



ARKANSAS INSURANCE DEPARTMENT/PREPAID FUNERAL BENEFITS DIVISION

ANNUAL REPORT OF **INSURANCE-FUNDED**
PREPAID FUNERAL BENEFITS CONTRACTS

Activity for the Period: **January 1, 2014 - December 31, 2014**

Deadline for Receipt by the Prepaid Funeral Benefits Division is **March 15, 2015**

In accordance with Arkansas Code Annotated (A.C.A.) § 23-40-119 (a) - (c)

Check(s) or money order(s) should be made payable to the **“State Insurance Department Prepaid Trust Fund.”**
(See Page 3 of 5 for the Annual Report Fee Schedule)

Licensee/Funeral Home Name: _____

Mailing Address: _____
Street No., Street Name, Apt/Suite No., or P.O. Box

City, State, ZIP Code

Business Phone: _____ Business Fax: _____

Physical Location of Books & Records (if different from Mailing Address listed above):

Street No., Street Name, Apt/Suite No., or P.O. Box, City, State, ZIP Code

Supervisor of Books & Records: _____

Contact Phone (if different from Business Phone listed above): _____

Licensee/Funeral Home Contact E-Mail Address: _____

IMPORTANT: REQUIRED DOCUMENTATION/REPORTING TO SUPPORT IN-FORCE TOTALS

To validate the reported in-force totals (as of the period end referenced above), attach to this report (as “**Exhibit A**”) a licensee/funeral home-generated report that contains the following data elements/information: (1) **Contract Date**, (2) **Contract Number** (if applicable), (3) **Gross Contract Amount/Total**, (4) **Assignable Benefits** (if applicable), (5) **Net Contract Amount/Total** (which should be the amount of the insurance policy collateralizing the pre-need contract), (6) **Insurance Policy Number**, and (7) **Insurance Policy Issue Date**. This should be separated by insurance company/third party administrator (if there are multiple funding sources) and should reflect only those **OUTSTANDING** and **UNFULFILLED** prepaid funeral benefits contracts that were **ACTIVE as of year end**. (Increases in the face value of the insurance policies need not be included.) If the insurance companies/third party administrators that maintain these insurance policies provide a year-end in-force report to the licensee/funeral home, a complete copy of that in-force report should be provided as well (for cross-checking purposes).

FOR ARKANSAS INSURANCE DEPARTMENT USE ONLY
[RECEIVED STAMP & ADMIN PENALTY/LATE FEE ASSESSED, IF ANY]

MAIL TO:
ARKANSAS INSURANCE DEPARTMENT
1200 WEST THIRD STREET
LITTLE ROCK, AR 72201-1904
ATTN: PREPAID FUNERAL BENEFITS DIVISION
OR E-MAIL TO: michelle.fahey@arkansas.gov
PHONE: (501) 371-2683 | FAX: (501) 371-2747



ANNUAL REPORT OF **INSURANCE-FUNDED**
PREPAID FUNERAL BENEFITS CONTRACTS

Activity for the Period: **January 1, 2014 - December 31, 2014**

Deadline for Receipt by the Prepaid Funeral Benefits Division is **March 15, 2015**

In accordance with Arkansas Code Annotated (A.C.A.) § 23-40-119 (a) - (c)

AFFIDAVIT OF SELLER

BEFORE ME, the undersigned authority, on this day personally appeared _____,
Signer Name (i.e. Affiant)

an authorized representative, and _____, an authorized representative, of
Signer Name (i.e. Affiant)

_____, and being by me duly sworn on oath did depose and
Licensee/Funeral Home (i.e. Seller)

say, each for himself/herself that each of the Affiant(s) has read the above and foregoing Annual Report and the related prepaid funeral benefits contracts of said Seller, that each knows the contents thereof, and that the facts set forth therein are known by each of the said Affiant(s) to be in all things true and correct, to the best of his/her/their knowledge.

Affiant - Signature

Affiant - Signature

[Notary Seal]

NOTARY PUBLIC

STATE OF ARKANSAS
COUNTY OF _____

Subscribed to and sworn or affirmed before me this _____ day
of _____, 20 _____.

MY COMMISSION EXPIRES: _____

NOTARY PUBLIC SIGNATURE



ANNUAL REPORT OF **INSURANCE-FUNDED** PREPAID FUNERAL BENEFITS CONTRACTS

Activity for the Period: **January 1, 2014 - December 31, 2014**

Deadline for Receipt by the Prepaid Funeral Benefits Division is **March 15, 2015**

In accordance with Arkansas Code Annotated (A.C.A.) § 23-40-119 (a) - (c)

ANNUAL REPORT FEE SCHEDULE

Per Arkansas Code Annotated (A.C.A.) § 23-40-119 (c), the annual report fee shall be based on the total amount of aggregate contracts for prepaid funeral benefits outstanding and unfulfilled as of December 31st of each year and shall be payable at the time the annual report is filed.

Per A.C.A. § 23-40-119 (c)(2), the fee shall be based on the following schedule and shall be payable to the **State Insurance Department Prepaid Trust Fund**:

AGGREGATE (COMBINED) TOTAL OF OUTSTANDING & UNFULFILLED PREPAID FUNERAL BENEFITS CONTRACTS IN ARKANSAS ONLY AS OF DECEMBER 31	ANNUAL REPORT FEE DUE TO THE STATE OF ARKANSAS/ARKANSAS INSURANCE DEPT.
<input type="checkbox"/> Up to and including \$250,000	\$ 200.00
<input type="checkbox"/> \$250,001 up to and including \$500,000	\$ 250.00
<input type="checkbox"/> \$500,001 up to and including \$1,000,000	\$ 500.00
<input type="checkbox"/> \$1,000,001 up to and including \$2,500,000	\$1,000.00
<input type="checkbox"/> \$2,500,001 up to and including \$5,000,000	\$2,000.00
<input type="checkbox"/> \$5,000,001 up to and including \$10,000,000	\$3,000.00
<input type="checkbox"/> \$10,000,001 up to and including \$20,000,000	\$4,000.00
<input type="checkbox"/> \$20,000,001 up to and including \$40,000,000	\$5,000.00
<input type="checkbox"/> \$40,000,001 and Over	\$6,000.00

IMPORTANT: CALCULATING THE TOTAL OUTSTANDING/UNFULFILLED PREPAID FUNERAL BENEFITS CONTRACTS AMOUNT TO DETERMINE THE ANNUAL REPORT FEE DUE

The annual report fee due is determined by aggregating (combining) the GROSS CONTRACT AMOUNTS of all outstanding/unfulfilled prepaid funeral benefits contracts that were “active” as of December 31st of the year in review. **This includes all “active” contracts, regardless of funding type: cash-funded (trust), insurance-funded, and annuity-funded.** The “gross” contract amount is the total amount for which the pre-need contract was written; not the net contract amount, which excludes assignable benefits (other pledged insurance/annuity policies, burial association policies, etc.).

Please pay only the Annual Report Fee when submitting this report. Check(s) or money order(s) should be made payable to the “**State Insurance Department Prepaid Trust Fund.**” [A.C.A. § 23-40-119 (c)(2)]



ANNUAL REPORT OF INSURANCE-FUNDED PREPAID FUNERAL BENEFITS CONTRACTS

Activity for the Period: January 1, 2014 - December 31, 2014

INSURANCE COMPANIES/THIRD PARTY ADMINISTRATORS

As of December 31st of the year in review, the licensee's/funeral home's records indicate that the following insurance companies/third party administrators (TPAs), whether domestic or foreign, have issued or are administering insurance policies that fund its prepaid funeral benefits contracts:

Table with 2 columns: INSURANCE CO./TPA NAME, MAILING ADDRESS/CONTACT PHONE NO.

If there are insurance companies/TPAs than cannot be listed in the spaces above, please include additional listings on a separate sheet. IMPORTANT: Please identify your current funding source with an asterisk (*) next to the name.

INSURANCE-FUNDED CONTRACTS: IN-FORCE ROLL-FORWARD

Table with 3 columns: LICENSEE/FUNERAL HOME IN-FORCE DESCRIPTION, COUNT (#), AMOUNT (\$) containing 5 rows of contract data.

NOTE: Add the total for (1), (2), and (3), and then subtract the total for (4) to get the year-end in-force total (5). If the adjustment reflected under (2) is a negative adjustment to the prior year's total, then subtract the total from (2). The total reported under (5) should balance back to the total reflected on the attached "Exhibit A" from the licensee/funeral home.

CROSS-CHECK:

Table with 2 columns: Description, Amount containing 4 rows of cross-check items.

NOTE: The totals for (5) and (9) should equal the same amount. If they do not match, please provide a detailed explanation on a separate sheet.

Explanatory text box for adjustments to 2013 Annual Report.



**ANNUAL REPORT OF INSURANCE-FUNDED
PREPAID FUNERAL BENEFITS CONTRACTS**

FORM COMPLETION INSTRUCTIONS & DEFINITIONS

PAGE 1

Additional comment regarding required documentation/reporting: the in-force report provided to the licensee/funeral home by its insurance companies/third party administrators (TPAs) is not the same as an in-force listing maintained by the licensee/funeral home. The insurance companies'/TPAs' in-force report reflects policies, which is not the same thing as pre-need contracts. It is possible for a pre-need contract to be funded by 1, 2 or more insurance policies or annuities, so the policies report may not correctly reflect the number of pre-need contracts in-force as of a specific date.

PAGE 2

"Affiant" (defined): one who swears to an affidavit. The person(s) who complete the Annual Report forms on behalf of the licensee/funeral home.

PAGE 3

Additional comments regarding "gross" versus "net" contract amount: the "gross" contract amount is the "bottom line total" which includes all guaranteed services, guaranteed merchandise, guaranteed or non-guaranteed cash accommodation (advance) items, estimated sales tax, or any other items that may be itemized and included in the pre-need contract total. The "gross" contract amount is the amount that must be totaled up to determine the Annual Report Fee due. "Net" contract amount is the amount remaining *after* deductions for other pledged policies, burial association policies, funeral home credits or discounts, etc. On cash-funded (trust) pre-need contracts, the "net" contract amount is the amount to be deposited into the trust account; on insurance- and annuity-funded pre-need contracts, it is typically the amount for which the insurance policy/annuity is issued.

PAGE 4

Additional comments regarding the In-Force Roll-Forward:

Item (1): this is the BEGINNING contract count and gross contract amount as of January 1st of the year in review. It should be the same totals as were reported as the ending count/amount as of December 31st of the immediate prior year.

Item (2) Adjustments to 20XX Annual Report: should reflect any in-force item totals that were missed on the immediate prior year's annual report, whether they be contracts that should have been included but were not, contracts that actually matured (due to death, cancellation, or outgoing re-assignment/transfer) prior to December 31st that should have been excluded, etc.

Item (3) Gross Contracts Total of ALL NEW SALES for the calendar year 20XX: this new contracts count and gross contracts amount should be based on the **actual contract date**, not the policy issue/effective date, if the contract is funded by insurance/annuity policies. Sometimes, the pre-need contract date and the insurance/annuity policy issue/effective date are the same, but in a number of instances, there is a "lag time" of a few days between the date the licensee/funeral home executes the pre-need contract and the date on which the insurance company/TPA issues the policy in its system of record. This may impact contracts counts if the contract was executed toward the end of a quarter/year, but the insurance policy that funds the contract was not issued until after that period end.

Item (4) Gross Contracts Total of ALL TERMINATED CONTRACTS in 20XX: also the same as "matured," this includes contracts that are terminated due to (a) death of the contract purchaser/beneficiary (and performance of the at-need services), (b) cancellation of the pre-need contract at the request of the contract purchaser/beneficiary (as permitted by Arkansas Law, depending on revocability status), or (c) outgoing re-assignment/transfer to a substitute provider (also as permitted by Arkansas Law, depending on revocability status).

Item (6) Gross Amount of insurance policies in-force as of December 31, 20XX: taken from the in-force report provided to by the insurance company/TPA; should be the "gross" insurance policy (face or death claim) amount.

If there are multiple insurance companies/TPAs referenced on Page 4, it is preferred (but not required) that a separate in-force roll-forward page be completed for each funding source. If multiple in-force reports from multiple insurance companies/TPAs are combined/co-mingled into a single in-force roll-forward recap, it may make it more difficult to identify and/or resolve any in-force discrepancies that may be identified on the annual report.

****IMPORTANT****

If you have any questions regarding the completion of these Annual Report forms, please don't hesitate to call or e-mail the Arkansas Insurance Department/Prepaid Funeral Benefits Division. Michelle Fahey (Administrative Specialist III) may be contacted by phone at (501) 371-2683 or by e-mail at michelle.fahey@arkansas.gov. We will be glad to answer your inquiries/questions.