

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

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

RESPONDENT

AID NO. 2015-011

EMERGENCY 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:

TEMPORARY 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 is licensed by the Department to sell and transact prepaid funeral benefits contracts in this State.
3. The Respondent organization is a funeral home located and operating in Jacksonville, Arkansas.
4. Pursuant to Ark. Code Ann. § 23-40-111(b)(2), after notice to the licensee and after a hearing, the Commissioner may suspend any permit issued by him under the Arkansas Prepaid Funeral Benefits law (“Prepaid Funeral Benefits Law”) for up to thirty-six (36) months

or 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. However, pending a promptly scheduled hearing, the Commissioner has authority to summarily suspend any prepaid funeral benefits license issued by him on an emergency basis if the public health, safety, or welfare imperatively requires emergency action under Ark. Code Ann. §23-40-111(b)(4).

5. The Commissioner maintains that it is a material provision of the Prepaid Funeral Benefits Law under Ark. Code Ann. § 23-40-109(b) that an organization licensed by the Department to transact prepaid funeral benefits contracts in this State must maintain an active license in good standing with the Arkansas State Board of Embalmers and Funeral Directors in order for the organization to provide funeral services and funeral merchandise in prepaid funeral benefits contracts as contracted or issued by the organization.

6. On or about January 23, 2015, the Respondent voluntarily surrendered its funeral home license to the Arkansas State Board of Embalmers and Funeral Directors. The Commissioner finds that the organization's failure to maintain an active license by the Arkansas State Board of Embalmers and Funeral Directors is a violation of Ark. Code Ann. § 23-40-111(b)(2) for violation of a material provision in the Prepaid Funeral Benefits Law. The Commissioner further finds that a public emergency exists to issue this Emergency Order, pending a promptly scheduled hearing, due to the circumstance that the organization has issued prepaid funeral benefit contracts in this State but will be unable to perform such contracts as they become due as deaths occur. The Commissioner further finds there is therefore an emergency basis for him to administer current outstanding prepaid funeral benefits contracts for the public

pending resolution related to transferring ownership of outstanding contracts to substitute prepaid funeral benefit contract providers.

7. A hearing shall promptly be scheduled on the issuance of this Order by a Notice of Public Hearing, to consider the terms of this Order as well as consider the issuance of a permanent Order related to the licensure and future operations of the Respondent in its administration of prepaid funeral benefit contracts in this State.

WHEREFORE, IT IS HEREBY ORDERED:

1. Respondent is prohibited from selling any new prepaid funeral benefit contracts after the date this Order is received by Respondent, or legal representative of Respondent.

2. Upon receipt of this Order by Respondent, or Respondent's legal representative, Respondent shall permit immediate and full access to Department auditors or examiners to all books, records and accounts of the Respondent related to Respondent's prepaid funeral contract operations and accounts. Respondent shall permit the Department to obtain such records in its possession for such length of time as reasonably necessary to assess the adequacy of Respondent's accounts and assets to meet its obligations to current outstanding prepaid funeral benefits contracts, as well as to perform immediate administration for and on behalf of the organization's prepaid funeral benefits contracts holders, including but not limited to permitting transfers to substitute providers for ongoing claims.

3. The Respondent shall not be permitted to make bank deposits or withdrawals on prepaid funeral contract funds or accounts, or engage in banking activities related to its prepaid funeral contracts unless or until the action is approved by the Department's Prepaid Funeral Benefits Division.

4. Respondent, or Respondent's legal representative, shall provide to the Commissioner on the date of the hearing on this matter, a detailed plan and explanation as to the plans for transfers of ownership of outstanding prepaid funeral benefits contracts should the organization's permit be permanently revoked.

IT IS SO ORDERED this 23rd day of January, 2015


ALLEN KERR
INSURANCE COMMISSIONER
ARKANSAS INSURANCE DEPARTMENT