

**Assembly Bill No. 475**

\_\_\_\_\_

Passed the Assembly    May 11, 1995

\_\_\_\_\_  
*Chief Clerk of the Assembly*

\_\_\_\_\_

Passed the Senate    July 20, 1995

\_\_\_\_\_  
*Secretary of the Senate*

\_\_\_\_\_

This bill was received by the Governor this \_\_\_\_ day  
of \_\_\_\_\_, 1995, at \_\_\_\_ o'clock \_\_M.

\_\_\_\_\_  
*Private Secretary of the Governor*

┌

## CHAPTER \_\_\_\_

An act to amend Section 10248 of, and to add Section 10247 to, the Insurance Code, relating to funeral insurance contracts.

## LEGISLATIVE COUNSEL'S DIGEST

AB 475, W. Murray. Funeral insurance.

Existing law prohibits funeral insurance contracts from containing any provision scaling down or reducing benefits payable below the face amount of the policy.

This bill would permit the issuance of limited death benefit insurance contracts, but would prohibit the limited death benefit period from exceeding 2 years.

*The people of the State of California do enact as follows:*

SECTION 1. Section 10247 is added to the Insurance Code, to read:

10247. Limited death benefit insurance contracts may be issued and delivered in this state upon the life of any person in this state who makes premium payments over a period of time to purchase a funeral insurance policy. Those policies shall be subject to the disclosure requirements of this chapter.

SEC. 2. Section 10248 of the Insurance Code is amended to read:

10248. (a) Except as permitted in Section 10247, no funeral insurance contract issued or delivered in this state upon the life of any person in this state shall contain any provision scaling down or reducing the benefits payable below the face amount of the policy. The provisions of this section, however, shall not apply to a reduction of the benefit payable because of a misstatement of the age in the policy or application therefor, nor to the suicide, military or naval service or war provisions of the policy, if any, nor to contestability of the policy, nor to a policy issued on the life of a juvenile.



(b) If a limited death benefit insurance contract is issued under Section 10247, the limited death benefit period shall not exceed two years.



Approved \_\_\_\_\_, 1995

\_\_\_\_\_  
*Governor*

