

# SENATE BILL No. 1534

September 23, 2008, Introduced by Senator ALLEN and referred to the Committee on Banking and Financial Institutions.

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,

1 undertaker, or mortuary to the effect that ~~such~~**THE** funeral  
2 director, undertaker, or mortuary ~~shall conduct~~**CONDUCTS** the  
3 funeral of any person insured by ~~such~~**THE** company, corporation, or  
4 association.

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

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

1 life was insured may contract with the funeral establishment,  
2 cemetery, or seller of his or her choice for the rendering of the  
3 funeral goods or services or cemetery goods or services. ~~Each~~  
4 **EXCEPT AS OTHERWISE PROVIDED IN THIS SUBSECTION, EACH** associated  
5 life insurance policy or annuity contract delivered or issued for  
6 delivery in this state shall have a death benefit that is  
7 sufficient to cover the initial contract price of the cemetery  
8 goods or services or funeral goods or services and that increases  
9 at an annual rate of not less than the consumer price index.  
10 **HOWEVER, A LIFE INSURER MAY OFFER AN ASSOCIATED LIFE INSURANCE**  
11 **POLICY OR ANNUITY CONTRACT WITH A LIMITED DEATH BENEFIT TO A**  
12 **PROPOSED INSURED WHO DOES NOT MEET INSURANCE REQUIREMENTS FOR A**  
13 **POLICY THAT PROVIDES IMMEDIATE FULL COVERAGE OR WHO CHOOSES NOT TO**  
14 **ANSWER MEDICAL QUESTIONS REQUIRED FOR A POLICY THAT PROVIDES**  
15 **IMMEDIATE FULL COVERAGE.**

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

21 (5) Except as otherwise provided in subsection (6), it shall  
22 be unlawful for any life or accident, or sick or funeral benefit  
23 company, or any person, company, corporation, or association, to  
24 offer or furnish goods or services or anything but money to its  
25 insureds or to his or her heirs, representatives, attorneys,  
26 relatives, associates, or assigns in any connection with, or by way  
27 of encumbrance, assignment, payment, settlement, satisfaction,

1 discharge, or release of any insurance policy. However, this  
2 subsection ~~shall~~**DOES** not prohibit any company, corporation, or  
3 association from furnishing medical, surgical, or hospital service.

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

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

19 (b) The assignment is revocable by the assignor, assignor's  
20 successor, or if the assignor is the insured by the representative  
21 of the insured's estate prior to the provision of the cemetery  
22 services or goods or funeral services or goods.

23 (c) The contract for funeral services or goods or cemetery  
24 services or goods and the assignment provide that upon revocation  
25 of the assignment, the contract for the cemetery services or goods  
26 or funeral services or goods is revoked and cemetery services or  
27 goods or funeral services or goods may be obtained from any

1 cemetery, funeral establishment, or seller.

2 (d) The assignment contains the following disclosure in  
3 boldfaced type:

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

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

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

16 (ii) For the assignment of an associated life insurance policy  
17 or annuity contract, that any increase in the price of the cemetery  
18 services or goods or funeral services or goods ~~shall~~**DOES** not  
19 exceed the ultimate death benefit under the life insurance policy  
20 or annuity contract. **THIS REQUIREMENT DOES NOT APPLY TO AN**  
21 **INSURANCE POLICY OR ANNUITY CONTRACT WITH A LIMITED DEATH BENEFIT**  
22 **DURING THE PERIOD THAT THE LIMITED DEATH BENEFIT IS IN EFFECT.**  
23 **DURING THIS PERIOD, NEITHER THE BENEFICIARY NOR THE SELLER IS**  
24 **OBLIGATED TO FULFILL THE TERMS OF THE CONTRACT FOR THE CEMETERY**  
25 **SERVICES OR GOODS OR FUNERAL SERVICES OR GOODS FOR WHICH THE**  
26 **ASSIGNED PROCEEDS SERVE AS PAYMENT AND THE ONLY AMOUNT OWED UNDER**  
27 **THE ASSIGNMENT IS FOR THE TOTAL PREMIUMS PAID PLUS INTEREST.**

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

6           (iv) That if the ultimate death benefit under a life insurance  
7 policy or annuity contract exceeds the price of the cemetery  
8 services or goods or funeral services or goods at the time of  
9 performance, the excess amount shall be distributed to the  
10 beneficiary designated under the life insurance policy or annuity  
11 contract or the insured's estate.

12           (v) That any addition to or modification of the contract for  
13 cemetery services or goods or funeral services or goods does not  
14 revoke the assignment or the contract for the cemetery services or  
15 goods or funeral services or goods ~~which~~**THAT** are not affected by  
16 the addition or modification for which the assigned proceeds are  
17 payment unless the assignment is revoked.

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

22           (g) ~~In the case of~~**FOR** an associated life insurance policy or  
23 annuity contract, the death benefit of the life insurance policy or  
24 annuity contract ~~which is~~ subject to the assignment does not exceed  
25 \$5,000.00 when the first premium payment is made on the life  
26 insurance policy or annuity contract. ~~In the case of~~**FOR** a  
27 nonassociated life insurance policy or annuity contract, the

1 initial amount of proceeds assigned does not exceed \$5,000.00. The  
2 maximum amounts in this subdivision shall be adjusted annually in  
3 accordance with the consumer price index.

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

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

21 (j) After the death of the insured but before the cemetery  
22 services or goods or funeral services or goods are provided, the  
23 representative of the insured's estate is provided with a current  
24 price list for the cemetery services or goods or funeral services  
25 or goods provided pursuant to the assignment.

26 (k) At the time the assignment is made, the assignee complies  
27 with the price disclosure rules of the federal trade commission

1 prescribed in 16 C.F.R., ~~CFR~~ part 453, whether or not the rules by  
2 their own terms apply to the offering.

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

10 (m) For the assignment of a nonassociated life insurance  
11 policy or annuity contract, the assignment complies with both of  
12 the following:

13 (i) The assignment is sufficient to cover the initial contract  
14 price of the cemetery goods or services or funeral goods or  
15 services.

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

20 (7) An insurer or an insurance agent ~~PRODUCER~~ shall not make a  
21 false or misleading statement, oral or written, regarding an  
22 assignment subject to subsection (6) or regarding the rights or  
23 obligations of any party or prospective party to ~~such an~~ ~~THE~~  
24 assignment. An insurer or an insurance agent ~~PRODUCER~~ shall not  
25 advertise or promote an assignment subject to subsection (6) in a  
26 manner ~~which~~ ~~THAT~~ is false, misleading, deceptive, or unfair. The  
27 commissioner shall promulgate rules regulating the solicitation of

1 plans promoting assignments subject to subsection (6) to protect  
2 against solicitations ~~which~~**THAT** are intimidating, vexatious,  
3 fraudulent, or misleading, or which take unfair advantage of a  
4 person's ignorance or emotional vulnerability.

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

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

20 (i) That the funeral establishment, cemetery, or seller has  
21 provided the cemetery services or goods or funeral services or  
22 goods.

23 (ii) That a representative of the insured's estate has refused  
24 to authorize the insurer to release the assignment proceeds for the  
25 payment of the cemetery services or goods or funeral services or  
26 goods.

27 (iii) That a representative of the insured's estate may seek

1 arbitration to resolve the payment dispute.

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

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

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

19 (9) A life insurance ~~agent~~ **PRODUCER** shall not sell or solicit  
20 the sale of a life insurance policy or annuity contract with the  
21 intention of having the purchaser assign the proceeds of the policy  
22 or contract to a funeral establishment, cemetery, or seller with  
23 which the ~~agent~~ **PRODUCER** is associated unless all of the following  
24 conditions are met:

25 (a) The ~~agent shall disclose~~ **PRODUCER DISCLOSES** in writing to  
26 the purchaser the nature of his or her association with the funeral  
27 establishment, cemetery, or seller and that both the funeral

1 establishment, cemetery, or seller and the ~~agent~~ **PRODUCER** will or  
2 may profit from the transaction, if that is the case.

3 (b) A funeral establishment, cemetery, or seller ~~which~~ **THAT**  
4 accepts assignments pursuant to subsection (6) shall also offer to  
5 sell or provide cemetery goods or services or funeral goods or  
6 funeral services pursuant to prepaid funeral contracts as provided  
7 in the prepaid funeral ~~contract funding act~~ **AND CEMETERY SALES ACT,**  
8 **1986 PA 255, MCL 328.211 TO 328.235,** or pursuant to the trust  
9 provisions of the cemetery regulation act, ~~Act No. 251 of the~~  
10 ~~Public Acts of 1968, being sections 456.521 to 456.543 of the~~  
11 ~~Michigan Compiled Laws~~ **1968 PA 251, MCL 456.521 TO 456.543.**

12 (c) If the contemplated assignment is to be made to pay the  
13 cost of cemetery goods or services or funeral goods or funeral  
14 services, the ~~agent~~ **PRODUCER** shall disclose in writing to the  
15 purchaser that the cemetery goods or services or funeral goods or  
16 services may also be purchased prior to death by making payment  
17 directly to a funeral establishment, cemetery, or seller who will  
18 hold funds in escrow for the benefit of the purchaser pursuant to  
19 the prepaid funeral ~~contract funding act~~ **AND CEMETERY SALES ACT,**  
20 **1986 PA 255, MCL 328.211 TO 328.235,** or in trust pursuant to the  
21 provisions of the cemetery regulation act, ~~Act No. 251 of the~~  
22 ~~Public Acts of 1968~~ **1968 PA 251, MCL 456.521 TO 456.543.** The  
23 written disclosure shall also state that upon cancellation of the  
24 prepaid funeral contract, the purchaser is entitled to a refund of  
25 at least 90% of the principal and income earned.

26 (d) The sale of cemetery goods or services or funeral goods or  
27 services shall not be conditioned on the purchaser buying or

1 agreeing to buy a life insurance policy or annuity contract or on  
2 the assignment of the proceeds of the policy or contract to that  
3 funeral establishment, cemetery, or seller.

4 (e) The sale of a life insurance policy or annuity contract  
5 shall not be conditioned on the purchaser buying or agreeing to buy  
6 cemetery goods or services or funeral goods or services from the  
7 funeral establishment, cemetery, or seller with which the ~~agent~~  
8 **PRODUCER** is associated or on the assignment of the proceeds of the  
9 policy or contract to that funeral establishment, cemetery, or  
10 seller.

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

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

19 (h) The ~~agent~~**PRODUCER** shall disclose in writing to the  
20 purchaser that the funeral establishment, cemetery, or seller with  
21 which the ~~agent~~**PRODUCER** is associated will accept assignments of  
22 life insurance policies or annuity contracts sold by any other  
23 licensed ~~agent~~**PRODUCER**.

24 (10) The commissioner or any other person, in order to force  
25 compliance with subsection (6) or (7), may bring an action in a  
26 circuit court in any county in which the assignee or insurance  
27 ~~agent~~**PRODUCER** or any other person has solicited or sold a life

1 insurance policy or annuity contract that is assigned pursuant to  
2 subsection (6), whether or not that person has purchased the life  
3 insurance policy or annuity contract or is personally aggrieved by  
4 a violation of this section. The court may award damages and issue  
5 equitable orders in accordance with the Michigan court rules to  
6 restrain conduct in violation of this section.

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

13 (12) In addition to the penalty provided in subsection (11),  
14 if, after a hearing conducted pursuant to the administrative  
15 procedures act of 1969, ~~Act No. 306 of the Public Acts of 1969,~~  
16 ~~being sections 24.201 to 24.328 of the Michigan Compiled Laws 1969~~  
17 **PA 306, MCL 24.201 TO 24.328**, the commissioner determines a person  
18 has violated this section, the commissioner may order the person to  
19 pay a civil fine of not more than \$10,000.00 for each violation and  
20 may also impose other sanctions provided pursuant to chapter 12.  
21 The money collected under this subsection shall be deposited in the  
22 funeral consumers education and advocacy fund. The funeral  
23 consumers education and advocacy fund is created within the  
24 ~~insurance bureau~~ **OFFICE OF FINANCIAL AND INSURANCE REGULATION**. The  
25 fund shall be administered by the commissioner. The money in the  
26 fund shall be used to do both of the following:

27 (a) To promote the education of consumers ~~with regard to~~

1 **CONCERNING** the prearrangement and purchase of cemetery or funeral  
2 services or goods through the purchase and assignment of life  
3 insurance or annuity contracts.

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

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

9 (a) The ~~agent~~-**PRODUCER** is a funeral establishment, cemetery,  
10 or seller.

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

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

16 (d) The ~~agent~~-**PRODUCER** is an officer, employee, or agent of a  
17 corporation or other entity ~~which~~-**THAT** holds an interest, either  
18 directly or indirectly, in a funeral establishment, cemetery, or  
19 seller, or in a corporation or other entity ~~which~~-**THAT** holds an  
20 interest, directly or indirectly, in a corporation or other entity  
21 ~~which~~-**THAT** holds an interest in a funeral establishment, cemetery,  
22 or seller.

23 (14) As used in this section:

24 (a) "Associated life insurance policy or annuity contract" is  
25 a life insurance policy or annuity contract that is marketed,  
26 designed, and intended to be assigned as payment for cemetery goods  
27 or services or funeral goods or services.

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

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

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

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

21 (f) "Cemetery goods" means land or interests in land, crypts,  
22 lawn crypts, mausoleum crypts, or niches that are sold by a  
23 cemetery. In addition, cemetery goods ~~shall~~ include cemetery burial  
24 vaults or other outside containers, markers, monuments, urns, and  
25 merchandise items used for the purpose of memorializing a decedent  
26 and placed on or in proximity to a place of interment or entombment  
27 of a casket, catafalque, or vault or to a place of inurnment which

1 are sold by a cemetery.

2 (g) "Cemetery services" means those services customarily  
3 performed by a cemetery.

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

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

11 (j) "Funeral establishment" means a funeral establishment or a  
12 person who is engaged in the practice of mortuary science as those  
13 terms are defined in section 1801 of the occupational code, ~~Act No.~~  
14 ~~299 of the Public Acts of 1980, being section 339.1801 of the~~  
15 ~~Michigan Compiled Laws 1980 PA 299, MCL 339.1801~~, or an officer,  
16 agent, or employee thereof.

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

22 (l) "Funeral services" means services customarily performed by  
23 a person who is licensed pursuant to sections 1801 to 1812 of the  
24 occupational code, ~~Act No. 299 of the Public Acts of 1980, being~~  
25 ~~sections 339.1801 to 339.1812 of the Michigan Compiled Laws 1980 PA~~  
26 **299, MCL 339.1801 TO 339.1812**. Funeral services includes, but is  
27 not limited to, care of human remains, embalming, preparation of

1 human remains for final disposition, professional services relating  
2 to a funeral or an alternative to a funeral or final disposition of  
3 human remains, transportation of human remains, limousine services,  
4 use of facilities or equipment for viewing human remains,  
5 visitation, memorial services, or services ~~which are used~~ in  
6 connection with a funeral or alternative to a funeral, coordinating  
7 or conducting funeral rites or ceremonies, and other services  
8 provided in connection with a funeral, alternative to a funeral, or  
9 final disposition of human remains.

10 (M) "LIMITED DEATH BENEFIT" MEANS THAT THE SUM PAYABLE UPON  
11 THE INSURED'S DEATH IS LESS THAN THE AMOUNT NECESSARY TO COVER THE  
12 INITIAL CONTRACT PRICE OF CEMETERY GOODS AND SERVICES OR FUNERAL  
13 GOODS AND SERVICES, BUT PROVIDES FOR A MINIMUM BENEFIT AT LEAST  
14 EQUAL TO THE TOTAL PREMIUMS PAID PLUS INTEREST DURING THE PERIOD OF  
15 LIMITATION, WHICH PERIOD SHALL NOT EXCEED 2 YEARS.

16 (N) ~~(m)~~ "Nonassociated life insurance policy or annuity  
17 contract" means a life insurance policy or annuity contract that is  
18 not marketed to be assigned, designed to be assigned, or intended  
19 to be assigned as payment for cemetery goods or services or funeral  
20 goods or services.

21 (O) ~~(n)~~ "Representative of insured's estate" means the person  
22 or persons legally entitled to make the funeral arrangements for  
23 the person whose life was insured.

24 (P) ~~(e)~~ "Seller" means a person who offers to sell cemetery  
25 goods or services or funeral goods or services or any agent,  
26 officer, or employee thereof.