

5-702.

(E) (1) A PRENEED BURIAL CONTRACT MADE IN ACCORDANCE WITH § 5-704 OF THIS SUBTITLE MAY BE FUNDED BY A LIFE INSURANCE POLICY OR AN ANNUITY CONTRACT IF:

(I) THE OWNER OR OPERATOR OF THE CEMETERY IS NOT THE OWNER OF OR BENEFICIARY UNDER THE LIFE INSURANCE POLICY OR ANNUITY CONTRACT;

(II) AN ASSIGNMENT OF BENEFITS TO THE OWNER OR OPERATOR OF THE CEMETERY MAY BE REVOKED AT ANY TIME BY THE OWNER OF THE LIFE INSURANCE POLICY OR ANNUITY CONTRACT;

(III) SUBJECT TO ITEM (IV) OF THIS PARAGRAPH, THE OWNER OR OPERATOR OF THE CEMETERY AGREES TO ACCEPT THE BENEFITS PAYABLE UNDER THE LIFE INSURANCE POLICY OR ANNUITY CONTRACT AS PAYMENT IN FULL FOR THE SERVICES AND MERCHANDISE AGREED ON IN THE PRENEED BURIAL CONTRACT; AND

(IV) ANY BENEFITS PAYABLE UNDER THE LIFE INSURANCE POLICY OR ANNUITY CONTRACT IN EXCESS OF THE AMOUNT NECESSARY TO PAY THE TOTAL PRICE, AS DETERMINED AT THE TIME OF DEATH OF THE INSURED, OF THE SERVICES AND MERCHANDISE AGREED ON IN THE PRENEED BURIAL CONTRACT ARE PAID TO THE BENEFICIARY UNDER THE LIFE INSURANCE POLICY OR ANNUITY CONTRACT.

(2) A PRENEED BURIAL CONTRACT THAT IS FUNDED BY A LIFE INSURANCE POLICY OR AN ANNUITY CONTRACT SHALL TERMINATE IF THE ASSIGNMENT OF BENEFITS TO THE OWNER OR OPERATOR OF A CEMETERY IS REVOKED BY THE OWNER OF THE LIFE INSURANCE POLICY OR ANNUITY CONTRACT.

(3) (I) THE OFFER, SALE, OR ASSIGNMENT OF A LIFE INSURANCE POLICY OR ANNUITY CONTRACT TO FUND A PRENEED BURIAL CONTRACT IS NOT SUBJECT TO THIS SUBTITLE.

(II) A PRENEED BURIAL CONTRACT FUNDED BY A LIFE INSURANCE POLICY OR AN ANNUITY CONTRACT IS NOT SUBJECT TO § 5-705, § 5-706, § 5-707, § 5-708, OR § 5-709 OF THIS SUBTITLE.

Article - Health Occupations

7-405.

(f) (1) A pre-need contract is not subject to the Retail Installment Sales Act.

(2) The making of a pre-need contract by a licensed mortician, a licensed funeral director, or a holder of a surviving spouse license is not the practice of insurance business.

(3) (I) A PRE-NEED CONTRACT MAY BE FUNDED BY A LIFE INSURANCE POLICY OR AN ANNUITY CONTRACT IF: