

No. \_\_\_\_\_

PREFUNDED FUNERAL CONTRACT

THIS IS A LEGALLY BINDING CONTRACT. THIS CONTRACT IS SUBJECT TO THE TERMS AND CONDITIONS ON THE REVERSE SIDE HEREOF.

THIS CONTRACT is entered into this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ between \_\_\_\_\_ (“Purchaser”) and the \_\_\_\_\_ Funeral Home of \_\_\_\_\_, Iowa (“Funeral Home”) in order to provide for the future funeral service for \_\_\_\_\_ (“Beneficiary”).

FUNDING FOR CONTRACT

This contract for the funeral of \_\_\_\_\_ (name of person) is being funded with life insurance policy(ies) as indicated below:

Name of Insurance Company	Policy Number
_____	_____
_____	_____
_____	_____
_____	_____

\_\_\_\_\_ By initialing here, I acknowledge this contract, for the funeral of \_\_\_\_\_ (name of person), is funded by the above insurance and is also funded by another contract with funds held in Trust. The contract number is \_\_\_\_\_. (Attach copy of the contract).

GUARANTEED OR NONGUARANTEED PRICE - OPTIONS

Select A or B by initialing the desired option.

\_\_\_\_\_ **A. Guaranteed purchase agreement** is an agreement in which the purchaser, beneficiary and beneficiary’s estate shall not be obligated to pay additional costs if costs at the time merchandise or services are delivered or provided are greater than the funds available from the allocable portion of payments and accumulated income or growth, as long as the funding is not limited in any manner, such as by the failure to make contractual or premium payments.

\_\_\_\_\_ **B. Nonguaranteed purchase agreement** means an agreement which is not a guaranteed purchase agreement.

If the amount paid on this contract, by the insurance company at the time of death, is insufficient at the time of death to pay for the funeral, Funeral Home shall provide a funeral of that value and quality in which the amount paid on this contract will allow, or the beneficiary’s personal representative or next-of-kin may agree to pay the additional costs of the funeral.

Under Option B, the prices of merchandise and services under this agreement are subject to change in the future. Any insurance assigned to this agreement is only a deposit to be applied toward the final costs of the merchandise or services agreed upon. Additional charges may be incurred when additional merchandise or services or both are provided or when prices have increased more than the death benefit.

SERVICE/MERCHANDISE SELECTION FORM

Select A or B by initialing the desired option.

\_\_\_\_\_ A. attached  
\_\_\_\_\_ B. not attached, services and/or merchandise will be selected later (this option is available only if the Nonguaranteed Price option is selected)

All terms and conditions in this Contract, front and back and, if applicable, the attached Service/Merchandise Selection Form are hereby acknowledged and accepted. Additions to this Prefunded Funeral Contract may be made at any time hereafter. Said additions are committed to the fund and subject to the provisions of this Contract. The undersigned acknowledge that I/we have received a General Price List, Casket Price List and Outer Burial Container Price List prior to discussing prices, services, merchandise, arrangements, or viewing merchandise.

You, the Purchaser, have the right to rescind this agreement at any time prior to midnight of the \_\_\_\_\_ (insert relevant number, not less than three) business days after the date of this agreement. See the attached notice of cancellation for an explanation of this right.

I also acknowledge that I have been notified orally of my right to cancel.

\_\_\_\_\_ By initialing here, I also agree that as necessary and appropriate to satisfy the eligibility requirements of Title XIX of the federal Social Security Act, the contract shall become irrevocable.

Date Signed: \_\_\_\_\_, 20\_\_\_\_ .

PURCHASER		PURCHASER’S ADDRESS	
FUNERAL HOME NAME		PRENEED SELLER LICENSE NO.	FUNERAL HOME ADDRESS
PRENEED SALES AGENT		PRENEED SALES AGENT NO.	
FUNERAL DIRECTOR		FUNERAL DIRECTOR LICENSE NO.	

This agreement is subject to rules administered by the Iowa Insurance Division. You may call or write the Insurance Division at 515-654-6600 or by mail at 1963 Bell Ave, Des Moines, IA 50315.

(Original to Funeral Home, Copies to Consumer, and others)

## ADDITIONAL TERMS AND CONDITIONS OF PREFUNDED FUNERAL CONTRACT

1. **Refunds.** If after all payments are made under the conditions and terms of this Contract for funeral merchandise or funeral services, or any funds remain in the nonguaranteed irrevocable burial trust fund, the Funeral Home shall disburse the remaining funds according to Iowa law.
2. **Revocation/Refund.** Purchaser has the right to revoke this purchase agreement, upon written demand and designate or appoint a trustee to hold, manage, invest, and distribute the trust assets. If the purchase agreement is cancelled, a purchaser requests a transfer of the trust assets upon cancellation of a purchase agreement, or another establishment provides merchandise or services designated in purchase agreement, the seller shall refund or transfer within thirty days of receiving a written demand no less than the purchase price of the applicable merchandise and services adjusted for inflation, using the consumer price index amounts announced by the commissioner annually, less any actual expenses incurred by the seller pursuant to the purchase agreement, not to exceed ten percent of the purchase agreement. Actual expenses are reasonable business expenses associated with the sale of cemetery merchandise, funeral merchandise, funeral services or a combination thereof. Actual expenses may include but are not limited to: marketing and promotional expenses, investment management fees, annual reporting fees, licensing fees, administration, regulatory reporting and custody expenses related to purchase agreements, computer and software expenses, related employee expenses, and miscellaneous office expenses. Seller may also deduct the value of merchandise and services already received by, delivered to, or warehoused for the purchaser. Funeral merchandise that cannot be delivered to the location specified in the purchase agreement within forty-eight hours of notice of beneficiary's death, unless the delay is caused by weather conditions or a natural disaster, will result in a refund within thirty days of receiving the written demand of the purchase price of the applicable funeral merchandise adjusted for inflation, using the consumer price index amounts announced by the commissioner annually.

Nothing herein shall prevent a purchaser who is or may become eligible for benefits under Title XIX of the federal Social Security Act from making a contract irrevocable to the extent that federal law or regulations require that such contract be irrevocable for purposes of a purchaser's eligibility for benefits under Title XIX of the federal Social Security Act, as permitted under federal law. If initialed on the front side, I also agree that as necessary and appropriate to satisfy the eligibility requirements of Title XIX of the federal Social Security Act, the contract shall become irrevocable. If the contract becomes irrevocable, no distribution of insurance proceeds may be made to the purchaser or beneficiary prior to the death of the beneficiary, nor used for a purpose other than the purchase of funeral services, funeral merchandise or cemetery merchandise or a combination thereof, or for reimbursement of any Title XIX medical assistance debt pursuant to Iowa Code 523A.303 and 249A.5(2). Nothing herein shall change my rights pursuant to Iowa Code section 523A.602 to transfer trust assets to another funeral home.

3. **Transportation Expense.** Unless otherwise specified in the Service/Merchandise Selection Form, this Contract does not cover the cost of transporting Beneficiary's body a distance greater than that normally served by the Funeral Home as described in the General Price List at time of death.
4. **Substitution of Merchandise by Funeral Home.** If any merchandise selected by Purchaser is not available when needed, Funeral Home may substitute merchandise of similar type, value and quality provided Funeral Home gives prior verbal notice of the substitution to Beneficiary's personal representative or designee.
5. **DISCLAIMER OF WARRANTIES. FUNERAL HOME MAKES NO REPRESENTATIONS OR WARRANTIES REGARDING THE PRODUCTS SOLD HEREIN. THE ONLY WARRANTIES, EXPRESSED OR IMPLIED, GRANTED IN CONNECTION WITH THE PRODUCTS SOLD WITH THIS FUNERAL SERVICE, ARE THE EXPRESSED WRITTEN WARRANTIES, IF ANY, EXTENDED BY THE MANUFACTURERS THEREOF. THE FUNERAL HOME HEREBY EXPRESSLY DISCLAIMS ALL WARRANTIES, EXPRESSED OR IMPLIED, RELATED TO ALL SUCH PRODUCTS, INCLUDING BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.**
6. **Definitions:**
  - Cash advance item means any item of merchandise or service obtained from a third party and paid by the seller on the purchaser's behalf, including but not limited to certified copies of death certificates, clergy honoraria, honoraria for musicians and singers, obituary notices and sales tax.
  - Guaranteed purchase agreement is an agreement in which the seller provides the specified merchandise, services and cash advance items. For items described as "guaranteed," the purchaser, beneficiary and beneficiary's estate shall not be obligated to pay additional costs if costs at the time merchandise or services are delivered or provided are greater than the funds available from the allocable portion of payments and accumulated income or growth, as long as the funding is not limited in any manner, such as by the failure to make contractual or premium payments.
  - Nonguaranteed purchase agreement means an agreement which is not a guaranteed purchase agreement.
7. **Severability.** This Contract shall be deemed to be severable, and any determination of unenforceability of any provision of this Contract shall have no effect upon the remainder hereof, and all other provisions, paragraphs and clauses shall remain in full force and effect.
8. **Binding Effect; Governing Law.** This Contract shall be binding on the heirs, executors, administrators, successors and assigns of the parties and shall be construed in accordance with Iowa law.
9. **Complete Contract.** This Contract contains the entire agreement between the parties and no promises, agreements, or warranties not therein expressed have been made to the Purchaser, nor is the Purchaser relying upon any statements or representations which are not set forth herein. This Contract may be modified only by a writing signed by all the parties hereto.