

367.934 Preneed payments and increments as trust funds -- Agents -- Conditions required for disbursements.

(1) Except as provided in KRS 367.935:

- (a)
 - 1. All payments of money made to any person, partnership, association, or corporation upon any agreement or contract, or any series or combination of agreements or contracts, but not including the furnishing of cemetery lots or mausoleums, which has for a purpose the furnishing or performance of funeral services, or the furnishing or delivery of personal property, merchandise, or services of any nature in connection with the final disposition of a dead human body, for future use at a time determinable by the death of the person whose body is to be disposed of, are held to be trust funds.
 - 2. The person, partnership, association, or corporation receiving the payments:
 - a. Is declared to be the agent thereof; and
 - b. Shall deposit all payments in a trust account with a bank or trust company or invest the payments in a savings and loan association or federally chartered credit union.
 - 3. The trustee shall be the financial institution holding the funds.
 - 4. All of the interest, dividends, increases, or accretions of whatever nature earned by the funds deposited in a trust account shall remain with the principal of such account and become a part thereof, subject to all of the requirements concerning the principal of the account herein contained.
 - 5.
 - a. The agent shall have the authority at any time to transfer or redesignate the trustee of the funds in his or her discretion upon notification to the Attorney General.
 - b. In case of any transfer, the former trustee shall transfer funds directly to and payable to the newly designated trustee or its representative;
- (b) All payments made to the agent under the agreement, contract, or plan are and shall remain trust funds with the financial institution until the death of the person for whose service the funds were paid and until the delivery of all merchandise and full performance of all services called for by the agreement, contract, or plan, except where payment is made pursuant to a request for refund; and
- (c)
 - 1. The funds shall not be paid by the financial institution until:
 - a. A certified statement is furnished to the financial institution by the agent setting forth that all of the terms and conditions of the agreement have been fully performed by the person, association, partnership, firm, or corporation; and
 - b. The agent has proven the death of the person for whose service the funds were paid by furnishing the financial institution with a verified or certified copy of a record verifying the death, issued by

the state registrar of the Vital Statistics Branch or its successor agency as authorized by KRS Chapter 213, or a provisional certificate of death as described in KRS 213.076.

2. Any balance remaining in the fund after payment for the merchandise and services as set forth in the agreement, contract, or plan shall be paid to the estate of the beneficiary of the agreement, contract, or plan.
- (2) KRS 367.932 to 367.974 shall not be construed to apply to contracts for funeral service or merchandise sold as preneed and burial insurance policies which are regulated by the Department of Insurance of this state.

Effective: July 15, 2026

History: Amended 2026 Ky. Acts ch. 88, sec. 2, effective July 15, 2026. -- Amended 2010 Ky. Acts ch. 24, sec. 1918, effective July 15, 2010. -- Amended 2006 Ky. Acts ch. 102, sec. 1, effective July 12, 2006. -- Amended 1996 Ky. Acts ch. 275, sec. 1, effective July 15, 1996. -- Repealed, reenacted, and amended as KRS 367.934, 1984 Ky. Acts ch. 116, sec. 2, effective July 13, 1984. -- Created 1966 Ky. Acts ch. 12, sec. 2.

Formerly codified as KRS 316.320.

Legislative Research Commission Note (7/15/2026). 2026 Ky. Acts ch. 88, sec. 4, provides that the amendments to this statute in that Act apply to contracts entered into on or after July 15, 2026.