

Summary of NPS Claims Informational Meeting
11/19/2008

On November 19, 2008 the Office of the Attorney General, the State Board and representatives of the two funeral director associations in Missouri met with Chuck Renn, Executive Director of the Missouri Insurance Guaranty Associations ("MIGA") and Donna Garrett, Special Deputy Receiver (SDR) and her counsel, Chris Fuller. The purpose of the meeting was to facilitate communication between the funeral industry in Missouri and MIGA and to ensure that Missouri funeral homes have correct information regarding the processing and payment of claims on NPS preneed contracts. The meeting was convened with representatives of each entity.

Any questions about specific claims or questions about claims on NPS preneed contracts should be directed to Chuck Renn at the MIGA, 994 Diamond Ridge, Suite 102, Jefferson City, Missouri 65109; Telephone: 573-634-8455, fax: 573-634-8488, e-mail MIGA@mo-iga.org. Do NOT call the SDR, the State Board or the Attorney General's office for these questions as only the MIGA has the information available to answer those questions.

I. Update on current claims

- The SDR, as of 11/18/2008, had 4200 claims to process, 1,076 of those are Missouri claims. 325 of those claims are ready to be paid. 728 claims are being processed. 72 checks were to be mailed out on 11/19. 23 checks were mailed out prior to 11/19/2008.
- No Missouri funeral claims have been denied. Claims that are currently submitted that have no insurance policy attached to them will be looked at more closely to determine whether they will be paid or not. The MIGA will be working through those claims as quickly as possible and may contact the funeral homes to request additional information. If a funeral home has submitted a claim and has been told there is no life insurance policy attached to it or that the claim has been denied, that means that further research is needed to determine whether the claim will be paid or not because no Missouri claims have been finally reviewed and denied. Those claims will be researched and the funeral home will be notified as to whether additional information is required or whether there will be no payment.

II. Claims processing procedures

- The SDR and the Guaranty Funds are processing claims as quickly as possible.
- NPS has no employees, no offices, processes no claims and has no funds to pay out on any NPS contracts. All claims are processed and paid pursuant to the Liquidation Order.
- It is not feasible for the MIGA to review each funeral establishment's records to determine what contracts will be covered and for how much. However, the MIGA is looking into ways to make preliminary determinations as to which contracts have indicia of insurance and for which contracts further research will be required to determine whether there will be coverage or not.
- At this time, the SDR makes no notification to funeral establishments that a claim has been received. Claims may be submitted by fax, overnight mail, or by return receipt requested mail for confirmation of receipt. Funeral Directors can contact MIGA to confirm that a claim has been received as of November 19, 2008. MIGA will obtain periodic updates on claim receipts. Claims processing takes time as the procedure outlined in the Court's order must be followed. Because of this Court ordered procedure, claims cannot be processed as quickly as NPS processed claims.
- The SDR cannot confirm coverage or the amount of any particular claim over the phone or otherwise. Her staff processes the death claims, the claim is audited by the insurance guaranty association accountants and only then is the claim submitted to MIGA for funding.
- The claims process requires:
 - i. Claims submitted to the SDR.
 - ii. The SDR uses the company records and documents available to her adjusters to determine whether there is coverage and the amount to be paid.
 - iii. The SDR submits the proposed claim payments to auditors working on behalf of the National Organization of Life and Health Guaranty Associations (NOLGHA).
 - iv. Once the auditors approve a payment, the SDR ensures the funeral home and/ or the family of the deceased have signed the proper release/assignment forms. (There is one form for pre-10/23 claims and will be a new form for claims submitted after 10/23/2008.)
 - v. After the SDR ensures the claims are ready to be paid, she makes a request for funding to NOLGHA.
 - vi. Once the SDR receives funding from NOLGHA, claims checks are mailed out.

III. What should funeral directors do now?

- If you have questions about payment on NPS contract claims, do not call the SDR, the State Board or the Attorney General's Office, contact MIGA.
- Please be patient. Everyone involved understands the financial hardship to the Missouri funeral industry, but payment through the Guaranty Fund process is the only means of payment on NPS contracts. Calls to the SDR that are berating, argumentative or demanding serve only to slow down the processing of claims because the person answering the call could be using that time to process claims.
- While there may be other ways to process claims or handle the liquidation, the process as outline above is how claims will be processed for this liquidation.
- If a funeral home is experiencing financial pressure from a bank or other creditor, MIGA has offered to communicate with that bank or creditor to offer assurances regarding the guaranty association's involvement with funding the covered contracts. Any funeral home wishing this assistance should contact MIGA as listed in this summary.
- Chuck Renn, MIGA's Executive Director, will be attending the December 2, 2008 meeting of the State Board to give an update and answer questions. If any funeral director has questions for Chuck, please submit those by 4:00 p.m. on December 1, 2008 to Becky Dunn by e-mail to embalm@pr.mo.gov or by fax to 573-751-1155. For more information on the Board's meeting, go to <http://www.pr.mo.gov/embalmers.asp> or contact the Board office at 573-751-0813.
- There will be another update meeting in January, and monthly thereafter, as needed, to keep the funeral industry and regulators updated. Any funeral director with a concern is urged to contact any of the attendee organizations so that the concern can be addressed at the next meeting. If any other funeral industry representative organization would like to attend these meetings, please contact Becky Dunn with the State Board as she has agreed to maintain the attendee lists. Due to space constraints, we ask that attendance be limited to counsel or executive director and two members. After each meeting, a summary will be posted on the Board's website as a means of communication with the funeral industry. This summary will cover the concerns raised at each meeting. These meetings are not sponsored or convened by the Board.

Links for more information: <http://www.mo-iga.org/LincolnMemorialHomePage.shtml>
<http://www.lincolnmemorallife.com>
<http://www.pr.mo.gov/embalmers.asp>

Attendees: Office of the Attorney General
Sharon Euler and Stewart Freilich

State Board of Embalmers and Funeral Directors
Becky Dunn and Jim Reinhard

Consumer Funeral Assurance
Robert Cowherd
Scott Lindley and Brad Speaks

Missouri Funeral Directors and Embalmers Association
Don Otto
Kalene and Rick Summerville