1.   A THE MORTICIAN, FUNERAL DIRECTOR, OR ~~UNDERTAKER~~ SURVIVING SPOUSE IS NOT THE OWNER OF OR BENEFICIARY UNDER THE LIFE INSURANCE POLICY OR ANNUITY CONTRACT; ~~AND~~

~~2.   THE BENEFITS PAYABLE AT THE DEATH OF THE INSURED TO THE ASSIGNEE UNDER THE POLICY OR CONTRACT ARE LIMITED TO THE AMOUNT NECESSARY TO PAY THE TOTAL PRICE OF THE SERVICES AND MERCHANDISE AGREED ON IN THE PRE-NEED CONTRACT.~~

2.   AN ASSIGNMENT OF BENEFITS TO THE MORTICIAN, FUNERAL DIRECTOR, OR SURVIVING SPOUSE MAY BE REVOKED AT ANY TIME BY THE OWNER OF THE LIFE INSURANCE POLICY OR ANNUITY CONTRACT;

3.   SUBJECT TO ITEM 4 OF THIS SUBPARAGRAPH, THE MORTICIAN, FUNERAL DIRECTOR, OR SURVIVING SPOUSE 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 PRE-NEED CONTRACT; AND

4.   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 PRE-NEED CONTRACT ARE PAID TO THE BENEFICIARY UNDER THE LIFE INSURANCE POLICY OR ANNUITY CONTRACT.

(II)   A PRE-NEED CONTRACT THAT IS FUNDED BY A LIFE INSURANCE POLICY OR AN ANNUITY CONTRACT SHALL TERMINATE IF THE ASSIGNMENT OF BENEFITS TO THE MORTICIAN, FUNERAL DIRECTOR, OR SURVIVING SPOUSE IS REVOKED BY THE OWNER OF THE LIFE INSURANCE POLICY OR ANNUITY CONTRACT.

~~(II)~~ (III) 1.   THE OFFER, SALE, OR ASSIGNMENT OF A LIFE INSURANCE POLICY OR ANNUITY CONTRACT TO FUND A PRE-NEED CONTRACT IS NOT SUBJECT TO THIS SECTION.

2.   A PRE-NEED CONTRACT FUNDED BY A LIFE INSURANCE POLICY OR AN ANNUITY CONTRACT IS NOT SUBJECT TO SUBSECTION (D) OR (E) OF THIS SECTION.

Article – Insurance

27–211.

(a)   This section does not apply to:

(1)   insurance on the life of a debtor in connection with a specific loan or other credit transaction; [or]

(2)   insurance on a debtor that provides indemnity for payments that are due on a specific loan or other credit transaction while the debtor is disabled as defined in the policy; OR