



*Senator
Bill Stouffer*

DISTRICT 21

Senator Bill Stouffer – Cultivating Rural Missouri.

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The Stouffer Report: Preneed Funerals May Get New Scrutiny

Last fall, I talked about a growing concern over preneed funeral contracts. These contracts are entered into so you can have a funeral paid for in advance and hopefully be able to save your family from having to deal with finances in their time of grief. Unfortunately, there have been some challenges with these contracts. Now, a Senate bill has been filed to provide those solutions.

I was named to serve on the [Joint Committee on Preneed Funeral Contracts](#), which concluded its work last year. Our task was to make a comprehensive study and analysis of the consumer and economic impact on the preneed funeral contract industry in Missouri. The committee worked to determine the need for changes in statutory law regarding preneed funeral contracts. From this panel comes [Senate Bill 1](#), which would establish licensing and contract requirements for preneed funeral contract sellers, providers and seller agents.

In June, 2008, the state sued a St. Louis-area preneed funeral contract company with ties to a financially-troubled organization. The [lawsuit](#) charged Forever Network, Inc. — which does business as Mason Securities Association — with violating state laws related to preneed plans. Mason Securities is affiliated with National Prearranged Services, which was being investigated by the Attorney General's office. The suit accused Mason Securities Association of keeping too large of a portion of the money from preneed contracts, failing to sign the contracts and mixing its assets from preneed contracts with those from National Prearranged Services. Over 500 folks paid more than \$800,000 for preneed plans and all of that money was lost.

More and more folks are making advanced funeral plans for themselves or their loved ones and many of them choose this option to plan a

funeral ahead of time to relieve unwanted stress at a time of grief for family and friends. Many states regulate preneed funeral contracts and these regulations give you certain rights as a consumer. Prepaying for funerals is what sparks many of these regulations.

At a time when a mortgage crisis and bankruptcies have folks wondering how sound the economy is, the last thing we need to worry about is whether or not preneed funeral contracts are good or the money is being used for something else. My goal, and the goal of all of the senators backing Senate Bill 1, is to make sure these contracts are valid and your trust is not being violated.

Senator Stouffer serves the counties of Carroll, Chariton, Cooper, Howard, Lafayette, Macon, Ray, Saline, and a part of Clay.

If you have questions or comments about this or any other issue, please call toll free (866) 768-3987 or by e-mail at bstouffer@senate.mo.gov.

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