

(5) The trust document establishing a trust under paragraph (4) of this subsection shall provide for:

(i) The disposition of the income earned by the trust which shall inure to the benefit of the buyer;

(ii) The transfer of the trust funds if required by a trustee substituted under paragraph (6) of this subsection; and

(iii) The disposition of the trust funds if:

1. The business of the seller is discontinued;

2. The seller is unable to perform under the terms and conditions of the pre-need contract; AND

3. The buyer fails to pay the entire contract price before the death of the beneficiary and the seller considers the pre-need contract void; and

4. The buyer or the legal representative of the buyer ends the contract under paragraph (3)(i) of this subsection].

(6) If the buyer exercises the option described in paragraph (4) of this subsection, the buyer, a relative of the buyer, or legal representative of the buyer shall retain the right to appoint, as trustee of the irrevocable trust, a trustee other than the one originally designated in the contract.

(7) If a contract is voided under paragraph (3) of this subsection and the option to establish an irrevocable trust has been exercised under paragraph (4) of this subsection, the buyer, a relative of the buyer, or a legal representative of the buyer shall retain the right to appoint, as trustee of the irrevocable trust, a trustee other than the one originally designated in the contract.

~~(8) IF A CONTRACT IS VOIDED UNDER PARAGRAPH (3)(I) OF THIS SUBSECTION AND THE OPTION TO ESTABLISH AN IRREVOCABLE TRUST HAS BEEN EXERCISED UNDER PARAGRAPH (4) OF THIS SUBSECTION, ANY PAYMENTS AND INTEREST HELD FOR THE BUYER SHALL CONTINUE TO BE HELD FOR THE BUYER IN THE IRREVOCABLE TRUST.~~

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 1991.

Approved May 24, 1991.