

Insurance Funded Prepaid Funeral Benefits Contract

Contract No. _____

Purchaser: _____

Provider: _____

Contract Beneficiary: _____

Seller: (preprinted name / permit number)

Statement of Funeral Goods and Services Selected

(A) GUARANTEED SERVICES & MERCHANDISE:

The Total Contract Price below includes the goods and services to be delivered at the time of the Contract Beneficiary's death. You are not purchasing goods and services where price is left blank. You can purchase the goods and services left blank at the time of the funeral service. Certain purchases can be required by law or by a cemetery or crematory. This contract allows You to pay in advance and **freeze the costs of the Guaranteed Services and Merchandise selected below.**

BASIC SERVICES OF FUNERAL DIRECTOR AND STAFF, AND OVERHEAD

\$ _____

EMBALMING: (explanation below)

Embalming services \$ _____

If You selected a funeral that may require embalming, such as a funeral with viewing, You may have to pay for embalming. You do not have to pay for embalming You did not approve if You selected arrangements such as a direct cremation or immediate burial. If we charged for embalming, we will explain why below.

(describe): _____

OTHER PREPARATION OF THE BODY:

Bathing body \$ _____

Cosmetic/Beautician \$ _____

Dressing/Casketing \$ _____

Refrigeration fee (# days _____) \$ _____

Other \$ _____

USE OF FACILITIES AND STAFF:

Rosary or prayer service \$ _____

Viewing/Visitation (# days _____) \$ _____

Funeral ceremony at funeral home \$ _____

Funeral ceremony at other facility \$ _____

Memorial service at funeral home \$ _____

Memorial service at other facility \$ _____

Use of equipment and staff for
graveside service \$ _____

Other \$ _____

TRANSPORTATION SERVICES:

Transfer of remains to funeral home
(_____ mile radius) \$ _____

Hearse (funeral coach) \$ _____

Funeral Sedan \$ _____

Limousine (# _____) \$ _____

Pallbearer car \$ _____

Clergy car \$ _____

Flower car \$ _____

Other \$ _____

OTHER SERVICES:

Forwarding of remains to another funeral home
(describe) \$ _____

Receiving remains from another
funeral home (describe) \$ _____

Other \$ _____

Immediate Burial (Basic Charge) \$ _____

Direct Cremation (Basic Charge) \$ _____

Disposition: ☐ Burial ☐ Cremation ☐ Other

GOODS:

Casket \$ _____

☐ Wood Type: _____

☐ Steel: ☐ 16 ga ☐ 18 ga ☐ 20 ga ☐ _____ ga ☐ Stainless

☐ Bronze: ☐ 32 oz ☐ 48 oz. ☐ Copper: ☐ 32 oz ☐ 48 oz.

☐ Other: _____

☐ Seal ☐ Nonseal ☐ Gasketed ☐ Nongasketed ☐ N/A

Interior Lining: ☐ Crepe ☐ Velvet ☐ Satin ☐ Other _____

Shell: ☐ Square ☐ Round Exterior color: (opt) _____

Outer burial container (see explanation on page 2) \$ _____

☐ Liner ☐ Vault ☐ Box ☐ Other (describe): _____

☐ Concrete ☐ Wood Type: _____

☐ Steel: ☐ 7 ga ☐ 10 ga ☐ 12 ga ☐ 14 ga ☐ Stainless

☐ Bronze _____ oz. ☐ Copper _____ oz.

☐ Other: _____

☐ Seal ☐ Nonseal ☐ N/A

Alternative Container: (describe) \$ _____

Urn: (Name and Primary Construction) \$ _____

Shipping Container: (describe) \$ _____

Clothing: (describe) \$ _____

Stationery/Cards: (describe) \$ _____

_____ (# _____) \$ _____

Memorial Book: _____ (# _____) \$ _____

Acknowledgement cards: (describe) \$ _____

_____ (# _____) \$ _____

Other \$ _____

Other \$ _____

(A) TOTAL COST OF GUARANTEED ITEMS: \$ _____

Contract No. _____

(B) NON-GUARANTEED CASH ADVANCE ITEMS:

The items and amounts listed below are specified as *Non-Guaranteed*. You understand that these amounts are **ESTIMATES** only and are not frozen in cost. This section allows You to set aside funds for non-guaranteed items. At the time of death, these funds may be used for any cash advance items. **You are not prefunding any items below where price is left blank.**

Initial here to confirm You have read this:

We charge You for our services in obtaining the items with the boxes marked:

- ☐ Cemetery Opening & Closing Fee.....\$ _____
- ☐ Cemetery Set-Up (*tent-chairs-carpet*)\$ _____
- ☐ Crematory Fees.....\$ _____
- ☐ Clergy Honorarium\$ _____
- ☐ Death Certificates.....\$ _____
- ☐ Flowers.....\$ _____
- ☐ Obituary Notices\$ _____
- ☐ Organist/Pianist.....\$ _____
- ☐ Outside Facility Rental\$ _____
- ☐ Police Escort\$ _____
- ☐ Transportation\$ _____
- ☐ Vocalist.....\$ _____

- ☐ Other.....\$ _____
- ☐ Other.....\$ _____
- ☐ Other.....\$ _____
- ☐ Other.....\$ _____

(B) TOTAL CASH ADVANCE ITEMS:

\$

Subtotal (A from page 1 + B):\$ _____

(Less): Discounts/Adjustments:\$ _____

TOTAL CONTRACT PRICE:

\$

Explanation of Certain Charges

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.

Reason for Outer Burial Container or Other: (describe): _____

Payment Terms

An Insurance Policy funds this contract. The Contract Beneficiary must apply for insurance coverage. Your payment made today is the first Premium for the Insurance Policy. The Insurance Company will either issue your Insurance Policy or deny insurance coverage within 30 days, after You sign this contract. If coverage is denied, You will receive a 100% refund from the Insurance Company.

The Premiums You pay on the Insurance Policy(s) may not equal the Total Contract Price. You could pay more or less, depending on several factors (for example: your age, health and type of Insurance Policy purchased). Based on the anticipated premium indicated on the insurance application(s), the maximum amount of Premiums You could pay over the term of the Insurance Policy(s) for this contract is \$ _____.

Initial here to confirm You have read this:

This is your estimated premium payment information:

Payment Mode: ☐ Single ☐ Monthly ☐ Quarterly ☐ Semi-Annual ☐ Annual

Payment Plan (Years to Pay) _____ Amount of Premium Payment Submitted with this Contract: \$ _____

Amount of Each Remaining Premium Payment: \$ _____

IF APPLICABLE: The initial face amount of the Insurance Policy(s) issued to fund this contract exceeds the total contract price by more than 5%. The excess amount is \$ _____ and is included in the policy face amount. The Provider will receive this excess face amount at the time of the funeral to cover its costs. If You do not want the excess coverage, You may ask if the Seller offers other Insurance Policy(s) to fund this contract.

Initial here to confirm You have read this and agree to the excess coverage:

Contract Definitions

Contract Beneficiary - The person for whom this contract is purchased.

Responsible Person - The person who is legally responsible for the disposition of the Contract Beneficiary's remains. (Section 711.002 of the Texas Health and Safety Code defines who has the right to control the disposition of the remains.)

Provider- The person that signs this contract and agrees to deliver the funeral goods and services selected. The Seller and Provider may be the same company. (Section 154.161 of the Texas Finance Code defines the responsibilities of the Provider.)

Purchaser ("You") - The person who is contracting to buy the funeral goods and services and is the owner of the Insurance Policy. If You are also the Contract Beneficiary, then after your death "You" means the Responsible Person.

Seller ("We" or "Us") - The company that holds a Texas permit to sell prepaid funeral benefit contracts and signs this contract.

Insurance Company - The insurance company that will issue the Insurance Policy to fund this contract. The Texas Department of Insurance (TDI) has licensed this company to sell insurance policies in Texas.

Premiums – Payments You make on the Insurance Policy issued to fund this contract.

Insurance Policy – An annuity contract or insurance policy or certificate covering the life of the Contract Beneficiary funded by the Premiums. TDI has approved the insurance policy issued to fund this contract.

General Provisions

Guaranteed Services and Merchandise (A): As long as You follow the terms and conditions of this contract and the related Insurance Policy, and after the death of the Contract Beneficiary, the Provider must deliver all items selected on page 1 of the contract at no additional cost to You. The Provider will receive and apply the proportionate Insurance Policy proceeds to deliver these items. The Provider is not required to refund You any of the proportionate part of the Insurance Policy proceeds in excess of the current purchase price to deliver these items.

Non-Guaranteed Cash Advance Items (B): The prices for these items are estimates only and final costs will be based on the existing prices at the time the items are delivered by the Provider. After the death of the Contract Beneficiary, the Provider pays for these items on Your behalf to third parties. The Provider shall apply the proportionate part of the Insurance Policy proceeds for these items to the current purchase price for the items. The Provider may collect more money from You if the proportionate part of the Insurance Policy proceeds **is less** than the current purchase price to deliver these items. The Provider shall refund You or Your estate if the proportionate part of the Insurance Policy proceeds **is greater** than the current purchase price to deliver these items.

The Responsible Person may add, surrender, cancel, or modify any non-guaranteed cash advance item included under this contract at the time of the funeral. If there is a credit value, it may be:

- (1) refunded to You or Your estate; or,
- (2) used to pay for additional funeral merchandise or services.

Taxes: You or your estate may incur a tax liability for the Insurance Policy benefits if they are paid directly to You.

No Warranty: The Seller and Provider make no express or implied warranties of merchantability or fitness for particular purpose for goods purchased under this contract. The only warranties are those expressed or written by the manufacturer. Specific brand name goods will be delivered only where so noted. Further, no representation is made that the specific items selected for the Cash Advance Items will be available at the time of death.

Change of Address: All parties must notify each other in writing of any address change.

Entire Agreement: This contract constitutes the entire agreement among the parties. This contract binds the parties or any other successor who assumes their rights and obligations under this contract.

(continued on next page)

Successor Provider: You may choose a different Provider to perform the Contract Beneficiary's funeral service but may lose your guaranteed pricing. You, the new Provider and We must agree in writing to follow the original terms and conditions of this contract. The original Provider will be released from all contract responsibility.

Cancellation: You cannot make a partial cancellation of this contract. This means You cannot change the funeral goods and services selected during the duration of this contract, unless a new contract is executed. You may change other contract terms only by written agreement signed by all parties.

Refer to your Insurance Policy for complete details of the policy provisions.

Contract / Policy Default

If You are more than 30 days past due on a Premium, this contract may be void. We and the Provider may not be required to deliver the funeral goods and services selected.

At the death of the Contract Beneficiary, the Provider **MUST** deliver the Guaranteed Services and Merchandise selected on page 1 of this contract **with no additional cost to You**, IF:

- Your contract is funded by a **full benefit** Insurance Policy OR a **limited benefit** Insurance Policy whose limited death benefit period has expired, and:
 - (1) Your Premium payments are current;
 - (2) You repay any outstanding Insurance Policy loans; and
 - (3) You have complied with the Insurance Policy provisions.
- Your contract is funded by an **annuity** Insurance Policy OR a **limited benefit** Insurance Policy and the limited death benefit period has NOT expired, **AND**:
 - (1) Your Premium payments are current;
 - (2) You repay any outstanding Insurance Policy loans;
 - (3) You have complied with the Insurance Policy provisions; and,
 - (4) You pay the remaining balance due on the Insurance Policy funding this contract before the funeral service, or, the Provider agrees to another payment arrangement.

At the death of the Contract Beneficiary, the Provider **IS NOT** required to deliver the Guaranteed Services and Merchandise selected on page 1 of this contract, IF:

- Your contract is funded by an **annuity** Insurance Policy OR a **limited benefit** Insurance Policy whose limited death benefit period has NOT expired and You do NOT agree to pay the remaining balance due on the Insurance Policy funding this contract.

If the Provider goes out of business before the death of the Contract Beneficiary or is otherwise unable to honor the contract terms; then,

- (1) You and the Seller may agree to use a Successor Provider who will honor the contract terms;
- (2) You can cancel the contract and funding Insurance Policy and receive the cash surrender value;
- (3) You can make a claim to the Prepaid Insurance-Funded Guaranty Fund. This Fund guarantees contract performance; or,
- (4) At death, the Insurance Company will pay the death benefit to the Insurance Policy beneficiary or assignee.

The Prepaid Insurance-Funded Guaranty Fund covers this contract.

Contract / Policy Cancellation or Assignment

If You cancel the Insurance Policy during the "free look" period, You will receive a 100% refund. Refer to the Insurance Policy for the length of the free look period.

If you cancel the Insurance Policy after the "free look" period has expired, the surrender value will be paid in accordance with the Insurance Policy's provisions and may be significantly less than the Premiums that You have paid.

Initial here to confirm You have read this:

Your contract price guarantees are voided, IF: (1) You cancel the Insurance Policy; (2) You have an outstanding loan against the Insurance Policy; or (3) the Insurance Policy pays a death benefit that is less than the full face amount. You can pay the balance due to get the price guarantees, if payments are current.

If You wish to cancel this contract, the request must be made in writing on forms prescribed by the Banking Department. **If You cancel this contract, it does not automatically cancel your Insurance Policy.** The Insurance Policy remains in effect. But, if You cancel both this contract and the Insurance Policy by written notice, You will receive the cash surrender value, if any.

If We request that You cancel this contract, You will receive a full refund.

You may choose to give up your right to cancel this contract. You do this by signing a separate Waiver of Right to Cancel. If you sign a separate Waiver of Right to Cancel, You will not be able to cancel your contract or receive a refund.

You can choose to irrevocably assign your rights under the Insurance Policy, including Your right to cancel the Insurance Policy. You do this by signing a separate form provided by the Insurance Company.

Changes to Disposition at the Time of Death

If You are the Purchaser and the Contract Beneficiary, You are the only person who can change the method of Your disposition selected in this contract. A disposition change can only be made by You signing a written document with new instructions **AFTER** the date of this contract.

If You are the Purchaser but NOT the Contract Beneficiary, You can change the method of disposition unless the Contract Beneficiary has signed written instructions regarding his/her disposition.

Changes to the Guaranteed Services and Merchandise at the Time of Death

Related to contracts not fully funded: If payments are due at the time of death, this contract **is not** fully funded and the final funeral service could be different from the funeral You planned.

Related to fully funded contracts: If no further payments are due at the time of death on the Guaranteed Services and Merchandise, this contract is fully funded. However, the Responsible Person may decide to change Your selections up to 10% of the Guaranteed Services and Merchandise. The Provider must give a credit if the changes result in decreased costs, but is not required to refund any money.

In addition, the Responsible Person and the Provider can agree to changes in excess of 10% of the Guaranteed Services and Merchandise selected. If the Responsible Person and the Provider agree to make changes in excess of 10%, the Provider must give credit for any changes that decrease costs and if applicable, issue a refund to Your estate. The Responsible Person must pay the Provider for any changes that result in increased costs.

You can prevent all changes to the Guaranteed Services and Merchandise that You have selected under a fully funded contract by signing the box below.

I am the Purchaser and the Contract Beneficiary. I **do not** want the Responsible Person to make any changes to the Guaranteed Services and Merchandise selected on page 1 of my fully funded contract.

Sign here to confirm this is your choice. _____

Required Signatures and Notices

Do not sign this contract before You have: (1) read it, (2) had an opportunity to ask questions and review the preneed informational website at www.prepaidfunerals.texas.gov, (3) received a copy of the Provider's General Price List, (4) received a copy of the Seller's Information Preneed Brochure (for contracts sold after June 1, 2010), and (5) been offered the Provider's Casket Price List and Outer Burial Container Price List before discussing or being shown these goods. You are to receive a copy of this signed contract. Keep this contract to protect your legal rights.

If You sign this contract at a place other than the Seller/Provider's place of business, You may cancel this contract at any time prior to midnight of the third business day after the date of this contract. See the Notice of Cancellation form provided to You for an explanation of this right. You do not have this right if the contract is signed at the Seller/Provider's place of business.

You certify by signing this contract that the Social Security Number listed below is the correct number issued to You. You also certify that You are not subject to any backup withholding or any other order that requires special reporting to the IRS. You will receive a copy of this contract and the Seller/Provider will retain the original contract. If a Seller's Representative signature is required, You will receive a copy of the dual signature contract within 30 days of final acceptance and execution.

If you request a copy of the Insurance Policy funding this contract, the Seller must send it to You.

Signed this _____ day of _____, 20____ at: ☐ Seller's / Provider's Location or, ☐ _____ (Place)

Purchaser's Signature

Provider's Signature

Purchaser's Social Security Number

Provider's Printed Name **Phone Number**

Purchaser's Printed Name **Phone Number**

Provider's Address

Purchaser's Address

City **State** **Zip**

City **State** **Zip**

Seller's Signature **Seller's Printed Name**

Contract Beneficiary's Printed Name **Date of Birth**

Seller's Address **Phone Number**

Contract Beneficiary's Address

City **State** **Zip**

City **State** **Zip**

Date and Signature of Seller's Representative (if required)

Inquiries should be directed as below. All complaints must be in writing.

Concerning the Prepaid Contract:

Texas Department of Banking
2601 N. Lamar
Austin, Texas 78705
1-877-276-5554 (toll free)
www.dob.texas.gov

**Concerning the Funeral Service
or Funeral Director:**

Texas Funeral Service Commission
P. O. Box 12217
Austin, Texas 78711
1-888-667-4881 (toll free)
www.tfsc.texas.gov

Concerning the Insurance Policy:

Texas Department of Insurance
P. O. Box 149194
Austin, Texas 78714
1-800-252-3439 (toll free)
www.tdi.texas.gov