

**BEFORE THE INSURANCE COMMISSIONER
FOR THE STATE OF ARKANSAS**

**IN THE MATTER OF
JILES AND FREEMAN FUNERAL HOME**

A.I.D. NO. 2016- 075

CEASE AND DESIST ORDER

Now on this day the matter of Jiles and Freeman Funeral Home (“Respondent”), is taken under consideration by Allen Kerr, Insurance Commissioner for the State of Arkansas (“Commissioner”), as presented by Amanda Gibson, Associate Counsel, Legal Division of the Arkansas Insurance Department (“Department”). From the facts, matters and other things before the Commissioner, he finds and concludes as follows:

Findings of Fact

1. The Commissioner has jurisdiction over the parties and subject matter pursuant to Ark. Code Ann. §§ 23-61-103, 23-40-101 et seq., and other provisions of the Insurance Code.
2. Respondent’s funeral home is located at 110 N. Freeman, Dermott, AR 71638.
3. Respondent does not hold a permit to sell prepaid funeral benefits contracts.
4. Respondent has sold, to a consumer, a prepaid funeral benefits contract.
5. Respondent collected from the consumer, \$6,395.00 in cash, in exchange for the contract.

Conclusions of Law

From the Findings of Fact contained herein, the Commissioner concludes as follows:

1. Pursuant to Ark. Code Ann. § 23-40-109(a), “Any...organization desiring to sell prearranged or prepaid funeral services or funeral merchandise...in this state under a sales contract providing for prepaid disposition or funeral benefits or merchandise to be delivered at an undetermined future date depending upon the death of a contracting party, hereinafter called

“prepaid funeral benefits”,...shall obtain a permit from the Insurance Commissioner authorizing the transaction of this type of business before entering into any such agreement or contract and prior to accepting any money, property, or any other direct or indirect consideration, and shall first apply for and obtain a prepaid funeral benefits permit or license pursuant to the provisions of this chapter.”

2. Pursuant to Ark. Code Ann. § 23-40-109(c), “It shall be unlawful to sell prepaid funeral benefits unless the seller holds a valid, current permit at the time the contract is made.”

3. Sufficient grounds have been presented to show that the Respondent has engaged in an act or practiced that violates the Arkansas Prepaid Funeral Benefits Law as set forth in Ark. Code Ann. § 23-40-101 et seq.

4. The Commissioner may summarily issue a cease and desist order based upon the evidence provided and as contemplated by Ark. Code Ann. § 23-61-103(f)(1), which authorizes the Commissioner to take specific injunctive powers if it appears to him that “upon sufficient grounds or evidence that any person has engaged in or is about to engage in any act or practice constituting a violation of an insurance law, rule, or order of this state...”, and further that the Commissioner may “summarily order the person to cease and desist from the act or practice.”

5. Respondent is hereby instructed that this Cease and Desist Order is effective as of the date of the Commissioner’s signature below. Respondent is further instructed that its owner, management, or other representative may request a hearing on this matter within thirty (30) days of the date this Cease and Desist Order is signed by the Commissioner.

6. The Department reserves the right to amend this Cease and Desist Order in the event it is determined that Respondent has sold additional prepaid funeral benefits contracts.

IT IS THEREFORE ORDERED AS FOLLOWS:

1. Respondent is ordered to cease and desist the conduct of selling prepaid funeral benefits contracts because it does not hold the requisite permit to do so.
2. Respondent is ordered to cancel the contract referenced above and to return the \$6,395.00 cash to the consumer.

IT IS SO ORDERED THIS 23rd day of August, 2016.



**ALLEN KERR
INSURANCE COMMISSIONER
STATE OF ARKANSAS**