

Agent Advisory: Lincoln Memorial Life Insurance Company

By order of the Kentucky Office of Insurance, effective March 26, Lincoln Memorial Life Insurance Company, a Texas insurer, must cease writing new business in the commonwealth. The order of the Office of Insurance suspends Lincoln Memorial's certificate of authority to transact insurance business, prohibits the company from writing any new business, permits the company to continue servicing existing business, and prohibits Lincoln Memorial from appointing any new agents to represent the company.

Lincoln Memorial has a right to appeal the order. Any request for an appeal must be received by the Office of Insurance within 60 days of the effective date of the order. In the event the company requests an appeal, the effect of the order will be stayed pending the outcome of an administrative hearing on the matter.

On March 17, the Texas Department of Insurance directed Lincoln Memorial to stop writing new business, citing the company's "hazardous financial condition" as support for the directive. After an appeal of the Texas directive, the Texas Commissioner of Insurance reaffirmed the action taken, and the directive became effective on March 21. On March 18, the Iowa Securities Administrator suspended the preneed seller's license of National Prearranged Services Inc. (NPS), a Missouri corporation affiliated with Lincoln Memorial, and prohibited future sales.

Most of the company's business focuses on small life insurance policies used to fund prepaid funeral contracts and are sold primarily through funeral homes and independent agents.

If you are an agent who has sold policies funding preneed contracts through Lincoln Memorial/NPS, the Office of Insurance recommends that you secure all records of any transactions with Lincoln Memorial or National Prearranged Services. Agents are advised to discontinue writing any new business with Lincoln Memorial.

Protecting licensees and consumers is an important part of the mission of the Kentucky Office of Insurance. As this case proceeds, we will post additional updates. If you have questions about this action, please call KOI at 800-595-6053 and ask for Vicky Horn in the Office of Legal Services.