

Comments for the Board of Embalmers and Funeral Directors

April 1, 2009

As of this date, the Missouri Life and Health Insurance Guaranty has funded 1724 claims in the aggregate amount of \$6,868,982. Further, the Special Deputy Receiver ("SDR") has processed an additional 757 claims that are at various points in the approval process. These pending claims total an additional \$2,848,128.

All claims are currently being processed within a 60 day time frame. The only exceptions to this statement are those claims that require additional information or documentation from the funeral homes.

The process for handling claims involves four major steps. They are:

- 1) The initial review by the SDR includes the coordination of the preneed contract with all associated insurance policies issued by Lincoln Memorial
- 2) The next step is for the guaranty association auditors to review the claims for compliance to the governing statutes, the court approved liquidation plan, and general audit tests
- 3) The audited claims are then subject to the SDR issuing the appropriate assignment and release forms to the funeral homes for their signature
- 4) The final step is taken when the funeral homes return the signed assignment and release forms. At a point where there is a sufficient number of returned forms, but no longer than every two weeks, the SDR requests funds to enable the issuing of checks to pay the pending claims

Protocols and procedures are being developed to guide the evaluation of orphan contracts.