

Pre-Arranged Funeral Plans

What is a pre-arranged funeral plan?

A pre-arranged funeral plan is an agreement between you and a funeral home to buy funeral services or merchandise for yourself or a loved one before it is needed, while guaranteeing that the price you pay now doesn't change in the future.

When you purchase a pre-arranged funeral plan there are protections in place to make sure you get the goods and services you paid for.

You can only buy a pre-arranged funeral plan from a licensed funeral home, through a licensed funeral salesperson.

Paying for your pre-arranged plan

The method of payment depends on the funeral home. Some funeral homes want full payment up-front, while others will let you pay over time. You can pay for your pre-arranged plan either through a funeral home (as a trust-funded plan), or through insurance (as an insurance-funded plan).

After you buy your pre-arranged plan, make sure to tell your family and either give them a copy of your plan, or let them know where a copy is kept. Remember to store your plan in a safe place!

Questions? Contact Us:

Toll free: 1-800-670-4357

Email: askus@novascotia.ca



Paying for your plan

	Through a Funeral Home (Trust-Funded Plan)		Through Insurance (Insurance-Funded Plan)
	All up-front	Over time	Using insurance
What's involved:	You pay the funeral home the total cost of your plan. When you pass away, the funeral home must deliver all of the goods and services you agreed to in your plan.	You give the funeral home an initial payment (down payment) and agree to pay a certain amount over time until the plan is completely paid off. The price of your plan does not change in the future, as the price is guaranteed in your contract.	You meet with an insurance agent and a funeral salesperson and select a pre-arranged plan that works best for you. You can pay up-front or over time, depending on the insurance policy you buy.
The administrative fee:	All money that is paid to the funeral home is held "in trust" at a bank. The funeral home is able to keep an "administration fee" to manage your money. The amount they keep cannot be more than 10% of the total cost of your plan.		An administrative fee cannot be kept by the funeral home if you pay by insurance.
After you buy your plan:	The funeral home must give you a signed and dated copy of your purchase agreement within 10 days that shows the details and cost of what you purchased.		



If you are paying through a funeral home (Trust-funded Plan)

The purchase agreement must include:

- Your name, address and contact information
- If you are buying a pre-arranged funeral plan for someone else: the recipient's name and address
- The licence number and contact information for the funeral home
- A statement indicating how you can cancel your plan at the top of the first page
- All goods and services you purchased and the cost (either on the contract or attached as a schedule)
- A statement that prices are guaranteed and all money will be held in trust
- The total cost of the plan
- If you are paying over time: the amount of the down payment, the balance due and the schedule of future payments
- If the funeral home is keeping an administrative fee at the time of purchase and how much is being kept
- What happens if you miss a payment
- A statement indicating that you must receive a notification from the bank confirming that money was received and deposited in your name (within 21 days)
- Signatures of all parties
- A statement confirming that you have received a copy of the purchase agreement

If you are paying through insurance (Insurance-funded Plan)

The purchase agreement must include:

- Your name, address and contact information
- If you are buying a pre-arranged funeral plan for someone else: their name and address
- The licence number and contact information for the funeral home
- A statement indicating how you can cancel your plan at the top of the first page
- All goods and services you purchased and the cost (either on the contract or attached as a schedule)
- A statement that prices are guaranteed
- The total cost of the plan
- Confirmation that the funeral home is either the beneficiary of your insurance policy, or that the proceeds of your insurance policy are being assigned to the funeral home
- The name and contact information for the insurance company
- The name and license number of the insurance agent who sold you the insurance
- Your insurance policy number
- Signatures of all parties
- A statement confirming that you have received a copy of the purchase agreement
- The insurance policy or other documents that confirm the purchase of insurance (attached)

After buying your pre-arranged funeral plan

Cancelling your pre-arranged funeral plan

If you paid for your plan through the funeral home:

- You have 10 days to cancel your plan without a penalty.
- After the 10 days, you can get a refund on the money you paid, less any administrative fees (no more than 10% of the plan).
- The funeral home is not required to pay you interest on your refund.
- You must receive your refund within a month of cancelling your plan.

If you paid for your plan through insurance:

- Check with your insurance agent before you cancel.
- Remember that cancelling your plan does not automatically cancel your funeral insurance. But, cancelling your funeral insurance automatically cancels your plan.

If you miss a payment

If you miss a payment, the funeral home will notify you in writing and give you one month to pay back what you owe. If you still owe money after a month, the funeral home may cancel your plan.

If the funeral home cancels your plan, they have to refund you the amount you paid down on your plan, less the administrative fees (no more than 10% of the plan) and any interest accumulated.

If the funeral home does not cancel your plan, it must honour everything in your plan, including the price.

Transferring your pre-arranged plan to another funeral home

You may transfer your plan to another funeral home as long as you notify the original funeral home in writing.

When you transfer a plan, the original funeral home must transfer all of your money to the new funeral home.

Neither funeral home can charge you any penalty (including an administrative fee) when transferring your plan.

Include the following items in your letter to the original funeral home to transfer your plan:

- The name of the original funeral home
- The name and signature of the new funeral home
- Your name and signature

Changing your plan to an insurance-funded plan

If you prefer to pay for your pre-arranged funeral plan through insurance, you can transfer your plan.

You must tell the funeral home in writing that you are transferring your plan.

Your new insurance plan must include everything that was in your old plan, at the same price.

You may be charged income tax when transferring your plan. This is because you are taking out the money you have paid down on your plan, plus the interest that has accumulated over time while it was in the bank.