

Article 13E.
Mutual Burial Associations.

§ 90-210.80. Duties of Board; meetings.

It shall be the duty of the North Carolina Board of Funeral Service to supervise, pursuant to this Article, all burial associations authorized by this Article to operate in North Carolina, to determine that such associations are operated in conformity with this Article and the rules adopted pursuant to this Article; to prosecute violations of this Article or rules adopted pursuant thereto; and to protect the interest of members of mutual burial associations.

The North Carolina Board of Funeral Service, after a public hearing, may promulgate reasonable rules and regulations for the enforcement of this Article and in order to carry out the intent thereof. The Board is authorized and directed to adopt specific rules to provide for the orderly transfer of a member's benefits in cash or merchandise and services from the funeral director sponsoring the member's association to the funeral establishment which furnishes a funeral service, or merchandise, or both, for the burial of the member, provided that any funeral establishment to which the member's benefits are transferred in accordance with such rules shall, if located in North Carolina, be a funeral establishment registered and permitted under the provisions of G.S. 90-210.25 or shall, if located in any other state, territory or foreign country, be a funeral establishment recognized by and operating in conformity with the laws of such other state, territory or foreign country. One or more burial associations operating in North Carolina may merge into another burial association operating in North Carolina and two or more burial associations operating in North Carolina may consolidate into a new burial association provided that any such plan of merger or plan of consolidation shall be adopted and carried out in accordance with rules adopted by the Board pursuant to this Article.

All rules heretofore adopted by the North Carolina Mutual Burial Association Commission or the North Carolina Board of Funeral Service in accordance with prior law and which have not been amended, rescinded, revoked or otherwise changed, or which have not been nullified or made inoperative or unenforceable because of any statute enacted after the adoption of any such rule, shall remain in full force and effect until amended, rescinded, revoked or otherwise changed by action of the North Carolina Board of Funeral Service as set out above, or until nullified or made inoperative or unenforceable because of statutory enactment or court decision.

Members of the Board shall receive, when attending such regular or special meetings such per diem, expense allowance and travel allowance as are allowed other commissions and boards of the State. The legal adviser to the Board shall be entitled to actual expenses when attending regular or special meetings of the Board held other than in Raleigh. All expenses of the Board shall be paid from funds coming to the Board pursuant to this Article or appropriated for this purpose. (1967, c. 1197, s. 2; 1971, c. 1151; 1973, c. 1147, s. 1; 1975, c. 837; 1987, c. 864, s. 12; 1997-313, ss. 3, 5; 1999-425, s. 1; 2003-420, ss. 1, 17(b).)

§ 90-210.81. Requirements as to rules and bylaws.

All burial associations now operating within the State of North Carolina shall have and maintain rules and bylaws embodying the following:

Article 1. The name of this association shall be _____, which shall indicate that said association is a mutual burial association.

Article 2. The objects and purposes for which this association is formed and the purposes for which it has been organized, and the methods and plan of operation of this association shall be to provide a plan for each member of this association for the payment of one funeral benefit for each member, which shall consist of a funeral benefit in cash or merchandise and service, with no free embalming or free ambulance service included in this benefit. No other free service or any other thing free shall be held out, promised or furnished, in any case. Such funeral benefit shall be in the amount of one hundred dollars (\$100.00) of cash or merchandise

1 and service, without free embalming or free ambulance service, for persons of the age of 10
2 years and over, or in the amount of fifty dollars (\$50.00) for persons under the age of 10 years;
3 provided, however, that any member of this association of the age of 10 years or more may
4 purchase a double benefit (for a total benefit of two hundred dollars (\$200.00)), and provided
5 further, however, that any member of this association under the age of 10 years may purchase a
6 double benefit (for a total benefit of one hundred dollars (\$100.00)) or a quadruple benefit (for
7 a total benefit of two hundred dollars (\$200.00)); however, any additional benefit (as set out
8 herein) shall be based on the assessment rate, as provided in Article 6 of this section, at the
9 attained age of applicant at the time the additional benefit takes effect. The purchase of an
10 additional benefit shall not be available to any member who cannot fulfill the requirements as
11 set forth in Article 3 of this section.

12 Provided, further, that mutual burial associations organized and operating pursuant to this
13 Article may offer for sale to its members in good standing, funeral benefits payable only in
14 cash in excess of two hundred dollars (\$200.00), but those sales shall be subject to all
15 applicable insurance laws of this State and shall in no manner be subject to the provisions of
16 this Article or impair whatsoever funds heretofore or hereafter collected and held by that
17 Association pursuant to this Article. All mutual burial association policies heretofore or
18 hereafter sold in this State in an amount of two hundred dollars (\$200.00) or less shall continue
19 to be administered by the Board of Funeral Service and shall be subject to all provisions of this
20 Article.

21 Article 3. Any person who has passed his or her first birthday, and who has not passed his
22 or her sixty-fifth birthday, and who is in good health and not under treatment of any physician,
23 nor confined in any institution for the treatment of mental or other disease, may become a
24 member of this burial association by the payment by such person, or for such person, of a
25 membership fee in accordance with the provisions of this Article and the first assessment due
26 on the membership issued for such member in accordance with the provisions of Article 6
27 herein. The membership fee for any person joining prior to July 1, 1975, is twenty-five cents
28 (25¢). The membership fee of any person joining after July 1, 1975, is twenty-five cents (25¢)
29 for each one hundred dollars (\$100.00) of benefits provided in such membership, with a
30 minimum membership fee of twenty-five cents (25¢). The payment of the membership fee,
31 without the payment of the first quarterly assessment due on the membership, shall not
32 authorize the issuance of a certificate of membership in this burial association, and a certificate
33 of membership for such person shall not be issued until the first such assessment is paid. Any
34 member of this association joining after July 1, 1975, and who shall thereafter purchase an
35 increased benefit shall pay an additional membership fee in accordance with this Article so that
36 the total membership fee paid by such person shall equal twenty-five [cents] (25¢) for each one
37 hundred dollars (\$100.00) of benefits in such member's membership; provided, that any
38 member with a fifty-dollar (\$50.00) benefit who increases his benefit from fifty dollars
39 (\$50.00) to one hundred dollars (\$100.00) shall not be required to pay any additional
40 membership fee. The payment of any additional membership fee, without the payment of the
41 first additional assessment due for the increased benefit, shall not make such member eligible
42 for any additional benefit, and such member shall not be eligible for any additional benefit until
43 the first such additional assessment due for such additional benefit is paid. Notwithstanding the
44 foregoing, the provisions of the last paragraph of Article 6, hereinafter set out, shall control the
45 increase of benefits from fifty dollars (\$50.00) to one hundred dollars (\$100.00) for any
46 member of this association joining under the age of 10 whose benefits in force upon such
47 member attaining his or her tenth birthday are in the amount of fifty dollars (\$50.00).

48 Applicant's birthday must be written in the application and subject to verification by any
49 record the Board of Funeral Service may deem necessary to prove or establish a true date of the
50 birth of any applicant.

1 Article 4. The annual meeting of the association shall be held at ____ (here insert the place,
2 date and hour); each member shall have one vote at said annual meeting and 15 members of the
3 association shall constitute a quorum. There shall be elected at the annual meeting of said
4 association a board of directors of seven members, each of whom shall serve for a period of
5 from one to five years as the membership may determine and until his or her successor shall
6 have been elected and qualified. Any member of the board of directors who shall fail to
7 maintain his or her membership, as provided in the rules and bylaws of said association, shall
8 cease to be a member of the board of directors and a director shall be appointed by the
9 president of said association for the unexpired term of such disqualified member. There shall be
10 at least an annual meeting of the board of directors, and such meeting shall be held immediately
11 following the annual meeting of the membership of the association. The directors of the
12 association may, by a majority vote, hold other meetings of which notice shall be given to each
13 member by mailing such notice five days before the meeting to be held. At the annual meetings
14 of the directors of the association, the board of directors shall elect a president, a vice-president,
15 and a secretary-treasurer. The president and vice-president shall be elected from among the
16 directors, but the secretary-treasurer may be selected from the director membership or from the
17 membership of the association, it being provided that it is not necessary that the
18 secretary-treasurer shall be a member of the board of directors. Among other duties that the
19 secretary-treasurer may perform, he shall be chargeable with keeping an accurate and faithful
20 roll of the membership of this association at all times and he shall be chargeable with the duty
21 of faithfully preserving and faithfully applying all moneys coming into his hands by virtue of
22 his said office. The president, vice-president and secretary-treasurer shall constitute a board of
23 control who shall direct the affairs of the association in accordance with these Articles and
24 bylaws of the association, and subject to such modification as may be made or authorized by an
25 act of the General Assembly. The secretary-treasurer shall keep a record of all assessments
26 made, dues collected and benefits paid. The books of the association, together with all records
27 and bank accounts shall be at all times open to the inspection of the Board of Funeral Service or
28 its duly constituted auditors or representatives. It shall be the duty of the secretary or
29 secretary-treasurer of each association to keep the books of the association posted up-to-date so
30 that the financial standing of the association may be readily ascertained by the Board of Funeral
31 Service or any auditor or representative employed by it. Upon the failure of any secretary or
32 secretary-treasurer to comply with this provision, it shall be the duty of the Board of Funeral
33 Service to take charge of the books of the association and do whatever work is necessary to
34 bring the books up-to-date. The actual costs of said work may be charged the burial association
35 and shall be paid from the thirty percent (30%) allowed by law for the operation of the burial
36 association.

37 Whenever in the opinion of the Board of Funeral Service, it is necessary to audit the books
38 of any burial association more than once in any calendar year, the Board of Funeral Service
39 shall have authority to assess such burial association the actual cost of any audit in excess of
40 one per calendar year, provided that no more than one audit may be deemed necessary unless a
41 discrepancy exists at the last regular audit. Such cost shall be paid from the thirty percent
42 (30%) allowed by law for the operation of the burial association.

43 Every burial association shall file with the Board of Funeral Service an annual report of its
44 financial condition on a form furnished to it by the Board of Funeral Service. Such report shall
45 be filed on or before February 15 of each calendar year and shall cover the complete financial
46 condition of the burial association for the immediate preceding calendar year. The Board of
47 Funeral Service shall levy and collect a penalty of twenty-five dollars (\$25.00) for each day
48 after February 15 that the report called for herein is not filed. The Board may, in its discretion,
49 grant any reasonable extension of the above filing date without the penalty provided in this
50 section. Such penalty shall be paid from the thirty percent (30%) allowed by law for the
51 operation of the burial association. Any secretary or secretary-treasurer who fails to file such

1 financial report on or before February 15 of each calendar year or on or before the last day of
2 any period of extension for the filing of such report granted by the Board to the burial
3 association of such secretary or secretary-treasurer shall be guilty of a Class 3 misdemeanor.
4 Each day after February 15, or the last day of any period of extension for the filing of the report
5 granted by the Board to the burial association of such secretary or secretary-treasurer, that said
6 report is not filed by the secretary or secretary-treasurer of a burial association, shall constitute
7 a separate offense.

8 Article 5. Upon the death of any officer, his successor shall be elected by the board of
9 directors for the unexpired term. The president, vice-president and secretary-treasurer shall be
10 elected for a term of from one to five years, and shall hold office until his successor is elected
11 and qualified, subject to the power of the board of directors to remove any officer for good
12 cause shown; provided, that any officer removed by the board of directors shall have the right
13 of appeal to the membership of the association, such appeal to be heard at the next ensuing
14 annual meeting of said membership.

15 Article 6. Each member shall be assessed according to the following schedule for the
16 benefit indicated (or in multiples thereof for additional benefit) at the age of entry of the
17 member.

18
19 Assessment Rate for Age Groups:

20 First to tenth birthday	
21 (\$50.00) benefit	five cents (5¢)
22 Tenth to thirtieth birthday	
23 (\$100.00) benefit	ten cents (10¢)
24 Thirtieth to fiftieth birthday	
25 (\$100.00) benefit	twenty cents (20¢)
26 Fiftieth to sixty-fifth birthday	
27 (\$100.00) benefit	thirty cents (30¢)

28
29 (Ages shall be defined as having passed a certain birthday instead of nearest birthday.)
30 Assessment shall always be made on the entire membership in good standing.

31 Any member joining under the age of 10 shall, upon attaining his or her tenth birthday, pay
32 thereafter the assessment for a member age 10 as set out above.

33 Any member joining under the age of 10 whose benefits in force upon such member
34 attaining his or her tenth birthday are in the amount of fifty dollars (\$50.00) shall, if such
35 member is in good standing upon attaining his or her tenth birthday, thereafter have benefits in
36 force in the amount of one hundred dollars (\$100.00) without the necessity of making
37 application for such increased benefit. Assessments made thereafter for such member shall be
38 the same as an assessment for a member age 10 as set out above. Such one-hundred-dollar
39 (\$100.00) benefit shall be in full force and effect for any such member in good standing
40 immediately upon such member attaining his or her tenth birthday even though the increased
41 assessment provided for herein shall not yet be due and payable, it being the intent of this
42 Article that, notwithstanding any other provisions in these Articles, any member in good
43 standing with a fifty-dollar (\$50.00) benefit shall immediately upon attainment of his or her
44 tenth birthday have a one-hundred-dollar (\$100.00) benefit in force whether or not the
45 increased assessment is then due and payable by such member in accordance with the
46 assessment period of this association.

47 Article 7. No benefit will be paid for natural death occurring within 30 days from the date
48 of the certificate of membership, which certificate shall express the true date such person
49 becomes a member of this association, and the certificate issued shall be in acknowledgment of
50 membership in this association. Benefits will be paid for death caused by accidental means
51 occurring any time after date of membership certificate. No benefits will be paid in case of

1 suicidal death of any member within one year from the date of the membership certificate. No
2 agent or other person shall have authority to issue membership certificates in the field, but such
3 membership certificates shall be issued at the home office of the association by duly authorized
4 officers: the president, vice-president or secretary, and a record thereof duly made.

5 Article 8. Any member failing to pay any assessment within 30 days after notice shall be in
6 bad standing, and unless and until restored, shall not be entitled to benefits. Notice shall be
7 presumed duly given when mailed, postage paid, to the last known address of such members:
8 Provided, moreover, that notice to the head of a family shall be construed as notice to the entire
9 membership of such family in said association. Any member or head of a family changing his
10 or her address shall give notice to the secretary-treasurer in writing of such change, giving the
11 old address as well as the new, and the head of a family notifying the secretary-treasurer of
12 change in address shall list with the secretary in such notice all the members of his or her
13 family having membership in said association. Any member in bad standing may, within 90
14 days after the date of an assessment notice, be reinstated to good standing by the payment of all
15 delinquent dues and assessments: Provided such person shall at the same time submit to the
16 secretary-treasurer satisfactory evidence of good health, in writing, and no benefit will be paid
17 for natural death occurring within 30 days after reinstatement. In case of death caused by
18 accidental means, benefit will be in force immediately after reinstatement. Any person desiring
19 to discontinue his membership for any reason shall communicate such desire to the
20 secretary-treasurer immediately and surrender his or her certificate of membership. Any adult
21 member who is the head of a family and who, with his family, has become in bad standing,
22 shall furnish to the secretary-treasurer satisfactory evidence of the good health of each member
23 desired to be reinstated in writing.

24 Article 9. The benefits herein provided are for the purpose of furnishing a funeral and burial
25 benefit, in cash or merchandise and service, for a deceased member. The funeral and burial
26 benefit, if furnished in merchandise and service, shall be in keeping with and similar to the
27 merchandise and service sold and furnished at the same price by reputable funeral directors of
28 this or other like communities.

29 Article 10. It is understood and stipulated that the benefits provided for shall be payable
30 only to a funeral establishment which provides a funeral service for a deceased member and
31 which, if located in North Carolina, is a funeral establishment registered under the provisions of
32 G.S. 90-210.25 or which, if located in any other state, territory or foreign country, is a funeral
33 establishment recognized by and operating in conformity with the laws of such other state,
34 territory or foreign country. Upon the death of any member, it shall be the duty of the person or
35 persons making the funeral arrangements for such deceased member to notify the secretary of
36 the member's burial association of the death of such member. The person or persons making the
37 funeral arrangements for such deceased member shall have 30 days from the date of the death
38 of such member in which to make demand upon the burial association for the funeral benefits
39 to which such member is entitled.

40 The benefits provided for are to be paid by the burial association to the funeral director
41 providing such funeral and burial service either in cash or in merchandise and service as elected
42 by the person or persons making the funeral arrangements for such deceased member. If the
43 burial association shall fail, on demand, to provide the benefits to which the deceased member
44 was entitled to the funeral establishment which provided the funeral service for the deceased
45 member, then the benefits shall be paid in cash to the representative of the deceased member
46 qualified under law to receive such benefits.

47 Article 11. Assessments shall be made as provided in G.S. 90-210.96. Whenever possible,
48 assessments will be made at definitely stated intervals so as to reduce the cost of collection and
49 to prevent lapse.

50 Article 12. In the event the proceeds of the annual assessments imposed on the entire
51 membership for one year, as provided in G.S. 90-210.96, do not prove sufficient at any time to

1 yield the benefit provided for in these bylaws, then the secretary-treasurer shall notify the
2 Board of Funeral Service who shall be authorized, unless the membership is increased to that
3 point where such assessments are sufficient, to cause liquidation of said association, and may
4 transfer all members in good standing to a like organization or association.

5 Article 13. (a) All legitimate operating expenses of the association shall be paid out of the
6 assessments, but in no case shall the entire expenses exceed thirty percent (30%) of the total of
7 the assessments collected and the investment income of the burial association in one calendar
8 year.

9 (b) Each burial association shall establish and maintain a reserve account for the
10 payment of member's benefits. On the thirty-first day of December following July 1, 1975, each
11 burial association shall transfer to such burial association's reserve account established in
12 accordance with this Article all funds which such burial association is maintaining on that date
13 in an account designated by such burial association as either a surplus account or a reserve
14 account. Thereafter, beginning on January 1, 1976, each burial association shall place in such
15 reserve account five percent (5%) of the assessments collected from and after that date and five
16 percent (5%) of the investment income of the association earned from and after that date. These
17 sums shall continue to be placed in the association's reserve account until the association's
18 reserve account shall equal twenty-one dollars (\$21.00) per member. Thereafter if the reserve
19 account shall fall below twenty-one dollars (\$21.00) per member, such sums shall again be
20 deposited in the account until such time as the reserve account shall again be equal to
21 twenty-one dollars (\$21.00) per member. If the reserve account shall at any time exceed
22 twenty-one dollars (\$21.00) per member, amounts in excess of twenty-one dollars (\$21.00) per
23 member may be withdrawn from the reserve account.

24 Article 14. Special meetings of the association membership may be called by the
25 secretary-treasurer when by him deemed necessary or advisable, and he shall call a meeting
26 when petitioned to do so by sixty-six and two-thirds percent (66 2/3%) of the members of said
27 association who are in good standing.

28 Article 15. The secretary-treasurer shall, upon satisfactory evidence that membership was
29 granted to any person not qualified at the time of entry as provided under Article 3 of these
30 bylaws, refund any amounts paid as assessment, and shall remove the name from the
31 membership roll.

32 Article 16. Any member may pay any number of assessments in advance, in which case
33 such member will not be further assessed until a like number of assessments shall have been
34 levied against the remaining membership.

35 Article 17. No person may maintain active membership in two or more separate burial
36 associations. Any person who is found to have membership in two or more separate burial
37 associations shall forfeit all benefits and fees paid in all associations of which he is a member
38 except in the association which he first joined and of which he is still then a member. A person
39 is not a member of an association for purposes of this Article if he has discontinued his
40 membership in such association or if such association has been placed in liquidation.

41 Article 18. Each year, before the annual meeting of the membership of this association, the
42 association shall cause to be published in a newspaper of general circulation in the county in
43 which such association has its principal place of business, or shall cause to be mailed to each
44 member in good standing a statement showing total income collected, expenses paid and burial
45 benefits provided for by such association during the next preceding year.

46 Article 19. These rules and bylaws shall not be modified, canceled or abridged by any
47 association or other authority except by act of the General Assembly of North Carolina. (1941,
48 c. 130, s. 4; 1943, c. 272, ss. 1, 2; 1945, c. 125, s. 1; 1947, c. 100, s. 1; 1949, c. 201, ss. 1, 2;
49 1953, c. 1201; 1955, c. 259, ss. 3, 4; 1967, c. 1197, s. 4; 1969, c. 1041, ss. 2, 3; 1973, c. 688;
50 1975, c. 837; 1977, c. 748, ss. 1, 2, 6; 1981, c. 989, s. 4; 1987, c. 864, ss. 12, 50; 1991, c. 62, s.

1 1; 1991 (Reg. Sess., 1992), c. 1007, s. 39; 1993, c. 539, s. 1042; c. 553, ss. 48, 49; 1994, Ex.
2 Sess., c. 24, s. 14(c); 1997-313, ss. 4-6; 1999-425, s. 2; 2003-420, ss. 1, 17(b).)

3
4 **§ 90-210.82. Limitation of soliciting agents; licensing and qualifications; officers exempt**
5 **from license; issuance of membership certificates.**

6 Each burial association shall have for each funeral home sponsoring the said burial
7 association not more than five agents or representatives soliciting members other than the
8 secretary-treasurer and president, and before any agent or representative shall or may represent
9 any burial association in North Carolina, he or she shall first apply to the Board of Funeral
10 Service for a license, and the Board of Funeral Service shall have full power and authority to
11 issue such license upon proof satisfactory to such Board that such person is capable of
12 soliciting burial association memberships, is of good moral character and recommended by the
13 association in behalf of which such membership solicitations are to be made. The Board of
14 Funeral Service may reject the application of any person who does not meet the requirements
15 as to capacity and moral fitness. The Board of Funeral Service may, upon proof satisfactory to
16 it that said licensed agent has violated any section of this law, revoke said license. Upon the
17 issuing of a license to solicit membership in any burial association, such person shall be
18 required to pay in cash, at the time of issuing license to such applicant, to the Board of Funeral
19 Service, the sum of five dollars (\$5.00); moneys derived from this fee or charge, are to be and
20 remain in the department or office of such Board of Funeral Service, for supervision of burial
21 associations in this State, subject to withdrawal for expenses of supervision by authority of the
22 Board of Funeral Service. It shall not be necessary that the president or secretary-treasurer of
23 any burial association obtain a license for soliciting membership in the association of which
24 such person is president or secretary-treasurer. Membership certificates shall not be issued by a
25 solicitor in the field, but shall be reported to the office of the association and there issued and a
26 record made of such issuance at the time such certificate is so issued. (1941, c. 130, s. 5; 1945,
27 c. 125, s. 2; 1947, c. 100, s. 2; 1949, c. 201, s. 3; 1975, c. 837; 1987, c. 864, s. 12; 1997-313, ss.
28 5, 6, 7; 2003-420, ss. 1, 17(b).)

29
30 **§ 90-210.83. Assessments against associations.**

31 In order to meet the expenses of the supervision of the burial associations, the Board of
32 Funeral Service shall prepare an annual budget for the office of the Board of Funeral Service.
33 Thereafter, the Board of Funeral Service shall assess each burial association one hundred
34 dollars (\$100.00) and shall prorate the remaining amount of this budget, over and above any
35 other funds made available to it for this purpose, and assess each association on a pro rata basis
36 in accordance with the number of members of each association. Each burial association shall
37 remit to the Board of Funeral Service its pro rata part of the total assessment, which expense
38 shall be included in the thirty per centum (30%) expense allowance as provided in G.S.
39 90-210.81. This assessment shall be made on the first day of July of each and every year and
40 said assessment shall be paid within 30 days thereafter. If any association shall fail or refuse to
41 pay such assessment within 30 days, the Board of Funeral Service is authorized to transfer all
42 memberships and assets of every kind and description to the nearest association that is found by
43 the Board of Funeral Service to be in good sound financial condition. (1941, c. 130, s. 6; 1943,
44 c. 272, s. 3; 1945, c. 125, s. 3; 1947, c. 100, s. 3; 1949, c. 201, s. 4; 1951, c. 901, s. 1; 1955, c.
45 259, ss. 1, 2; 1967, c. 985, s. 1; 1969, c. 1006, s. 2; 1973, c. 1476, s. 1; 1975, c. 837; 1977, c.
46 748, s. 3; 1981, c. 989, s. 6; 1983, c. 717, s. 12; 1987, c. 864, ss. 12, 14; 1997-313, ss. 5, 6, 7;
47 2003-420, ss. 16, 17(b).)

48
49 **§ 90-210.84. Unlawful to operate without written authority of Board.**

50 It shall be unlawful for any person, firm or corporation, association or organization to
51 organize, operate, or in any way solicit members for a burial association, or for participation in

1 any plan, scheme, or device similar to burial associations, without the written authority of the
2 Board of Funeral Service, and any person, firm or corporation violating the provisions of this
3 section shall be guilty of a Class 1 misdemeanor; provided, however, the Board of Funeral
4 Service shall not withhold authority for the organization or operation of a bona fide burial
5 association, meeting the requirements of this Article, unless it shall be found and established to
6 the satisfaction of the Board of Funeral Service that the person or persons applying for
7 authority to organize and operate such bona fide burial association is disqualified or does not
8 meet the requirements of this Article. (1941, c. 130, s. 7; 1975, c. 837; 1987, c. 864, s. 12;
9 1993, c. 539, s. 1043; 1994, Ex. Sess., c. 24, s. 14(c); 1997-313, s. 5; 2003-420, ss. 1, 17(b).)

10
11 **§ 90-210.85. Revocation of license.**

12 In the event it is proven to the satisfaction of the Board of Funeral Service that any burial
13 association is being operated not in conformity with any provision of this Article, then it shall
14 become the duty of the Board of Funeral Service upon hearing to revoke the license of said
15 burial association and transfer said burial association, its membership and all its assets of every
16 kind and description to another burial association that is found by the Board of Funeral Service
17 to be in good sound financial condition; provided, that if said burial association gives notice of
18 appeal as provided for in G.S. 90-210.94, then said burial association may continue to operate
19 as before the revocation and until final adjudication. (1945, c. 125, s. 4; 1975, c. 837; 1987, c.
20 864, ss. 12, 15; 1997-313, s. 5; 2003-420, ss. 1, 17(b).)

21
22 **§ 90-210.86. Deposit or investment of funds of mutual burial associations.**

23 Funds belonging to each mutual burial association over and above the amount determined
24 by the Board of Funeral Service to be necessary for operating capital shall be invested in:

- 25 (1) Deposits in any bank or trust company in this State.
- 26 (2) Obligations of the United States of America.
- 27 (3) Obligations of any agency or instrumentality of the United States of America
28 if the payment of interest and principal of such obligations is fully
29 guaranteed by the United States of America.
- 30 (4) Obligations of the State of North Carolina.
- 31 (5) Bonds and notes of any North Carolina local government or public authority,
32 subject to such restrictions as the Board of Funeral Service may impose.
- 33 (6) Shares of or deposits in any savings and loan association organized under the
34 laws of this State and shares of or deposits in any federal savings and loan
35 association having its principal office in this State, provided that any such
36 savings and loan association is insured by the United States of America or
37 any agency thereof or by any mutual deposit guaranty association authorized
38 by the Commissioner of Insurance of North Carolina to do business in North
39 Carolina pursuant to Article 7A of Chapter 54 of the General Statutes.
- 40 (7) Obligations of the Federal Intermediate Credit Banks, the Federal Home
41 Loan Banks, Fannie Mae, the Banks for Cooperatives, and the Federal Land
42 Banks, maturing no later than 18 months after the date of purchase.

43 Violation of the provisions of this section shall, after hearing, be cause for revocation or
44 suspension of license to operate a mutual burial association. (1957, c. 820, s. 1; 1975, c. 837;
45 1987, c. 864, s. 12; 1997-313, s. 5; 2001-487, s. 14(1); 2003-420, ss. 1, 17(b).)

46
47 **§ 90-210.87. Unclaimed funds of defunct burial association.**

48 All unclaimed funds of any burial association that is no longer in operation shall be
49 disposed of in accordance with Chapter 116B. (1969, c. 1083; 1975, c. 837; 1979, 2nd Sess., c.
50 1311, s. 7; 1987, c. 864, s. 12; 2003-420, s. 17(b).)

1 **§ 90-210.88. Penalty for failure to operate in substantial compliance with bylaws.**

2 If any burial association or other organization or official thereof, or any person operates or
3 allows to be operated a burial association on any plan, scheme or bylaws not in substantial
4 compliance with the bylaws set forth in G.S. 90-210.81, the Board of Funeral Service may
5 revoke any authority or license granted for the operation of such burial association, and any
6 person, firm or corporation or association convicted of the violation of this section shall be
7 guilty of a Class 1 misdemeanor. (1941, c. 130, s. 8; 1975, c. 837; 1987, c. 864, ss. 12, 16;
8 1993, c. 539, s. 1044; 1994, Ex. Sess., c. 24, s. 14(c); 1997-313, s. 5; 2003-420, ss. 1, 17(b).)

9
10 **§ 90-210.89. Penalty for wrongfully inducing person to change membership.**

11 Any burial association official, agent or representative thereof or any person who shall use
12 fraud or make any promise not part of the printed bylaws, or who shall offer any rebate,
13 gratuity or refund to cause a member of one association to change membership to another
14 association, shall be guilty of a Class 1 misdemeanor. (1941, c. 130, s. 9; 1975, c. 837; 1987, c.
15 864, s. 12; 1993, c. 539, s. 1045; 1994, Ex. Sess., c. 24, s. 14(c); 2003-420, s. 17(b).)

16
17 **§ 90-210.90. Penalty for making false and fraudulent entries.**

18 Any person or burial association official who makes or allows to be made any false entry on
19 the books of the association with intent to deceive or defraud any member thereof, or with
20 intent to conceal from the Board of Funeral Service or its deputy or agent, or any auditor
21 authorized to examine the books of such association, under the supervision of the Board of
22 Funeral Service, shall be guilty of a Class 1 misdemeanor. (1941, c. 130, s. 10; 1945, c. 125, s.
23 5; 1975, c. 837; 1987, c. 864, s. 12; 1993, c. 539, s. 1046; 1994, Ex. Sess., c. 24, s. 14(c);
24 1997-313, ss. 5, 6; 2003-420, ss. 1, 17(b).)

25
26 **§ 90-210.91. Accepting applications without collecting fee and first assessment.**

27 Any burial association official, agent or representative, or any other person who shall
28 accept any application for membership in any association without collecting the membership
29 fee and first assessment due thereon from any such person making such an application for
30 membership, shall be guilty of a Class 1 misdemeanor.

31 Any burial association official, agent or representative, or any other person who shall
32 accept an application for an additional benefit from a member of a burial association without
33 collecting the additional membership fee and the additional assessment due thereon from any
34 such person making such an application for an additional benefit shall be guilty of a Class 1
35 misdemeanor. (1941, c. 130, s. 11; 1975, c. 837; 1987, c. 864, s. 12; 1993, c. 539, s. 1047;
36 1994, Ex. Sess., c. 24, s. 14(c); 2003-420, s. 17(b).)

37
38 **§ 90-210.92. Removal of secretary-treasurer for failure to maintain proper records.**

39 Any burial association secretary-treasurer who fails to maintain records to the minimum
40 standards required by the Board of Funeral Service shall be by such Board removed from office
41 and another elected in his stead, such election to be immediate and by the board of directors of
42 said burial association upon notice of such removal. (1941, c. 130, s. 12; 1975, c. 837; 1987, c.
43 864, s. 12; 1997-313, s. 5; 2003-420, ss. 1, 17(b).)

44
45 **§ 90-210.93. Free services; failure to make proper assessments, etc., made a
46 misdemeanor.**

47 Any person or persons who offer free funeral services or free embalming, free ambulance
48 service or any other thing free of charge, acting for any burial association, directly or indirectly,
49 or who so acting shall in any way fail to assess for the amount needed to pay death losses and
50 allowable expenses, shall be guilty of a Class 1 misdemeanor. (1941, c. 130, s. 13; 1967, c.

1 1197, s. 5; 1975, c. 837; 1987, c. 864, s. 12; 1993, c. 539, s. 1048; 1994, Ex. Sess., c. 24, s.
2 14(c); 2003-420, ss. 1, 17(b).)

3
4 **§ 90-210.94. Right of appeal upon revocation or suspension of license.**

5 Upon the revocation or suspension of any license or authority by the Board of Funeral
6 Service, under any of the provisions of this Article, the said association or individual whose
7 license or authority has been revoked or suspended shall have the right of appeal from the
8 action of the Board of Funeral Service in revoking or suspending such license or authority to
9 the Superior Court of Wake County or to the superior court of the county in which the said
10 association or the said individual is domiciled or, upon agreement of the parties to the appeal,
11 to any other superior court of the State. The association or individual appealing from the order
12 of the Board of Funeral Service shall give notice of appeal in writing to the Board of Funeral
13 Service, with a copy of such notice to the clerk of the superior court to which the appeal is
14 taken, within 10 days of the date of notice of the order revoking or suspending the said license
15 or authority and shall pay such appeal fees to the clerk of superior court as are required by law.
16 Within 30 days after receipt of the notice of appeal, the Board of Funeral Service shall file with
17 the clerk of the superior court of the county in which the appeal is to be heard the decision of
18 the Board of Funeral Service. Upon receipt of such decision, the clerk of superior court shall
19 place the matter upon the civil issue docket of the superior court and the same shall be heard de
20 novo. Pending such appeal, the burial association or individual whose license or authority has
21 been suspended or revoked shall continue to operate or function as before the revocation or
22 suspension and until final adjudication by the superior court. (1941, c. 130, s. 14; 1943, c. 272,
23 s. 4; 1957, c. 820, s. 3; 1973, c. 108, s. 20; 1975, c. 837; 1987, c. 864, s. 12; 1997-313, s. 5;
24 2003-420, ss. 1, 17(b).)

25
26 **§ 90-210.95. Bond of secretary or secretary-treasurer of burial associations.**

27 The secretary or secretary-treasurer of each burial association shall, before entering upon
28 the duties of his office, and for the faithful performance thereof, execute a bond payable to the
29 Board of Funeral Service as trustee for the burial association in some bonding company
30 licensed to do business in this State, to be approved by the Board of Funeral Service. Said bond
31 shall be in an amount not less than one thousand dollars (\$1,000), nor more than ten thousand
32 dollars (\$10,000), in the discretion of the Board, for those associations whose assets, as
33 determined by the Board's audit, are ten thousand dollars (\$10,000) or less. For those
34 associations whose assets, as determined by the Board's audit, are in excess of ten thousand
35 dollars (\$10,000), said bond shall be in an amount of ten thousand dollars (\$10,000) plus
36 twenty-five per centum (25%) of all assets over ten thousand dollars (\$10,000); provided,
37 however, that the bond required by this section shall not in any event exceed fifty thousand
38 dollars (\$50,000). If any association operates a branch or subsidiary and the officers of both
39 associations are the same, for purposes of this section, it shall be treated as one association.
40 Any burial association, with the consent of the Board of Funeral Service, may give a bond
41 secured by a deed of trust on real estate situated in North Carolina, in lieu of procuring said
42 bond from a bonding company. The bond thus given shall not be acceptable in excess of the ad
43 valorem tax value for the current year of the real estate securing said bond. The deed of trust
44 shall be recorded in the county or counties wherein the land lies and shall be deposited with the
45 Board of Funeral Service, name the Board as trustee for the burial association and must
46 constitute a first lien on the property secured by the deed of trust. Said deed of trust shall
47 contain a description of the encumbered property by metes and bounds together with evidence
48 by title insurance policy or by certificate of an attorney-at-law, certifying that said trustor is the
49 owner of a marketable fee simple title to such lands. (1941, c. 130, s. 15; 1943, c. 272, s. 5;
50 1967, c. 985, s. 2; 1975, c. 837; 1987, c. 864, s. 12; 1997-313, s. 5; 2003-420, ss. 1, 17(b).)

1 **§ 90-210.96. Assessments.**

2 Every burial association now or hereinafter organized shall make 12 assessments, or their
3 equivalent, per year per member. The Board of Funeral Service shall order any association to
4 make more than 12 assessments per year when, after notice and hearing, it shall appear to the
5 Board of Funeral Service that the death loss of any association so requires in order to protect
6 the interest of the members. (1943, c. 272, s. 6; 1969, c. 1041, s. 1; 1971, c. 650; 1975, c. 837;
7 1987, c. 864, s. 12; 1997-313, s. 5; 2003-420, ss. 1, 17(b).)

8
9 **§ 90-210.97. Making false or fraudulent statement a misdemeanor.**

10 Any officer or employee of any burial association authorized to do business under this
11 Article, who shall knowingly or willfully make any false or fraudulent statement or
12 representation in or with reference to any application for membership or for the purpose of
13 obtaining money or any benefit from any burial association transacting business under this
14 Article, or who shall make any false financial statement to the Board of Funeral Service or to
15 the membership of the burial association of which such person is an officer or employee shall
16 be guilty of a Class 1 misdemeanor. (1943, c. 272, s. 6; 1975, c. 837; 1987, c. 864, s. 12; 1993,
17 c. 539, s. 1049; 1994, Ex. Sess., c. 24, s. 14(c); 1997-313, s. 5; 2003-420, ss. 1, 17(b).)

18
19 **§ 90-210.98. Statewide organization of associations.**

20 It shall be lawful for the several mutual burial associations of the State of North Carolina, in
21 good standing, to organize and provide for a statewide organization of mutual burial
22 associations, which organization shall be for the mutual and general suggestive control of
23 mutual burial associations in the State of North Carolina. Such organization shall be known as
24 the North Carolina Burial Association, Incorporated, and shall be composed of members who
25 are lawfully operating burial associations in this State and who pay their dues to such
26 association. (1941, c. 130, s. 16; 1975, c. 837; 1987, c. 864, s. 12; 2003-420, s. 17(b).)

27
28 **§ 90-210.99. Article deemed exclusive authority for organization, etc., of mutual burial**
29 **associations.**

30 This Article shall be deemed and held exclusive authority for the organization and
31 operation of mutual burial associations within the State of North Carolina, and such
32 associations shall not be subject to any other laws respecting insurance companies of any class.
33 (1941, c. 130, s. 17; 1975, c. 837; 1987, c. 864, s. 12; 2003-420, s. 17(b).)

34
35 **§ 90-210.100. Operation of association in violation of law prohibited.**

36 No person, firm or corporation shall operate as a burial association in this State unless
37 incorporated under the laws of the State of North Carolina and unless such association shall be
38 operated in compliance with all the provisions of this Article, and unless such association shall
39 be licensed and approved by the Board of Funeral Service. (1941, c. 130, s. 18; 1975, c. 837;
40 1987, c. 864, s. 12; 1997-313, s. 5; 2003-420, ss. 1, 17(b).)

41
42 **§ 90-210.101. Member of Armed Forces failing to pay assessments; reinstatement.**

43 If a member of a burial association who is in the Armed Forces of the United States fails to
44 pay any assessment, the member shall be in bad standing, and unless and until restored, shall
45 not be entitled to benefits. However, the member shall be reinstated in the burial association
46 upon application made by the member at any time until 12 months after the member's discharge
47 from the Armed Forces of the United States, notwithstanding the member's physical condition
48 and without the payment of assessments which have become due during the member's service
49 in the Armed Forces of the United States. Benefits will be in force immediately after such
50 reinstatement. (1943, c. 732, s. 2; 1975, c. 837; 1987, c. 864, s. 12; 2003-420, s. 17(b);
51 2011-183, s. 64.)

1
2 **§ 90-210.102. Hearing by Board of dispute over liability for funeral benefits; appeal.**

3 In case of a disagreement between the representative of a deceased member of any burial
4 association and such deceased member's burial association a hearing may be held by the Board
5 of Funeral Service, on request of either party, to determine whether the association is liable for
6 the benefits set forth in the policy issued to the said deceased member of said burial
7 association. The Board of Funeral Service shall render a decision which shall have the same
8 force and effect as judgments rendered by courts of competent jurisdiction in North Carolina.
9 Either party may appeal from the decision of the Board of Funeral Service. Appeal shall be to
10 the district court division of the General Court of Justice in the county in which the burial
11 association is located. The procedure for appeal shall be the same as the appeal procedure set
12 forth in Article 19 of Chapter 7A of the General Statutes of North Carolina regulating appeals
13 from the magistrate to the district court. (1947, c. 100, s. 5; 1975, c. 837; 1987, c. 864, s. 12;
14 1997-313, s. 5; 2003-420, ss. 1, 17(b); 2007-531, s. 16.)
15

16 **§ 90-210.103. Board authorized to subpoena witnesses, administer oaths and compel
17 attendance at hearings.**

18 For the purpose of holding hearings the Board of Funeral Service shall have power to
19 subpoena witnesses, administer oaths, and compel attendance of witnesses and parties. (1957,
20 c. 820, s. 2; 1975, c. 837; 1987, c. 864, s. 12; 1997-313, s. 5; 2003-420, ss. 1, 17(b).)
21

22 **§ 90-210.104. Authority of Board to examine financial records.**

23 The Board of Funeral Service shall have authority to examine all records relating to a burial
24 association's financial condition wherever such records are located, including records
25 maintained by any corporation, building and loan association, savings and loan association,
26 credit union, or other legal entity organized and operating pursuant to the authority contained in
27 Chapters 53 and 54 of the General Statutes. (1977, c. 748, s. 4; 1987, c. 864, s. 12; 1997-313, s.
28 5; 2003-420, ss. 1, 17(b).)
29

30 **§ 90-210.105. Board authorized to freeze certain funds of Association.**

31 Whenever in the opinion of the Board of Funeral Service it deems it necessary for the
32 protection of the interest of members of a burial association, it shall have authority by written
33 order to direct that the funds of any burial association on deposit in any institution organized
34 and operating under Chapters 53 and 54 of the General Statutes be frozen and not paid out by
35 such legal entity. Any legal entity freezing the funds of a burial association pursuant to the
36 directive of the Board of Funeral Service shall not be liable to any burial association for
37 freezing said account pursuant to the order of the Board. (1977, c. 748, s. 5; 1987, c. 864, s. 12;
38 1997-313, ss. 5, 6; 2003-420, ss. 1, 17(b).)
39

40 **§ 90-210.106. Authority of foreign or domestic mutual burial association or domestic or
41 foreign insurance company to purchase, merge or consolidate with North
42 Carolina mutual burial associations.**

43 (a) Any mutual burial association or insurance company operating pursuant to the laws
44 of this State or any other state may purchase the assets of, merge, or consolidate with a North
45 Carolina chartered mutual burial association in accordance with the laws of this State and any
46 rules promulgated by the Board of Funeral Service to protect the interest of members of mutual
47 burial associations prior to the purchase, merger, or consolidation of the association.

48 (b) Notwithstanding any provision of Chapter 55 or Chapter 55A, any domestic or
49 foreign insurance company which if organized in North Carolina would have to be organized
50 under Chapter 55 may merge or consolidate with any domestic mutual burial association. When
51 a domestic or foreign insurance company consolidates or merges with a domestic mutual burial

1 association and sells insurance or burial benefits in excess of two hundred dollars (\$200.00), it
2 shall be subject to all of the provisions of the insurance laws of North Carolina.

3 (c) If the assets and liabilities of a North Carolina mutual burial association are
4 purchased, and no merger, consolidation or dissolution is effectuated in connection with the
5 purchase, the management and administrative operations of the North Carolina mutual burial
6 association shall be transferred to the purchasing entity.

7 (d) In any purchase, merger, or consolidation pursuant to this section, the membership
8 of the mutual burial association shall be guaranteed coverage in the amounts held by each
9 member at the time of such purchase, merger, or consolidation. During the life of the member,
10 this coverage shall not exceed the annual rate charged by the mutual burial association that is
11 being purchased, merged, or consolidated. An insurance company which purchases, merges
12 with, or consolidates with a North Carolina mutual burial association shall establish and
13 maintain life insurance reserves in accordance with the insurance laws of North Carolina for
14 those burial insurance policies existing at the time of the purchase, merger, or consolidation. A
15 North Carolina mutual burial association or foreign mutual burial association which purchases,
16 merges with, or consolidates with a North Carolina mutual burial association shall establish and
17 maintain burial insurance reserves in accordance with the burial insurance laws of North
18 Carolina for those burial insurance policies existing at the time of the purchase, merger, or
19 consolidation. (1981, c. 989, s. 5; 1983, c. 766; 1987, c. 864, s. 12; 1997-313, s. 5; 2003-420,
20 ss. 1, 17(b).)

21
22 **§ 90-210.107. Acquisition, merger, dissolution, and liquidation of mutual burial**
23 **associations.**

24 (a) Any insurance company which desires to purchase the assets of or to merge with a
25 burial association as provided in G.S. 90-210.106 shall submit to the Board of Funeral Service
26 and to the secretary of the association a written proposal containing the terms and conditions of
27 the proposed purchase or merger. A proposal may be conditioned upon an increase in the
28 assessments of an association in the manner set out in subsection (g) of this section. In such a
29 case, the issues of purchase or merger and an increase in assessments may be considered at the
30 same meeting of the association.

31 (b) Upon receipt of a written proposal:

- 32 (1) The Board shall issue an order directing the association to hold a meeting of
33 the membership within 30 days following receipt of the order for the purpose
34 of voting on the proposal.
35 (2) Within 10 days of receiving the order from the Board, the association shall
36 give at least 10 days' written notice of the meeting to each of its members.
37 The notice shall:
38 a. State the date, time, and place of the meeting.
39 b. State the purpose of the meeting.
40 c. Contain or have attached the proposal submitted by the insurance
41 company.
42 d. Contain a statement limiting the time that each member will be
43 permitted to speak to the proposal, if the association deems it
44 advisable.
45 e. Contain a written proxy form and instructions concerning the proxy
46 prescribed by the Board.

47 (c) A representative of the insurance company shall be permitted to attend the meeting
48 held by the association for the purposes of explaining the proposal and answering any questions
49 from the members. The officers of the association may present their views concerning the
50 proposal. Any member of the association who wishes to speak to the proposal shall be
51 permitted to do so subject to any time limitation stated in the notice of the meeting.

1 (d) The secretary of the association shall record the name of every member who is
2 present at the meeting or has issued a written proxy pursuant to G.S. 55A-7-24 and shall
3 determine whether there is a quorum. The presence of 15 members or ten percent (10%) of the
4 membership, whichever is greater, shall constitute a quorum. Acceptance or rejection of the
5 proposal shall be by majority vote of the members voting. Any member who is at least 18 years
6 of age shall be permitted to vote. A parent or guardian of any member who is under 18 years of
7 age may vote on behalf of his or her child or ward, but only one vote may be cast on behalf of
8 that member.

9 (e) The secretary of the association shall certify the result of the vote and the presence
10 of a quorum to the Board within five days following the meeting and shall include with the
11 certification a copy of the notice of the meeting that was sent to the members of the association.

12 (f) The Board shall immediately review the certification, the notice, and any other
13 records that may be necessary to determine the adequacy of notice, the presence of a quorum,
14 and the validity of the vote. Upon determining that the meeting and vote were regular and held
15 following proper notice and that a majority of a quorum of the members voted in favor of the
16 proposal, the Board shall issue an order approving the purchase or merger and directing that the
17 purchase or merger proceed in accordance with the proposal.

18 (g) Any burial association whose current assessments are not, or are unlikely to be
19 within the next three years, adequate to reach or maintain a reserve of at least twenty-one
20 dollars (\$21.00) per member or are inadequate to meet the requirements of a proposal from an
21 insurance company to acquire the assets of or to merge with the association may increase its
22 assessments by an amount necessary to reach and maintain the reserve or to meet the proposal.
23 The increase shall be approved by a vote of the members of the association at a regular meeting
24 of the association or at a special meeting called for the purpose of increasing assessments.

25 (1) Any officer or director of the association may call a special meeting for the
26 purpose of increasing assessments, and the secretary shall call a special
27 meeting for such purpose upon the request of at least ten percent (10%) of
28 the members or upon receipt of a proposal from an insurance company that
29 is conditioned upon an increase in assessments.

30 (2) Written notice setting out the date, time, place, and the purpose of the
31 meeting shall be hand delivered or sent by first-class mail, postage prepaid,
32 to the last known address of each member of the association at least 10 days
33 in advance of the meeting.

34 (3) No vote may be had on the question of an increase in assessments unless a
35 quorum of the members of the association is present at the meeting. A
36 quorum shall be conclusively presumed if 15 members or ten percent (10%)
37 of the membership of the association, whichever is greater, is present at the
38 meeting.

39 (4) The proposal to increase the assessments shall be approved by an affirmative
40 vote of a majority of the members present and voting.

41 (5) The secretary of the association within five days following the meeting shall
42 certify the result of the vote and the presence of a quorum to the Board in the
43 manner and for the purposes set out in subsections (e) and (f) of this section.

44 (h) Upon a written request from an association that has held a valid meeting and voted
45 for voluntary dissolution in accordance with G.S. 90-210.81, the Board shall issue an order of
46 liquidation for that association.

47 (i) Upon receipt of a request for voluntary dissolution under subsection (h) of this
48 section or if the sponsoring funeral establishment has its permit revoked or ceases operation for
49 any reason, the Board shall issue an order of liquidation. The Board's order may direct that the
50 agreements for members' benefits be transferred to a financially sound mutual burial
51 association, as well as all records, property, and unexpended balances of funds of the

1 association to be liquidated, if the financially sound mutual burial association agrees in writing
2 to accept the transfer. The Board's order shall direct the burial association to complete the
3 liquidation and to file a final report with the Board no later than December 31 of the year of the
4 liquidation. Upon receipt of the order of liquidation, the burial association shall:

- 5 (1) Cease accepting new members.
- 6 (2) Collect all debts owed to the association and pay all debts owed by the
7 association from monies on hand, including the reserve.
- 8 (3) Distribute pro rata any remaining monies on hand and in the reserve among
9 those who were members of the association and whose transfer could not be
10 accomplished on the date that the liquidation order was issued by the Board.
11 Each member's distributive share shall be determined by dividing the amount
12 of the member's benefit by the aggregate benefits of all members of the
13 association and then multiplying the total amount of money available for
14 distribution by the percentage so derived. Assessments owed by the
15 members to the association at the time of distribution shall be taken into
16 account and shall be offset against the members' distributive shares.
- 17 (4) Issue a certificate to members in an amount that equals the difference
18 between the distributive share issued in subdivision (3) of this subsection
19 and the full amount of the member's association benefit. Any certificate
20 issued shall supersede and supplant any other certificate already issued by
21 the association. The certificate shall be on a form prescribed by the Board
22 and shall be prepared and distributed by the association at its expense.
- 23 (5) File a final report with the Board on or before December 31 in the year in
24 which the order of liquidation was issued. This report shall show all receipts
25 and disbursements, including the amount distributed to each member, since
26 the last annual report of the association was filed with the Board.

27 (j) A certificate issued under subsection (i) of this section may be used as a credit
28 toward the cost of funeral services, facilities, and merchandise at any funeral establishment that
29 agrees on forms prescribed by the Board to accept such certificates. A funeral establishment
30 that agrees to accept certificates shall do so until the agreement with the Board expires. The
31 Board shall maintain and distribute to the public a list of funeral establishments that will accept
32 certificates.

33 (k) Upon receipt of the final report of dissolution by the association, which is required
34 by subsection (i) of this section, the Board shall immediately review the final report and shall
35 notify the association whether the report is complete and has been accepted. Upon acceptance
36 of the final report by the Board, all licenses issued to soliciting agents of the association
37 pursuant to G.S. 90-210.84 are automatically cancelled. (1999-425, s. 3; 2003-420, ss. 1, 17(b);
38 2007-531, s. 17.)

39
40 **§§ 90-210.108 through 90-210.119:** Reserved for future codification purposes.