**Section 610.50 Requirements for all Pre-Need Contracts**

a) Pre-need contracts required to be filed with the Comptroller must meet the criteria set forth in this Section. All pre-need contracts submitted between January 1, 1994 and July 3, 1996 shall be deemed to have been submitted on the effective date of this Part.

b) Required Contents:

1) Name and address of the principal office of the seller and, if applicable, the parent company of the seller.

2) Name of purchaser and contract beneficiary, if different from the purchaser and known.

3) Name and address of provider's principal office, but if the provider has branch locations, the name and address of the branch at which the funeral will be performed, if specified by the purchaser.

4) Complete description and price of funeral merchandise and services.

5) Disclosure of whether the contract is guaranteed or non-guaranteed as to the price or if the contract contains both guaranteed price items and non-guaranteed price items a clear statement of which goods and services are guaranteed and which are not.

A) Each contract for goods and services for which the price is guaranteed, or which contains both guaranteed and non-guaranteed items, shall contain the following statement in 12 point bold type:

*THIS CONTRACT GUARANTEES THE BENEFICIARY THE SPECIFIC GOODS AND SERVICES CONTRACTED FOR. NO ADDITIONAL CHARGES MAY BE REQUIRED FOR DESIGNATED GOODS AND SERVICES. ADDITIONAL CHARGES MAY BE INCURRED FOR UNEXPECTED EXPENSES INCLUDING, BUT NOT LIMITED TO, CASH ADVANCES, SHIPPING OF REMAINS FROM A DISTANT PLACE, OR DESIGNATED HONORARIA ORDERED OR DIRECTED BY SURVIVORS.* [225 ILCS 45/1a-1(a)(3)(A)]

B) Except as provided in subsection (b)(5)(C), each contract for goods or services for which the price is not guaranteed, or which contains both guaranteed and non-guaranteed items, shall contain the following statement in 12 point bold type:

*THIS CONTRACT DOES NOT GUARANTEE THE PRICE THE BENEFICIARY WILL PAY FOR ANY SPECIFIC GOODS OR SERVICES. ANY FUNDS PAID UNDER THIS CONTRACT ARE ONLY A DEPOSIT TO BE APPLIED TOWARD THE FINAL PRICE OF THE GOODS OR SERVICES CONTRACTED FOR. ADDITIONAL CHARGES MAY BE REQUIRED.* [225 ILCS 45/1a-1(a)(3)(B)]

C) If a non-guaranteed price contract may subsequently become guaranteed, the contract shall clearly disclose the nature of the guarantee and the time, occurrence, or event upon which the contract shall become a guaranteed price contract.

6) Where the particular goods and services specified are unavailable at the time of delivery, the contract shall state that supplies and services similar in style and equal quality will be provided.

7) Any penalties or restrictions in performing the contract must be fully stated.

8) The method of funding the pre-need contract must be stated along with the following information:

A) The relationship among the funding person, the provider, and the seller.

B) The impact on the pre-need contract if the following occurs:

i) Changes in the funding arrangements or use of funds.

ii) Penalties to be incurred if the purchaser fails to make payments.

iii) Penalties to be incurred or moneys or refunds to be received as a result of the cancellation.

iv) A difference between the proceeds of the funding arrangement and the amount actually needed for the funeral at-need.

9) The method for changing the designation of the provider must be fully described.

10) Unless the pre-need contract provides for more liberal cancellation terms, every pre-need contract sold outside of the seller's principal place of business is subject to the Federal Trade Commission rule (16 CFR 429) concerning the Cooling-Off Period for Door-to-Door Sales. The FTC Rule provides that with any door-to-door sale the seller must furnish the purchaser a completed receipt or copy of any contract pertaining to the sale at the time the contract is signed. The seller must comply with the following terms:

A) A completed receipt or copy of the pre-need contract at the time of signing must be furnished to the purchaser.

B) The same language must be used in both the oral sales presentation and the written contract to the purchaser.

C) Notice of purchaser's right to cancel within 3 days after signing pre-need contract. The notice must be as follows:

i) Located close to the signature line.

ii) Printed in 12 point bold type.

iii) State that "YOU, THE BUYER, MAY CANCEL THIS TRANSACTION AT ANY TIME PRIOR TO MIDNIGHT OF THE THIRD BUSINESS DAY AFTER THE DATE OF THIS TRANSACTION."

D) All monies must be refunded without penalty within 10 days after cancellation.

11) In addition to the cancellation provisions of subsection (b)(10) of this Section, each pre-need contract shall include a statement that the purchaser has the right to cancel the pre-need contract prior to need and receive a refund as authorized or required by the Illinois Funeral or Burial Funds Act within 30 days after written demand. Nothing in this Section shall prohibit a purchaser who is or may become eligible for public assistance from making a guaranteed price contract irrevocable in an amount prescribed by rule of the Illinois Department of Public Aid to the extent that federal law or regulations require that such a contract be irrevocable for purposes of the purchaser's eligibility for Supplemental Social Security Income benefits, Medicaid, or other public assistance program, as permitted under federal law.

c) Where a pre-need contract has been made irrevocable in an amount prescribed by rule by the Illinois Department of Public Aid for the purpose of maintaining eligibility for Supplemental Security Income benefits (SSI), Medicaid or other public assistance, a licensee is required to provide written notification to the Illinois Department of Public Aid whenever the licensee knows or reasonably should know that the amount in trust or the death benefit under a life insurance policy or annuity contract exceeds the cost of the funeral merchandise or services by more than 25%, at the time the merchandise is provided and the services are performed.

(Source: Amended at 26 Ill. Reg. 5772, effective April 10, 2002)