

SENATE BILL NO. 268

April 19, 2023, Introduced by Senators HERTEL, BELLINO, WOJNO, KLINEFELT, CHERRY, MCCANN, POLEHANKI, LAUWERS, HUIZENGA and DAMOOSE and referred to the Committee on Regulatory Affairs.

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.

1 (2) Except as otherwise provided in subsection (6), ~~it is~~
 2 ~~unlawful for any~~ a life insurance **company, a** sick or funeral
 3 benefit company, or ~~any~~ a company, corporation, or association
 4 engaged in a similar business ~~to~~ **shall not** contract or agree with
 5 ~~any~~ a funeral director, undertaker, or mortuary to the effect that
 6 the funeral director, undertaker, or mortuary conducts the funeral
 7 of ~~any~~ a person insured by the company, corporation, or
 8 association.

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

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

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

24 (4) A person ~~shall~~**must** not be designated as the beneficiary
25 in any policy of life or accident insurance ~~whereby~~**under which** the
26 beneficiary, directly or indirectly, ~~shall~~**must**, in return for all
27 or a part of the proceeds of the policy of insurance, furnish
28 cemetery services or goods or funeral services or goods in
29 connection ~~therewith~~**with the policy.**

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

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

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

28 (b) The assignment is revocable by the assignor, **the**
 29 assignor's successor, or if the assignor is the insured, ~~by the~~

1 representative of the insured's estate ~~prior to the provision of~~
 2 **before** the cemetery services or goods or funeral services or goods
 3 **are provided.**

4 (c) The contract for funeral services or goods or cemetery
 5 services or goods and the assignment provide that ~~upon-on~~
 6 revocation of the assignment, the contract for the cemetery
 7 services or goods or funeral services or goods is revoked and
 8 cemetery services or goods or funeral services or goods may be
 9 obtained from any cemetery, funeral establishment, or seller.

10 (d) The assignment contains the following disclosure in
 11 boldfaced type:

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

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

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

24 (ii) For the assignment of an associated life insurance policy
 25 or annuity contract, that any increase in the price of the cemetery
 26 services or goods or funeral services or goods ~~does~~**will** not exceed
 27 the ultimate death benefit under the life insurance policy or
 28 annuity contract. This requirement does not apply to an insurance
 29 policy or annuity contract with a limited death benefit during the

1 period that the limited death benefit is in effect. During this
2 period, ~~neither the beneficiary nor~~**and** the seller ~~is~~**are not**
3 obligated to fulfill the terms of the contract for the cemetery
4 services or goods or funeral services or goods for which the
5 assigned proceeds serve as payment and the assignment of the
6 associated life insurance policy or annuity contract may be
7 revoked.

8 (iii) For the assignment of a nonassociated life insurance
9 policy or annuity contract, that any increase in the price of the
10 cemetery services or goods or the funeral services or goods ~~shall~~
11 **must** not exceed the ~~consumer price index~~**Consumer Price Index** or
12 the retail price list in effect when the death occurs, whichever is
13 less.

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

20 (v) That any addition to or modification of the contract for
21 cemetery services or goods or funeral services or goods does not
22 revoke the assignment or the contract for the cemetery services or
23 goods or funeral services or goods that are not affected by the
24 addition or modification for which the assigned proceeds are
25 payment unless the assignment is revoked.

26 (f) The assignment is limited to that portion of the proceeds
27 of the life insurance policy or annuity contract that is needed to
28 pay for the cemetery services or goods or funeral services or goods
29 for which the assignor has contracted.

1 (g) For an associated life insurance policy or annuity
2 contract, the death benefit of the life insurance policy or annuity
3 contract subject to the assignment does not exceed ~~\$5,000.00~~
4 **\$11,760.00** when the first premium payment is made on the life
5 insurance policy or annuity contract. For a nonassociated life
6 insurance policy or annuity contract, the initial amount of
7 proceeds assigned does not exceed ~~\$5,000.00~~ **\$11,760.00**. The
8 maximum amounts in this subdivision ~~shall~~ **must** be adjusted annually
9 in accordance with the ~~consumer price index~~ **Consumer Price Index**.

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

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

28 (j) After the death of the insured but before the cemetery
29 services or goods or funeral services or goods are provided, the

1 representative of the insured's estate is provided with a current
2 price list for the cemetery services or goods or funeral services
3 or goods provided ~~pursuant to~~**under** the assignment.

4 (k) At the time the assignment is made, the assignee complies
5 with the price disclosure rules of the ~~federal trade commission~~
6 **Federal Trade Commission** prescribed in 16 CFR part 453 whether or
7 not the rules by their own terms apply to the offering.

8 (l) At the time the assignment is made, the assignor certifies
9 that the insured does not have in effect other life insurance
10 policies or annuity contracts that have been assigned as payment
11 for cemetery goods or services or funeral goods or services ~~which~~
12 **that** together with the additional assignment would have an
13 aggregate face value in excess of the limitation provided in
14 subdivision (g).

15 (m) For the assignment of a nonassociated life insurance
16 policy or annuity contract, the assignment complies with both of
17 the following:

18 (i) The assignment is sufficient to cover the initial contract
19 price of the cemetery goods or services or funeral goods or
20 services.

21 (ii) The assignment provides that any increase in the price of
22 the cemetery services or goods or the funeral services or goods
23 ~~shall~~**must** not exceed the ~~consumer price index~~**Consumer Price Index**
24 or the retail price list in effect when the death occurs, whichever
25 is less.

26 (7) An insurer or an insurance producer shall not make a false
27 or misleading statement, oral or written, regarding an assignment
28 subject to subsection (6) or regarding the rights or obligations of
29 any party or prospective party to the assignment. An insurer or an

1 insurance producer shall not advertise or promote an assignment
 2 subject to subsection (6) in a manner that is false, misleading,
 3 deceptive, or unfair. The ~~commissioner~~**director** shall promulgate
 4 rules regulating the solicitation of plans promoting assignments
 5 subject to subsection (6) to protect against solicitations that are
 6 intimidating, vexatious, fraudulent, or misleading, or which take
 7 unfair advantage of a person's ignorance or emotional
 8 vulnerability.

9 (8) After ~~the~~ cemetery services or goods or funeral services
 10 or goods **that are subject to an assignment under this section** are
 11 provided, the funeral establishment, cemetery, or seller shall
 12 provide to a representative of the insured's estate a statement to
 13 be signed by the representative of the insured's estate authorizing
 14 the release of the assignment proceeds for the payment of the
 15 cemetery services or goods or funeral services or goods. The
 16 insurer shall release to the funeral establishment, cemetery, or
 17 seller the assignment proceeds ~~upon~~**on** receipt of the authorization
 18 statement signed by a representative of the insured's estate. If a
 19 representative of the insured's estate fails to sign the
 20 authorization statement, ~~the~~**all of the** following ~~shall take~~
 21 ~~place~~**apply**:

22 (a) The funeral establishment, cemetery, or seller shall
 23 provide the representative of the insured's estate with a dispute
 24 resolution notice, a copy of which is to be sent to the insurer and
 25 the ~~commissioner~~**director** that states all of the following:

26 (i) That the funeral establishment, cemetery, or seller has
 27 provided the cemetery services or goods or funeral services or
 28 goods.

29 (ii) That a representative of the insured's estate has refused

1 to authorize the insurer to release the assignment proceeds for the
2 payment of the cemetery services or goods or funeral services or
3 goods.

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

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

13 (c) The funeral establishment, cemetery, seller, or a
14 representative of the insured's estate may commence arbitration
15 proceedings to determine the disposition of the assignment
16 proceeds. Arbitration ~~shall~~**must** be conducted ~~pursuant to~~**under** the
17 rules and procedures of the American ~~arbitration association.~~
18 **Arbitration Association.** Expenses of the arbitration ~~shall~~**must** be
19 shared equally by the insured's estate and the assignee unless
20 otherwise ordered by the arbitrator.

21 (d) ~~Nothing in this~~**This** subsection ~~limits~~**does not limit** the
22 right of any party involved in the payment dispute to seek other
23 recourse permitted by law.

24 (9) A life insurance producer shall not sell or solicit the
25 sale of a life insurance policy or annuity contract with the
26 intention of having the purchaser assign the proceeds of the policy
27 or contract to a funeral establishment, cemetery, or seller with
28 which the producer is associated unless all of the following
29 conditions are met:

1 (a) The producer discloses in writing to the purchaser the
2 nature of his or her association with the funeral establishment,
3 cemetery, or seller and that both the funeral establishment,
4 cemetery, or seller and the producer will or may profit from the
5 transaction, if that is the case.

6 (b) A funeral establishment, cemetery, or seller that accepts
7 assignments ~~pursuant to~~ **under** subsection (6) ~~shall also offer~~
8 **offers** to sell or provide cemetery goods or services or funeral
9 goods or funeral services ~~pursuant to~~ **under** prepaid funeral
10 contracts as provided in the prepaid funeral and cemetery sales
11 act, 1986 PA 255, MCL 328.211 to 328.235, or ~~pursuant to~~ **under** the
12 trust provisions of the cemetery regulation act, 1968 PA 251, MCL
13 456.521 to 456.543.

14 (c) If the contemplated assignment is to be made to pay the
15 cost of cemetery goods or services or funeral goods or funeral
16 services, the producer ~~shall disclose~~ **discloses** in writing to the
17 purchaser that the cemetery goods or services or funeral goods or
18 services may also be purchased ~~prior to~~ **before** death by making
19 payment directly to a funeral establishment, cemetery, or seller
20 who will hold funds in escrow for the benefit of the purchaser
21 ~~pursuant to~~ **under** the prepaid funeral and cemetery sales act, 1986
22 PA 255, MCL 328.211 to 328.235, or in trust ~~pursuant to the~~
23 ~~provisions of~~ **under** the cemetery regulation act, 1968 PA 251, MCL
24 456.521 to 456.543. The written disclosure ~~shall~~ **must** also state
25 that ~~upon~~ **on** cancellation of the prepaid funeral contract, the
26 purchaser is entitled to a refund of at least 90% of the principal
27 and income earned.

28 (d) The sale of cemetery goods or services or funeral goods or
29 services ~~shall is~~ 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 **the** funeral establishment, cemetery, or seller.

4 (e) The sale of a life insurance policy or annuity contract
 5 ~~shall-is~~ not ~~be-~~conditioned on the purchaser buying or agreeing to
 6 buy cemetery goods or services or funeral goods or services from
 7 the funeral establishment, cemetery, or seller with which the
 8 producer is associated or on the assignment of the proceeds of the
 9 policy or contract to ~~that-the~~ 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-is~~ not ~~be-~~offered as an
 13 inducement to purchase or assign a life insurance policy or annuity
 14 contract.

15 (g) ~~The-If the~~ life insurance policy or annuity contract sold
 16 by the producer ~~may be-~~**is** 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-~~**is** paid to the purchaser.

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

24 (10) The ~~commissioner-~~**director** or any other person, in order
 25 to force compliance with subsection (6) or (7), may bring an action
 26 in a circuit court in any county in which the assignee or insurance
 27 producer or any other person has solicited or sold a life insurance
 28 policy or annuity contract that is assigned ~~pursuant to-~~**under**
 29 subsection (6), whether or not that person has purchased the life

1 insurance policy or annuity contract or is personally aggrieved by
2 a violation of this section. The court may award damages and issue
3 equitable orders in accordance with the Michigan court rules to
4 restrain conduct in violation of this section.

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

12 (12) In addition to the penalty provided in subsection (11),
13 if, after a hearing conducted ~~pursuant to~~ **under** the administrative
14 procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328, the
15 ~~commissioner~~ **director** determines a person has violated this
16 section, the ~~commissioner~~ **director** may order the person to pay a
17 civil fine of not more than \$10,000.00 for each violation and may
18 also impose other sanctions provided ~~pursuant to~~ **under** chapter 12.
19 The money collected under this subsection ~~shall~~ **must** be deposited
20 in the funeral consumers education and advocacy fund. The funeral
21 consumers education and advocacy fund is created within the ~~office~~
22 ~~of financial and insurance regulation.~~ **department.** The fund shall
23 ~~be administered by the commissioner.~~ **director shall administer the**
24 **fund.** The money in the fund ~~shall~~ **must** be used to do both of the
25 following:

26 (a) To promote the education of consumers concerning the
27 prearrangement and purchase of cemetery or funeral services or
28 goods through the purchase and assignment of life insurance or
29 annuity contracts.

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

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

6 (a) The producer is a funeral establishment, cemetery, or
7 seller.

8 (b) The producer owns an interest, directly or indirectly, in
9 a corporation or other entity that holds an interest in a funeral
10 establishment, cemetery, or seller.

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

13 (d) The producer is an officer, employee, or agent of a
14 corporation or other entity that holds an interest, either directly
15 or indirectly, in a funeral establishment, cemetery, or seller, or
16 in a corporation or other entity that holds an interest, directly
17 or indirectly, in a corporation or other entity that holds an
18 interest in a funeral establishment, cemetery, or seller.

19 (14) As used in this section:

20 (a) "Associated life insurance policy or annuity contract" ~~is~~
21 **means** a life insurance policy or annuity contract that is marketed,
22 designed, and intended to be assigned as payment for cemetery goods
23 or services or funeral goods or services.

24 (b) "Casket" means any box or container consisting of 1 or
25 more parts in which a dead human body is placed ~~prior to~~ **before**
26 interment, entombment, or cremation ~~which~~ **that** may or may not be
27 permanently interred, entombed, or cremated with the dead human
28 body. ~~A Casket includes a~~ permanent interment or entombment
29 receptacle designed or intended for use without a cemetery burial

1 vault or other outside container. ~~shall also be considered a~~
 2 ~~casket.~~

3 (c) "Catafalque" means an ornamental or decorative object or
 4 structure placed beneath, over, or around a casket, vault, or a
 5 dead human body ~~prior to~~ **before** final disposition of the dead human
 6 body.

7 (d) "Cemetery" means that term as defined in ~~but not~~
 8 ~~necessarily regulated under~~ section 2 of the cemetery regulation
 9 act, 1968 PA 251, MCL 456.522, **regardless of whether the cemetery**
 10 **is regulated under the cemetery regulation act, 1968 PA 251, MCL**
 11 **456.521 to 456.543**, or an officer, agent, or employee ~~thereof.~~ **of a**
 12 **cemetery.**

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

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

25 (g) "Cemetery services" means those services customarily
 26 performed by a cemetery.

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

1 (i) "Consumer ~~price index~~" **Price Index**" means the annual
 2 average percentage increase in the Detroit ~~consumer price index~~
 3 **Consumer Price Index** for all items for the prior 12-month period as
 4 reported by the United States ~~department~~ **Department** of ~~labor~~ **Labor**
 5 and as certified by the ~~commissioner~~ **director**.

6 (j) "Funeral establishment" means a funeral establishment or a
 7 person ~~who~~ **that** is engaged in the practice of mortuary science as
 8 those terms are defined in section 1801 of the occupational code,
 9 1980 PA 299, MCL 339.1801, or an officer, agent, or employee
 10 ~~thereof~~ **of the funeral establishment or person**.

11 (k) "Funeral goods" means items of merchandise ~~which~~ **that** will
 12 be used in connection with a funeral or an alternative to a funeral
 13 or final disposition of human remains including, but not limited
 14 to, caskets, other burial containers, combination units, and
 15 catafalques. Funeral goods does not include cemetery goods.

16 (l) "Funeral services" means services customarily performed by
 17 a person who is licensed ~~pursuant to sections 1801 to 1812~~ **under**
 18 **article 18** of the occupational code, 1980 PA 299, MCL 339.1801 to
 19 339.1812. Funeral services includes, but is not limited to, care of
 20 human remains, embalming, preparation of human remains for final
 21 disposition, professional services relating to a funeral or an
 22 alternative to a funeral or final disposition of human remains,
 23 transportation of human remains, limousine services, use of
 24 facilities or equipment for viewing human remains, visitation,
 25 memorial services, or services used in connection with a funeral or
 26 alternative to a funeral, coordinating or conducting funeral rites
 27 or ceremonies, and other services provided in connection with a
 28 funeral, alternative to a funeral, or final disposition of human
 29 remains.

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

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

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

13 (n) "Nonassociated life insurance policy or annuity contract"
14 means a life insurance policy or annuity contract that is not
15 marketed to be assigned, designed to be assigned, or intended to be
16 assigned as payment for cemetery goods or services or funeral goods
17 or services.

18 (o) "Representative of **the** insured's estate" means the person
19 or persons legally entitled to make the funeral arrangements for
20 the person whose life was insured.

21 (p) "Seller" means a person ~~who~~**that** offers to sell cemetery
22 goods or services or funeral goods or services or ~~any~~**an** agent,
23 officer, or employee ~~thereof~~**of the person**.