.

Exhibits as follows: (These exhibits can be on licensee own forms or computer printouts but must include the following information:)

(Exhibit A) an exhibit listing preneed contracts sold prior to April 29, 1991, funded by money, 75% of which is required to be maintained in the name of the contract buyer in the contract seller's trust account as provided in Section 58-58-10, which shall include at a minimum: the contract number, date, amount, the recipient of goods and services and buyer if different, and balance due; the individual trust account number and amount trusted; and the trust earnings, earnings used, and trust balance;

(Exhibit B) an exhibit listing preneed contracts sold after April 28, 1991, funded by money, 100% of which is required to be maintained in the name of the contract buyer in the provider's trust account as provided in Section 58-58-10, which shall include at a minimum: the contract number, date, amount, the recipient of goods and services and buyer if different, and balance due; the individual trust account number and amount trusted; and the trust earnings, earnings used, and trust balance;

(Exhibit C) an exhibit listing preneed contracts funded by money placed in trust which were serviced, revoked, rescinded, or amended since the last reporting period, which shall include at a minimum: the contract number, date, amount, the recipient of goods and services and buyer if different; the individual trust account number and trust balance at the recipient of goods and service's death; the date the contract was closed; and an explanation regarding any preneed contract closed but not serviced;

(Exhibit D) an exhibit listing preneed contracts, funded in whole or in part by insurance, which were in force at the end of the reporting period, which shall include at a minimum: the contract number, date, amount, recipient of goods and services and buyer if different; the insurance company; the policy number,

policy holder, and face amount; and

(Exhibit E) an exhibit listing preneed contracts funded by insurance which were serviced, revoked, rescinded, or otherwise amended since the last reporting period, which shall include at a minimum: the contract number, date, amount, the recipient of goods and services, and buyer if different; the insurance company; the policy number and policy holder; the policy proceeds; the date the contract was closed; and an explanation regarding any preneed contract closed but not serviced.

06/01/07

**PRENEED FUNERAL
ARRANGEMENT
PROVIDER ANNUAL REPORT**

Provider Name: _____

License No.: _____

Report for Year Ending: _____

Date of Report: _____

**CERTIFICATION OF
OWNER/PARTNER/OFFICER**

I hereby certify that:

1. I am an owner, partner, or authorized officer of the above name preneed funeral arrangement provider;
2. The Provider's annual report attached hereto is complete and accurate.
3. All payments received from the sale of preneed funeral arrangement contracts have been:
 - (a) placed in a trust account in accordance with Utah Code Annotated § 58-9-702 (2003) and administered in accordance with Utah Code Annotated § 58-9-703 to 705 (2003) or
 - (b) submitted to the insurance company whose insurance or annuity policy funds the contract.

Signature of Owner/Partner/Officer

Date Signed

Printed Name and Title

06/01/07

**SUMMARY INFORMATION FROM
PRENEED FUNERAL ARRANGEMENT PROVIDER ANNUAL REPORT**

The following is a summary of certain items contained in the above named Preneed Funeral Arrangement Provider's Annual Report and exhibits attached hereto:

(1) The following column 1 represents the total amount of preneed contracts sold after April 28, 1991 for which at least 100 percent of the contract amount is required to be held in trust which are in force for the year end named above and the following column 2 represents the total amount of contracts sold prior to April 29, 1991 for which 75 percent or more of the contract amount is required to be held in trust which are in force at the year end named above::

	After April 28, 1991	Before April 29, 1991
Contract payments required to be held in trust	\$ _____	\$ _____
Earnings required to be held in trust	\$ _____	\$ _____
Total required to be held in trust	\$ _____	\$ _____
Amount held in trust	\$ _____	\$ _____
Difference, if any	\$ _____	\$ _____

(If all trust funds are funded at 100 percent of contract amount, the trust funds may be reported in column 1 without a breakdown according to when the contract was sold.)

(2) that the following represents the total amount of contracts funded by life insurance in force at the year end named above:

Total contracts funded by insurance sold this year	\$ _____
Total insurance required to be in force	\$ _____
Total insurance in force	\$ _____
Difference, if any	\$ _____

(3) Is a letter of finding and recommendations of the Certified Public Accountant/s included in report? _____ Yes _____ No

06/01/07

**REPORT OF AGREED-UPON PROCEDURES
BY CERTIFIED PUBLIC ACCOUNTANTS**

We have applied certain agreed-upon procedures, as described below, to the accounting records of the above named preneed funeral arrangement provider for the year ended December 31, _____, solely to assist the Division of Occupational and Professional Licensing in evaluating the preneed funeral arrangement provider's annual report. It is understood that information is furnished solely for the Division's information in administering licensing requirements. Our procedures and findings are as follows:

(1) We reconciled the amount held in trust for preneed arrangement contracts sold after April 28, 1991, by comparing the trust account statements supplied by the banks to the preneed provider's annual report.

The amount held in trust at year end per the bank statements is \$ _____

Amount of deposits in transit, if any, as of the year end is \$ _____
Date of Deposit _____

Total amount held in trust or in transit for this requirement is \$ _____

(2) We reconciled the amount held in trust for preneed arrangement contracts sold before April 29, 1991 by comparing the trust account statements supplied by the banks to the preneed provider's annual report.

The amount held in trust at year end per the bank statements is \$ _____

Amount of deposits in transit, if any, as of the year end is \$ _____
Date of Deposit _____

Total amount held in trust or in transit for this requirement is \$ _____

(If all trust funds are funded at 100 percent of contract amount, the trusts fund may be reported in section 1 above without a breakdown according to when the contract was sold.)

(3) We reconciled the total insurance in force and the total insurance sold during the above named year for preneed arrangement contracts by comparing the insurance account statements or policies issued by the insurance companies to the preneed provider's annual report.

The contracts funded by insurance sold during this year for which policies have been issued \$ _____

The amount of insurance contracts in forces at year end \$ _____

(4) If matters have come to our attention during the agreed procedures that caused us to believe that the specified amounts or items should be adjusted or do not agree to the required amounts to be held in trust or to be held in insurance policies in force as disclosed in the annual report, we have written a letter of findings and recommendations to the preneed funeral arrangement provider and have attached a copy hereto.

Is a letter of findings and recommendations attached hereto? _____ Yes _____ No

(5) We have considered whether we are independent of the above name preneed funeral arrangement provider and found that we are independent.

Because the above procedures do not constitute an examination made in accordance with generally accepted auditing standards, we do not express an opinion on any of the accounts or items referred to above. In connection with the procedures referred to above, no matters came to our attention that caused us to believe that the specified amounts or items should be adjusted. Had we performed additional procedures or had we made an examination of the financial statements in accordance with generally accepted auditing standards, matters might have come to our attention that would have been reported to the Division. This report relates only to the accounts and items specified above and does not extend to any financial statement of the preneed funeral arrangement provider taken as a whole.

Signature of Certified Public Accountant

Date Signed

Type or print CPA name and license number