

BEFORE THE INSURANCE COMMISSIONER OF THE
STATE OF OKLAHOMA

FILED

JUN 11 2008

INSURANCE COMMISSIONER
OKLAHOMA

STATE OF OKLAHOMA, ex rel. KIM)
HOLLAND, Insurance Commissioner,)
)
Petitioner)

v.)

Case No. 08-0875-DIS

NATIONAL PREARRANGED)
SERVICES, INC., a licensed Oklahoma)
Insurance Producer,)
)
Respondent.)

ADMINISTRATIVE ORDER OF SUSPENSION INSTANTER

COMES NOW the State of Oklahoma, ex rel. Kim Holland, Insurance Commissioner, and
alleges and states as follows:

JURISDICTION AND AUTHORITY

1. Kim Holland is the Insurance Commissioner of the State of Oklahoma and is charged
with the duty of administering and enforcing all provisions of the Oklahoma Insurance Code, 36 O.S.
§§ 101 et seq.

2. Respondent is licensed by the State of Oklahoma as a nonresident insurance producer
holding license number 11643. Its address of record is P.O. Box 50416, St. Louis, Missouri 63105.

3. The Insurance Commissioner may place on probation, censure, suspend, revoke or
refuse to issue or renew a license issued pursuant to the Producer Licensing Act and/or may levy a
civil penalty of \$100.00 to \$1,000.00 for each violation of the Producer Licensing Act. 36 O.S. §
1435.13(A).

4. If the Insurance Commissioner finds that the public health, safety or welfare
imperatively requires emergency action, and incorporates a finding to the effect in its order, summary
suspension of a license may be ordered pending proceedings for revocation or other action. 75 O.S.
§§ 314(C)(2), 314.1, OAC 365:1-7-9(a).

FINDINGS OF FACT

1. Respondent National Prearranged Services, Inc. (“NPS”) is engaged in the business of selling pre-need funeral benefit contracts secured by life insurance policies. Respondent only buys insurance products from Lincoln Memorial Life Insurance Company (“Lincoln”) and Memorial Service Life Insurance Company (“Memorial”). Lincoln is a wholly owned subsidiary of Memorial. The three companies are inextricably intertwined, sharing office space, staff, officers and attorneys. Memorial does not do business in Oklahoma.

2. Respondent NPS is a general agent for Lincoln in Oklahoma. NPS contracts with funeral homes and other independent agents to market and execute pre-need funeral benefit contracts with individual consumers in Oklahoma. The Oklahoma consumers then purchase an insurance policy from Lincoln.

3. Lincoln was found to be in such unsound condition as to render its further transaction of insurance in the State of Oklahoma hazardous to its policyholders or to the people of Oklahoma and its certificate of authority was suspended instanter on April 3, 2008, pursuant to 36 O.S. §§ 619(A)(1) and 619(A)(3).

4. The Texas Insurance Commissioner was appointed Rehabilitator of Memorial, Lincoln and NPS on May 14, 2008 in an agreed order after finding all three companies in hazardous financial condition.

5. Petitioner finds Respondent’s hazardous financial condition to be detrimental to the public health, safety, or welfare in Oklahoma.

CONCLUSIONS OF LAW

The Respondent has violated 36 O.S. § 1435.13(A)(8) by demonstrating financial irresponsibility in the conduct of business in Oklahoma and elsewhere.

ORDER

IT IS THEREFORE ORDERED by the Insurance Commissioner, subject to the following paragraph, that the Respondent violated 36 O.S. § 1435.13(A)(8) and has thereby placed the welfare of the public at risk. In accordance with 75 O.S. § 314(C)(2) and OAC § 365:1-7-9, Respondent's license is suspended effective immediately.

Respondent may request a hearing be held regarding this emergency action. OAC 365:1-7-9(a). Such request for hearing shall be received within thirty (30) days from the date of receipt of this order. A request for hearing shall be made in writing addressed to Julie Delluomo, Assistant General Counsel, Oklahoma Insurance Department, Post Office Box 53408, Oklahoma City, Oklahoma 73152-3408. Upon such request for hearing, the Insurance Department shall conduct the hearing within ten (10) days of receipt of the request.

An independent hearing examiner shall conduct the hearing. Respondent may have a court reporter transcribe the proceedings and Respondent shall be responsible for the costs. If Respondent fails to request a hearing within the required period of time, Respondent's producer license shall be revoked thirty (30) days from the date of receipt of this order.

WITNESS My Hand and Official Seal this 11th day of June, 2008.

KIM HOLLAND
INSURANCE COMMISSIONER
STATE OF OKLAHOMA





JULIE DELLUOMO
Assistant General Counsel
P.O. Box 53408
Oklahoma City, Oklahoma 73152-3408
Telephone: (405) 521-2746
Facsimile: (405) 522-0125

CERTIFICATE OF MAILING

I, Julie Delluomo, hereby certify that a true and correct copy of the above and foregoing Administrative Order of Suspension Instantner was mailed by certified mail with postage prepaid and return receipt requested on this 11th day of June, 2008, to:

National Prearranged Services, Inc.
P.O. Box 50416
St. Louis, Missouri 63105

CERTIFIED MAIL NO. 7001 0320 0004 0178 4317

and that notification was sent to:

NAIC/RIRS

and that a copy was mailed to:

All Appointing Insurers

and that a copy was delivered to:

Saundra Simms
Agents Licensing Division



Julie Delluomo