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Funeral firm halts pre-need sales in Missouri

By RICK ALM
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St. Louis-based **National Prearranged Services Inc.** has agreed with state regulators in Missouri and Texas to suspend all sales operations.

The family-held corporation, which markets prepaid funeral plans, also has suspended its sales in at least six other states.

Missouri officials estimate the company has 46,000 policyholders in the state. It was unclear how they and policyholders in other states might be affected.

Kansas lawyer Dan Watkins, who took control of the company Tuesday as acting manager on behalf of Texas, said state regulators were working "to protect consumers who have purchased contracts and policies."

"Additional information will be made available as soon as determinations are made," he said.

Watkins did say company employees should brace for layoffs.

"Significant adjustments will be made in the company's work force," he said.

The company is owned by the Cassity family trust in Missouri. The Cassity family owns funeral homes and cemeteries, including **Mount Washington Forever Cemetery and Funeral Home** in Independence.

In Texas, National Prearranged has consumer contracts sold through 650 funeral homes. Details on the company's marketing in other states were not available.

The **Missouri Board of Embalmers and Funeral Directors** decided the matter in closed session, spokeswoman Emily Kampeter said Thursday.

In a prepared statement issued later, the panel said it had obtained an agreement from the company to "temporarily suspend all sales of pre-need contracts in the state of Missouri. The agreement is effective immediately."

"The board is committed to safeguarding the interests of all Missouri consumers," the statement added. "Registered pre-need sellers have an obligation to honor the promises they've made to Missouri consumers.

"Funeral directors are cautioned to ensure they maintain adequate records and evaluate any pre-need arrangement sold on behalf of their funeral establishment."

The statement noted that the agreement was voluntary and did not constitute disciplinary action. The company "has not admitted any violation of Missouri law," the panel said.

Its Web site claims the firm has paid more than \$300 million in benefits to more than 368,000 families with pre-arrangement funeral contracts.

The firm is affiliated with **Lincoln Memorial Life Insurance Co.**, which also came under regulatory scrutiny in Texas, which issued a "Hazardous Financial Condition Order" for both companies as well as **Memorial Service Life Insurance Co.** The Texas order requires companies to establish a plan to pay policy claims and service existing contracts.

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