

A.C.A. § 23-40-114

Arkansas Code of 1987 Annotated Official Edition Court Rules 2011
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*** CURRENT THROUGH THE 2011 REGULAR SESSION AND UPDATES ***
*** FROM THE ARKANSAS CODE REVISION COMMISSION THROUGH ***
*** JUNE 2, 2011 ***

Title 23 Public Utilities and Regulated Industries
Subtitle 2. Financial Institutions And Securities
Chapter 40 Sale of Prepaid Funeral Benefits

A.C.A. § 23-40-114 (2011)

23-40-114. Trust funds -- Creation -- Deposits, withdrawals, and transfers of funds.

- (a) All contract proceeds collected under contracts for prepaid funeral benefits, including funds collected under contracts entered into before June 28, 1985, shall be deposited with a trustee within twenty (20) business days after receipt of proceeds, to be held, invested, and administered in a trust fund for the benefit and protection of the contract purchasers pursuant to this chapter.
- (b) Each trust fund shall be created by a letter or written agreement which shall be filed with and approved by the Insurance Commissioner prior to placement of funds.
- (c) The seller may deposit money or property as surplus at any time.
- (d) The commissioner shall prescribe by regulation proper affidavits and forms for the withdrawal of funds from the trust fund.
- (e) The commissioner shall first approve and authorize in writing any transfer of funds from an existing trustee to a proposed new trustee if the proposed new trustee meets the requirements of this chapter and the rules and regulations promulgated thereunder.
- (f) The licensee shall file a request for a transfer of funds, together with a filing fee of two hundred fifty dollars (\$250), and any other information required by rule or regulation.
- (g) This section shall not apply to the proceeds of insurance policies or contracts, and it shall not be necessary to establish a trust for the payment of such proceeds to the beneficiary designated in the policy or contract or the assignee or transferee thereof.
- (h) Pending a promptly scheduled hearing, the commissioner or his or her authorized representative may immediately suspend or prohibit disbursements or withdrawals from the trust fund by an organization if the commissioner or his or her authorized representative determines that the organization has violated § 23-40-114(a) in a manner sufficient to subject the organization to delinquency proceedings.

HISTORY: Acts 1985, No. 156, § 8; A.S.A. 1947, § 67-1720; Acts 1995, No. 852, § 6; 1997, No. 372, § 7; 2001, No. 1043, § 3; 2003, No. 987, § 4[3].