



PRENEED RECOVERY FUND

2017-2018 ANNUAL REPORT

PRENEED RECOVERY FUND FINANCES AT A GLANCE

BALANCE- OCTOBER 1, 2017	\$ 0.00
INCOME- 2018	\$127,760.00
EXPENSES- 2018	\$2,764.70
BALANCE- JUNE 30, 2018	\$124,995.30

ARPPS REPORTING

- 6,527 contracts sold during fourth quarter
- 6, 249 contracts sold during the first quarter
- An average of 6,388 contracts sold during the 2017-2018 fiscal year
- 12,776 total contracts sold by Ohio licensees

EXPENSES

Vantiv IQ (Interchange Fees)	\$2,302.41
Vantiv Holding, LLC (Processing Fees)	\$93.35
<u>American Express (Processing Fees)</u>	<u>\$368.94</u>
TOTAL EXPENSES-	\$2,764.70

2018-2019 PRENEED RECOVERY FUND FEE

\$10

* A \$10 fee will be assessed throughout the 2018-2019 fiscal year.

The Preneed Recovery Fund was established on June 30, 2017 by House Bill 49, the main operating budget for Ohio. The Preneed Recovery Fund, codified under section 4717.41 of the Revised Code, is a consumer protection fund designed 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 statute, the Board was authorized to administer the fund.

In response to the statutory mandate, the Board contracted with the Department of Administrative Services (DAS) to develop technology to administer the fund. In a collaborative effort between the executive director, board members, board staff, stakeholders, and developers from the Department of Administrative Services, the Automated Reporting and Preneed Payment System (ARPPS) was created to manage and administer the fund. The system collects the payment required to support the Preneed Recovery Fund. The system was also designed to collect general preneed funeral contract information to assist the Board during investigation on consumer claims for reimbursement.

At the close of the state's fiscal year on June 30, 2018, the Preneed Recovery Fund through ARPPS reported a total of 12,776 preneed funeral contracts sold by Ohio licensees. During the first reporting period, the fourth quarter (October 1-December 31) of 2017, a total of 6,527 contracts were sold which generated a total of \$65,270 to the fund. The second reporting period, the first quarter (January 1-March 1) of 2018, a total of 6,249 contracts were sold which contributed a total of 62,490 to the fund. A total of \$127,760 was contributed to the Preneed Recovery Fund, an amazing outcome with less than a full year of operation and reporting to the fund. The Board thanks the licensees and consumers for their continued cooperation and contributions to the fund.

Looking forward, the Board is excited to increase the efficiency and growth of the Preneed Recovery Fund program. The consumers and licensees will experience enhanced communication, staffing, and support regarding the fund. ARPPS will become more user friendly and sophisticated with its functionality. The Board is also exploring opportunities to collaborate with trust companies, insurance companies, and banking institutions to onboard more institutional depositors to streamline the reporting, submission, and payment process for licensees through ARPPS.

Visit <http://www.funeral.ohio.gov/> for more resources and information regarding the Preneed Recovery Fund. Please contact 614-466-4252 for the ARPPS help desk or arpps@funeral.ohio.gov for assistance or questions about the system.

Board of Embalmers and Funeral Directors