

**Texas Department of Banking
Texas Department of Insurance
Joint Press Release**

**Court Orders Life Insurance Company, Pre-Need Funeral Contract Affiliate
to be Liquidated**

Date: June 19, 2009

AUSTIN – At the request of the Texas Department of Insurance (TDI), the 345th District Court of Travis County placed Texas Memorial Life Insurance Company into receivership for purposes of liquidation on June 10, 2009. Texas Memorial is a Texas-domiciled insurance company licensed only in Texas, that issued insurance policies to fund pre-need funeral benefit contracts sold by its affiliate, Memorial Administrators, LLC d/b/a/ Texas Memorial Administrators, LLC. Memorial Administrators was also placed into receivership on June 10, along with TME Holdings, Inc. which is the holding company of both Texas Memorial and Memorial Administrators.

The order of liquidation issued in District Court Cause No. D-1-GV-09-000904, names the Commissioner of Insurance as Receiver of the companies. The Receiver appointed Robert J. Loiseau of Jack M. Webb & Associates, Inc. as the Special Deputy Receiver (SDR) to administer the receivership estates. Because Texas Memorial was found to be insolvent, insurance policyholders are provided protection pursuant to the Texas Life, Accident, Health and Hospital Service Insurance Guaranty Association Act.

Neither Texas Memorial nor Memorial Administrators can accept applications for new insurance policies or pre-need contracts. The SDR does have the authority to collect payments due on existing pre-need business and the Texas GA has the statutory authority to collect premiums due to continue coverage under the insurance policies. If a consumer has a Memorial Administrators contract or a Texas Memorial insurance policy that requires periodic payments, the consumer should continue to make those payments in order to keep the contract or insurance policy in force to ensure protection by the Texas guaranty association of the benefits under the insurance policies subject to Texas law.

Texas consumers with pre-need funeral benefit contracts funded by insurance policies written by Texas Memorial can expect that claims for insurance policy benefits will be paid by the Texas guaranty association pursuant to the terms of the insurance policies. However, it is unlikely that funeral providers will receive any additional compensation for pre-need contract growth from Memorial Administrators, which will affect the Texas funeral homes that have agreed to provide burial services under the pre-need contracts.

Consumers should contact the SDR and the Texas Department of Banking, the Texas regulator of pre-need license holders, should a funeral provider refuse to honor a pre-need contract.

“The court order placing these companies into receivership does not alter the obligations that funeral homes have to consumers” said Stephanie Newberg, Deputy Commissioner of the Texas Department of Banking. “The contractual liability of the funeral home to honor the pre-need

funeral contract does not change, and the funeral home must furnish the described benefits specified in the contract, or provide their equivalent in quality, for the contract price as promised.”

For more information, consumers, funeral homes, and other parties interested in monitoring this situation may visit the SDR’s website at www.texasreceiver.com. Or contact the SDR at (281) 586-7166; TDI’s Consumer Protection Division at (800) 252-3439, or the Department of Banking at (877) 276-5554. Funeral home operators/agents should direct questions to the Department of Banking. For questions about Texas guaranty association coverage of insurance policies, please visit www.txlifega.org or call (800) 982-6362.