

Public Necessity Rules
of the
Department of Commerce and Insurance
Division of Regulatory Boards

Statement of Necessity Requiring Public Necessity Rules

Public Chapter 592 of the Public Acts of 2007 enacts the "Tennessee Prepaid Funeral Benefits Act" which governs the qualifications and procedures for registration and general regulatory requirements for the sale of preneed funeral benefits in this state. The Act requires registration as a "preneed seller" or "preneed sales agent" prior to selling or offering preneed funeral benefits. The General Assembly has mandated that the Commissioner begin registration of preneed sellers and preneed sales agents on January 1, 2008 and that the Commissioner set the fees for registration and renewal. This mandate precludes utilization of other rulemaking procedures under Tenn. Code Ann. Title 4, Chapter 5. This public necessity rule amends Rule 0780-05-10-.14 by setting registration and renewal fees for preneed sellers and preneed sales agents and by increasing the effective period of registrations from one (1) to two (2) years.

For complete copies of the text of the notice, please contact Robert Gribble, Executive Director, Burial Services, 500 James Robertson Parkway, Davy Crockett Tower, 2nd Floor, Nashville, Tennessee 37243, (615) 741-5062.

Leslie A. Newman, Commissioner

Public Necessity Rules
of the
Department of Commerce and Insurance
Division of Regulatory Boards

Chapter 0780-05-10
Preneed Funeral Service Contracts

Amendments

Rule 0780-05-10-.14 Registration of Contract Sellers; Fees is amended by deleting the rule in its entirety and substituting the following rule so that, as amended, the rule shall read:

0780-05-10-.14 Registration of preneed sellers and preneed sales agents; Fees.

Rule 0780-05-10-.14 Registration of Contract Sellers; Fees is amended by deleting the rule in its entirety and substituting the following rule so that, as amended, the rule shall read:

0780-05-10-.14 Registration of preneed sellers and preneed sales agents; Fees.

- (1) No individual may offer or sell preneed funeral contracts as defined in Tenn. Code Ann. Title 62 Section 5 without first registering with the commissioner as a preneed sales agent.
- (2) No funeral establishment or other individual, firm, partnership, company, corporation, or association may offer or sell preneed funeral contracts without first registering with the commissioner as a preneed seller.
- (3) An application for registration or renewal as a preneed seller or preneed sales agent shall be submitted on a form prescribed by the commissioner and shall be accompanied by a nonrefundable fee as follows:

- (a) Seven hundred fifty dollars (\$750.00) for a preneed seller;
 - (b) One hundred fifty dollars (\$150.00) for a preneed sales agent.
- (4) All registrations shall be effective for two (2) years.
 - (5) The certificates of registration for preneed sellers and preneed sales agents may be renewed at any time during the two (2) months preceding the date of expiration.
 - (6) Certificates of registration not renewed by the expiration date are invalid and shall be subject to a penalty fee of two hundred dollars (\$200.00) for each month or portion thereof for which the renewal is late, for a maximum of two (2) months. The penalty fee is in addition to the renewal fee.
 - (7) Certificates of registration shall not be renewed later than two (2) months after the expiration date of such certificate. Such certificates may be reinstated upon the submission of the proper form accompanied by a reinstatement fee of one thousand dollars (\$1,000.00).

Authority: T.C.A. § 62-5-405(a), (b) and (d) and Chapter 592 of the Public Acts of 2007, §§ 4, 5, 6, and 14 (T.C.A. §§ 62-5-403, -404, -405, and -413, effective January 1, 2008).

The public necessity rules set out herein were properly filed in the Department of State on the 13th day of December, 2007 and will be effective from the date of filing for a period of 165 days. These public necessity rules will remain in effect through the 26th day of May, 2008. (FS 12-16-07; DBID 2785)