



Michigan's Preneed Insurance Crossroads

HB 6261

Fairness and Peace of Mind

- ✓ **Consumer Protection**
Licensed agents providing products, protecting consumers against fraud and deception.
- ✓ **Safety & Security of Products**
Carriers would be required to reserve funds to plan for disastrous economic times, providing safeguards to Michiganders.
- ✓ **Affordable Payment Plans**
Michiganders would enjoy affordable installment plans with insurance protection, should a death occur while making payments.
- ✓ **Preneed Insurance Stays in Michigan**
Preneed insurance carriers would return to Michigan, ensuring that this critical product remains available to Michiganders.
- ✓ **A Modern, Competitive Market**
Michigan would join 49 other states in encouraging competition and lower rates.

Status Quo

An Uncertain Future

- ✗ **Limited Consumer Protection**
A license is **not** required to provide critical paperwork, leaving families vulnerable to theft and fraud.
- ✗ **No Payment Plan Option for Families**
If preneed insurance carriers leave the state, Michiganders will no longer have access to plans that offer protection and price guarantees to consumers.
- ✗ **Risky Investments for Consumers**
Without preneed insurance options, consumers will be forced to subject their savings to market volatility.
- ✗ **Funeral Homes in Jeopardy**
Without preneed insurance, funeral homes will experience workforce shortages due to the exodus of preneed professionals to neighboring states. **This will be especially challenging for border communities, as Michigan's neighbor states enjoy robust competitive markets.**

Help Michigan families by passing HB 6261.

Awaiting action in the House Committee on Rules and Competitiveness.



? What is preneed insurance?

Preneed insurance is used to fund a funeral service agreement between a family and a funeral home. Families decide every element they want included in a funeral service. The funeral home director totals the costs, and that amount is the basis for the preneed insurance plan. The amount is paid in one installment or through monthly premiums. **Upon one's death, the full services that were agreed upon are paid for by the policy.**

How does preneed insurance help families? ?

Over time, **inflation** will likely cause funeral costs to increase, but preneed insurance plans lock in costs early on. Along with locking in funeral costs, preneed insurance provides **safety and security** for Michigan consumers. It helps Michiganders prepare for final expenses by allowing people to pay over time for coverage.

! Michigan's Preneed Insurance Problem !

Michigan is the **ONLY state in the nation** to tie preneed insurance options to the Consumer Price Index.

As a result, insurance carriers have steadily left and avoided doing business in Michigan since the late 80s, leaving **only two insurance carriers** here.

Our antiquated and burdensome regulatory structure presents a threat to consumer protection in Michigan.

The two remaining insurance carriers are **signaling future exits** if we don't solve this problem. **This would be devastating to families, funeral homes, and funeral professionals.**

✓ The Solution: Modernize Michigan's Market ✓

House Bill 6261 puts Michigan in line with **49 other states**, providing **enhanced consumer protection** and creating a **competitive marketplace**.

This bill would increase available options to Michigan families and prevent potentially catastrophic outcomes for funeral homes and funeral professionals.