

PREPAID FUNERAL BENEFIT
Annual Report Instructions

A. *A complete Annual Report filing consists of the following:*

1. Agreed Upon Procedures Report
2. PF-1-a "Questionnaire" signed and dated *
3. PF-1-b "Certification". *
4. PF-1-c Spread Sheet Form(s) for other than Outer Enclosures *
5. PF-1-d Form(s) to report Outer Enclosures (OE) ONLY *
6. PF-2 Forms regarding Assignment of Life Insurance Proceeds:
7. PF-2-a Top Sheet *
8. PF-2-b Continuation Page
9. PF-2-c Final Page to reflect certification *
10. PF-3 Reconciliation of Trust Accounts

Every form marked by an asterisk (*) MUST BE filed indicating "NONE" if that is the case.

B. *Use of Particular Forms*

1. PF-1 Forms

NOTE: These forms MUST be submitted in columnar form and in alphabetical order according to the last name of the contract holder. All contracts funded by cash must be reported on form PF-1-b. A separate PF-1-b form must be filed for each financial institution holding trust fund monies. The form has a separate page for outer enclosures funded by cash (PF-1-d). Please refer to O.S. §6125(A)(2) for specific details regarding outer enclosures. If you do not have any outer enclosures funded by cash (held in trust) please mark "**NONE**" on the form.

2. PF-2 Forms

All contracts funded by the assignment of Life Insurance benefits must be reported on forms PF-2-1, PF-2-b, and PF-2-c. If you do not have contracts of this type, please mark "**NONE**" on the PF-2-a and PF-2-c forms.

3. Substituting Computer Print-Outs

Computer printouts are acceptable in lieu of the PF-1-c and PF-2-a forms, provided that they contain and display the same information required to complete the PF-1-c and PF-2-a forms. The PF-1-b and PF-2-a and PF-2-c forms must still be signed, dated and list the total amounts held in trust/assignment.

C. *Detailed Instructions*

1. PF-1

- a. ALL questions on the Verification Questionnaire must be answered (PF-1-a).
- b. ALL columns on the forms PF-1-c (Account #, address, etc.) must be completed. Computer generated reports must provide the same information as that required on the PF-1 form. **These must be in alphabetical order as noted in B.1. above.**
- c. Total Principal Deposited plus Total Interest Earned must equal Total Amount in Fund (with the exception of administrative fees being deducted).
- d. Total amount(s) in trust fund(s) should agree with "Total of all monies held plus interest " on the Certification.

2. PF-2

- a. All columns on the form PF-2-a (name, contract date, etc.) must be completed. Computer generated reports are acceptable provided they contain all the information requested on form PF-2-a.
- b. If your organization does not have any assignments of life insurance proceeds, please mark "**NONE**" on the form.

D. *Agreed Upon Procedure Instructions*

Pursuant to Title 36 O.S. § 6129.1, each permit holder will be required to file an agreed upon procedure report by an individual CPA/PA and/or CPA firm which contains the following items at a minimum on or before March 15th:

1. Contracts have been reviewed and approved by the Department.
2. Deposits to trust were made within the proper time period.
3. Proper amounts are deposited in trust and a Trust Agreement is completed for each trust account depository.
4. Trusts that co-mingle funds maintain proper accounting for individual accounts.
5. Administrative fees are calculated correctly and accounted for properly.
6. Trust monies are deposited or invested in 100% guaranteed investments (T-Bills, CD's, etc.).
7. A current fidelity bond, letter of credit, or cash bond in the correct amount is in place.
8. PF-1 and Reconciliation of Trust Accounts are prepared accurately and correctly.
9. Amounts on withdrawals and transfers are calculated correctly.
10. That all monies in trust earn interest and that interest is credited to the accounts correctly.
11. Overall general compliance with the statutes - accounting, procedural and overall legality.
12. CPA/PA must confirm the year end balances using a standard bank confirmation or receive a copy of the bank statement directly from the bank.

The above procedures are only a guide and each individual CPA and/or CPA firm will have to make relevant decisions regarding the use or lack of use of statistical samples.

PREPAID FUNERAL BENEFITS

Filing Checklist

Please note all the following requirements must be fulfilled to constitute a complete filing. Incomplete and late filings are subject to administrative action and/or penalty.

Reports are signed and dated.

Reports are signed by CPA/PA where required.

Total amount of trust funds held is shown on report.

A \$50.00 filing fee made payable to the Oklahoma Insurance Department is enclosed.

Copies of all reports and filings are made and retained for your records.

Agreed Upon Procedures Report prepared by CPA/PA.

Filings/Reports are addressed to:

Prepaid Funeral Benefits - Financial Division
Oklahoma Insurance Department
3625 NW 56th, Suite 100
Oklahoma City, OK 73112-4511

Due Dates

Please take note of the following deadlines - failure to meet deadlines may result in fines and additional filing requirements!

March 15th - **ALL** Annual Reports, Reconciliation of Trusts and Agreed Upon Procedures Reports must be filed. ***Extensions will not be granted.***

March 15th - \$50.00 filing fee must be submitted with the report.

April 15th - All appropriate bond increases must be submitted.

**ANNUAL REPORT
PREPAID FUNERAL BENEFITS AND FUNDS**

Prepared by

(Name of Funeral Home Director)

(Name of Funeral Home Trust Fund)

For the Year Ending December 31, _____

Questionnaire for Verification:

Were all prepaid funeral contracts signed by all parties involved?	Yes	No
Were all prepaid funeral withdrawal forms properly signed, notarized and itemized if necessary?	Yes	No
Do you have current addresses and phone numbers for each buyer?	Yes	No
Do all contracts carry the name and address of your funeral home?	Yes	No
Are all prepaid funeral customers notified at least annually of their current account monies and interest accrued to date?	Yes	No

**If your answer to any of the above is no,
please describe in detail the reasons why the question(s) were answered in the
negative and what will be done to correct the situation.**

Signature of Director or Manager *Date*

Copying Guidelines: The Insurance Commissioner maintains a permanent record of your approved Master Contracts. In addition, executed Withdrawal and Transfer Forms must be copied to the Insurance Commissioner. The statutory references to Filing Requirements are contained in 36 O.S. § 6125(D)(E). Contact the Financial Division, Prepaid Funeral Benefits at 405/521-3966 or 800/522-0071 if you have any questions.

**PREPAID FUNERAL BENEFITS AND FUNDS
ANNUAL REPORT CERTIFICATION**

Due March 15th

(Name of Funeral Home and Permit Number)

(Address)

(City, State, Zip)

The attached information is submitted on behalf of the above funeral home based on its records ending December 31st covering ALL contracts which have not been discharged as of December 31st.

THIS FORM IS FOR USE ONLY IN REPORTING CONTRACTS FUNDED BY CASH.

(You must complete a separate form PF-1-b for each financial institution being used by your fund)

(Name of Financial Institution)

(Address *City, State, Zip)*

CERTIFICATION

The undersigned states and affirms that he/she has duly executed this annual report for and on behalf of the above funeral home, that he/she is the _____ *(Title of Officer)* of such organization and that he/she is authorized to execute and file such instrument. He/she further states that he/she is familiar with such instrument and contracts thereof, and that the facts herein set forth are true to the best of his/her knowledge, information and belief.

(Signature)

Subscribed and sworn to before me
_____ day of _____, _____.

(Date)

My Commission Expires: _____

(Print or type name of Signature)

[SEAL]

(Notary Public)

Total of all monies held plus interest: \$ _____

Outer Enclosures Only (O.E.) Form

PF-1-d

Annual Report for Year Ending December 31, _____

Page _____ of _____

Funeral Home Permit Number _____

Use with Outer Enclosures ONLY when 35% of the Contract Price (not 10%) is retained, pursuant to 36 O.S. § 6125(A)(2)

Contract Number	Buyer's Name (alphabetically)	Purchase Date	Total OE Purchase Price	Total OE Principal Collected	Total OE Principal Deposited	Total Interest Earned on OE Sales	Total Amount Held in Trust for OE Sales
Grand Total if LAST Page:							

(Name of Funeral Home and Permit Number)

Buyers Name and Address	Contract Date	Purchase Price	Insurance Company Issuing Policy	Policy Number	Amount of Assignment	Face Value of Policy

TOTAL OF ALL ASSIGNMENTS HELD:\$ _____

CERTIFICATION

The undersigned states and affirms that he/she has duly executed this annual report for and on behalf of *(Name of Funeral Home:)* _____; that he/she is the *(Title of Officer:)* _____ of such organization and that he/she is authorized to execute and file such instrument. He/she further states that he/she is familiar with such instrument and contracts thereof, and that the facts herein set forth are true to the best of his/her knowledge, information and belief.

(Signature)

(Print or type name of Signature)

(Date)

Subscribed and sworn to before me this _____ day of _____, _____.

(Notary Public)

My Commission Expires:

[SEAL]

ANNUAL STATEMENT OF FINANCIAL CONDITION
 Reconciliation of Trust Accounts
 For the Year _____

PF-3

Name of Funeral Home and Permit Number

Address City State Zip

1.	<u>Beginning Balance</u> Sum of all trusts as of January 1, _____. <i>(The amount must agree with prior year's ending balance.)</i>	\$ _____
ADD:		
2.	Total of all new contracts sold, current year. (Please attach a schedule listing <u>each</u> new contract as Schedule 2 .)	\$ _____
3.	Total of all contracts transferred <u>into</u> your Trust Fund, current year. (Please attach a schedule listing each contract received as Schedule 3 .)	\$ _____
4.	Total of all deposits to existing contracts. DO NOT include interest earned or accrued. (Please attach a Schedule listing each account increased by a deposit as Schedule 4 .)	\$ _____
5.	Total Interest Earned.	\$ _____
	TOTAL ADDITIONS	\$ _____
SUBTRACT:		
6.	Total of all contracts withdrawn/transferred prior to death. (Please attach a schedule listing each contract withdrawn/transferred as Schedule 6 .)	\$ _____
7.	Total of all contracts withdrawn due to death. (Please attach a schedule listing each contract withdrawn because of death as Schedule 7 .)	\$ _____
8.	Total Administrative fees charged.	\$ _____
	TOTAL SUBTRACTIONS	\$ _____
9.	Ending Balance: Sum of ALL Trusts as of December 31, _____	* \$ _____

* Please note this amount **must** agree with trust amount submitted to the State Insurance Department in your Annual Report (Form PF-1-b). Any differences must be explained in detail and be supported with appropriate documentation.

I, an Officer of the Trust, do hereby represent that this trust report is true and accurate:

Officer of Trust

Signature

I have not audited or reviewed the accompanying accounts except to the extent of the agreed upon procedures performed as stated in the attached report. Therefore, accordingly, I do not express an opinion on their overall financial condition.

Certified Public Accountant

Address City State Zip
 (Revised 2/4/13)