

SB107 INTRODUCED



1 SB107

2 ARLZUQ7-1

3 By Senators Figures, Gudger

4 RFD: State Governmental Affairs

5 First Read: 13-Jan-26



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4 SYNOPSIS:

5 Under existing law, the Alabama Board of Funeral
6 Services is responsible for the licensing and
7 regulation of funeral establishments, funeral
8 directors, and embalmers.

9 This bill would authorize the board to impose an
10 administrative fee on each funeral establishment for
11 each funeral arranged.

12 This bill would increase the initial
13 application, renewal, branch registration, and transfer
14 fees for a certificate of authority.

15 This bill would require a certificate holder to
16 file an annual statement of any preneed activities
17 conducted.

18 This bill would require a certificate holder to
19 file an annual report relating to preneed contract
20 activities and would authorize the board to require the
21 filing of additional reports as needed.

22 This bill would also increase the initial
23 application and renewal fees for registration as a
24 preneed sales agent.

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27 A BILL
28 TO BE ENTITLED



29

AN ACT

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31 Relating to the Alabama Board of Funeral Services; to
32 amend Sections 34-13-30.1, 34-13-191, 34-13-192, and
33 34-13-199, Code of Alabama 1975; to authorize the board to
34 impose an administrative fee on each funeral establishment for
35 each funeral arranged; to increase the initial application,
36 renewal, branch registration, and transfer fees relating to a
37 certificate of authority; to require a certificate holder to
38 file an annual statement of preneed activities conducted; to
39 require a certificate holder to file an annual report relating
40 to preneed contract activities and authorize the board to
41 require the filing of additional reports as needed; and to
42 increase the initial application and renewal fees for
43 registration as a preneed sales agent

44 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

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

48 "§34-13-30.1

49 (a) Beginning with the 2024 fiscal year, the Department
50 of Insurance may transfer to the board quarterly, for deposit
51 by the board into the Alabama Board of Funeral Services Fund,
52 the total amount of three hundred thousand dollars (\$300,000)
53 per fiscal year, to defray costs associated with the
54 administration and operation of the Alabama Preneed Funeral
55 and Cemetery Act of 2023 by the board.

56 (b) Unless extended by an act of the Legislature, ~~this~~



57 ~~section shall be repealed~~ at the end of the 2027 fiscal year
58 subsection (a) and this subsection shall have no further
59 effect.

60 (c) Beginning June 1, 2026, upon each final disposition
61 for which a funeral establishment makes funeral arrangements
62 or otherwise renders services regulated by this chapter, the
63 board may require each funeral establishment to pay an
64 administrative fee, not to exceed thirty dollars (\$30), to the
65 board for deposit by the board into the Alabama Board of
66 Funeral Services Fund. The board, by rule, may provide
67 procedures for assessing and collecting the fee."

68 "§34-13-191

69 (a) An application to the board for a certificate of
70 authority shall be accompanied by the statement and other
71 matters described in this section in the form prescribed by
72 the board. Annually thereafter, or within an extension of time
73 ~~therefor~~, as the board for good cause may grant, the person
74 authorized to engage in the sale of preneed contracts shall
75 file with the board a full and true statement of his or her
76 financial condition, transactions, and affairs~~r~~ prepared on a
77 basis as adopted by a rule of the board, as of the preceding
78 fiscal period or at such other time or times as the board may
79 provide by rule, together with information and data which may
80 be required by the board.

81 (b) The statement shall include all of the following:
82 (1) The types of preneed contracts proposed to be
83 written and the type of funding vehicles to be used.
84 (2) The name and address of the place of business of



85 the person offering to write preneed contracts.

86 (3) Evidence that the person offering the statement has
87 all of the following qualifications:

88 a. ~~Has the~~ The ability to discharge his or her preneed
89 liabilities as they become due in the normal course of
90 business and ~~has~~ sufficient funds available during the
91 calendar year to perform his or her obligations under the
92 contract.

93 b. ~~Has complied~~ Compliance with the trust requirements
94 for the funds received under contracts issued by himself or
95 herself as hereinafter described.

96 c. ~~Has disbursed~~ Compliance with the disbursement
97 requirements for interest, dividends, or accretions earned by
98 trust funds, in accordance with this chapter and rules adopted
99 hereunder pursuant to this chapter.

100 d. ~~Has complied~~ Compliance with this chapter and any
101 rules of the board.

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

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

108 (d) (1) An application to the board for an initial
109 certificate of authority shall be accompanied by an
110 application fee in an amount to be determined by the board,
111 not to exceed ~~one hundred ninety-eight dollars (\$198)~~ five
112 hundred dollars (\$500). Thereafter, each annual application



113 for renewal of a certificate of authority shall be accompanied
114 by the appropriate fee as determined by the board not to
115 exceed ~~ninety-nine dollars (\$99)~~ five hundred dollars (\$500).

116 (2) Any person ~~or entity~~ that is part of a common
117 business enterprise that has a certificate of authority issued
118 pursuant to this chapter and elects to operate under a name
119 other than that of the common business enterprise shall submit
120 an application on a form prescribed by the board to become a
121 branch registrant. Upon the approval of the board that the
122 entity qualifies to sell preneed contracts under this chapter,
123 except for the requirements of paragraph ~~a. of subdivision (3)~~
124 ~~of subsection (b) (3)a.~~, and if the certificate holder meets
125 the requirements of paragraph (b) (3)a., a branch registration
126 shall be issued. Each branch registrant may operate under the
127 certificate of authority of the common business enterprise
128 upon the payment of a fee established by the board not to
129 exceed ~~one hundred ninety-eight dollars (\$198)~~ ~~accompanying~~
130 ~~the application on September 1 annually~~ five hundred dollars
131 (\$500). Thereafter, each annual application for renewal of a
132 branch registration shall be accompanied by the appropriate
133 fee, as determined by the board, not to exceed five hundred
134 dollars (\$500).

135 (e) Upon the board being satisfied that the statement
136 and matters that accompany the statement meet the requirements
137 of this chapter and of its rules, the board shall issue or
138 renew the certificate of authority.

139 (f) The certificate of authority shall expire annually
140 on October 1~~r~~ unless renewed, or at such other time or times



141 as the board may provide by rule.

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

147 (h) In addition to any other penalty ~~that may be~~
148 provided for under this chapter, the board may levy a fine not
149 to exceed fifty dollars (\$50) per day for each day the
150 certificate holder fails to file its annual statement, and the
151 board may levy a fine not to exceed fifty dollars (\$50) per
152 day for each day the certificate holder fails to file the
153 statement of activities of the trust. Upon notice to the
154 certificate holder by the board that the certificate holder
155 has failed to file the annual statement or the statement of
156 activities of the trust, the certificate holder's authority to
157 sell preneed contracts shall cease while the default
158 continues.

159 (i) To facilitate uniformity in financial statements
160 and to facilitate analysis, the board, by rule, may adopt a
161 form for financial statements. The holder of a certificate of
162 authority may submit a written request to the board to exempt
163 the holder from filing financial statements at renewal. The
164 board may waive the requirement for filing a financial
165 statement at renewal if all of the following are satisfied:

166 (1) No valid complaint has been filed since the last
167 audit.

168 (2) No administrative action against the preneed entity



169 has been instituted since the last audit.

170 (3) The certificate holder certifies that all
171 outstanding preneed contracts written by the holder since
172 April 30, 2002, are fully funded in accordance with this
173 chapter.

174 (4) The certificate holder certifies that it will fully
175 fund all preneed contracts with life insurance~~or~~ annuity, or
176 will deposit 100 percent of all funds collected on all preneed
177 contracts in trust within 30 days after the end of the
178 calendar month in which the funds are collected.

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

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

184 (j) The board may authorize the transfer of
185 certificates of authority and establish fees for the transfer
186 in an amount not to exceed~~one hundred thirty-two dollars~~
187 ~~+\$132~~ one thousand dollars (\$1,000). Upon receipt of an
188 application for transfer, the board may grant a temporary
189 certificate of authority to the proposed transferee, based
190 upon criteria established by the board, by rule, which. The
191 criteria shall promote the purposes of this chapter in
192 protecting the consumer. A temporary certificate of authority
193 shall expire 60 days after issuance unless renewed by the
194 board."

195 "§34-13-192

196 (a) ~~On or before July 1, each~~ Each year, the



197 certificate holder shall file ~~a report~~ one or more reports of
198 its preneed contract activity on a form or in a format
199 prescribed by the board and as often as deemed necessary by
200 the board. The information reported shall include the total
201 number of preneed contracts in force at the end of the
202 previous calendar year, the total number of preneed contracts
203 sold during the previous calendar year, the total number of
204 preneed contracts fulfilled during the previous calendar year,
205 the total number of preneed contracts in force at the end of
206 the previous calendar year, and such other information as may
207 be required by the board. The report shall be organized by
208 type of funding, including life insurance, annuity, trust,
209 letter of credit, or surety bond. The report shall also
210 provide a certification by the trustee of the amount of assets
211 held by the trust at the beginning of the reporting period and
212 at the end of the reporting period, together with the amount
213 of deposits and withdrawals during the reporting period.~~If a~~

214 ~~certificate holder twice defaults in complying with the~~
215 ~~requirements of this subsection, the board may require that~~
216 ~~the certificate holder thereafter submit the report within 45~~
217 ~~days after the end of each calendar quarter and shall continue~~
218 ~~so reporting for a time to be determined by the board.~~

219 (b) The certificate holder shall maintain a written log
220 of preneed sales. The log shall be on a form or in a format
221 prescribed by the board, shall detail all information required
222 by the board, and shall be available for inspection at any
223 time by the board.

224 (c) Each cemetery authority shall maintain a written



225 log of the sale of cemetery interment rights. The log shall be
226 on a form or in a format prescribed by the board and shall
227 detail all information required by the board.

228 (d) The board may maintain a statewide database of
229 preneed contracts reported to the board pursuant to subsection
230 (a). The board may make information in this database
231 searchable by the public by means of unique identifiers, or
232 any other means, that the board determines respects the
233 privacy of those involved while also protecting consumers from
234 financial waste by allowing families to determine if a
235 deceased loved one has an existing preneed contract. Any
236 preneed consumer who does not wish for his or her information
237 to appear in this searchable database may opt out by following
238 a process established by the board."

239 "§34-13-199

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

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

247 (c) A certificate holder shall be responsible for the
248 activities of all preneed sales agents and all funeral
249 directors acting as preneed sales agents who are affiliated
250 with the certificate holder and who perform any type of
251 preneed-related activity on behalf of the certificate holder.
252 In addition to the preneed sales agents and funeral directors



253 acting as preneed sales agents, each certificate holder shall
254 also be subject to discipline if its preneed sales agents or
255 funeral directors acting as preneed sales agents violate this
256 chapter.

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

261 (e) An individual may begin operating as a preneed
262 sales agent as soon as a completed application for
263 registration, as set forth in subsection (g), is approved by
264 the board.

265 (f) (1) The qualifications for a preneed sales agent are
266 as follows:

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

268 b. The applicant must be in good standing with the
269 board.

270 c. The applicant may not have any felony or misdemeanor
271 convictions that relate to any activity regulated by this
272 chapter or a crime involving moral turpitude, as defined by
273 this chapter.

274 d. The applicant shall be of good moral character and
275 submit to a criminal history background check pursuant to
276 subdivision (2).

277 (2) An applicant for licensure as a preneed sales agent
278 shall submit to the board, on a form sworn to by the
279 applicant, his or her name, date of birth, Social Security
280 number, and two complete sets of fingerprints for completion



281 of a criminal history background check. The board shall submit
282 the fingerprints to the Alabama State Law Enforcement Agency
283 for a state criminal history background check. The
284 fingerprints shall be forwarded by the agency to the Federal
285 Bureau of Investigation for a national criminal history
286 background check. Costs associated with conducting a criminal
287 history background check shall be paid by the applicant. The
288 board shall keep information received pursuant to this
289 subdivision confidential, except that information received and
290 relied upon in denying the issuance of a certificate of
291 authority may be disclosed if necessary to support the denial.
292 All character information, including the information obtained
293 through the criminal history background checks, shall be
294 considered in licensure decisions to the extent permissible by
295 all applicable laws.

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

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

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

307 (3) A representation, signed by the applicant, that the
308 applicant meets the requirements set forth in subsection (f).



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309 (4) A representation, signed by the certificate holder,
310 that the applicant is authorized to offer, sell, and sign
311 preneed contracts on behalf of the certificate holder and that
312 the certificate holder has trained the applicant in this
313 chapter relating to preneed sales, the provisions of the
314 certificate holder's preneed contract, and the nature of the
315 merchandise, services, or burial rights sold by the
316 certificate holder.

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

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

324 (i) A certificate holder who has registered a preneed
325 sales agent shall notify the board within 30 days after the
326 individual's status as a preneed sales agent has been
327 terminated.

335 Section 2. This act shall become effective on June 1,
336 2026.