



Ohio Revised Code

Section 4717.41 Preneed recovery fund.

Effective: October 17, 2019

Legislation: House Bill 166 - 133rd General Assembly

(A) There is hereby created the preneed recovery fund, which shall be in the custody of the treasurer of state but shall not be part of the state treasury. All fees collected under division (A)(14) of section 4717.07 of the Revised Code shall be deposited into the fund. The fund shall be used to reimburse purchasers of preneed funeral contracts who have suffered financial loss as a result of the malfeasance, misfeasance, default, failure, or insolvency in connection with the sale of a preneed funeral contract by any licensee under this chapter, regardless of whether the sale of such contract occurred before or after the establishment of the fund. The fund, and all investment earnings thereon, shall only be used for the purposes set forth in this section and shall not be used for any other purposes. The fund shall be administered by the board of embalmers and funeral directors.

(B) All fees collected under division (A)(14) of section 4717.07 of the Revised Code shall be deposited into the fund. Deposits to and disbursements from the fund account shall be subject to rules established by the board.

(C) If at the end of any fiscal year for this state, the balance in the fund exceeds two million dollars, the fee required by division (A)(14) of section 4717.07 of the Revised Code for the upcoming fiscal year shall be reduced by fifty per cent. If the balance in the fund at the end of a fiscal year exceeds three million dollars, the payment of the fee required by division (A)(14) of section 4717.07 of the Revised Code shall be suspended for the upcoming fiscal year.

(D) The board shall adopt rules governing management of the fund, the presentation and processing of applications for reimbursement, subrogation, or assignment of the rights of any reimbursed applicant.

(E) The board may expend moneys in the fund for the following purposes:

(1) To make reimbursements on approved applications;



(2) To purchase insurance to cover losses as considered appropriate by the board and not inconsistent with the purposes of the fund;

(3) To invest such portions of the fund as are not currently needed to reimburse losses and maintain adequate reserves, as are permitted to be made by fiduciaries under the laws of this state;

(4) To pay the expenses of the board for administering the fund, including employment of local counsel to prosecute subrogation claims.

(F) Reimbursements from the fund shall be made only to the extent to which those losses are not bonded or otherwise covered, protected, or reimbursed and only after the applicant has complied with all applicable rules of the board.

(G) The board shall investigate all applications made and may reject or allow such claims in whole or in part to the extent that moneys are available in the fund. The board shall have complete discretion to determine the order and manner of payment of approved applications. All payments shall be a matter of privilege and not of right, and no person shall have any right in the fund as a third-party beneficiary or otherwise. No attorney may be compensated by the board for prosecuting an application for reimbursement.

(H) If reimbursement is made to an applicant under this section, the board shall be subrogated in the reimbursement amount and may bring any action it considers advisable against any person. The board may enforce any claims it may have for restitution or otherwise and may employ and compensate consultants, agents, legal counsel, accountants, and other persons it considers appropriate.