

Arkansas Insurance Department

Asa Hutchinson
Governor



Allen Kerr
Commissioner

PRESS RELEASE

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Insurance Department Receiving Record Number of Calls Concerning Prepaid Funeral Benefits Contracts and Arkansas Funeral Care

LITTLE ROCK, ARKANSAS (January 29, 2015) — Insurance Commissioner Allen Kerr said the Arkansas Insurance Department has fielded approximately 700 calls in just four days from consumers with concerns and questions about prepaid funeral benefits contracts they have with Arkansas Funeral Care, LLC of Jacksonville, Arkansas. Following the funeral home's surrender of its license to the Arkansas State Board of Embalmers and Funeral Directors on January 23, 2015, Kerr signed an order suspending the funeral home's permit to provide funeral services and funeral merchandise in prepaid funeral benefits contracts, often referred to as pre-need contracts or plans.

"My staff is responding to this volume of calls as quickly as possible," said Kerr. "I appreciate your patience as we go through the records we seized on Monday. The Department is taking a methodical approach to its investigation prior to the hearing which is scheduled for February 11, 2015. I am confident any consumer who calls the Department about this matter will receive a call back," Kerr stated.

At this time the Department does not feel the policies are in jeopardy. Families who have pending death claims or who may have a death claim on or before February 11, 2015, should contact the Department's Prepaid Funeral Benefits staff for assistance in facilitating the location of a substitute funeral provider for or on behalf of the consumer.

(more)

Prepaid funeral benefits are funded by three different methods—by cash, an annuity, or an insurance policy. If the pre-need contract with Arkansas Funeral Care was funded by an annuity or insurance policy, and the contract purchaser is making premium payments (either directly or via bank draft) the contract purchaser is advised to continue making premium payments toward those policies until such time as the pre-need contract is reassigned or transferred to another funeral home or substitute provider. If premium payments are not made to the insurance company, the policy may lapse due to non-payment of premium. If a policy is allowed to lapse, it cannot be reassigned or transferred and/or used as collateral toward a new pre-need contract.

Questions regarding Arkansas Funeral Care's prepaid funeral benefits contracts may be directed to the Prepaid Funeral Benefits Division at 501-371-2665.

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