

## NFDA INSURANCE FORM PACKET

Insurance is widely used to fund preneed and at-need funeral arrangements. In many cases, the ownership of existing insurance policies is assigned to a funeral home by a preneed consumer seeking to qualify for Medicaid benefits. In at-need situations, family members may be looking to assign the proceeds of a policy on the decedent's life to pay for the funeral. Therefore, with both preneed and at-need arrangements, it is critical that insurance policies and proceeds be properly assigned and paid to the funeral home. Toward that end, NFDA has assembled this packet of forms and information to assist its members.

Funeral homes should understand that many insurance companies have their own forms and some companies may not accept the generic forms contained in this packet.

Funeral homes should always contact the insurance company and ask whether it will accept these forms or if it requires the use of the insurance company's own forms.

1. **Verifying Insurance Information for an At-Need Funeral Arrangement.** When arranging at-need funerals, a family member may prefer to pay all or part of the funeral bill by assigning insurance policy proceeds to the funeral home. Prior to accepting the assignment of the policy proceeds in payment, the funeral home will want to verify that the policy is in force, that the payor is the beneficiary of the policy, and what is the amount of the death benefits payable under the policy.

Unfortunately, because of federal privacy statutes, many insurance companies no longer readily provide this information to a funeral home. Therefore, funeral homes are unable to confirm whether policies are in force and how much the beneficiary will receive under the policy. Obviously, this presents major hurdles to the use of insurance proceeds as a means to fund an at-need funeral.

To obtain the necessary information, the beneficiary of the policy must sign an authorization form which directs the insurance company to release the information to the funeral home. NFDA Insurance Form No. 1 will satisfy the requirements of most insurance companies. However, some insurance companies may insist that their own authorization form be utilized. Therefore, funeral homes should contact the insurance company prior to forwarding NFDA Insurance Form No. 1 to obtain the requested information.

2. **Verifying Insurance Information for Preneed Funding.** Prior to accepting an insurance policy as payment for a preneed contract, funeral homes will want to contact the insurance company and confirm that: (a) the insurance policy is in place and is current; (b) the dollar amount of proceeds that will be paid upon death; (c) the fact that there are no loans against the policy; (d) the purchaser of the preneed contract is the owner of the policy; and (e) the ownership of the policy can be transferred to the funeral home.

As a condition of releasing this information, most insurance companies will require the written authorization of the owner of the policy. NFDA Insurance Form No. 2 is designed to provide that authorization.

3. **Assigning Insurance Policy Proceeds to Fund At-Need Funeral.** NFDA Insurance Form No. 3, which is entitled "Assignment of Insurance Proceeds," may be used by funeral homes when a family wishes to use insurance policy proceeds to fund an at-need funeral. Prior to submitting the Assignment of Insurance Proceeds form, the funeral home will want to verify that the policy is in place and confirm who are the beneficiaries under the policy. When obtaining this information, the funeral home should also determine if the insurance company has its own assignment forms or whether it will recognize NFDA Insurance Form No. 3 by which the beneficiary will assign policy proceeds to the funeral home to pay for the at-need funeral.
4. **Assigning Life Insurance Policy to Fund Preneed Contract.** When a consumer wishes to assign an insurance policy to a funeral home to fund a preneed funeral contract, it is necessary to file an assignment form with the insurance company to transfer the ownership of the policy. The first step a funeral home should undertake is to contact the insurance company and request its insurance assignment form. If the insurance company does not have its own form, the funeral home may use NFDA Insurance Form No. 4 to transfer the ownership of the policy.
5. **Using Surplus Preneed Funds for Spouse and Family of Medicaid Recipients.** Preneed consumers, who are Medicaid recipients, may direct that surplus funds be used to purchase preneed funeral services for a surviving spouse and preneed burial space items (casket, urn, vault, marker, opening and closing services) for immediate family members. When the Medicaid recipient makes preneed arrangements, if it is anticipated that surplus funds may remain after the funeral services are paid for, those surplus funds may be used to pay for preneed funeral services for the surviving spouse or preneed burial space items for other immediate family members. However, the key requirement is that those arrangements must be made prior to the death of the Medicaid recipient. Once that Medicaid recipient dies, it is generally **too late** to enter into preneed agreements that are paid for by the surplus funds. At that point, the only option is to return the surplus funds to the State's Estate Recovery Program.

Although it is important to enter into contractual agreements regarding surplus funds while the Medicaid recipient is still alive, the standard preneed contract forms are not designed to address surplus funds. As a result, we have prepared the Addendum to Preneed Contract which is NFDA Insurance Form No. 5. The Addendum is designed to address the many uncertainties that will arise when pre-planning using the surplus funds of Medicaid recipients.

What are the uncertainties? First and foremost, no one will know if surplus funds will exist and how much they may be. The amount of surplus funds will depend in large part on when the Medicaid recipient dies. A \$10,000.00 insurance policy assigned to a

funeral home today will probably produce surplus funds if the Medicaid recipient dies next year. However, if the Medicaid recipient lives for another decade, there may not be surplus funds after the recipient's funeral is paid for.

Another factor that introduces uncertainty in these arrangements is that no one can predict the order of death for surviving spouses or immediate family members. In addition, the Medicaid recipient may want surplus funds to be set aside for particular family members depending upon when their deaths occur in relation to other family members. Another factor that needs to be addressed is whether the Medicaid recipient would only want to purchase particular burial space items, such as a grave plot, instead of the full range of the burial space items, such as caskets and vaults.

The Addendum attempts to deal with all of these contingencies. In the Addendum, the Medicaid recipient may indicate whether surplus funds are to be used for a spouse or immediate family member. In addition, if the Medicaid recipient wishes to establish a priority list among his or her family members for receipt of the funds, the recipient may do so, on the second page of the Addendum. The recipient may also select those particular burial space items which he or she wishes to purchase for immediate family members with the surplus funds.

As noted on NFDA Insurance Form No. 5, "immediate family members" include the Medicaid beneficiary's parents, minor or adult children (including adoptive and step-children), siblings (including adoptive and step-siblings), and the spouses of immediate family members. "Burial space" items include the casket, urn, burial vault, urn vault, grave plot, niche, mausoleum space, marker, monument and opening and closing fees.

It is important that the Addendum to Preneed Contract be attached to the preneed contract that is submitted to the Medicaid caseworker. This will help if the State later attempts to claim the surplus funds after the Medicaid recipient has died.

Although the Addendum to Preneed Contract is primarily designed to address surplus preneed funds remaining after the funeral of a preneed consumer who was a Medicaid beneficiary, it can also be utilized in non-Medicaid situations. If a preneed consumer assigns a large insurance policy to a funeral home to fund a preneed contract and a surplus is anticipated, the Addendum may be used when the consumer wishes to use the surplus to pay for funeral expenses of family members instead of directing it to be paid to an alternate beneficiary.

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## FORMS

- Insurance Form 1. Authorization for Disclosure of Insurance Policy Information for At-Need Funeral Arrangements
- Insurance Form 2. Authorization for Disclosure of Insurance Policy Information for Preneed Contract Arrangements
- Insurance Form 3. Assignment of Insurance Proceeds
- Insurance Form 4. Irrevocable Assignment of Policy Ownership
- Insurance Form 5. Addendum to Preneed Contract
- Insurance Form 6. Universal Claim for Death Benefits and Proof of Death Form

**AUTHORIZATION FOR DISCLOSURE OF INSURANCE POLICY  
INFORMATION FOR AT-NEED FUNERAL ARRANGEMENTS**

**1. PARTIES:**

“FUNERAL HOME”: \_\_\_\_\_  
(Name of Funeral Home)

“REPRESENTATIVE”: \_\_\_\_\_  
(Name of Representative)

“DECEDENT”: \_\_\_\_\_  
(Name of Decedent)

“INSURANCE COMPANY”: \_\_\_\_\_  
(Name of Insurance Company)

“POLICY”: \_\_\_\_\_  
(Policy Number of Insurance Policy on Decedent’s Life)

**2. RELATIONSHIP OF REPRESENTATIVE:** The REPRESENTATIVE warrants and represents to the INSURANCE COMPANY that the REPRESENTATIVE is: (Check all of the appropriate boxes):

- Spouse of DECEDENT
- Next-of-Kin (Closest Living Relative) of DECEDENT
- Executor, Administrator or Personal Representative of the Estate of the DECEDENT
- Beneficiary of the POLICY
- Owner of the POLICY
- Other: \_\_\_\_\_

**3. AUTHORIZATION.** The REPRESENTATIVE is planning to use all or a portion of the proceeds of the POLICY to pay the FUNERAL HOME to provide funeral services for the DECEDENT. To ascertain the amount of funds available from the POLICY, the REPRESENTATIVE authorizes the INSURANCE COMPANY to release to the FUNERAL HOME any and all information relating to the POLICY, including, but not limited to, the dollar amount of the proceeds available under the POLICY, whether the POLICY is paid up, whether there are any loans pending against the POLICY, and the names of the owner, primary beneficiary and any alternative beneficiary under the POLICY.

**4. REVOCATION.** The REPRESENTATIVE understands that the signing of this Authorization is voluntary and this Authorization may be revoked at any time, except to the extent that action has been taken in reliance on this Authorization by the

INSURANCE COMPANY. The REPRESENTATIVE understands that in order to revoke this Authorization, a written notice must be sent to the INSURANCE COMPANY. This Authorization shall expire twelve (12) months after the date it is signed below.

5. **ADVISORY:** The REPRESENTATIVE acknowledges that the FUNERAL HOME to which this information may be released may not be covered by federal privacy laws and regulations and, if this information is disclosed, it may no longer be protected by those laws and rules.

**DATE:**

**SIGNATURE OF REPRESENTATIVE**

**ADDITIONAL REPRESENTATIVES**

**Name**

**Relationship to Decedent**

**Signature**

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# AUTHORIZATION FOR DISCLOSURE OF INSURANCE POLICY INFORMATION FOR PRENEED CONTRACT ARRANGEMENTS

## 1. **PARTIES:**

“FUNERAL HOME”: \_\_\_\_\_

(Name of Funeral Home)

“OWNER”: \_\_\_\_\_

(Name of Policy Owner)

“INSURANCE COMPANY”: \_\_\_\_\_

(Name of Insurance Company)

“POLICY”: \_\_\_\_\_

(Policy Number of Insurance Policy on Owner’s Life)

2. **AUTHORIZATION.** The OWNER is planning to use the policy to fund a preneed funeral contract to provide funeral services for the OWNER and/or the OWNER’s family members. To ascertain the amount of funds available from the POLICY, the OWNER authorizes the INSURANCE COMPANY to release to the FUNERAL HOME any and all information relating to the POLICY, including, but not limited to, the dollar amount of the proceeds available under the POLICY, whether the POLICY is paid up, whether there are any loans pending against the POLICY, and verification of the names of the owner, primary beneficiary and any alternative beneficiary under the POLICY.
3. **REVOCATION.** The OWNER understands that the signing of this Authorization is voluntary and this Authorization may be revoked at any time, except to the extent that action has been taken in reliance on this Authorization by the INSURANCE COMPANY. The OWNER understands that in order to revoke this Authorization, a written notice must be sent to the INSURANCE COMPANY. This Authorization shall expire twelve (12) months after the date it is signed below.
4. **ADVISORY:** The OWNER acknowledges that the FUNERAL HOME to which this information may be released may not be covered by federal privacy laws and regulations and, if this information is disclosed, it may no longer be protected by those laws and rules.

**DATE:**

**SIGNATURE OF OWNER**

## ASSIGNMENT OF INSURANCE PROCEEDS

DECEDENT: \_\_\_\_\_  
(Name of Decedent)

BENEFICIARY: \_\_\_\_\_  
(Name of Beneficiary of Insurance Policy(s))

FUNERAL HOME: \_\_\_\_\_  
(Name of Funeral Home)

INSURANCE COMPANY: \_\_\_\_\_  
(Name of Insurance Company)

INSURANCE POLICY(S) #: \_\_\_\_\_  
(Policy Number(s) of Insurance Policy(s) on Decedent's Life)

1. Assignment of Insurance Proceeds. The Beneficiary identified above hereby irrevocably assigns and transfers to the Funeral Home the proceeds of the Insurance Policy(s) listed above for the purpose for funding, in whole or in part, the purchase of funeral goods and services from the Funeral Home for the Decedent.

2. Collection of Proceeds. The Funeral Home acknowledges and agrees that the proceeds of the Insurance Policy(s) will not be paid to the Funeral Home unless the Funeral Home provides the funeral goods and services contracted for. Any excess funds remaining after payment of the funeral expenses will be refunded by the Funeral Home to the Beneficiary.

**IN WITNESS WHEREOF**, the Beneficiary and the Funeral Home have executed this Assignment of Insurance Proceeds on the date set forth below.

Witness:

\_\_\_\_\_  
Beneficiary

\_\_\_\_\_  
(Name of Funeral Home)

\_\_\_\_\_  
By: \_\_\_\_\_

COUNTY OF \_\_\_\_\_, STATE OF \_\_\_\_\_, SS:

Before me, a notary public, personally appeared \_\_\_\_\_, the above-named Beneficiary who acknowledged and executed the foregoing Assignment of Insurance Proceeds this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
Signature of Notary Public

My commission expires: \_\_\_\_\_

## IRREVOCABLE ASSIGNMENT OF POLICY OWNERSHIP

POLICYOWNER: \_\_\_\_\_

(Name of Policyowner)

FUNERAL HOME: \_\_\_\_\_

(Name of Funeral Home)

INSURANCE COMPANY: \_\_\_\_\_

(Name of Insurance Company)

ASSIGNED POLICY(S) #: \_\_\_\_\_

1. Irrevocable Assignment of Ownership. The Policyowner identified above hereby irrevocably assigns and transfers to the Funeral Home the ownership of the Assigned Policy(s) listed above for the purpose for funding, in whole or in part, the purchase of funeral goods and services from the Funeral Home.

2. Waiver of Ownership Rights. As part of this irrevocable assignment of ownership, the Policyowner irrevocably waives any right the Policyowner may have during his or her lifetime to cancel or revoke this Assignment; to receive any refund or dividend from the Policy(s); to surrender the Policy(s) for cash or other consideration; to convert the Policy(s); or to borrow against the Policy(s). In waiving these rights, the Policyowner does not assign these rights to any other person and intends the proceeds from the Policy(s) to be used to fund the cost of funeral goods and services.

3. Collection of Proceeds. The Funeral Home acknowledges and agrees that the proceeds of the Policy(s) will not be paid to the Funeral Home until the Funeral Home has provided the Insurance Company receiving this assignment with a certified copy of the death certificate of the insured or other evidence of death satisfactory to the Insurance Company, and a certificate of completion, which shall be signed by a funeral director associated with the Funeral Home, and which shall certify that the Funeral Home has provided all the goods and services contracted for on behalf of the insured. If the Funeral Home cannot or does not provide the funeral goods and services contracted for, the Policyowner (if living) or the personal representative or family of the Policyowner (if dead) may select any alternate funeral home which shall be entitled to receive the proceeds of the Policy(s) in return for the delivery of the comparable funeral goods and services contracted for.

**IN WITNESS WHEREOF**, the Policyowner and the Funeral Home have executed this Irrevocable Assignment of Policy Ownership on the date set forth below.

Witness:

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Policyowner

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(Name of Funeral Home)

By: \_\_\_\_\_

Date:

COUNTY OF \_\_\_\_\_, STATE OF \_\_\_\_\_, SS:

Before me, a notary public, personally appeared \_\_\_\_\_, the above-named Policyowner who acknowledged and executed the foregoing Irrevocable Assignment of Policy Ownership this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

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Signature of Notary Public

My commission expires: \_\_\_\_\_

## **C O N S E N T**

The undersigned life insurance company hereby acknowledges receipt of an executed copy of the foregoing Irrevocable Assignment of Policy Ownership and agrees to pay the proceeds of the Policy(s) to the Funeral Home (or in the event an alternate funeral home has provided the funeral goods and services contracted for, to said alternate funeral home) upon the death of the Policyowner. The undersigned also acknowledges that it has recorded this Irrevocable Assignment of Policy Ownership on its books and records.

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(Name of Life Insurance Company)

By: \_\_\_\_\_

## ADDENDUM TO PRENEED CONTRACT

1. **PARTIES:**

"FUNERAL HOME": \_\_\_\_\_  
(Name of Funeral Home)

"BENEFICIARY": \_\_\_\_\_  
(Preneed Contract Beneficiary)

2. **SUPPLEMENTAL FUNDS:** The Addendum is being entered into to provide for the payment toward funeral services for Beneficiary's spouse and/or burial space items for the Beneficiary's immediate family members in the event there are funds remaining ("Supplemental Funds") after the Beneficiary's funeral services have been fully paid for. If there are any Supplemental Funds remaining, the Beneficiary directs that they remain or be placed into trust with the Funeral Home to be used toward the purchase of funeral services for Beneficiary's surviving spouse and/or burial space items for the immediate family members listed on the next page.

3. **ADVISORY:** PLEASE NOTE THAT THE SUPPLEMENTAL FUNDS WILL BE APPLIED TOWARD THE PURCHASE OF THE DESIGNATED SERVICES AND ITEMS LISTED ON THE NEXT PAGE. DEPENDING UPON THE AMOUNT OF THE SUPPLEMENTAL FUNDS AND THE FUNERAL HOME'S PRICES AT THE TIME FUNERAL SERVICES ARE REQUIRED, THERE MAY NOT BE SUFFICIENT FUNDS TO MAKE ALL OR ANY OF THE DESIGNATED PURCHASES.

4. \_\_\_\_\_ **SPOUSE:** By initialing this Section, the Beneficiary directs the Funeral  
(Initials)

Home to use the Supplemental Funds for funeral services and funeral merchandise for Beneficiary's surviving spouse upon the spouse's death.

5. \_\_\_\_\_ **IMMEDIATE FAMILY MEMBERS:** By initialing this Section, (Initials) the Beneficiary directs the Funeral Home to use the Supplemental Funds to purchase the designated burial space items for the immediate family members listed on the next page. Unless the Beneficiary indicates on the priority list for whom the Supplemental Funds are first to be used, they will be expended for immediate family members in the order of their death. Any Supplemental Funds remaining shall remain in trust and be used for the surviving immediate family members in the order of their death until the Supplemental Funds are exhausted.

6. **BURIAL SPACE ITEMS:** On the next page, the Beneficiary has designated those burial space items that are to be provided to the designated immediate family members by the Funeral Home upon their death.

**DATE:**

**SIGNATURE OF REPRESENTATIVE:**

## **IMMEDIATE FAMILY MEMBERS**

Immediate family members may include the Beneficiary's parents, minor or adult children, including adoptive and step-children, siblings, including adoptive and step-siblings, and the spouses of immediate family members.

## **BURIAL SPACE ITEMS**

Check the box next to the Burial Space Items that the Funeral Home is instructed to provide Immediate Family Members with the Supplemental Funds.

- Casket or  Urn
  - Burial Vault or  Urn Vault
  - Grave Plot or  Mausoleum or  Niche
  - Monument or Marker for Grave
  - Opening and Closing Charges for Grave

# UNIVERSAL CLAIM FOR DEATH BENEFITS AND PROOF OF DEATH FORM

NOTE: Please complete the entire claim form. This form cannot be processed if information is incomplete.

**Make sure that you have included the following documents with this Claim Form:**

- Certified Death Certificate       Beneficiary Statement(s)  
(one for each beneficiary)

## **Section 1. The Insurance Company**

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Name of Insurance Company

Insurance Policy No(s)

## **Section 2. The Insured**

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Name of deceased	Social Security No.	Date of Birth
Residence at death		Date of Death

## **Section 3. Beneficiaries**

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Name	Social Security No.	Date of Birth		E-mail Address
Address (number, street, apt)	City	State	Zip Code	Telephone No.
Name	Social Security No.	Date of Birth		E-mail Address
Address (number, street, apt)	City	State	Zip Code	Telephone No.
Name	Social Security No.	Date of Birth		E-mail Address
Address (number, street, apt)	City	State	Zip Code	Telephone No.

## **Section 4. Claimant (Person filing claim)**

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Name	Telephone No.		E-mail Address
Address (number, street, apt)	City	State	Zip Code
Signature of Claimant			

**Statement of Beneficiary** (Name, Social Security No. and signature of each beneficiary is required)

Name of Beneficiary	Social Security No.	Relationship to Decedent
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I hereby certify under penalties of perjury that the Social Security number on this form is correct. I am not subject to backup withholding. I am making claim for the life insurance proceeds as \_\_\_\_\_  
(Beneficiary, Spouse, Executor, Trustee, etc.)

**The Internal Revenue Service does not require your consent to any provision of this document other than the certificate required to avoid backup withholding.**

Beneficiary Signature	Date
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Name of Beneficiary	Social Security No.	Relationship to Decedent
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I hereby certify under penalties of perjury that the Social Security number on this form is correct. I am not subject to backup withholding. I am making claim for the life insurance proceeds as \_\_\_\_\_  
(Beneficiary, Spouse, Executor, Trustee, etc.)

**The Internal Revenue Service does not require your consent to any provision of this document other than the certificate required to avoid backup withholding.**

Beneficiary Signature	Date
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Name of Beneficiary	Social Security No.	Relationship to Decedent
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I hereby certify under penalties of perjury that the Social Security number on this form is correct. I am not subject to backup withholding. I am making claim for the life insurance proceeds as \_\_\_\_\_  
(Beneficiary, Spouse, Executor, Trustee, etc.)

**The Internal Revenue Service does not require your consent to any provision of this document other than the certificate required to avoid backup withholding.**

Beneficiary Signature	Date
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**SEE REVERSE SIDE (Page 3) FOR FRAUD WARNINGS**

## **Fraud Warnings**

**Alaska, Arkansas, Delaware, Idaho, Indiana, Louisiana, Maine, Minnesota, New Mexico, Ohio, Oklahoma, Oregon, Tennessee, Texas, Washington, West Virginia:** Any person, who knowingly with intent to defraud any insurance company or other person files a statement of claim containing any materially false information or conceals, for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime, and may subject such person to criminal and civil penalties, and denial of insurance benefits.

**Arizona:** For your protection, Arizona law requires the following statement to appear on this form. Any person who knowingly presents a false or fraudulent claim for payment of a loss is subject to criminal and civil penalties.

**California:** For your protection, California law requires the following to appear on this form. Any person who knowingly presents a false or fraudulent claim for payment of a loss is guilty of a crime and may be subject to fines and confinement in state prison.

**Colorado:** It is unlawful to knowingly provide false, incomplete, or misleading facts of information to an insurance company for the purpose of defrauding or attempting to defraud the company. Penalties may include imprisonment, fines, denial of insurance, and civil damages. Any insurance company or agent of an insurance company who knowingly provides false, incomplete, or misleading facts of information to a policyholder or claimant for the purpose of defrauding or attempting to defraud the policyholder or claimant with regard to a settlement or award payable from insurance proceeds shall be reported to the Colorado Division of Insurance within the Department of Regulatory Agencies.

**District of Columbia:** WARNING: It is a crime to provide false or misleading information to an insurer for the purpose of defrauding the insurer or any other person. Penalties include imprisonment and/or fines. In addition, an insurer may deny insurance benefits if false information materially related to a claim was provided by the applicant.

**Kentucky:** any person who knowingly and with intent to defraud any insurance company or other person files a statement of claim containing any materially false information or conceals, for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime.

**New Hampshire:** Any person who, with a purpose to injure, defraud, or deceive any insurance company, files a statement of claim containing any false, incomplete or misleading information is subject to prosecution and punishment for insurance fraud, as provided in RSA 638:20.

**New Jersey:** Any person who knowingly files a statement of claim containing any false or misleading information is subject to criminal and civil penalties.

**Pennsylvania:** Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information or conceals for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime and subjects such person to criminal and civil penalties.

**Puerto Rico:** Any person who, knowingly and with the intent to defraud, presents false information in an insurance request form, or who presents, helps or has presented a fraudulent claim for the payment of a loss or other benefit, or presents more than one claim for the same damage or loss, will incur a felony, and upon conviction will be penalized for each violation with a fine no less than five thousand (5,000) dollars nor more than ten thousand (10,000) dollars, or imprisonment for a fixed term of three (3) years, or both penalties. If aggravated circumstances prevail, the fixed established imprisonment may be increased to a maximum of fine (5) years; if attenuating circumstances prevail, it may be reduced to a minimum of two (2) years.