

CHAPTER 218

AN ACT concerning the sale of certain prepaid funeral agreements and amending P.L.1997, c.322 and P.L.1993, c.147.

BE IT ENACTED by the Senate and General Assembly of the State of New Jersey:

1. Section 32 of P.L.1997, c.322 (C.17:44B-32) is amended to read as follows:

C.17:44B-32 Licensure of individual insurance producers; exemption for certain agents, member of fraternal benefits societies, conditions.

32. Individuals acting as insurance producers with respect to societies shall be licensed in accordance with the provisions of the "New Jersey Insurance Producer Licensing Act of 2001," P.L.2001, c.210 (C.17:22A-26 et al.). Notwithstanding the provisions of this section or of any other law to the contrary, a license as an insurance producer shall not be required of any agent, representative or member of a fraternal benefit society who devotes, or intends to devote, less than 50 percent of his time to the solicitation and procurement of insurance contracts for that fraternal benefit society and who receives, or intends to receive, any commission or other compensation directly dependent on the amount of insurance. Any person who in the preceding calendar year has solicited or procured any of the following contracts of insurance on behalf of a fraternal benefit society shall be presumed to have devoted, or intended to devote, 50 percent of his time to the solicitation or procurement of insurance contracts:

- a. Life insurance contracts that, in the aggregate, exceed \$200,000 of coverage for all lives insured for the preceding calendar year;
- b. A permanent life insurance contract offering more than \$10,000 of coverage on an individual life;
- c. A term life insurance contract offering more than \$50,000 of coverage on an individual life;
- d. An insurance contract, other than a life insurance contract, that the fraternal benefit society may write that insures the individual lives of more than 25 persons;
- e. Any variable life insurance or variable annuity contract; or
- f. Any "funeral insurance policy" as defined in section 24 of P.L.1993, c.147 (C.17B:17-5.1).

2. Section 9 of P.L.1993, c.147 (C.45:7-90) is amended to read as follows:

C.45:7-90 Prohibitions for providers.

9. No person shall:
 - a. Advertise "discounts," "rebates" or other price reduction incentives:
 - (1) which are not actual reductions of the retail prices of a provider's current general price list; or
 - (2) which are based solely on a funeral insurance policy's premium rate tables.
 - b. In offering to provide preneed funeral arrangements or prepaid funeral agreements, use the word "trust" or "trust funded" in any name, advertisement or solicitation in a misleading manner.
 - c. Fund or finance preneed funeral arrangements or a prepaid funeral agreement through retail installment contracts, reverse mortgages or credit life insurance, or in any manner other than a funeral trust or funeral insurance policy.

d. Waive any provision of this act in any agreement in which a person pays money under, or in connection with, a prepaid funeral agreement. Any agreement to waive any portion of this act shall render the agreement voidable by the purchaser.

3. This act shall take effect immediately.

Approved January 16, 2010.