

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2025

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SENATE BILL DRS35114-NB-57

Short Title: Funeral Board Transportation Agreements/Ins. (Public)

Sponsors: Senator Johnson (Primary Sponsor).

Referred to:

1 A BILL TO BE ENTITLED
2 AN ACT TO MODIFY THE REQUIREMENTS OF TRANSPORTATION PROTECTION
3 AGREEMENTS PROVIDED BY CERTAIN FUNERAL SERVICE PROVIDERS.

4 The General Assembly of North Carolina enacts:

5 SECTION 1.(a) G.S. 90-210.60 reads as rewritten:

6 "§ 90-210.60. Definitions.

7 As used in this Article, unless the context requires otherwise:

8 ...

9 (5) "Preneed funeral contract" means any contract, agreement, or mutual
10 understanding, or any series or combination of contracts, agreements, or
11 mutual understandings, whether funded by trust deposits or prearrangement
12 insurance policies, or any combination thereof, which has for a purpose the
13 furnishing or performance of funeral services, or the furnishing or delivery of
14 personal property, merchandise, or services of any nature in connection with
15 the final disposition of a dead human body, to be furnished or delivered at a
16 time determinable by the death of the person whose body is to be disposed of,
17 but does not mean the furnishing of a cemetery lot, crypt, niche, or
18 ~~mausoleum~~;mausoleum. This term does not include a transportation
19 protection agreement.

20 ...

21 (10) "Transportation protection agreement" means an agreement that primarily
22 provides for the coordination and arranging of all professional services related
23 to the preparation of human remains or cremated remains for the purpose of
24 initial and subsequent transportation of those remains."

25 SECTION 1.(b) G.S. 90-210.72 reads as rewritten:

26 "§ 90-210.72. Nonapplication to certain funeral contracts.

27 This Article does not apply to ~~contracts~~ any of the following:

28 (1) Contracts for funeral services or merchandise sold as preneed burial insurance
29 policies pursuant to Part 13 of Article 10 of Chapter 143B of the North
30 Carolina General Statutes or to replacements policies pursuant to Article 13E
31 of this Chapter.

32 (2) Replacements or conversions of such policies pursuant to G.S.
33 143B-472.28.G.S. 90-210.106.

34 (3) A transportation protection agreement as defined in this Article."

35 SECTION 1.(c) The North Carolina Board of Funeral Service may adopt rules to
36 implement the provisions of this section.



1 **SECTION 2.(a)** G.S. 58-7-15 reads as rewritten:

2 "**§ 58-7-15. Kinds of insurance authorized.**

3 The kinds of insurance that may be authorized in this State, subject to the other provisions of
4 ~~Articles 1 through 64~~ of this Chapter, are set forth in this section. Except to the extent an insurer
5 participates in a risk sharing plan under Article 42 of this Chapter, nothing in this section requires
6 any insurer to insure every kind of risk that it is authorized to insure. Except to the extent an
7 insurer participates in a risk sharing plan under Article 42 of this Chapter, no insurer may transact
8 any other business than that specified in its charter and articles of association or incorporation.
9 The power to do any kind of insurance against loss of or damage to property includes the power
10 to insure all lawful interests in the property and to insure against loss of use and occupancy and
11 rents and profits resulting therefrom; but no kind of insurance includes life insurance or insurance
12 against legal liability for personal injury or death unless specified in this section. In addition to
13 any power to engage in any other kind of business than an insurance business that is specifically
14 conferred by the provisions of ~~Articles 1 through 64~~ of this Chapter, any insurer authorized to do
15 business in this State may engage in such other kinds of business to the extent necessarily or
16 properly incidental to the kinds of insurance business that it is authorized to do in this State. Each
17 of the following indicates the scope of the kind of insurance business specified:

- 18 (1) "Life insurance", meaning every insurance upon the lives of human beings
19 and every insurance appertaining thereto. The business of life insurance
20 includes the granting of endowment benefits; additional benefits in the event
21 of death by accident or accidental means; additional benefits operating to
22 safeguard the contract from lapse, or to provide a special surrender value, in
23 the event of total and permanent disability of the insured, including industrial
24 sick benefit; and optional modes of settlement of proceeds. The business of
25 life insurance does not include the provision of transportation protection
26 agreements, as defined under G.S. 90-210.60.

27 "

28 **SECTION 2.(b)** G.S. 58-58-1 reads as rewritten:

29 "**§ 58-58-1. Definitions; requisites of contract.**

30 (a) All corporations or associations doing business in this State, under any charter or
31 statute of this or any other state, involving the payment of money or other thing of value to
32 families or representatives of policy and certificate holders or members, conditioned upon the
33 continuance or cessation of human life, or involving an insurance, guaranty, contract, or pledge
34 for the payment of endowments or annuities, or who employ agents to solicit such business, are
35 life insurance companies, in all respects subject to the laws herein made and provided for the
36 government of life insurance companies, and shall not make any such insurance, guaranty,
37 contract, or pledge in this State with any citizen, or resident thereof, which does not distinctly
38 state the amount of benefits payable, the manner of payment, the consideration therefor and such
39 other provisions as the Commissioner may require.

40 (b) This section does not apply to a preneed licensee under Article 13D of Chapter 90 of
41 the General Statutes or for the purposes of a transportation agreement, as defined under
42 G.S. 90-210.60."

43 **SECTION 2.(c)** G.S. 58-58-125 reads as rewritten:

44 "**§ 58-58-125. Minimum premium rates for assessment life insurance companies.**

45 No assessment life insurance corporation, organization or association of any kind issuing
46 policies or contracts upon the life of any resident of this State shall hereafter be organized or
47 licensed by the Commissioner unless such corporation, organization or association adopt
48 premium rates based upon the attained age of the assured at the time of issuance of the contract
49 and such rates shall not be less than those fixed by the American Experience Table of Mortality
50 or any other recognized table of mortality approved by the Commissioner. Nothing contained in
51 this section shall be construed to affect burial associations regulated under ~~G.S. 143B-472~~

1 through 143B-472.28 Article 13E of Chapter 90 of the General Statutes or railroad burial
2 associations."

3 **SECTION 2.(d)** G.S. 58-58-330(a) reads as rewritten:

4 "(a) This Part does not apply to solicitations or sales ~~involving~~involving any of the
5 following:

6 ...
7 (7) Contracts used to ~~fund~~fund any of the following:

8 ...
9 f. Prearranged funeral ~~contracts~~, contracts or transportation protection
10 arrangements, as both terms are defined under G.S. 90-210.60."

11 **SECTION 2.(e)** G.S. 58-58-335(8) reads as rewritten:

12 "(8) "Life insurance" means insurance coverage on human lives, including benefits
13 of endowment and annuities, and may include benefits in the event of death
14 or dismemberment by accident and benefits for disability income; and unless
15 otherwise specifically excluded, includes individually issued annuities. In
16 accordance with G.S. 58-7-15, this term does not include a transportation
17 protection agreement."

18 **SECTION 2.(f)** G.S. 58-60-35(a) reads as rewritten:

19 **"§ 58-60-35. Disclosure of prearrangement insurance policy provisions.**

20 (a) ~~As used~~The following definitions apply in this section:

21 (1) ~~"Prearrangement" means any~~ Prearrangement. – A contract, agreement, or
22 mutual understanding, or any series or combination of contracts, agreements
23 or mutual understandings, whether funded by trust deposits or prearrangement
24 insurance policies, or any combination thereof, which has for a purpose the
25 furnishing or performance of specific funeral services, or the furnishing or
26 delivery of specific personal property, merchandise, or services of any nature
27 in connection with the final disposition of a dead human body, to be furnished
28 or delivered at a time determinable by the death of the person whose body is
29 to be disposed of, but does not mean the furnishing of a cemetery lot, crypt,
30 niche, mausoleum, grave marker or monument. This term does not include a
31 transportation protection agreement, as defined under G.S. 90-210.60.

32 (2) ~~"Prearrangement insurance policy" means a~~ Prearrangement insurance policy.
33 – A life insurance policy, annuity contract, or other insurance contract, or any
34 series of contracts or agreements in any form or manner, issued on a group or
35 individual basis by an insurance company authorized by law to do business in
36 this State, which, whether by assignment or otherwise, has for its sole purpose
37 the funding of a specific preneed funeral contract or a specific
38 insurance-funded funeral or burial prearrangement, the insured being the
39 person for whose service the funds were paid."

40 **SECTION 3.** This act becomes effective October 1, 2025, and applies to preneed
41 funeral contracts and transportation protection agreements entered into on or after that date.