

SENATE BILL 1948

By Crowe

AN ACT to amend Tennessee Code Annotated, Title 62,
Chapter 5, Part 4, relative to trusts.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 62-5-407(b), is amended by deleting the subsection and substituting instead the following:

(b)

(1) If the pre-need funeral contract purchaser chooses to fund the pre-need funeral contract by a trust deposit or deposits, the pre-need seller shall deposit all funds with the trustee, to be held in trust, within fifteen (15) calendar days of receipt. The pre-need seller, at the time of making the deposit, shall furnish to the trustee the name of each pre-need funeral contract beneficiary and the amount of payment on each for which the deposit is being made.

(2) The trustee may establish:

(A) A separate trust fund for each pre-need funeral contract;

(B) A single trust fund for all pre-need funeral contracts issued by a pre-need seller; or

(C) A single trust fund for all pre-need funeral contracts issued by multiple pre-need sellers.

(3) For trusts established pursuant to subdivisions (b)(2)(A) and (b)(2)(B), the trust accounts must be carried in the name of the pre-need seller.

(4) Accounting records for trusts established pursuant to this subsection (b) must be established and maintained for each individual pre-need funeral

contract beneficiary showing the amounts deposited and invested, and interest, dividends, increases, and accretions earned.

SECTION 2. Tennessee Code Annotated, Section 62-5-407(a), is amended by deleting the language "to transfer all trust assets held by the trustee" in the last sentence of the subsection and substituting instead the language "to transfer all trust assets related to the pre-need funeral contracts issued by the pre-need seller held by the trustee".

SECTION 3. This act shall take effect upon becoming a law, the public welfare requiring it.