

In November, 1984, the Prearranged Funeral Services Act became law in Prince Edward Island. This Act protects your money as a consumer when entering into a Prearranged Funeral Plan.

A prearranged funeral plan may help an individual make arrangements when not under stress and to pay only what today's market prices demand for future services.

This Brochure explains the protection afforded by the Act.

Prearranged Funeral Plan

This means an agreement, in consideration of payment in advance; to provide funeral services.

A contract is made for a person alive at the time for services in preparation for burial and the burial of the dead.

Payment may be made in a lump sum or installments.

Vendor

A vendor would be a Funeral Director, his employee or agent.

Why a Prearranged Funeral Plan?

Taking care of all funeral arrangements and making the preparations while you are free of emotional strain may save you money and keep your family from making rash, hasty decisions at a time when they may be under emotional strain.

How Can You Prearrange a Funeral?

What type of Plan:

1. Have a prearranged agreement on the type of funeral you desire, with no money exchange.

Make all the arrangements to be kept on file until needed at which time payment would be made.

2. Prearrange with the vendor the total cost and type of funeral services. Pay for this at the time of signing your agreement.

What Security Do You Have Concerning Your Money?

- A. The vendor must hold in trust all monies paid to him for a prearranged funeral. He may hold this money for up to 30 days before depositing it into an institution authorized by law to receive money on trust in Prince Edward Island. The institution is the trustee, by agreement with the vendor.

- B. **Protection for your money during the first thirty days after payment is made.**

All monies held by the vendor, or in trust, are protected from seizure by a judgement creditor, receiver or trustee in the event the vendor becomes insolvent.

If, after entering into the plan, you decide to pay in full or make a deposit, the vendor must, within 30 days of taking your money, deposit this money

into a trust account. However, if you are concerned about your money during this time, ask the vendor which institution he is dealing with and make your cheque payable to both the vendor and the financial institution.

- C. **Can you cancel?**

The buyer may cancel without penalty after three years. The vendor must refund to the buyer the money paid at the time of the agreement and any interest earned by the trust account.

If you cancel the plan within the three years, the most the vendor is entitled to keep is 12% of the monies paid to him. This penalty is negotiated between the buyer and the vendor at the time of signing the agreement.

What Is Not Included in the Plan?

It does not include the following:

- Cemetery Lot,
- Burial Vault,
- Grave Markers,
- Vases, or
- Services rendered at the cemetery.

Is Your Money Safe with the Institution?

Yes, your money is deposited into a trust account and must remain in trust until the funeral services, in accordance with the plan, have been provided or the money or any unused balance has been refunded to the person who made the agreement, or paid to his/her personal representative.

Prearranged Funeral Services Act



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**These contents should not be considered as a
statement of law, consult the Act for any legal
interpretation or application.**

