FOR IMMEDIATE RELEASE

TO: All Licensees and Registrants,
All Missouri Consumers

FROM: The Missouri State Board of Embalmers and Funeral Directors

DATE: April 30, 2008

RE: Inquiries to the Board Regarding National Prearranged Services, Inc.

Many of you have contacted the Board concerning the status of National Pre Arranged Services, Inc. ("NPS"), a Missouri registered pre-need seller operating in nineteen states including Missouri. Although there remains a great deal of uncertainty regarding the issues surrounding NPS, the Board felt that it was important to provide each of you with as much information as is currently available.

What concerns are being raised about NPS?

The Board has received information that NPS may have shortages in their preneed trust accounts. Specifically, the Board has reason to believe that the trust accounts contain a substantially and significantly lower amount than the 80% of preneed funds that are statutorily required to be in trust. The Board has received information that the trust primarily consists of term insurance policies and not cash. The trust may also have far less than the amount of preneed funds that were transferred to the trust by other preneed sellers/funeral establishments through "rollovers."

Frankly, serious questions have been raised as to whether NPS will have sufficient funds to continue to pay its obligations on preneed claims. Missouri and several other states are in the process of reviewing the financial records and business activities of NPS and the banks where trust funds were held.

What is Lincoln Memorial Insurance Company and how does it relate to NPS?

Lincoln Memorial Life Insurance Co., ("Lincoln"), is a Texas life insurance company. The Board understands that NPS is a general agent for Lincoln and that funds from NPS' preneed trust may have been used to purchase insurance products from Lincoln. On April 9, 2008, the Texas Department of Insurance issued a Hazardous Financial Condition Order for both Lincoln Memorial Insurance Company and NPS. The Order was issued after Texas reported a significant amount of surrendered transactions by the companies at the end of 2006.

Is the Board investigating?

Yes. The Board has initiated a review of the NPS allegations under Chapter 436. As part of the review process, a third party investigation, audit or examination must be completed before the Board may take official action. The findings have to subsequently be reviewed by the Missouri Attorney General's Office and the Board. The statutorily required review process has not yet been completed but please be advised that the Board, along with regulators here and in other states, will continue to investigate what has happened. This process will take some time. ***Meanwhile, consumers and licensees should obtain their own, independent assessment of their legal rights and potential remedies.***

What information can the Board release?

The Board previously issued press releases on April 9, 2008 and April 16, 2008, to provide some initial information to the public and licensees. However, § 620.010.14(7) of the Revised Statutes of Missouri provides that information pertaining to a preneed registrant is closed/confidential. As a result, the Board is restricted in the amount of additional information that can legally be released.

Last month, the Texas Department of Insurance put a new management team in place at NPS. The Board has met with the new management team to discuss the issues raised. As the Board moves forward on these issues, we will make every effort to keep everyone informed to the fullest extent possible under applicable confidentiality requirements. Please remember, however, that we cannot offer legal advice concerning any claim for damages that an individual licensee or consumer may have against NPS, its banks, advisors, insurance companies, subsidiaries or any other private party.

Can NPS sell preneed in Missouri?

Not at this time. On April 9, 2008, NPS signed a Memorandum of Understanding with the Board to suspend all pre-need contract sales in the state of Missouri. **Licensees should not be selling any NPS preneed products at this time.** The Board felt this action was necessary in light of the questions that have been raised about NPS' business practices and its ability to honor its contracts in the future.

Is NPS still paying claims?

NPS has represented that claims are still being paid. However, licensees should contact their legal representatives if they have additional questions about claims or the safety of their funds. If you have not received payment for a preneed claim or if you are a consumer who has not received a refund for an NPS preneed policy, please contact the Board to file a complaint or reference the Board's website for the complaint form.

Who should I call if I have additional questions?

If you would like to file a complaint, you may refer to the Board's website **http://pr.mo.gov/embalmers.asp** for a complaint form, or contact the Board at (573) 751-0813. NPS also provided the Board with the following contact information. If consumers or funeral directors have additional questions, they may contact NPS by calling 314-726-6706 or 1-800-334-3851, e-mailing customerservice@n-p-s-inc.com or visiting www.npsnetwork.com.

Due to the high volume of calls and the resulting demands on the Board as we review these issues, the average response time to phone calls may be approximately 14 days. As a result, the Board is requesting that you address your concerns to the Board in writing. This will assist the Board in record keeping and will allow us to make sure that your concern is appropriately addressed.

As the Board moves forward on these issues, we will make every effort to keep everyone informed to the fullest extent possible under applicable confidentiality requirements. Once again, please remember that the Board cannot offer legal advice concerning any claim for damages that an individual licensee or consumer may have against NPS, its banks, advisors, insurance companies, subsidiaries or any other private party.