

Seller Examination Guidelines

Prior to Onsite Visit:

- Request records from the seller including list of active preneed contracts, information about funding sources, trust agreements, provider agreements, etc.
- Once records are received from the seller, review and analyze the information provided by financial institution(s) as well as information provided by the third party seller.
- Contact seller by phone to make initial contact and set a mutually convenient date/time to meet and begin the onsite visit.

During Onsite Visit:

- Meet with the Manager in Charge and discuss examination procedure. (We will work with the seller to limit any effect we have on day-to-day operations.)
- Review 100% of all active preneed files to confirm compliance.
- If the seller has pre-need agents not on-site, contact preneed agents as needed to review a minimum of 10% of contracts sold by off-site preneed agents to confirm compliance.

In addition, for third party sellers:

- Obtain a historical listing of all providers (past and present), identify years of sales and annual sales for each of those years. Compare this list to PROMO records to identify providers not possessing a preneed seller license.
- Contact a minimum of 10% of these identified funeral homes to review files to confirm seller's compliance.

After Onsite Visit:

- Send letters (sample attached) to 100% of consumers still making payments and at least 5 % of consumers listed as "Paid in Full."
- Provide consumers 2 weeks to respond with any potential problems. If no contact is made by the consumer, the amounts documented as paid will be considered current and correct.
- Complete analysis of records received.
- Meet with seller to discuss any concerns/discrepancies.
- Prepare final report for Executive Director and Board.

date

Consumer Name
Address
City State Zip

Dear :

[Seller] has been selected by the State of Missouri Board of Embalmers and Funeral Directors to have their preneed contracts examined as authorized by Section 436.470, RSMo. This new law requires that the State Board routinely examine the financial records of each business that sells preneed funeral plans. I have been assigned by the State Board for this routine examination of the records of [Seller] to ensure that they are in compliance with state law. We would like your assistance to confirm their compliance.

Through the course of our examination we have determined that you have a preneed funeral contract with [Seller]. We would like to take this time to confirm that our records correctly reflect the total amount you have paid toward your preneed contract(s) as of [date]. Please verify the following information:

Contract Number:	####
Total Amount of Contract:	\$
Amount Paid as of 12/01/01:	\$

If your records match the above information provided, there is no need for further action on your part. If the information listed above is incorrect, or if you have any further questions please do not hesitate to contact me via email at michelle.hankinson@pr.mo.gov or by calling 314-909-1585.

Please contact me with any discrepancies by [date]. If you do not respond, we will assume that the amounts listed above are correct.

Thank you in advance for your time and consideration in this matter.

Michelle Hankinson,

Michelle Hankinson

Examiner