

**CONTRACT FOR PRENEED FUNERAL MERCHANDISE AND SERVICES  
TRUST FUNDED**

Date \_\_\_\_\_ Contract Number \_\_\_\_\_

Purchaser: \_\_\_\_\_ Provider: \_\_\_\_\_

Address: \_\_\_\_\_ Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_ City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Phone: \_\_\_\_\_ Phone: \_\_\_\_\_

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Contract Beneficiary: \_\_\_\_\_ Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_ Phone: \_\_\_\_\_ DOB: \_\_\_\_\_

**STATEMENT OF FUNERAL MERCHANDISE AND SERVICES SELECTED**

The Seller agrees to sell and Purchaser agrees to buy the following described Merchandise and Services:

**GUARANTEED MERCHANDISE AND SERVICES**

**SERVICES**

1. Professional staff services for the arrangement, supervision and direction of the funeral and for administrative services \$ \_\_\_\_\_
2. Embalming \_\_\_\_\_
3. Other care and preparation of the deceased \_\_\_\_\_
4. Cremation \_\_\_\_\_
5. Other (Describe) \_\_\_\_\_

**USE OF FACILITIES**

1. General Use (other than visitation or funeral services) \$ \_\_\_\_\_
2. For Visitation \_\_\_\_\_
3. For Funeral / Memorial / Graveside Services \_\_\_\_\_
4. Other (Describe) \_\_\_\_\_

**TRANSPORTATION**

1. Vehicle for initial transfer of deceased (\_\_\_\_\_ miles) \$ \_\_\_\_\_
2. Hearse (Funeral Coach) \_\_\_\_\_
3. Family Car (s) # \_\_\_\_\_ @ \$ \_\_\_\_\_ each \_\_\_\_\_
4. Escort \_\_\_\_\_
5. Flower Vehicle \_\_\_\_\_
6. Other (Describe) \_\_\_\_\_

**MERCHANDISE**

1. Casket / Urn \_\_\_\_\_ \$ \_\_\_\_\_  
Model \_\_\_\_\_  
Manufacturer \_\_\_\_\_
2. Outside Receptacle \_\_\_\_\_  
Model \_\_\_\_\_  
Manufacturer \_\_\_\_\_
3. Clothing \_\_\_\_\_
4. Other (Describe) \_\_\_\_\_

**TOTAL GUARANTEED FUNERAL PRICE** \$ \_\_\_\_\_

**NON-GUARANTEED CASH ADVANCE ITEMS**

We charge you for our services in obtaining those items designated with an asterisk (\*) below:

1. Grave Opening/Closings \$ \_\_\_\_\_
2. Certified Copy of Death Certificate \_\_\_\_\_
3. Obituary \_\_\_\_\_
4. Flowers \_\_\_\_\_
5. Music \_\_\_\_\_
6. Clergy Honorarium \_\_\_\_\_
7. Clothing \_\_\_\_\_
8. Sales Tax \_\_\_\_\_
9. Other (Describe) \_\_\_\_\_

**TOTAL NON-GUARANTEED ITEMS** \$ \_\_\_\_\_

**"NO CHARGE" has been denoted next to any complimentary or free items.**

**Required Items:** Charges are only for those items that you selected or that are required. If we are required by law or by a cemetery or crematory to use any items, we will explain the reasons in writing below.

**Embalming:** If you selected a funeral that may require embalming, such as a funeral with viewing, you may have to pay for embalming. You do not have to pay for embalming you did not approve if you selected arrangements such as a direct cremation or immediate burial. If we charged for embalming we will explain why below.  
Reason for embalming: \_\_\_\_\_

**TOTAL GUARANTEED AND NON-GUARANTEED FUNERAL PRICE** \$ \_\_\_\_\_

**I. Merchandise and Services:** Subject to the terms of this Contract, Purchaser agrees to purchase the Funeral Merchandise and Services at the current retail price established herein by paying Seller in the manner set forth in this Contract (Sections I & II), and upon the death of the Contract Beneficiary, the Seller shall furnish the Funeral Merchandise and Services as set forth in the Statement of Funeral Merchandise and Services Selected above, regardless of the cost of the merchandise or service at the date of the death of the Contract Beneficiary (see Disclosures 5 & 6). The Provider will be entitled to all trust funds on deposit including income (Sections I & II), even if in excess of the cost of Merchandise and Services at the time of the Contract Beneficiary's death. This Contract provides benefits in the form of Funeral Merchandise and Services only, unless Non-Guaranteed Cash Advance Items are specified above.

Prior to selecting the Funeral Merchandise and Services, Purchaser acknowledges receipt of the **General Price List**, and that the **Casket Price List** and the **Outer Burial Container Price List** were made available to him/her. \_\_\_\_\_ (Purchaser's Initials)

Total Contract Price For Funeral Merchandise and Services (See Above)	(Retail Price)	\$ _____
Less Burial Insurance In Force, if applicable (List Company, Policy Number, Face Amount) and a description of the policy type) _____		\$ _____
	<b>Net Amount</b>	\$ _____
	<b>Less Down Payment</b>	\$ _____
	<b>Balance Due</b>	\$ _____

**II. Contract Funding:** Purchaser agrees to fund this Contract by Trust as indicated below.

**Trust Funding:** (See additional provisions in Disclosures 3 and 4.) Purchaser agrees to pay Seller the Balance Due as follows:

Number of Payments: \_\_\_\_\_ Payment Amount: \$ \_\_\_\_\_ Date of First Payment: \_\_\_\_\_

Payment Mode:  Single  Annual  Semi-Annual  Quarterly  Monthly

If the Seller uses a Surety Bond as an alternative to Trust Funding, check this box

If the Seller uses a Letter of Credit in lieu of a Surety Bond, check this box

**III. Acceptance by Seller:** This Contract is not binding on Seller until it is signed by Seller's authorized preneed sales agent in its home office and an executed copy has been received by the Purchaser.

**IV. Revocability and Cancellation:** This is a legally binding Contract. This Contract is revocable unless the Purchaser indicates otherwise by signing in the space provided below (see Disclosure 7). This Contract cannot be modified or changed without the written approval of the Seller.

**By executing this Contract on the signature line below, Purchaser acknowledges and certifies that he or she has read this Contract and the personal information provided above is true and correct as the date thereof (see Disclosure 12).**

**YOU (THE PURCHASER) MAY CANCEL THIS TRANSACTION AT ANY TIME PRIOR TO MIDNIGHT OF THE THIRTIETH DAY AFTER THE DATE OF THIS TRANSACTION BY GIVING THE SELLER WRITTEN NOTICE OF CANCELLATION AND RECEIVE A REFUND OF MONIES PAID ACCORDING TO THE TERMS OF THIS CONTRACT (see Disclosure 7).**

\_\_\_\_\_  
PURCHASER'S SIGNATURE DATE

\_\_\_\_\_  
AUTHORIZED PRENEED SALES AGENT NAME

\_\_\_\_\_  
AUTHORIZED PRENEED SALES AGENT SIGNATURE DATE

**IRREVOCABLE OPTION (See Disclosure 2)**

I am signing this statement to waive and renounce my right to cancel this Contract. I understand that the Contract will be irrevocable and I will not be entitled to a refund of any of the money I have paid. I understand that I do not have to sign this irrevocable option in order to have a contract for Funeral Merchandise and Services. **By my signature below, I am waiving my right to cancel this Contract because I want to qualify for public assistance such as Medicaid, Supplemental Security Income, or other public assistance.**

\_\_\_\_\_  
PURCHASER'S SIGNATURE DATE

## DISCLOSURES

### 1. DEFINITIONS.

**AUTHORIZING AGENT:** The person who is lawfully authorized to control the final disposition of the **Contract Beneficiary**.

**CONTRACT:** Where the term “**Contract**” appears in bold, it refers to this document titled, “Contract for Preneed Funeral Merchandise and Services.”

**CONTRACT BENEFICIARY:** The person(s) who will be the recipient(s) of the Funeral Merchandise and Services at his, her, or their time of death.

**PROVIDER:** The person who will actually provide the Funeral Merchandise and Services under the terms of this **Contract**. The **Provider** may or may not be the **Seller**.

**PURCHASER:** The person who purchases this **Contract** either on his or her behalf or on behalf of the **Contract Beneficiary**.

**SELLER:** The person or entity offering or selling Funeral Merchandise and Services on a preneed basis. The **Seller** may or may not be the **Provider**.

**2. FUNERAL MERCHANDISE AND SERVICES.** The **Provider** shall provide the selected Funeral Merchandise and Services as shown in this **Contract**. The **Provider** will furnish the brands or makes of goods shown or, if unavailable, goods of equivalent quality. This **Contract** is revocable unless the **Purchaser** indicates otherwise by signing in the space provided on the reverse side of this **Contract**, under IRREVOCABLE OPTION (Section IV).

**3. THIS CONTRACT IS TRUST FUNDED.** Unless **Provider** has furnished a surety bond or letter of credit acceptable to the Insurance Commissioner, **Provider** will deposit all funds in accordance with **USE OF AMOUNT TO BE TRUSTED** (Disclosure 4) required for Funeral Merchandise and Services in a state or national bank, trust company, federally insured savings and loan association or with a person lawfully appointed as fiduciary of the funds in accordance with Ala. Code § 27-17A-1 et seq. The trustee will be chosen by the **Provider** and the trust will be subject to a trust agreement approved by the Insurance Commissioner. As an alternative to the trust requirement, the **Provider** may purchase a surety bond in an amount not less than the aggregate value of outstanding liabilities on undelivered preneed contracts for merchandise, services and cash advances. The term outstanding liabilities means the original retail amount of services and cash advances and the actual cost to the **Provider** to provide the undelivered merchandise sold on each contract. In lieu of a surety bond, the **Provider** may purchase a letter of credit in the amount of the outstanding liabilities.

**4. USE OF AMOUNT TO BE TRUSTED.** Of the **Contract** price total, the **Seller** will place at least: (1) Seventy Five percent (75%) of the purchase price collected for all Funeral Merchandise and Services sold, other than outer burial containers; (2) Sixty percent (60%) of the purchase price collected for outer burial containers; (3) One hundred ten percent (110%) of the wholesale cost of memorials; and (4) One hundred percent (100%) of the purchase price collected for all cash advance items sold, in a trust.

Trust deposits shall be made not later than thirty (30) days after the end of the calendar month in which the sum of the monies collected on the **Contract** exceeds the amount that is not required to be trusted under Ala. Code § 27-17A-31, unless prior to that time all liabilities of the **Seller** under the **Contract** have been satisfied, or the preneed **Contract** has been validly cancelled. Any further required trust deposits shall thereafter be made not later than thirty (30) days after the end of the calendar month in which each **Contract** payment is collected by the **Seller**.

**5. MONEY DUE AT TIME OF FULFILLMENT.** If the **Purchaser** has not completed all required payments according to the terms of this **Contract** at the time of the **Contract Beneficiary's** death, then the difference between the total payments made and the **Contract** price, including adjustments for non-guaranteed cash advance items, is due and payable to the **Provider** at the time of fulfillment (see also Disclosure 6).

**6. GUARANTEED.** Subject to the terms of this **Contract**, and upon the death of the **Contract Beneficiary**, the **Provider** shall furnish the Funeral Merchandise and Services as set forth in this **Contract**, regardless of the cost of the Funeral Merchandise and Services at the date of the death of the **Contract Beneficiary**.

**THIS CONTRACT DOES NOT GUARANTEE THE PRICE OF CASH ADVANCE ITEMS.** Cash Advance Items are paid by the **Provider**, on the **Purchaser's** behalf, to third parties. The **Provider** has no way of guaranteeing Cash Advance Item prices at death, as they are estimated now. Any additional cost for Cash Advance Items will be the responsibility of the **Purchaser** or the **Contract Beneficiary's** Legal Representative. Any additional items chosen which are not specifically included in this **Contract** will be paid for when the Funeral Merchandise and Services are provided. The **Provider** will be entitled to all trust funds on deposit including income, and all assigned insurance proceeds, even if in excess of the cost of Funeral Merchandise and Services, at the time of the **Contract Beneficiary's** death. This **Contract** provides benefits in the form of Funeral Merchandise and Services only, unless Non-Guaranteed Cash Advance Items are specified.

**7. CANCELLATION.** Unless made Irrevocable (Section IV), **Purchaser** may cancel this **Contract** at any time prior to midnight of the thirtieth (30<sup>th</sup>) day of the date this **Contract** was executed by providing written notice to the **Seller**. Upon providing written notice, **Purchaser** shall be entitled to a complete refund of the amount paid, except for the amount allocable to any Funeral Merchandise and Services that has been delivered or performed.

Unless made Irrevocable (Section IV), **Purchaser** may cancel this **Contract** after thirty (30) days of the date the **Contract** was executed by providing written notice to the **Seller**. If cancelled after thirty (30) days, the **Seller** shall be entitled to the amount allocable to any Funeral Merchandise and Services that has been delivered or performed and a cancellation fee not to exceed twenty percent (20%) of the purchase price collected. The refund shall be made within thirty (30) days after receipt by the **Seller** of the **Purchaser's** written request for cancellation.

In the event this **Contract** is made Irrevocable by the **Purchaser's** signature (Section IV), the **Purchaser** or **Authorizing Agent** shall have the right to appoint a **Provider** other than the **Seller** of this preneed **Contract** (see Disclosure 8).

**8. TRANSFER.** In the event that a **Provider** is appointed other than the **Seller**, the **Seller** shall transfer to the appointed **Provider** the amount paid by the **Purchaser** less the amount allocable to any Funeral Merchandise and Services that has been delivered or performed and a reasonable transfer fee not to exceed twenty percent (20%) of the purchase price collected. No transfer shall occur without the acceptance of the appointed **Provider**.

**9. DEFAULT BY PURCHASER.** If the **Purchaser** is 90 days or more past due in making payment on the **Contract**, the **Contract** will be considered in default, and the **Provider** shall be entitled to cancel the **Contract** and withdraw the funds in trust. Upon making the withdrawal, the **Provider** shall refund to the **Purchaser** the amount collected under this **Contract** less any amounts allocable to Funeral Merchandise and Services already delivered or performed and a cancellation fee of not more than twenty percent (20%) of the purchase price collected. Any accumulated earnings allocable to the preneed **Contract** shall be retained by the **Provider**. The **Provider** must give the **Purchaser** thirty (30) days notice of its intention to exercise any of its rights under this provision

**10. FAILURE OF PERFORMANCE.** Upon breach of **Contract** or failure of the **Provider** to provide Funeral Merchandise and Services under this **Contract**, the **Purchaser** shall be entitled to a refund of one hundred percent (100%) of all monies collected on the **Contract**. The refund shall be made within thirty (30) days after the **Provider** receives the **Purchaser's** written request for refund.

**11. DISCLAIMER OF WARRANTIES.** **Provider DOES NOT WARRANT** the merchandise or goods covered by this **Contract**. The only warranty, IF ANY, is the warranty issued by the manufacturer of the purchased merchandise or goods.

**ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION ANY IMPLIED WARRANTY OF MERCHANTABILITY, AND WARRANTY OF FITNESS FOR ANY PARTICULAR PURPOSE, ARE EXCLUDED.**

**12. RECEIPT OF COPIES.** **Purchaser** acknowledges receipt of a legible, complete, and executed copy of this **Contract**, and approves the terms contained herein.

**By executing this Contract on the signature line provided on the reverse side (Section IV), Purchaser acknowledges and certifies that he or she has read this Contract and the personal information set forth on the reverse side is true and correct as the date thereof.**

**13. MISCELLANEOUS.** All notices given hereunder shall be in writing and delivered to the respective party by personal service or by depositing the same in the United States mail, postage prepaid, to the address indicated herein or to such other address as a party shall have previously designated by Notice to the other party given in accordance with this paragraph. All Notices shall be deemed received on the date of mailing or service. The provisions hereof constitute the entire and complete agreement between the parties. Amendments to this **Contract** may be necessary to comply with changes in the law or to assure to each party that the economic benefits of this **Contract** are not changed because of changes in law or regulations or actions taken by regulatory agencies of the State of Alabama or the United States of America. **Purchaser** agrees to execute such amendments to this **Contract** and if **Purchaser** is not available or fails to act within thirty (30) days of Notice being given, **Purchaser** hereby appoints the agent of **Seller** as his attorney-in-fact with full power to act in the place of **Purchaser** and bind **Purchaser** as to such amendment to this **Contract**. This **Contract** shall be construed in accordance with, and governed by, the laws of the State of Alabama. If any provision or part of this **Contract** is held for any reason to be unenforceable, the remainder of the **Contract** shall nevertheless remain in full force and effect. This **Contract** is for use solely for the Funeral Merchandise and Services of the **Contract Beneficiary** and shall not be assignable by **Purchaser** or any other person for use in connection with the death of any person other than the **Contract Beneficiary**. Upon death or incapacity of **Purchaser**, this **Contract** may be enforced by, and **Provider** shall have the right to offer performance and deal with, in lieu of **Purchaser**, either an heir or Legal Representative of the **Contract Beneficiary** or the attorney-in-fact, an heir or the Legal Representative of **Purchaser**.