

# MAINE STATE LEGISLATURE

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# 114th MAINE LEGISLATURE

FIRST REGULAR SESSION - 1989

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Legislative Document

No. 825

H.P. 601

House of Representatives, March 17, 1989

Submitted by the Department of Professional and Financial Regulation pursuant to Joint Rule 24.

Reference to the Committee on Business Legislation suggested and ordered printed.

A handwritten signature in cursive script that reads 'Ed Pert'.

EDWIN H. PERT, Clerk

Presented by Representative WEBSTER of Cape Elizabeth.

Cosponsored by Senator TWITCHELL of Oxford, Representative GARLAND of Bangor and Senator PERKINS of Hancock.

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STATE OF MAINE

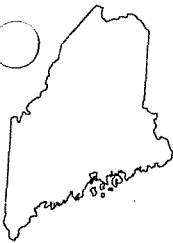
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IN THE YEAR OF OUR LORD  
NINETEEN HUNDRED AND EIGHTY-NINE

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**An Act Relating to the Sale of Fraternal Life Benefit Certificates and Life Insurance by Funeral Directors and Cemetery Corporations.**

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1 **Be it enacted by the People of the State of Maine as follows:**

3 **Sec. 1. 24-A MRSA §2175**, as enacted by PL 1969, c. 132, §1,  
5 is amended to read:

7 **§2175. Insurer's ownership of funeral establishment or cemetery  
9 prohibited**

11 No insurer shall may own or manage or supervise or operate  
13 or maintain a mortuary establishment ~~or~~ a funeral  
15 establishment, a cemetery, a cemetery corporation or association,  
17 a crematorium, a mausoleum or a columbarium.

19 **Sec. 2. 24-A MRSA §2176**, as enacted by PL 1969, c. 132, §1,  
21 is amended to read:

23 **§2176. Funeral and burial service contracts prohibited**

25 No insurer shall may contract or agree with any funeral  
27 director, funeral establishment ~~or~~ mortuary establishment,  
29 cemetery, cemetery corporation or association, crematorium,  
31 mausoleum or columbarium or any representative of any of these  
33 directors or establishments to the effect that such the director  
35 or establishment shall conduct the funeral, burial, or cremation  
37 or other disposal of the remains of any individual insured by the  
39 insurer. Nothing in this section shall--~~prevent~~ prevents  
41 compliance with Title 39, section 59, or the use of an insurance  
43 policy to provide security for the payment for a funeral, burial  
45 or cremation.

47 **Sec. 3. 24-A MRSA §4139-A** is enacted to read:

49 **§4139-A. Funeral service contracts**

51 Every society is subject to the provisions of section 2176.

## STATEMENT OF FACT

53 Currently the state law, by restricting agreements between  
55 life insurers and funeral establishments, restricts the sale of  
57 life insurance by funeral homes. This bill places the same  
59 restrictions on arrangements between insurers and cemeteries and  
61 crematories.

63 This bill also subjects fraternal benefit societies to the  
65 same restrictions concerning arrangements with funeral homes  
67 which now apply to commercial insurers.

69 The restrictions have a valid purpose in reducing the  
71 prospects of overreaching and conflicts of interest.