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THE STATE SENATE  
Monday, April 6, 2009

Committee Substitute for  
ENGROSSED  
House Bill No. 1458

COMMITTEE SUBSTITUTE FOR ENGROSSED HOUSE BILL NO. 1458 - By:  
Sullivan and McAffrey of the House and Coates of the Senate.

[ insurance - prepaid funeral services and funeral service  
merchandise - codification - effective date ]

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. AMENDATORY 36 O.S. 2001, Section 6121, is  
amended to read as follows:

Section 6121. A. Any individual, firm, partnership,  
corporation, or association (hereinafter called "organization")  
which shall accept money or anything of value for prearranged, or  
prepaid funeral services, or funeral service merchandise as defined  
in the Funeral Services Licensing Act or for any contract providing  
future funeral services or funeral merchandise at a fixed price or  
at a cost plus a percentage, or at retail price less a percentage  
discount, or providing for any special consideration of any kind to  
be granted or made available to the purchaser or holder of such  
contract, in this state, under any sales contract, bond, certificate  
or other form of written document providing for prepaid, discounted  
or otherwise specially priced funeral or burial benefits or services

1 or funeral merchandise to be delivered at an undetermined future  
2 date dependent upon the death of a contracting party or other person  
3 designated by a contracting party (hereinafter called "prepaid  
4 funeral benefits") shall first obtain a permit from the Insurance  
5 Commissioner authorizing the transaction of this type of business  
6 before entering into any such contract. It shall be unlawful to  
7 sell prepaid funeral benefits unless the seller holds a valid,  
8 current permit at the time ~~such~~ the contract is made.

9 B. The Insurance Commissioner may deny the issuance of a permit  
10 if the organization:

11 1. Makes a material misstatement or misrepresentation in an  
12 application for a permit; or

13 2. Fraudulently or deceptively obtains or attempts to obtain a  
14 permit for another.

15 C. The Insurance Commissioner may approve an application of an  
16 organization for a permit and deny the request of the organization  
17 to act as a trustor if the organization does not satisfy all  
18 qualifications. This shall not hinder an organization from entering  
19 into contracts funded by assignments of insurance.

20 D. All permits issued pursuant to the provisions of this  
21 section shall be displayed in a conspicuous place at all times on  
22 the premises of the organization. No organization may consent to,  
23 or allow the use or display of, the permit by a person other than

1 the persons authorized to represent the organization in contracting  
2 prepaid funeral benefits.

3 E. The ~~seller~~ organization shall not be entitled to enforce a  
4 contract made in violation of the act, but the purchaser or ~~his~~ the  
5 heirs of the purchaser, or legal representative, shall be entitled  
6 to recover triple the amounts paid to the ~~seller~~ organization with  
7 interest thereon at the rate of six percent (6%) per annum under any  
8 contract made in violation hereof.

9 SECTION 2. AMENDATORY 36 O.S. 2001, Section 6123, is  
10 amended to read as follows:

11 Section 6123. ~~Section~~ Sections 6121 ~~et seq.~~ through 6136.18 of  
12 this title shall be administered by the Insurance Commissioner. The  
13 Insurance Commissioner is authorized to prescribe reasonable rules  
14 and regulations concerning keeping and inspection of records, the  
15 filing of contracts and reports, and all other matters incidental to  
16 the orderly administration of this law; and the Insurance  
17 Commissioner shall first approve all forms for sale contracts for  
18 prepaid funeral benefits. All ~~such~~ contracts for prepaid funeral  
19 benefits ~~must~~ shall be in writing and no contract form shall be used  
20 without first being approved by the Insurance Commissioner. On any  
21 prepaid funeral when the person dies and ~~his~~ the funeral is  
22 performed, and the money is drawn down, any organization receiving  
23 ~~such~~ the monies so drawn down shall ~~send to the Insurance~~

1 ~~Commissioner their itemized statement of charges~~ retain the itemized  
2 statement of charges in the files of the organization for at least  
3 three (3) years.

4 SECTION 3. AMENDATORY 36 O.S. 2001, Section 6124, as  
5 amended by Section 29, Chapter 57, O.S.L. 2003 (36 O.S. Supp. 2008,  
6 Section 6124), is amended to read as follows:

7 Section 6124. A. Each organization desiring to accept money or  
8 anything of value for prepaid funeral benefits or an agreement to  
9 provide funeral benefits in the future at a fixed or predetermined  
10 cost, shall file an application for a permit with the Insurance  
11 Commissioner, and shall at the time of filing an application pay one  
12 initial filing fee of Fifty Dollars (\$50.00). The Insurance  
13 Commissioner shall issue a permit upon:

14 1. The receipt of the application and payment of the filing  
15 fee;

16 2. Determination that the ~~applicant~~ organization is in good  
17 standing as a funeral establishment with the Oklahoma Funeral Board;  
18 ~~and~~

19 3. Making a finding that the ~~applicant~~ organization has  
20 complied with the rules promulgated under this act by the Insurance  
21 Commissioner. All applications shall be signed by the organization  
22 requesting the permit, and shall contain a statement that the  
23 ~~applicant~~ organization will comply with all the requirements as

1 established by this act. All permits shall expire on December 31 of  
2 the year the permit is first issued, unless renewed; permits may be  
3 renewed for a period not to exceed the succeeding December 31 upon  
4 the payment of a renewal fee of Fifty Dollars (\$50.00). Late  
5 application for renewal of a ~~license~~ permit shall require a fee of  
6 double the renewal fee. No application for renewal of a ~~license~~  
7 permit shall be accepted after January 31 of each year. ~~Applicants~~  
8 ~~shall be required to reapply as if they were a new applicant~~ The  
9 Insurance Commissioner may authorize acceptance of a new permit  
10 application pursuant to this section prior to the expiration of the  
11 one-year period upon good cause shown; and

12 4. Each organization subject to the provisions of Sections 6121  
13 through 6136.8 of this title shall furnish a bond in the form of a  
14 cash bond, letter of credit, or fidelity bond, to be approved by the  
15 Insurance Commissioner in the amount of:

- 16 a. Twenty-five Thousand Dollars (\$25,000.00) for  
17 insurance only; or  
18 b. Twenty-five Thousand Dollars (\$25,000.00) or fifteen  
19 percent (15%) of all trust funds collected for prepaid  
20 funeral benefits, but not to exceed Six Hundred  
21 Thousand Dollars (\$600,000.00) for those who have  
22 trust only or a combination of trust and insurance.

1           B. The Insurance Commissioner may cancel a permit or refuse to  
2 issue a permit or refuse to issue a renewal of a permit for failure  
3 to comply with any provision of this act, or any valid rule, which  
4 the Insurance Commissioner has promulgated, after reasonable notice  
5 to the ~~permittee~~ organization and after hearing if the ~~permittee~~  
6 organization requests a hearing. When the Insurance Commissioner  
7 cancels a permit or refuses to issue a renewal of a permit for a  
8 violation as provided by this subsection, the Insurance Commissioner  
9 shall notify the Oklahoma Funeral Board of the action and the nature  
10 of any violations.

11           C. No organization shall be entitled to a new permit for a  
12 period of one (1) year after cancellation, or refusal by the  
13 Insurance Commissioner to renew the permit of the organization but  
14 shall thereafter be entitled to a new permit upon satisfactory proof  
15 of compliance with this law, after the expiration of ~~said one (1)~~  
16 ~~year~~ the one-year period.

17           D. Any person or organization aggrieved by the actions of the  
18 Insurance Commissioner may appeal therefrom as provided by Article  
19 II of the Administrative Procedures Act.

20           SECTION 4.           NEW LAW           A new section of law to be codified  
21 in the Oklahoma Statutes as Section 6124.1 of Title 36, unless there  
22 is created a duplication in numbering, reads as follows:

1           A. No prepaid funeral benefit permit shall be transferable from  
2 one organization to another. The selling organization shall notify  
3 the Insurance Commissioner at least forty-five (45) days prior to  
4 transfer of ownership. Notification shall be in a form provided by  
5 the Insurance Commissioner and shall contain at a minimum the  
6 following information:

7           1. The name of the acquiring organization;

8           2. The date the acquiring organization will take control of the  
9 funeral establishment;

10          3. A listing of all unrealized prepaid funeral benefit  
11 contracts funded by insurance assignments;

12          4. A listing of all unrealized prepaid funeral benefit  
13 contracts funded by trusts;

14          5. A detailed description of existing trusts to include, but  
15 not be limited to, the name of the contract holder and the trust  
16 value per contract; and

17          6. Any other information the Insurance Commissioner may  
18 request.

19          B. The Insurance Commissioner may waive the notice requirement  
20 provided for in subsection A of this section upon good cause shown.

21          C. The acquiring organization shall make application for a  
22 permit at least thirty (30) days prior to the transfer of ownership.  
23 Approval is contingent upon the organization receiving an

1 establishment license as provided for in Sections 395.1 through  
2 396.33 of Title 59 of the Oklahoma Statutes. The application shall  
3 include an assumption agreement executed by the acquiring  
4 organization in a form provided by the Insurance Commissioner.

5 D. The acquiring organization shall be issued a prepaid funeral  
6 benefit permit prior to the relinquishment of control of the trust  
7 by the selling organization. The acquiring organization shall not  
8 access funds held in the trust until authorization has been given by  
9 the Insurance Commissioner.

10 E. Upon good cause shown, the Insurance Commissioner may deny  
11 transfer of the trust from the selling organization to the acquiring  
12 organization.

13 F. The Insurance Commissioner may assume the role of acting  
14 trust conservator as a means of safeguarding the rights and  
15 interests of the individual contract holder. The organization may  
16 make application to the Insurance Commissioner to draw down funds  
17 upon fulfillment of the prepaid funeral service contract.

18 G. The Insurance Commissioner may prescribe rules concerning  
19 matters incidental to this section.

20 SECTION 5. AMENDATORY 36 O.S. 2001, Section 6125, is  
21 amended to read as follows:

22 Section 6125. A. 1. The organization may retain from the  
23 first funds collected, the first ten percent (10%) of the purchase

1 price of all contracts issued pursuant to paragraph 1 of subsection  
2 B of this section. Thereafter, one hundred percent (100%) of all  
3 funds collected pursuant to the provisions of contracts for prepaid  
4 funeral benefits, except for outer enclosures as defined by the  
5 Funeral ~~Service~~ Services Licensing Act, shall be placed in interest-  
6 bearing investments authorized by Article 16 of the Insurance Code,  
7 except to the extent the Insurance ~~Commission~~ Commissioner may  
8 determine that a particular asset may be inappropriate for  
9 investment for prepaid funeral benefits.

10 2. For outer enclosures at the option of the organization the  
11 first thirty-five percent (35%) of the retail price of the outer  
12 enclosures collected may be retained by the organization. The  
13 remaining sixty-five percent (65%) of the retail price collected for  
14 the outer enclosures shall be invested as otherwise provided by this  
15 subsection pursuant to the provisions of contracts for prepaid  
16 funeral benefits.

17 3. The funds required to be deposited pursuant to paragraphs 1  
18 and 2 of this subsection shall be deposited within ten (10) days ~~of~~  
19 ~~the end of the calendar month~~ after the collection of ~~said~~ the funds  
20 and shall be held in a trust fund in this state for the use,  
21 benefit, and protection of purchasers of contracts for prepaid  
22 funeral benefits. Nothing contained within this section shall be  
23 construed to prohibit an organization authorized to accept prepaid

1 funds from transferring the funds held in trust from one trust  
2 depository to another if notice of the transfer is given to the  
3 Insurance Commissioner within ten (10) days before the transfer and  
4 the organization transferring the funds remains the designated  
5 trustor. This subsection shall not affect funds invested prior to  
6 November 1, 1988.

7 B. An organization authorized to accept prepaid funds shall be  
8 authorized to provide purchasers with a choice of either of the  
9 following types of contracts:

10 1. A contract for ~~specific~~ Specific and ~~described funeral~~  
11 ~~merchandise~~ Described Funeral Merchandise and ~~service~~ Service at a  
12 ~~guaranteed price~~ Guaranteed Price. The provisions of this type of  
13 contract shall provide that interest paid by the organization upon  
14 monies deposited in trust shall be added to the principal and that  
15 principal and interest shall become available for disbursement to  
16 the organization upon the death of the beneficiary and if withdrawal  
17 of monies occurs prior to death, the net value, plus the amount  
18 withheld pursuant to paragraph 1 of subsection A of this section,  
19 shall be paid to the purchaser. Net value of the contract for  
20 purposes of this section shall be determined as provided in  
21 subsection C of this section by adding the amount of all principal  
22 paid in pursuant to the provisions of the contract plus all interest

1 payable pursuant to subsection D of this section less taxes and  
2 administrative fees; or

3 2. A contract establishing a fund for prepaid funeral benefits.  
4 The provisions of this type of contract shall require an initial  
5 minimum deposit of Twenty-five Dollars (\$25.00) and shall grant the  
6 purchaser the right to add to the fund at ~~his~~ the discretion of the  
7 purchaser. The provisions of this contract shall provide that the  
8 funds accumulated shall apply to the cost of the funeral services  
9 and merchandise selected and that any funds remaining unused shall  
10 be refunded to the purchaser or to ~~his~~ the personal representative  
11 or designated beneficiary of the purchaser and if withdrawal of  
12 monies occurs prior to death, the organization may retain from the  
13 interest, all interest incurred in excess of the minimum amount  
14 payable pursuant to subsection D of this section less taxes and  
15 administrative fees. This type of contract shall also bear upon it  
16 the language: "Exact Funeral Merchandise and Services to be Selected  
17 at Time of Death";

18 3. Notwithstanding the provisions of this section, at no time  
19 shall the purchaser of a contract for Specific and Described Funeral  
20 Merchandise and Service at a Guaranteed Price receive upon any  
21 withdrawal or transfer a sum less than the original principal  
22 collected; or

1        4. Notwithstanding the provisions of this section, at no time  
2 shall the purchaser of a contract for Exact Funeral Merchandise and  
3 Services to be Selected at Time of Death receive upon any full  
4 withdrawal or transfer prior to death a sum less than the original  
5 principal collected available at death, with the exception of those  
6 accounts which bear principal reduced by previously made cash  
7 withdrawals.

8        C. If an organization other than the organization with which  
9 the purchaser contracted provides funeral merchandise and services  
10 upon the death of the beneficiary of the contract, the organization  
11 with whom the purchaser contracted shall forward, upon receipt of  
12 request in writing from the purchaser or ~~his~~ the personal  
13 representative of the purchaser, the net value of the contract plus  
14 the amount withheld pursuant to paragraph 1 of subsection A of this  
15 section to the organization which provided ~~said~~ the merchandise and  
16 services or to the purchaser or ~~his~~ the personal representative of  
17 the purchaser. ~~The net value of the contract for purposes of this~~  
18 ~~section shall be determined by adding the amount of all principal~~  
19 ~~paid in pursuant to the provisions of the contract plus all interest~~  
20 ~~payable pursuant to subsection D of this section less taxes and~~  
21 ~~administrative fees.~~

22        D. Funds deposited in trust pursuant to the provisions of  
23 either type of contract authorized by the provisions of this section

1 shall earn for the account of the purchaser a rate of interest which  
2 is not less than the minimum rate of interest offered by the  
3 qualified ~~depositories~~ investments specified in subsection A of this  
4 section to ~~their~~ the savings customers of the qualified investments  
5 having interest-bearing accounts. The organization, in a  
6 nondiscriminatory manner, may pay or accrue interest for the  
7 accounts of purchasers at any rate greater than the minimum rate  
8 that the organization desires, provided, however, that the  
9 organization may retain from the interest, all interest incurred in  
10 excess of the minimum amount payable pursuant to this subsection.

11 E. A purchaser of either of the types of contracts authorized  
12 by the provisions of this section may withdraw the net value of the  
13 contract by signing a statement requesting the withdrawal. ~~The~~  
14 ~~organization shall provide a copy of the statement to the Insurance~~  
15 ~~Commissioner.~~ The organization shall retain in its files a copy of  
16 the statement requesting the withdrawal. Withdrawal of funds  
17 deposited pursuant to the provisions of a contract authorized by the  
18 provisions of paragraph 1 of subsection B of this section shall void  
19 the obligation of the contracting organization to provide funeral  
20 merchandise and services at a guaranteed price. Withdrawal forms  
21 shall be retained on file for at least three (3) years by the  
22 organization.

1 F. Following the death of a beneficiary for whom a contract has  
2 been purchased, the organization shall prepare a statement,  
3 acknowledged by the purchaser if the purchaser is not the  
4 beneficiary, or by the personal representative of the purchaser if  
5 the purchaser is the beneficiary, setting forth the use of the funds  
6 deposited and the party to whom any unused funds were disbursed. A  
7 copy of this statement shall remain in the files of the organization  
8 for at least three (3) years and a copy shall be delivered to the  
9 trust depository and the purchaser. ~~Copies of the statement shall~~  
10 ~~also be sent to the Insurance Commissioner and the purchaser.~~

11 G. After thirty (30) days, a contract of either type authorized  
12 by the provisions of this section may become irrevocable and not  
13 subject to withdrawal prior to the death of the beneficiary if the  
14 purchaser signs an election making ~~said~~ the contract irrevocable.  
15 This election shall not become effective until thirty (30) days  
16 after signing the original contract.

17 H. In no event shall more funds be withdrawn or paid pursuant  
18 to the provisions of one contract than were deposited with the  
19 organization and which were accumulated as interest. All funds  
20 deposited pursuant to the provisions of a contract authorized by the  
21 provisions of this section and deposited pursuant to the terms of  
22 this section and the interest earned on ~~said~~ the funds shall be  
23 exempt from attachment, garnishment, execution, and the claims of

1 creditors, receivers, or trustees in bankruptcy, until ~~such~~ the time  
2 as the funds have been withdrawn from the trust account and paid to  
3 the organization or refunded to the purchaser.

4 I. ~~Each organization subject to the provisions of this section~~  
5 ~~shall furnish a bond in the form of a cash bond, letter of credit,~~  
6 ~~or fidelity bond, to be approved by the Insurance Commissioner, in~~  
7 ~~the amount of Three Hundred Thousand Dollars (\$300,000.00) or~~  
8 ~~fifteen percent (15%) of all funds collected for prepaid funeral~~  
9 ~~benefits, whichever is less.~~

10 ~~J.~~ Organizations contracting with purchasers for prepaid  
11 funeral benefits pursuant to paragraphs 1 and 2 of subsection B of  
12 this section shall be entitled to deduct from the principal and  
13 interest allocable to the contracts an administrative fee which  
14 shall not exceed the product of .001146 times the total contract  
15 fund including accrued interest per month or any major portion  
16 thereof.

17 ~~K.~~ J. No organization holding a permit issued pursuant to the  
18 provisions of Sections 6121 and 6124 of this title shall accept any  
19 funds except pursuant to the provisions of a contract for prepaid  
20 funeral or burial benefits authorized by the provisions of Sections  
21 6121 through ~~6136~~ 6136.18 of this title, and no organization shall  
22 accept funds from a purchaser in excess of the contracted price of  
23 prepaid funeral or burial benefits purchased.

1        ~~H-~~ K. Any organization which knowingly commits any of the acts  
2 set forth in the first sentence of Section 6121 of this title  
3 without first having obtained a permit to engage in ~~said~~ the stated  
4 activity from the Insurance Commissioner, or any organization which  
5 commits ~~said~~ the acts while knowingly operating with an invalid or  
6 expired permit, upon conviction, shall be guilty of a misdemeanor.  
7 Each separate act performed without a valid permit shall be deemed a  
8 separate offense. The punishment upon conviction for ~~such~~ the  
9 offense shall be a fine not to exceed One Thousand Dollars  
10 (\$1,000.00) or imprisonment in the county jail for not less than  
11 sixty (60) days nor more than one (1) year, or both such fine and  
12 imprisonment.

13        SECTION 6.            AMENDATORY            36 O.S. 2001, Section 6125.2, is  
14 amended to read as follows:

15        Section 6125.2 A. Contracts for prepaid funeral benefits  
16 provided for pursuant to Section 6125 of ~~Title 36 of the Oklahoma~~  
17 ~~Statutes~~ this title may be funded by assignments of life insurance  
18 proceeds to the contracting organization.

19        B. A guaranteed contract for prepaid funeral benefits provided  
20 for pursuant to paragraph 1 of subsection B of Section 6125 of ~~Title~~  
21 ~~36 of the Oklahoma Statutes~~ this title which is to be funded by  
22 assignment of life insurance proceeds shall provide that:

1           1. The contract be funded by a life insurance policy issued in  
2 the face amount of the current purchase price of the contract for  
3 prepaid funeral benefits;

4           2. All accrued benefits under the policy shall become available  
5 for disbursement to the organization upon the death of the ~~recipient~~  
6 ~~under the~~ beneficiary of the prepaid funeral contract;

7           3. The ~~recipient~~ beneficiary shall be the same individual under  
8 the contract as the insured under the life insurance policy; and

9           4. The disbursement of life insurance proceeds to the  
10 organization shall constitute payment in full to the organization  
11 for the services and merchandise contracted for.

12           C. A nonspecified contract for prepaid funeral benefits  
13 provided for pursuant to paragraph 2 of subsection B of Section 6125  
14 of ~~Title 36 of the Oklahoma Statutes~~ this title which is to be  
15 funded by assignment of life insurance proceeds shall provide that:

16           1. The total proceeds paid to the organization under the policy  
17 shall not exceed the actual retail cost of the funeral services and  
18 merchandise at the time of delivery; ~~and~~

19           2. Any funds remaining unused shall be refunded to the  
20 purchaser or to ~~his~~ the personal representative of the purchaser or  
21 designated beneficiary; and

22           3. After November 1, 2009, all price lists reflecting the  
23 actual retail cost of funeral services and merchandise used at the

1 time of the delivery of services shall be retained for a period of  
2 at least three (3) years.

3 D. A violation of this section shall constitute a misdemeanor  
4 and shall be punished by a fine of not less than One Hundred Dollars  
5 (\$100.00) nor more than Five Hundred Dollars (\$500.00) or by  
6 imprisonment in the county jail for not less than one (1) month nor  
7 more than six (6) months, or by both such fine and imprisonment.

8 SECTION 7. AMENDATORY 36 O.S. 2001, Section 6126, is  
9 amended to read as follows:

10 Section 6126. A. Each organization subject to the ~~aet~~ Funeral  
11 Services Licensing Act shall designate an agent or agents, either by  
12 names of the individuals or by titles of ~~their~~ the offices or  
13 positions of the individuals, who shall be responsible for deposits  
14 of funds collected under contract for prepaid funeral benefits. The  
15 organization shall notify the Insurance Commissioner of ~~such~~ the  
16 designation ~~within~~ at least ten (10) days ~~after it becomes~~ prior to  
17 becoming subject to this act, and shall also notify the Insurance  
18 Commissioner of any changes in ~~such~~ the designation ~~within~~ at least  
19 ten (10) days ~~after such~~ before the change occurs. ~~If any person~~  
20 ~~acting on behalf of the seller collects any money under such a~~  
21 ~~contract and fails to deliver it within ten (10) days after~~  
22 ~~collection to a designated agent, or if any designated agent fails~~  
23 ~~to deposit the money within ten (10) days after he receives it, he~~

1 ~~shall be guilty of a misdemeanor and shall be punished as prescribed~~  
2 ~~in Section 10 of this act.~~

3 B. Any person collecting monies under a contract on behalf of  
4 an organization shall deposit the monies within ten (10) days after  
5 collection pursuant to paragraph 3 of subsection A of Section 6125  
6 of this title. Any person failing to deposit the monies collected  
7 shall be guilty of a misdemeanor and shall be punished by a fine of  
8 not less than One Hundred Dollars (\$100.00) nor more than Five  
9 Hundred Dollars (\$500.00) or by imprisonment in the county jail for  
10 not less than one (1) month nor more than six (6) months, or by both  
11 such fine and imprisonment.

12 SECTION 8. AMENDATORY 36 O.S. 2001, Section 6130, as  
13 amended by Section 22, Chapter 125, O.S.L. 2007 (36 O.S. Supp. 2008,  
14 Section 6130), is amended to read as follows:

15 Section 6130. A. Any officer, director, agent, or employee of  
16 any organization subject to the terms of Sections 6121 through ~~6135~~  
17 6136.18 of this title who makes or attempts to make any contract in  
18 violation of the provisions of Sections 6121 through ~~6135~~ 6136.18 of  
19 this title, or who refuses to allow an inspection of the records of  
20 ~~said~~ the organization, or who violates any other provision of  
21 Sections 6121 through ~~6135~~ 6136.18 of this title, upon conviction,  
22 shall be guilty of a felony and shall be punished by imprisonment in  
23 the ~~State Penitentiary~~ custody of the Department of Corrections for

1 a term of not more than ten (10) years, and a fine not exceeding Ten  
2 Thousand Dollars (\$10,000.00), and ordered to pay restitution to the  
3 victim. Each violation of any provision of Sections 6121 through  
4 ~~6135~~ 6136.18 of this title shall be deemed a separate offense and  
5 prosecuted individually.

6 B. The violation of any provision of Sections 6121 through ~~6135~~  
7 6136.18 of this title shall constitute a cause for the Oklahoma  
8 ~~State Board of Embalmers and Funeral Directors~~ Funeral Board to  
9 revoke, or to refuse to issue or renew, any license issued pursuant  
10 to the provisions of Sections 396 through 396.33 of Title 59 of the  
11 Oklahoma Statutes. The violation of any provision of Sections 6121  
12 through ~~6135~~ 6136.18 of this title shall constitute a cause for the  
13 Insurance Commissioner to issue a notice and order to show cause why  
14 the licensee shall not be censured, have ~~his~~ the license of the  
15 licensee suspended or revoked, be subject to a fine of not less than  
16 One Hundred Dollars (\$100.00) and not more than One Thousand Dollars  
17 (\$1,000.00), or be subject to both such fine and punishment.

18 SECTION 9. AMENDATORY 36 O.S. 2001, Section 6136.18, is  
19 amended to read as follows:

20 Section 6136.18 A. Member organizations may convert trust-  
21 funded prepaid funeral benefits to insurance-funded prepaid funeral  
22 benefits. ~~Such~~ The conversion shall be subject to the provisions of  
23 Section 6125.2 of ~~Title 36 of the Oklahoma Statutes~~ this title.

1           B. The Insurance Commissioner ~~must~~ shall approve a conversion  
2 from trust-funded prepaid funeral benefits to insurance-funded  
3 prepaid funeral benefits as safeguarding the rights and interests of  
4 the individual who purchases the prepaid funeral benefits contract.

5           C. ~~Each contract purchaser or holder shall be notified in~~  
6 ~~writing of:~~

7           1. ~~The terms of the proposed conversion including those terms~~  
8 ~~set out in Section 6125.2 of Title 36 of the Oklahoma Statutes; and~~

9           2. ~~The holder's right to decline the conversion.~~

10          D. ~~An application for approval of a conversion from trust-~~  
11 ~~funded prepaid funeral benefits to insurance-funded prepaid funeral~~  
12 ~~benefits must be filed with the Commissioner on forms prescribed by~~  
13 ~~the Commissioner.~~

14          E. ~~In addition to the other investments permitted by Section~~  
15 ~~6125 of this title, funds deposited pursuant to Section 6125 of this~~  
16 ~~title may be invested in the purchase of contracts of annuities as~~  
17 ~~authorized by Section 702 of this title~~ The Commissioner shall  
18 prescribe rules detailing the steps necessary to complete the  
19 conversion of prepaid funeral benefit contracts funded by a trust to  
20 prepaid funeral benefits contracts funded by insurance.

21          SECTION 10. This act shall become effective November 1, 2009.

22          COMMITTEE REPORT BY: COMMITTEE ON RETIREMENT & INSURANCE, dated  
23 4-2-09 - DO PASS, As Amended.