

## ADMINISTRATIVE RULES Fiscal Estimate & Economic Impact Analysis

1. Type of Estimate and Analysis <input checked="" type="checkbox"/> Original <input type="checkbox"/> Updated <input type="checkbox"/> Corrected	2. Date December 17, 2019
3. Administrative Rule Chapter, Title and Number (and Clearinghouse Number if applicable) FD 6	
4. Subject Burial Agreements Funded with Life Insurance	
5. Fund Sources Affected <input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEG-S	6. Chapter 20, Stats. Appropriations Affected
7. Fiscal Effect of Implementing the Rule <input checked="" type="checkbox"/> No Fiscal Effect <input type="checkbox"/> Increase Existing Revenues <input type="checkbox"/> Increase Costs <input type="checkbox"/> Decrease Costs <input type="checkbox"/> Indeterminate <input type="checkbox"/> Decrease Existing Revenues <input type="checkbox"/> Could Absorb Within Agency's Budget	
8. The Rule Will Impact the Following (Check All That Apply) <input type="checkbox"/> State's Economy <input type="checkbox"/> Specific Businesses/Sectors <input type="checkbox"/> Local Government Units <input type="checkbox"/> Public Utility Rate Payers <input type="checkbox"/> Small Businesses <b>(if checked, complete Attachment A)</b>	
9. Estimate of Implementation and Compliance to Businesses, Local Governmental Units and Individuals, per s. 227.137(3)(b)(1). \$0	
10. Would Implementation and Compliance Costs Businesses, Local Governmental Units and Individuals Be \$10 Million or more Over Any 2-year Period, per s. 227.137(3)(b)(2)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
11. Policy Problem Addressed by the Rule This rule project removes the requirement that a funeral director, licensed intermediary, or operator of a funeral establishment include the value of the trust when submitting notice to the board that a burial trust is being terminated and replaced with a life insurance policy, as this information is often difficult to obtain from the bank. As a result of the board's review of its rules under s. 227.29, Stats., the board determined that the requirement to include the value of the trust in the notice of termination of a burial trust was burdensome to credential holders. The rule also replaces obsolete contact information for the board.	
12. Summary of the Businesses, Business Sectors, Associations Representing Business, Local Governmental Units, and Individuals that may be Affected by the Proposed Rule that were Contacted for Comments. The proposed rule was posted on the department website for 14 days to solicit economic impact comments from businesses, representative associations, local governmental units, and individuals that may be affected by the rule. No comments were received.	
13. Identify the Local Governmental Units that Participated in the Development of this EIA. No governmental units participated in the development of the EIA.	
14. Summary of Rule's Economic and Fiscal Impact on Specific Businesses, Business Sectors, Public Utility Rate Payers, Local Governmental Units and the State's Economy as a Whole (Include Implementation and Compliance Costs Expected to be Incurred) This proposed rule will not have a significant impact on specific businesses, business sectors, public utility rate payers, local governmental units, or the state's economy as a whole.	
15. Benefits of Implementing the Rule and Alternative(s) to Implementing the Rule The benefit of implementing the rule is to reduce the burden on credential holders when terminating a burial trust and replacing it with a life insurance policy. The alternative to not implementing the rule is to continue to require credential holders to include information in the termination notice that is burdensome to acquire.	
16. Long Range Implications of Implementing the Rule	

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The long range implications of implementing the rule are to ease an unnecessary burden on credential holders.

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### 17. Compare With Approaches Being Used by Federal Government

The federal government does not provide required information that must be included in a notification that a burial trust is being terminated and replaced with a life insurance policy.

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### 18. Compare With Approaches Being Used by Neighboring States (Illinois, Iowa, Michigan and Minnesota)

**Illinois:** Illinois requires the seller of the pre-need contract to notify the State Comptroller if the trustee of the fund is being changed (225 ILCS 45/2 (g)). Illinois law does not explicitly require the seller of a burial agreement to notify the board when a burial trust is terminated and replaced with a life insurance policy.

**Iowa:** Iowa does not require the seller of a burial agreement to notify the board when a burial trust is terminated and replaced with a life insurance policy, but the consumer must consent to this change, and the seller must retain a record of the original trust agreement (Iowa Stats. s. 523A.401 (6)).

**Michigan:** Michigan requires the seller to provide notice to the consumer when a prepaid burial contract is transferred or assigned (MCL 328.223 (6)). The required content of the notice is not enumerated in rule or statute, nor does it appear that notice must be provided to the Michigan Department of Licensing and Regulatory Affairs.

**Minnesota:** Minnesota law does not specify a procedure for the termination of a burial trust and replacement with a life insurance policy.

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<b>19. Contact Name</b>	<b>20. Contact Phone Number</b>
Jon Derenne, Administrative Rules Coordinator	(608) 266-0955

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**ADMINISTRATIVE RULES**  
**Fiscal Estimate & Economic Impact Analysis**

**ATTACHMENT A**

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1. Summary of Rule's Economic and Fiscal Impact on Small Businesses (Separately for each Small Business Sector, Include Implementation and Compliance Costs Expected to be Incurred)

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2. Summary of the data sources used to measure the Rule's impact on Small Businesses

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3. Did the agency consider the following methods to reduce the impact of the Rule on Small Businesses?

- Less Stringent Compliance or Reporting Requirements
- Less Stringent Schedules or Deadlines for Compliance or Reporting
- Consolidation or Simplification of Reporting Requirements
- Establishment of performance standards in lieu of Design or Operational Standards
- Exemption of Small Businesses from some or all requirements
- Other, describe:

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4. Describe the methods incorporated into the Rule that will reduce its impact on Small Businesses

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5. Describe the Rule's Enforcement Provisions

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6. Did the Agency prepare a Cost Benefit Analysis (if Yes, attach to form)

- Yes    No
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