



PRINCE EDWARD ISLAND
ÎLE-DU-PRINCE-ÉDOUARD

PREARRANGED FUNERAL SERVICES ACT

PREARRANGED FUNERAL SERVICES REGULATIONS

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This document is *not* the official version of these regulations. The regulations and the amendments printed in the *Royal Gazette* should be consulted on the Prince Edward Island Government web site to determine the authoritative text of these regulations.

For more information concerning the history of these regulations, please see the *Table of Regulations* on the Prince Edward Island Government web site (www.princeedwardisland.ca).

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PREARRANGED FUNERAL SERVICES REGULATIONS

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PREARRANGED FUNERAL SERVICES ACT

CHAPTER P-17

PREARRANGED FUNERAL SERVICES REGULATIONS

Pursuant to section 11 of the *Prearranged Funeral Services Act* R.S.P.E.I. 1988, Cap. P-17, Council made the following regulations:

1. Definitions

In these regulations,

- (a) “**Act**” means the *Prearranged Funeral Services Act* R.S.P.E.I. 1988, Cap. P-17;
- (b) “**license**” means a Funeral Home Operator’s License as defined in subsection 1(1) of the *Funeral Services and Professions Act* R.S.P.E.I. 1988, Cap. F-17;
- (c) “**security**” means a financial guarantee provided by a vendor that meets the requirements of the Act and section 2. (EC1029/25)

2. Security

- (1) The security that a vendor is required to provide under subsection 2(2) of the Act shall meet the requirements of this section.

Type and source of bond

- (2) The security to be provided for the purposes of subsection (1) shall be a bond in favour of the Board, executed and sealed in a manner sufficient to bind the vendor and the person providing the bond to the benefit of persons entering into a prearranged funeral plan with the vendor, that is
 - (a) from a guarantee company authorized to conduct business in Prince Edward Island;
 - (b) from a guarantor other than a guarantee company, accompanied by collateral security; or
 - (c) subject to subsection (3), from a person other than a person described in clause (a) or (b).

Personal bond

- (3) Where a bond is provided by a person described in clause (2)(c), the bond shall be in the form of a personal bond accompanied by collateral security in the form specified by the Board.

Amount of bond

- (4) The amount of the bond to be given by a vendor shall be not less than \$20,000.

Requirements for collateral security

- (5) The collateral security referred to in clause (2)(b) and subsection (3) shall be deposited with the Board and maintained at a market value of not less than the face value of the bond.

Cancellation of bond

- (6) A bond specified in subsection (2) may be cancelled by the surety by giving at least two months' notice in writing of the intention to cancel the bond to the Board and to the vendor, and the bond shall be deemed to be cancelled on the date stated in the notice, which shall be not less than two months after the receipt of the notice by the Board.

Delivery of bond and collateral security

- (7) Where a bond has been cancelled, or the vendor's licence has been cancelled and the bond has not been forfeited, the Board may, two years following the expiry of the licence of the vendor to whom the bond relates, or two years after the cancellation of the bond, as the case may be, deliver the bond and any collateral security to the vendor or to the person who deposited the security, as the case may be. (EC1029/25)

3. Forfeiture of bond

- (1) The Board may declare a bond referred to in section 2 forfeited, upon which the amount becomes due and owing by the vendor as a debt due to the Board where the vendor, for any reason, fails to carry out the terms of a prearranged funeral plan or for any reason fails to make repayment of money paid under the prearranged funeral plan as required by the Act or these regulations.

Sale of collateral security

- (2) Where a bond secured by the deposit of collateral security is forfeited under subsection (1), the Board may sell the collateral security at the current market price.

Security or proceeds held for two years

- (3) The security, or the proceeds of its sale, as the case may be, shall be held by the Board for a two-year period unless, through public advertising or receipt of affidavits from all persons concerned, the Board is satisfied that all claims against the security have been satisfied.

Authority of Board

- (4) The Board may, on the terms and conditions determined by the Board,
- (a) assign a bond or any portion of it forfeited under subsection (1) and transfer the collateral security, if any;
 - (b) pay over any money recovered under the bond; or
 - (c) pay over any money realized from the sale of the collateral security under subsection (2), to any person who is owed money by the vendor in respect of a prearranged funeral plan.

Proportional distribution where proceeds insufficient

- (5) Where the proceeds of the bond are insufficient to satisfy the total amounts of all the claims filed with the Board, the Board may distribute the proceeds of the bond proportionately among the claimants.

Decision of Board final

- (6) In any question as to whom and in what amounts the proceeds of the bond are to be paid pursuant to subsection (5), the Board's decision shall be final.

Payment of remaining balance

- (7) Where the proceeds of the bond exceed the total amount of the claims filed with the Board, the Board may pay the remaining balance of the proceeds to the person who paid over the proceeds of the bond or who assigned the collateral security realized. *(EC1029/25)*

4. Records to be maintained

For the purposes of subsection 6(4) of the Act, a vendor shall maintain

- (a) a record of every prearranged funeral plan entered into by the vendor, showing, with respect to each prearranged funeral plan, the following:
 - (i) the date the plan was entered into,
 - (ii) the name and address of the purchaser,
 - (iii) the name, address and date of birth of the person who is named in the prearranged funeral plan and on whose death funeral services are to be provided under the plan,
 - (iv) the date on which any funeral services contracted for under the prearranged funeral plan were performed or the date on which the plan was terminated, cancelled or discontinued or was assigned to another vendor,
 - (v) where the prearranged funeral plan is assigned to another vendor, the name of that vendor, and
 - (vi) where the purchaser dealt with a sales representative of a vendor in respect of the prearranged funeral plan, the name of the sales representative;
- (b) where money that is held in trust by the vendor under a prearranged funeral plan is paid to a financial institution under section 3 of the Act, a copy of the proof of deposit that the vendor is required to obtain under subsection 4(4) of the Act on which shall be recorded the identifying number of the plan and the name of the person named in the plan and on whose death funeral services are to be provided under the plan;
- (c) copies of all receipts and invoices issued in connection with the business of providing funeral services under a prearranged funeral plan, which clearly identify that the funeral services are to be provided under a prearranged funeral plan;
- (d) a record
 - (i) of all money paid under each prearranged funeral plan entered into by the vendor, of the deposit of the money in a financial institution, and of the withdrawal of all or any part of the money from the financial institution, and
 - (ii) of all other money received or disbursed in connection with the business of providing funeral services under a prearranged funeral plan;
- (e) all bank statements, pass books and cashed cheques for any account maintained in connection with the business of providing funeral services under a prearranged funeral plan;
- (f) an itemized list of the funeral services that the vendor generally provides under a prearranged funeral plan, including the price and description of each;
- (g) one copy of each prearranged funeral plan entered into by the vendor, which shall contain the same identifying number as the original plan; and
- (h) any other document relevant to the vendor's business of providing funeral services under a prearranged funeral plan. *(EC1029/25)*