

March 2, 1999

S 212. MORTUARY SCIENCE CHANGES. TO AMEND CERTAIN STATUTES REGARDING THE NORTH CAROLINA BOARD OF MORTUARY SCIENCE AND MUTUAL BURIAL ASSOCIATIONS. Amends GS 143B-472.3 to provide that burial ass'n's annual report must be certified by accountant who is certified under GS Ch. 93, and ass'n must pay cost of certification. Adds new GS 143B-472.29 to provide that insurance company that desires to purchase assets of or to merge with burial ass'n must submit to Board of Mortuary Science (hereafter, Board) and to ass'n sec'y a written proposal containing terms and conditions of proposed purchase or merger. Proposal may be conditioned on increase in assessments of ass'n as set out in statute. On receipt of written proposal, Board must issue order directing ass'n to hold meeting of membership within 30 days following receipt of order for purpose of voting on proposal. Sets out procedures for conducting meeting and quorum. Acceptance or rejection of proposal shall be by majority vote of members present and voting. Board to review procedures and voting, and if proposal approved, Board must issue order approving purchase or merger and directing purchase or merger to proceed in accordance with proposal. Provides that any burial ass'n whose current assessments are not, or are unlikely to be within the next three years, adequate to reach or maintain reserve of at least \$21 per member or are inadequate to meet requirements of proposal from insurance company to acquire assets of or to merge with ass'n may increase its assessments by amount necessary to reach and maintain reserve or to meet proposal. Increase shall be approved by vote of members of ass'n at regular meeting of ass'n or at special meeting called for increasing assessments. Sets out procedures for calling and conducting special meeting. Requires ass'n to submit to Board on or before June 1, 2000, and thereafter as may be required by Board, but not more frequently than once each calendar year, written report of financial soundness prepared by qualified actuary. Report must indicate adequacy of reserves and other items to pay current and future claims of deceased members and other specified items. On written request from ass'n that has held valid meeting and vote for voluntary dissolution, Board must issue order of liquidation for that ass'n. Board must issue order of liquidation to every ass'n that has not been acquired by or merged with insurance company if ass'n is not financially sound on June 1, 2001, as shown by actuary's report. Sets out procedures for liquidation. If after June 1, 2001, Board determines, on receipt of written report submitted by ass'n, that ass'n is no longer financially sound, Board must issue order of liquidation, and ass'n must comply with order as set out in statute. Provides that no new ass'n may be authorized, organized, or licensed on or after Jan. 1, 2000, but ass'ns existing on that date may merge or consolidate as provided in GS 143B-472.2 and 143B-472.28.

Intro. by Rand.

Ref. to Commerce

GS 143B

April 21, 1999

S 212. MORTUARY SCIENCE CHANGES. Intro. 3/2/99. Senate committee substitute makes the following changes to 1st edition. Provides that if annual report of financial condition of burial association is deemed insufficient by the Board, Board may, at its own expense, initiate a new financial audit. Provides that a quorum of meeting of burial ass'n for purpose of merger with insurance company or increase in assessment is 15 members or 10% of membership (was, 15% of paid-up membership) and that acceptance or rejection of merger must be by majority of members present and voting (was, paid-up members). Provides that first report of financial soundness must be submitted by June 1, 2001, instead of 2000, and provides that Board may issue order of liquidation if association is no longer financially sound after June 1, 2003, instead of 2001. Amends GS 90-210.25A to provide that minimum burial depth restrictions do not apply to burials if land is located in family owned cemetery established by deed recorded before Jan. 1, 1989 and individual will be buried in a surface burial vault in a manner similar to individual's deceased spouse who was buried before Jan. 1, 1981.

April 27, 1999

S 212. MORTUARY SCIENCE CHANGES. Intro. 3/02/99. House amendment makes the following changes to 1st edition. Amends title to add "MINIMUM BURIAL DEPTHS," deletes section 2 of the bill which contained changes to GS 143B-472.3 relating to mutual burial

association bylaws. Deletes subsections (h) and (j) of proposed GS 143B-472.29 relating to financial reports of mutual burial associations and renumbers remaining sections accordingly, and deletes subsection (n) which limited the establishment of new associations on or after Jan. 1, 2000. Authorizes the Legislative Research Commission to study the insolvency of mutual burial associations and report to the 2001 General Assembly.