

SB107 ENROLLED



1 SB107
2 ARLZUQ7-3
3 By Senators Figures, Gudger
4 RFD: State Governmental Affairs
5 First Read: 13-Jan-26



SB107 Enrolled

1 Enrolled, An Act,

2

3

4 Relating to the Alabama Board of Funeral Services; to
5 amend Sections 34-13-30.1, 34-13-191, 34-13-192, and
6 34-13-199, Code of Alabama 1975; to authorize the board to
7 impose an administrative fee on each funeral establishment for
8 each funeral arranged; to increase the initial application,
9 renewal, branch registration, and transfer fees relating to a
10 certificate of authority; to require a certificate holder to
11 file an annual statement of preneed activities conducted; to
12 require a certificate holder to file an annual report relating
13 to preneed contract activities and authorize the board to
14 require the filing of additional reports as needed; and to
15 increase the initial application and renewal fees for
16 registration as a preneed sales agent

17 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

18 Section 1. Sections 34-13-30.1, 34-13-191, 34-13-192,
19 and 34-13-199 of the Code of Alabama 1975, are amended to read
20 as follows:

21 "§34-13-30.1

22 (a) Beginning with the 2024 fiscal year, the Department
23 of Insurance may transfer to the board quarterly, for deposit
24 by the board into the Alabama Board of Funeral Services Fund,
25 the total amount of three hundred thousand dollars (\$300,000)
26 per fiscal year, to defray costs associated with the
27 administration and operation of the Alabama Preneed Funeral
28 and Cemetery Act of 2023 by the board.



SB107 Enrolled

29 (b) Unless extended by an act of the Legislature, ~~this~~
30 ~~section shall be repealed~~ at the end of the 2027 fiscal year_
31 subsection (a) and this subsection shall have no further
32 effect.

33 (c) Beginning June 1, 2026, upon each final disposition
34 for which a funeral establishment makes funeral arrangements
35 or otherwise renders services regulated by this chapter, the
36 board may require each funeral establishment to pay an
37 administrative fee, not to exceed thirty dollars (\$30), to the
38 board for deposit by the board into the Alabama Board of
39 Funeral Services Fund. The board, by rule, may provide
40 procedures for assessing and collecting the fee."

41 "§34-13-191

42 (a) An application to the board for a certificate of
43 authority shall be accompanied by the statement and other
44 matters described in this section in the form prescribed by
45 the board. Annually thereafter, or within an extension of time
46 ~~therefor~~, as the board for good cause may grant, the person
47 authorized to engage in the sale of preneed contracts shall
48 file with the board a full and true statement of his or her
49 financial condition, transactions, and affairs, prepared on a
50 basis as adopted by a rule of the board, as of the preceding
51 fiscal period or at such other time or times as the board may
52 provide by rule, together with information and data which may
53 be required by the board.

54 (b) The statement shall include all of the following:

55 (1) The types of preneed contracts proposed to be
56 written and the type of funding vehicles to be used.



SB107 Enrolled

57 (2) The name and address of the place of business of
58 the person offering to write preneed contracts.

59 (3) Evidence that the person offering the statement has
60 all of the following qualifications:

61 a. ~~Has the~~ The ability to discharge his or her preneed
62 liabilities as they become due in the normal course of
63 business and ~~has~~ sufficient funds available during the
64 calendar year to perform his or her obligations under the
65 contract.

66 b. ~~Has complied~~ Compliance with the trust requirements
67 for the funds received under contracts issued by himself or
68 herself as hereinafter described.

69 c. ~~Has disbursed~~ Compliance with the disbursement
70 requirements for interest, dividends, or accretions earned by
71 trust funds, in accordance with this chapter and rules adopted
72 hereunder pursuant to this chapter.

73 d. ~~Has complied~~ Compliance with this chapter and any
74 rules of the board.

75 (4) Any other information considered necessary by the
76 board to meet the board's responsibilities under this chapter.

77 (c) If the person is an individual, the statement shall
78 be sworn to by him or her; if a firm or association, by all
79 members thereof; or, if a corporation, by any officer of the
80 corporation.

81 (d) (1) An application to the board for an initial
82 certificate of authority shall be accompanied by an
83 application fee in an amount to be determined by the board,
84 not to exceed ~~one hundred ninety-eight dollars (\$198)~~ five



SB107 Enrolled

85 hundred dollars (\$500). Thereafter, each annual application
86 for renewal of a certificate of authority shall be accompanied
87 by the appropriate fee as determined by the board not to
88 ~~exceed ninety-nine dollars (\$99)~~ five hundred dollars (\$500).

89 (2) Any person ~~or entity~~ that is part of a common
90 business enterprise that has a certificate of authority issued
91 pursuant to this chapter and elects to operate under a name
92 other than that of the common business enterprise shall submit
93 an application on a form prescribed by the board to become a
94 branch registrant. Upon the approval of the board that the
95 entity qualifies to sell preneed contracts under this chapter,
96 ~~except for the requirements of paragraph a. of subdivision (3)~~
97 ~~of subsection (b) (3)a.,~~ and if the certificate holder meets
98 the requirements of paragraph (b) (3)a., a branch registration
99 shall be issued. Each branch registrant may operate under the
100 certificate of authority of the common business enterprise
101 upon the payment of a fee established by the board not to
102 ~~exceed one hundred ninety-eight dollars (\$198) accompanying~~
103 ~~the application on September 1 annually~~ five hundred dollars
104 (\$500). Thereafter, each annual application for renewal of a
105 branch registration shall be accompanied by the appropriate
106 fee, as determined by the board, not to exceed five hundred
107 dollars (\$500).

108 (e) Upon the board being satisfied that the statement
109 and matters that accompany the statement meet the requirements
110 of this chapter and of its rules, the board shall issue or
111 renew the certificate of authority.

112 (f) The certificate of authority shall expire annually



SB107 Enrolled

113 on October 1⁷, unless renewed, or at such other time or times
114 as the board may provide by rule.

115 (g) On or before a date adopted by the board each year,
116 the certificate holder shall file with the board in the form
117 prescribed by the board a full and true statement as to ~~the~~
118 any preneed ~~activities of any trust established by it~~ pursuant
119 to this chapter for the preceding calendar year.

120 (h) In addition to any other penalty ~~that may be~~
121 provided for under this chapter, the board may levy a fine not
122 to exceed fifty dollars (\$50) per day for each day the
123 certificate holder fails to file its annual statement, and the
124 board may levy a fine not to exceed fifty dollars (\$50) per
125 day for each day the certificate holder fails to file the
126 statement of activities of the trust. Upon notice to the
127 certificate holder by the board that the certificate holder
128 has failed to file the annual statement or the statement of
129 activities of the trust, the certificate holder's authority to
130 sell preneed contracts shall cease while the default
131 continues.

132 (i) To facilitate uniformity in financial statements
133 and to facilitate analysis, the board, by rule, may adopt a
134 form for financial statements. The holder of a certificate of
135 authority may submit a written request to the board to exempt
136 the holder from filing financial statements at renewal. The
137 board may waive the requirement for filing a financial
138 statement at renewal if all of the following are satisfied:

139 (1) No valid complaint has been filed since the last
140 audit.



SB107 Enrolled

141 (2) No administrative action against the preneed entity
142 has been instituted since the last audit.

143 (3) The certificate holder certifies that all
144 outstanding preneed contracts written by the holder since
145 April 30, 2002, are fully funded in accordance with this
146 chapter.

147 (4) The certificate holder certifies that it will fully
148 fund all preneed contracts with life insurance, or annuity, or
149 will deposit 100 percent of all funds collected on all preneed
150 contracts in trust within 30 days after the end of the
151 calendar month in which the funds are collected.

152 (5) The preneed entity has provided to the board in a
153 timely manner all required and requested records.

154 (6) The preneed entity agrees to file reports of its
155 preneed activity on a form, in a format, and as often as
156 prescribed by the board.

157 (j) The board may authorize the transfer of
158 certificates of authority and establish fees for the transfer
159 in an amount not to exceed ~~one hundred thirty-two dollars~~
160 ~~(\$132)~~ five hundred dollars (\$500). Upon receipt of an
161 application for transfer, the board may grant a temporary
162 certificate of authority to the proposed transferee, based
163 upon criteria established by the board, by rule, which. The
164 criteria shall promote the purposes of this chapter in
165 protecting the consumer. A temporary certificate of authority
166 shall expire 60 days after issuance unless renewed by the
167 board."

168 "§34-13-192



SB107 Enrolled

169 (a) ~~On or before July 1, each~~ Each year, the
170 certificate holder shall file ~~a report~~ one or more reports of
171 its preneed contract activity on a form or in a format
172 prescribed by the board and as often as deemed necessary by
173 the board. The information reported shall include the total
174 number of preneed contracts in force at the end of the
175 previous calendar year, the total number of preneed contracts
176 sold during the previous calendar year, the total number of
177 preneed contracts fulfilled during the previous calendar year,
178 the total number of preneed contracts in force at the end of
179 the previous calendar year, and such other information as may
180 be required by the board. The report shall be organized by
181 type of funding, including life insurance, annuity, trust,
182 letter of credit, or surety bond. The report shall also
183 provide a certification by the trustee of the amount of assets
184 held by the trust at the beginning of the reporting period and
185 at the end of the reporting period, together with the amount
186 of deposits and withdrawals during the reporting period. ~~If a~~
187 ~~certificate holder twice defaults in complying with the~~
188 ~~requirements of this subsection, the board may require that~~
189 ~~the certificate holder thereafter submit the report within 45~~
190 ~~days after the end of each calendar quarter and shall continue~~
191 ~~so reporting for a time to be determined by the board.~~

192 (b) The certificate holder shall maintain a written log
193 of preneed sales. The log shall be on a form or in a format
194 prescribed by the board, shall detail all information required
195 by the board, and shall be available for inspection at any
196 time by the board.



SB107 Enrolled

197 (c) Each cemetery authority shall maintain a written
198 log of the sale of cemetery interment rights. The log shall be
199 on a form or in a format prescribed by the board and shall
200 detail all information required by the board.

201 (d) The board may maintain a statewide database of
202 preneed contracts reported to the board pursuant to subsection
203 (a). The board may make information in this database
204 searchable by the public by means of unique identifiers, or
205 any other means, that the board determines respects the
206 privacy of those involved while also protecting consumers from
207 financial waste by allowing families to determine if a
208 deceased loved one has an existing preneed contract. Any
209 preneed consumer who does not wish for his or her information
210 to appear in this searchable database may opt out by following
211 a process established by the board."

212 "§34-13-199

213 (a) All individuals who offer preneed contracts to the
214 public, or who execute preneed contracts on behalf of a
215 certificate holder, shall be registered with the board as
216 preneed sales agents, pursuant to this chapter.

217 (b) All preneed sales agents and funeral directors
218 acting as preneed sales agents shall be affiliated with the
219 certificate holder that they are representing.

220 (c) A certificate holder shall be responsible for the
221 activities of all preneed sales agents and all funeral
222 directors acting as preneed sales agents who are affiliated
223 with the certificate holder and who perform any type of
224 preneed-related activity on behalf of the certificate holder.



SB107 Enrolled

225 In addition to the preneed sales agents and funeral directors
226 acting as preneed sales agents, each certificate holder shall
227 also be subject to discipline if its preneed sales agents or
228 funeral directors acting as preneed sales agents violate this
229 chapter.

230 (d) A preneed sales agent and a funeral director acting
231 as a preneed sales agent may sell, offer, and execute preneed
232 contracts on behalf of all properly licensed entities owned or
233 operated by the sponsoring certificate holder.

234 (e) An individual may begin operating as a preneed
235 sales agent as soon as a completed application for
236 registration, as set forth in subsection (g), is approved by
237 the board.

238 (f) (1) The qualifications for a preneed sales agent are
239 as follows:

240 a. The applicant must be at least 18 years of age.

241 b. The applicant must be in good standing with the
242 board.

243 c. The applicant may not have any felony or misdemeanor
244 convictions that relate to any activity regulated by this
245 chapter or a crime involving moral turpitude, as defined by
246 this chapter.

247 d. The applicant shall be of good moral character and
248 submit to a criminal history background check pursuant to
249 subdivision (2).

250 (2) An applicant for licensure as a preneed sales agent
251 shall submit to the board, on a form sworn to by the
252 applicant, his or her name, date of birth, Social Security



SB107 Enrolled

253 number, and two complete sets of fingerprints for completion
254 of a criminal history background check. The board shall submit
255 the fingerprints to the Alabama State Law Enforcement Agency
256 for a state criminal history background check. The
257 fingerprints shall be forwarded by the agency to the Federal
258 Bureau of Investigation for a national criminal history
259 background check. Costs associated with conducting a criminal
260 history background check shall be paid by the applicant. The
261 board shall keep information received pursuant to this
262 subdivision confidential, except that information received and
263 relied upon in denying the issuance of a certificate of
264 authority may be disclosed if necessary to support the denial.
265 All character information, including the information obtained
266 through the criminal history background checks, shall be
267 considered in licensure decisions to the extent permissible by
268 all applicable laws.

269 (g) An application for registration as a preneed sales
270 agent shall be submitted to the board with an application fee
271 determined by the board, ~~but not to exceed thirty-three~~
272 ~~dollars (\$33)~~ two hundred dollars (\$200), by the certificate
273 holder in a form that has been prescribed by board rule. The
274 application shall contain, at a minimum, all of the following:

275 (1) The name, address, Social Security number, and date
276 of birth of the applicant and any other information as the
277 board may reasonably require of the applicant.

278 (2) The name, address, and license number of the
279 sponsoring certificate holder.

280 (3) A representation, signed by the applicant, that the



SB107 Enrolled

281 applicant meets the requirements set forth in subsection (f).

282 (4) A representation, signed by the certificate holder,
283 that the applicant is authorized to offer, sell, and sign
284 preneed contracts on behalf of the certificate holder and that
285 the certificate holder has trained the applicant in this
286 chapter relating to preneed sales, the provisions of the
287 certificate holder's preneed contract, and the nature of the
288 merchandise, services, or burial rights sold by the
289 certificate holder.

290 (5) A statement indicating whether the applicant has
291 any type of working or agency relationship with any other
292 certificate holder or insurance company.

293 (h) An individual may be registered as a preneed sales
294 agent on behalf of more than one certificate holder, provided
295 that the individual has received the written consent of all
296 certificate holders.

297 (i) A certificate holder who has registered a preneed
298 sales agent shall notify the board within 30 days after the
299 individual's status as a preneed sales agent has been
300 terminated.

301 (j) Upon approval of an application that complies with
302 all of the requirements of subsection (g), the board shall
303 register the applicant. The board, in accordance with this
304 chapter, shall provide for annual renewal of registration upon
305 receipt of a renewal application and a renewal fee not to
306 exceed ~~thirty-three dollars (\$33)~~ two hundred dollars (\$200)
307 as set by the board."

308 Section 2. This act shall become effective on June 1,



SB107 Enrolled

309 2026.



SB107 Enrolled

310
311
312
313
314
315
316
317
318
319
320
321
322
323
324
325
326
327
328
329
330
331
332
333
334
335
336
337
338
339
340
341
342

President and Presiding Officer of the Senate

Speaker of the House of Representatives

SB107

Senate 12-Mar-26

I hereby certify that the within Act originated in and passed the Senate, as amended.

Patrick Harris,
Secretary.

House of Representatives

Passed: 08-Apr-26

By: Senator Figures