



Posted on Thu, Mar. 12, 2009

## New group proposes alternatives to legislation on prepaid funerals in Missouri

By RICK ALM  
The Kansas City Star

A legislative battle is brewing over reform of Missouri's prepaid funeral industry in the wake of a billion-dollar scandal that erupted last year.

But some lawmakers fear that industry infighting could derail any corrective legislation this year.

Calls for reform have been sounded for years. The issue came to a head last year with the financial collapse of St. Louis-based **National Prearranged Services Inc.** and two of its Texas-based insurance company affiliates.

Now the **FBI** is investigating those companies' financial practices while state insurance guaranty associations have stepped in to cover more than \$1 billion in feared consumer and funeral home losses in 19 states.

Last fall a task force of Missouri lawmakers, regulators and funeral industry representatives agreed to a package of what it termed "desperately needed" changes, including tougher regulatory standards enforced by the **Missouri Board of Embalmers and Funeral Directors**.

That panel, appointed by the governor, is composed of five licensed funeral directors or embalmers and one public member.

In recent weeks a new organization of Missouri funeral directors, calling itself **Consumer Funeral Assurance**, has proposed amendments that would establish a new oversight agency with limited authority to regulate and investigate the prepaid funeral business.

"This thing is a governance issue," said Scott Lindley, a Chillicothe funeral director and a leader of the Assurance group, which claims 85 funeral home members statewide.

Lindley contends that failures by the embalming board contributed to the collapse of National Prearranged. He lambasted the oversight agency as a "licensing board that is dealing with economic issues they can't grasp."

As proposed, the new agency would be called the Missouri Consumer Funeral Assurance Commission and would be made up of nine funeral directors elected by licensed funeral home operators from each of the state's congressional districts, one public member appointed by the governor, and two state lawmakers appointed by legislative leaders.

Democratic Rep. Tim Meadows of Imperial, who sponsored unsuccessful legislation in 2007 and was a co-chairman of the task force, argues that the embalmers board has never had the regulatory authority it needs to police the industry.

Meadows contends that the National Prearranged scandal might have been averted, or at least nipped in the bud, if the board had had more regulatory authority.

With those reforms now approved by the Senate and moving toward passage in the House, Meadows said he feared the Assurance group's 11th-hour proposal could play the role of a "killer amendment" that dampens enthusiasm for any reform until the funeral industry's factions are all working from the same page.

Much is at stake. Meadows noted that nearly 200,000 prepaid policies were sold in Missouri between 2000 and 2007 alone that were valued at more than \$767 million in promised funeral services.

**Missouri Funeral Directors and Embalmers Association** director Don Otto said he expected his organization to back the task force's measure.

He added that his group had taken no position on the proposal by the breakaway Assurance group.

"But we have a lot of questions about it," he said.

---

To reach Rick Alm, call 816-234-4785 or send e-mail to [ralm@kcstar.com](mailto:ralm@kcstar.com).

© 2009 Kansas City Star and wire service sources. All Rights Reserved. <http://www.kansascity.com>