

**Before the Insurance Commissioner  
Of the State of Arkansas**

**IN THE MATTER OF  
ARKANSAS FUNERAL CARE, LLC.**

**RESPONDENT**

**AID NO. 2015- 018**

**CONSENT ORDER**

Now on this day the matter of Arkansas Funeral Care, LLC ("Respondent") is taken under consideration by Allen Kerr, Insurance Commissioner ("Commissioner"), with the Arkansas Insurance Department (the "Department") appearing through managing attorney, Booth Rand, and from the facts, matters and other items before him, the Commissioner finds as follows:

**FINDINGS PRESENTED**

1. The Commissioner has jurisdiction over the sale and licensing of prepaid funeral benefit contracts and prepaid funeral benefit organizations in this State under Ark. Code Ann. §23-40-107(a).

2. The Respondent organization operated a funeral establishment and crematory in Jacksonville, Arkansas until it surrendered its licenses to the Arkansas State Board of Embalmers and Funeral Directors (hereafter, the "Board") on January 23, 2015.

3. Prior to January 23, 2015, the Respondent was also actively licensed by the Department to sell and transact prepaid funeral benefits contracts in this State. On January 23, 2015, the Respondent's license to transact prepaid funeral benefits

contracts in this State was temporarily suspended by emergency order in AID Order # 2015-11 (the "Emergency Order"). In the Emergency Order, the Commissioner required that a hearing be promptly scheduled to consider the permanency of the Emergency Order related to the licensure and future operations of the Respondent in its administration of prepaid funeral benefits contracts in this State. Subsequently, on or about January 26, 2015, the Department issued a Notice of Public Hearing ("NOPH") scheduling a hearing at the Department on February 11, 2015 at 10:00 A.M. to consider these matters.

4. Under Ark. Code Ann. § 23-40-109(b), a licensed prepaid funeral benefits organization is required to maintain an active license in good standing with the Board.

5. Ark. Code Ann. § 23-40-111(b)(2) provides, in pertinent part, that the Commissioner may revoke or refuse to continue any permit so issued if the Commissioner finds that the licensee has failed to comply with any material provision of the Prepaid Funeral Benefits Law or any valid rule and regulation or order that the Commissioner has prescribed.

6. Ark. Code Ann. § 23-40-109(b) is a material provision under the Arkansas Prepaid Funeral Benefits Law given that an organization which does not maintain an active license in good standing with the Board cannot provide funeral services and merchandise to fulfill its prepaid funeral benefits contracts.

7. The Respondent has received and reviewed the Emergency Order and the January 26, 2015 NOPH related to this matter.

8. The Respondent has agreed to consent to a voluntary surrender of its prepaid funeral benefit contracts license.

9. The Respondent has voluntarily and knowingly waived its right to the scheduled administrative hearing and has been made aware of this right by its counsel.

**DISPOSITION AND TRANSFER OF EXISTING PREPAID FUNERAL  
BENEFITS CONTRACTS**

10. Pursuant to the Emergency Order, the Respondent is required to provide to the Commissioner with a detailed plan addressing how it intends to transfer ownership of its outstanding prepaid funeral benefits contracts should the organization's license be revoked.

11. The Department and Respondent state that Respondent is in negotiation to transfer its outstanding prepaid funeral benefits contracts which may affect how it proposes to detail its transfer of ownership plan.

12. The Respondent agrees to provide the Commissioner within thirty (30) days of its receipt of this Order with a change of ownership plan subject to approval by the Commissioner under Ark. Code Ann. § 23-40-113. However, the Commissioner may provide additional time if reasonably necessary for the submission of an approved change of ownership plan.

13. The Department desires to maintain ongoing administrative jurisdiction over the Respondent funeral home related to its transfer of ownership of prepaid funeral benefits contracts. The Department therefore requests the Commissioner to hold in abeyance the Respondent's effective date of surrender of its prepaid funeral benefits license pending approval by the Commissioner of a transfer of ownership by the Respondent, for the sole and limited purpose of maintaining jurisdiction over Respondent's transfer of its outstanding prepaid funeral benefits contracts.

**WHEREFORE, IT IS HEREBY ORDERED:**

1. Respondent's license to transact prepaid funeral benefits contracts shall be surrendered upon approval by the Commissioner of a transfer of ownership plan by Respondent. If the Respondent is unable to provide an approved transfer of ownership plan to the Commissioner within thirty (30) days from the date of Respondent's receipt of this Order, or by an extended date for plan approval pursuant to Section Twelve (12) of this Order, the Respondent's license will be deemed surrendered on the latest date under Section Twelve (12) of this Order. The Respondent's license shall be deemed active during this period of time only for the sole and limited purpose of transferring ownership of its prepaid funeral benefits contracts.

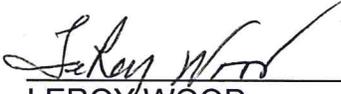
2. The requirements in the Emergency Order prohibiting Respondent from conducting sales of new prepaid funeral benefits contracts, permitting the Department with access to records and account and the restrictions on Respondent in the Emergency Order prohibiting banking activity related to its outstanding prepaid funeral benefits contracts, without approval by the Department, shall remain in effect.

3. Pending approval of a plan for transfer of ownership, the Respondent temporarily consents and grants to the Department that it administer, for and on behalf of the organization's prepaid funeral benefits contracts holders, transfers to substitute providers for ongoing cancellation requests and claims pursuant to Ark. Code Ann. § 23-40-122 and Rule 63 of the Arkansas Insurance Department.

4. The Respondent agrees to provide the Department with weekly reports as to the status of its transfer of ownership plans.

IT IS SO ORDERED this 10 day of February, 2015

  
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ALLEN KERR  
INSURANCE COMMISSIONER  
ARKANSAS INSURANCE DEPARTMENT

  
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LEROY WOOD  
ARKANSAS FUNERAL CARE LLC  
RESPONDENT