

LINCOLN MEMORIAL LIFE INSURANCE COMPANY  
MEMORIAL SERVICE LIFE INSURANCE COMPANY  
NATIONAL PREARRANGED SERVICES INC.  
IN RECEIVERSHIP

DONNA J. GARRETT  
SPECIAL DEPUTY RECEIVER  
P.O. Box 160050  
AUSTIN, TX 78716

## Liquidation Plan: Information for Funeral Service Providers

Lincoln Memorial Life Insurance Company (Lincoln Memorial)  
Memorial Service Life Insurance Company (Memorial Service)  
National Prearranged Services, Inc. (NPS)

October 30, 2008

On September 22, 2008 Lincoln Memorial, Memorial Service, and NPS (collectively "Companies") were ordered liquidated by order of the 250th Judicial District Court of Travis County, Texas (the "Liquidation Order"). On the same day the court appointed the Texas Commissioner of Insurance as Liquidator. The Commissioner has delegated his authority as Liquidator to Special Deputy Receiver (SDR), Donna J. Garrett. Effective as of October 23, 2008, the court approved a Liquidation Plan between the SDR and the National Organization of Life and Health Insurance Guaranty Associations (NOLHGA) regarding coverage by participating life and health insurance guaranty associations relating to the insurance policies and annuity contracts issued by Lincoln Memorial and Memorial Service, which primarily funded pre-need funeral contracts sold through NPS. Please visit [www.lincolnmemorallife.com](http://www.lincolnmemorallife.com) to read the liquidation order and Liquidation Plan and other documents related to the Companies.

You are receiving this notice because the books and records of the Companies show that you are a funeral service provider that sold or accepted preneed funeral contracts from NPS and/or that you are or may be an assignee of benefits under a Lincoln Memorial or Memorial Service life insurance policy, or preneed contract as of October 23, 2008. The life insurance policies issued by Lincoln Memorial or Memorial Service continue in effect, as more fully described below and in the Liquidation Order.

**The purpose of this Notice is to inform you of the liquidation, provide you information about filing claims and paying premiums, and advise you of what you may expect in the future.**

Between May 14, 2008 and October 23, 2008, the Companies were in court ordered rehabilitation. During most of this time, the SDR processed and paid claims submitted to the Companies. Effective October 23, 2008, your state guaranty association began providing continuing coverage with respect to life insurance policies or annuity contracts, subject to the Liquidation Plan and certain terms, limitations, and conditions of your state guaranty association statute. **State guaranty associations provide coverage only for insurance policies issued by Lincoln Memorial and Memorial Service and do not provide coverage for preneed funeral contracts.** Any difference between an insurance policy benefit payment and the amount due to the preneed provider under a pre-need contract that it secures (such as inflation growth or cost of living adjustments) will not be covered by state guaranty associations. Under the Liquidation Plan, the SDR will continue to handle all policy and claims administration on behalf of your state guaranty association, while your state guaranty association actually pays the claims.

**Claim payments:** Your state guaranty association will pay valid "Covered Obligations." Covered Obligations are claims per the terms of the Lincoln Memorial or Memorial Service insurance policy, subject to the Liquidation Plan, statutory limits, terms, and conditions in your state guaranty association statute. State guaranty associations do not provide coverage for preneed funeral contracts, but may provide coverage for insurance policies that were issued to partially fund the preneed funeral contracts. If you submit claims that are not guaranty association Covered Obligations, the SDR will process that claim as a claim against the assets of NPS, or in rare cases Lincoln Memorial or Memorial Service, if appropriate. At this time the SDR does not anticipate that there will be sufficient estate assets to pay general creditor claims of the Companies.

**Submitting Claims:** You should submit all claims on policies, annuities, and pre-need contracts to:

Lincoln Memorial/Memorial Service  
Claims Dept  
P.O. Box 160050  
Austin, TX 78716  
Fax: 512-328-0072

Documents/Information to Submit: If you are a funeral service provider, you should be prepared to submit the following documents and information to make a claim: (1) death certificate, (2) verified statement of performance [signed by an authorized representative of your company and a representative of the insured's estate] and (3) invoice for services provided at the funeral. The SDR may require additional information from you in order to process your claim.

Assignment of Benefits and Release: As a condition of receiving payment of Covered Obligations, your state guaranty association may require you and other interested parties to sign a release and assignment of benefits.

Temporary Freeze on Changes to Insurance Policies: According to the Liquidation Plan, there are limitations on the changes which may be made to your insurance policy. Some changes, however, may be made to policies in the event of hardship to the policyholder.

Automatic stay and permanent injunction: Certain acts against the Companies, the Liquidator, the SDR and the estates are stayed under TEX. INS. CODE §443.008 and Court order as more fully described in the Liquidation Order.

Notice of status conference: The Receivership Court shall hold a quarterly status conference regarding estate activity. Information on the date, time and location may be obtained from the website.

Additional information and notice: You may obtain additional information and notice of matters before the Receivership Court from the estate's website.

Questions: Additional information is available on the estate website listed below. If you have questions about the information in this notice, please contact the SDR at: [info@lincolnmemorallife.com](mailto:info@lincolnmemorallife.com) or (800) 334-3851 (M-F 8:30 a.m. - 4:30 p.m. CDT)

#### **ANSWERS TO FREQUENTLY ASKED QUESTIONS AND OTHER HELPFUL INFORMATION**

What are state guaranty associations? State guaranty associations exist in each state. They are created by the state legislature, and their purpose is to provide benefits to policyholders (Covered Obligations) when their life and health insurance companies become insolvent.

What is the National Organization of Life and Health Insurance Guaranty Associations (NOLHGA)? NOLHGA is an organization of state guaranty associations which coordinates their response when insurance companies that do business in many states, like Lincoln Memorial or Memorial Service, are liquidated.

What is the Special Deputy Receiver? The Special Deputy Receiver (SDR) is the person charged by the Court to sell the Companies' assets and determine which creditors have valid claims against the Companies.

Will there be delays in my claims being paid? The SDR will make every effort to process claims as quickly as possible. This usually takes 30 to 45 days. To increase the chances of your claim being processed quickly, you should submit all information requested by the SDR in the format requested by the SDR. Processing may be delayed if the information you submit is inaccurate or incomplete, or if additional information is required. When emailing or calling about your claim, it is possible you will not receive an immediate response, or you may be asked to leave a message. The SDR will make every effort to respond to all inquires within twenty-four hours. In the interim, we appreciate your patience.

When do state guaranty associations stop paying Covered Obligations? State guaranty associations will pay Covered Obligations incurred if your insurance policy or annuity contract is in force. Your insurance policy and/or annuity contract will be continued by your state guaranty association until the first of the following occurs: (1) you stop paying premiums, (2) you cancel the policy, (3) payments for Covered Obligations meet the coverage limits in your insurance policy or annuity contract, or in your state guaranty association law. Notification will be sent before your policy is cancelled for non payment of premiums.

#### **WEB LINKS**

- State guaranty associations: go to the NOLHGA website and find the link to your state
- NOLHGA: [www.nolhga.com](http://www.nolhga.com)
- Texas Department of Insurance: [www.tdi.state.tx.us.com](http://www.tdi.state.tx.us.com)
- Estate Website : [www.lincolnmemorallife.com](http://www.lincolnmemorallife.com)

***This notice is provided by the SDR and NOLHGA***