



# Spec Sheet

## ***FUNERAL HOME PREPAID BENEFIT (FHPB) Transfer of Ownership***

**Statutes: 36 O.S. § 6121 – 6136.18**

Disclaimer: The following is an overview of the laws pertaining to Funeral Home Prepaid Benefits Act, transfer of ownership. A link to the OSCN and OAC webpages are on the RIS webpage for your convenience.

### **Transfer of Ownership - Funeral Home Prepaid Benefits**

Funeral Home Prepaid Benefits may be transferred per 36 O.S. § 6124.1. Entities are required to maintain an active permit on file with the Regulated Industry Services (RIS) Division of the Oklahoma Insurance Department until you have been issued an order from the department approving the transfer.

#### **BUYER'S responsibility**

*36 O.S. § 6124.1 (C). The acquiring organization shall make application for a permit at least thirty (30) days prior to the transfer of ownership. Approval is contingent upon the organization receiving an establishment license as provided for in Sections 395.1 through 396.33 of Title 59 of the Oklahoma Statutes. The application shall include an assumption agreement executed by the acquiring organization in a form provided by the Insurance Commissioner.*

*36 O.S. § 6124.1 (D). The acquiring organization shall be issued a prepaid funeral benefit permit prior to the relinquishment of control of the trust by the selling organization. **The acquiring organization shall not access funds held in the trust until authorization has been given by the Insurance Commissioner.***

#### **Requirements:**

1. Maintain an active FHPB permit (submit a new initial application if you do not have an active permit currently)
2. Assumption Affidavit
3. Purchase Agreement - attach an executed copy of the purchase agreement between the acquiring organization & the seller. The agreement will be reviewed to confirm that the prepaid benefits are being transferred appropriately and clearly defined in the purchase agreement. Redacted agreements will be rejected.
4. Trust agreement between the acquiring funeral home permit holder and the financial institution acting as trustee post transfer.

#### **SELLER'S responsibility**

36 O.S. § 6124.1 (A). No prepaid funeral benefit permit shall be transferable from one organization to another except as provided in this section. The selling organization shall notify the Insurance Commissioner at least forty-five (45) days prior to transfer of ownership. Notification shall be in a form provided by the Insurance Commissioner and shall contain at a minimum the following information.

The selling organization shall not relinquish control of or the responsibility for prepaid benefits until authorization has been given by the Insurance Commissioner.

1. Maintain an active FHPB permit and continue to administer the benefits, including paying claims until the transfer has been authorized, in writing, by the OID
2. Upload an executed Sellers Notice to the Insurance Commissioner
3. Purchase Agreement - attach an executed copy of the purchase agreement between the acquiring organization & the seller. The agreement will be reviewed to confirm that the cemetery merchandise trust account is being transferred appropriately and clearly defined in the purchase agreement. Redacted agreements will be rejected.
4. Upload statements prepared by the insurance carriers listing each client's unrealized insurance funded assignments and include an aggregate total of all insurance funded assignments to be transferred for this funeral home permit only. All documents must be recent, **prepared and dated no more than 60 days prior to the filing date of this document.**
5. Upload statements prepared by the financial institution for this permit holder's trust fund. All documents must be recent, **prepared and dated no more than 60 days prior to the filing date of this document.**
6. Upload client records listing each client's trust funded benefit and include an aggregate total for the entire trust fund for this funeral home permit only. All documents must be recent **prepared and dated no more than 60 days prior to the filing date of this document.**

**What to expect:** The RIS Division will review the applications within 30 days of receiving complete, executed buyer and seller applications. Both applications must be received before the review will begin. An email will be sent to the contact listed as the OPTins filer should missing or additional information be required. The filer must respond within 30 days to any request for information. No response to our request will result in the application for transfer being rejected and further action taken against the seller and buyer.