



New Legislation Affecting Florida Licensees

In case you missed it, the Florida Senate recently passed the below [amendment](#) (in bold and highlighted) to s. 497.458, which focuses on the disposition of proceeds received on preneed contracts.

Unless the preneed contract has been fulfilled, such deposits shall be made within 30 days after the end of the calendar month in which payment is received, under the terms of a revocable trust instrument entered into with a trust company, with a national or state bank holding trust powers, or with a federal or state savings and loan association holding trust powers.

This amendment, which takes effect July 1, 2021, enables licensees in Florida to hold preneed contract proceeds in their business checking account without depositing the funds into trust under certain circumstances. The amendment takes into account the scenario that a preneed contract is purchased when the death of the beneficiary is imminent.

Before this amendment was passed, the preneed licensee was required to deposit preneed funds into trust after the preneed contract was executed, *even if the beneficiary died before the funds were due to trust pursuant to Florida law*. The new legislation cures this problem.

However, in this scenario, the Consumer Protection and Regulatory Trust fund payments (CPTF/RTF) must still be made. The licensee must include language such as "Fulfilled Before Trusted" on the contract and promptly forward the contract to FSI so we can pay the required CPTF/RTF on your behalf. Never write "Void" on a contract in this scenario or the CPTF/RTF will not be paid, which could result in a regulatory issue.

If you have any questions on this amendment or any related legislation in Florida, please email or call us any time.