

**BEFORE THE INSURANCE COMMISSIONER OF THE  
STATE OF OKLAHOMA**

IN RE: APPLICATION FOR CONVERSION )  
OF PREPAID FUNERAL BENEFIT TRUST )  
ACCOUNTS OF CERTAIN PERMIT HOLDERS )  
OWNED BY PAXUS SERVICES (OKLAHOMA )  
TO INSURANCE FUNDED ACCOUNTS BACKED )  
BY FUNERAL DIRECTORS LIFE INSURANCE )  
COMPANY )

Case No. 11-1183-TRN

**FILED**

JAN 13 2012

INSURANCE COMMISSIONER  
OKLAHOMA

**ADMINISTRATIVE ORDER GRANTING CONVERSION**  
**OF PREPAID FUNERAL TRUST ACCOUNTS**  
**TO INSURANCE FUNDED BENEFITS**

The State of Oklahoma, ex rel. John D. Doak, Insurance Commissioner, hereby approves the conversion of the Prepaid Funeral Benefits Contracts of the prepaid funeral trust benefit Permit Holders associated with the Paxus Services (Oklahoma) listed below, from trust funded to insurance funded, as follows:

**JURISDICTION**

1. John D. Doak is the Insurance Commissioner for the State of Oklahoma and as such is charged with regulating and enforcing all provisions of the Oklahoma Insurance Code, Okla. Stat. tit. 36, §§ 101-7004, including the laws pertaining to regulation of prepaid funeral benefit trust funds and prepaid funeral benefits contracts: Okla. Stat. tit. 36, §§ 6121-6136.18.

2. The following entities owned by Paxus Services (Oklahoma) were issued Permits by the Oklahoma Insurance Department pursuant to Okla. Stat. tit. 36, § 6121 authorizing them to contract for prepaid funeral benefits for the purpose of depositing such contract proceeds in a trust fund pursuant to Okla. Stat. tit. 36, § 6125, and to act as trustees for individuals contracting to pre-pay Applicants for funeral merchandise and services:

1. Hart Funeral Home, Stilwell, OK, Permit No. 863898
2. Hart Funeral Home, Tahlequah, OK Permit No. 863896
3. Hart Funeral Home, Westville, OK Permit No. 863897

### **FINDINGS OF FACT**

1. Pursuant to Okla. Stat. tit. 36 § 6136.18, Applicant has properly filed with this Department on or about November 30, 2011 an Application for Conversion from prepaid funeral trust funds to insurance funded accounts issued and backed by Funeral Directors Life Insurance Company with Oklahoma Certificate of Authority No. is 3180 (NAIC CoCode No is 99775).

2. The Insurance Commissioner of the State of Oklahoma believes that this conversion is proper and in the best interests of the prepaid funeral benefit contract holders in question.

### **CONCLUSIONS OF LAW**

1. Pursuant to Okla. Stat. tit. 36 § 6136.18 and OAR 365:25-9-8, the Application of Paxus Services (Oklahoma) Prepaid Funeral Benefit Permit Holders for Conversion from prepaid funeral trust funds to insurance funded accounts backed by Funeral Directors Life Insurance Company is proper in form and content and contains the required Letters Requesting Approval of Trust Conversion; Written Commitment to Insurance Commissioner; Pre-Conversion Summary; Post-Conversion Summary; Samples of Letters to be Sent to Trust Clients; General Actuarial Statement; Specific Actuarial Statement; and Signature and Certification.

2. The Application for Conversion is in proper form and content and should be approved.

### **ORDER**

IT IS THEREFORE ORDERED, ADJUDGED AND DECREED by the Insurance Commissioner that the Application of Paxus Services (Oklahoma) for Conversion from prepaid

funeral trust funds to insurance funded accounts for the indicated Permit Holders issued and backed by Funeral Directors Life Insurance Company is proper in form and content and IS HEREBY APPROVED.

IT IS FUTHER ORDERED that the Insurance Commissioner retains jurisdiction over the subject matter of this proceeding and over the parties for the purpose of entering such further order(s) or directives as may be deemed necessary and proper and for overseeing the consummation of the process of conversion trust fund accounts to insured accounts.

WITNESS MY HAND AND SEAL this 12 day of January, 2012.



  
\_\_\_\_\_  
PAUL WILKENING  
Deputy Commissioner of Administration  
Oklahoma Insurance Department

**CERTIFICATE OF SERVICE**

I hereby certify that a true and correct copy of the above and foregoing Administrative Order was mailed certified, return receipt requested on this 13<sup>th</sup> day of January, 2012 to:

Paxus Services (Oklahoma)  
F. Duane Schaefer, President  
28720 IH 10 W Suite 510  
Boerne, Texas 78006-6532

Pat Baxter, Executive Vice President/Chief Operations Officer  
Funeral Directors Life Insurance Company  
6550 Directors Parkway  
Abilene, Texas 79606

Mike Walls, Esq.  
Chase & Walls LLP  
100 Chestnut, Suite 208  
P.O. Box 726  
Abilene, TX 79604



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KELLEY C. CALLAHAN  
Senior Attorney

**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
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1. Article Addressed To:

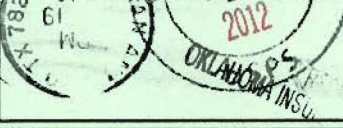
Paxus Services (Oklahoma)  
 F. Duane Schaefer, President  
 28720 IH 10 W. Suite 510  
 Boerne, TX 78006-6532  
 sms/11-1183-TRN/Admin Ord

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature  
 Signature  Agent  
 Addressee

B. Received by (Printed Name) C. Date of Delivery

D. Is delivery address different from item 1?  Yes  
 If YES, enter delivery address below  No



3. Service Type  
 Certified Mail  Express Mail  
 Registered  Return Receipt for Merchandise  
 Insured Mail  Signature Required

Restricted Delivery? (Extra Fee)  Yes

2. Article Number  
 (Transfer from service label)

7001 0320 0004 4250 5728

**U.S. Postal Service**  
**CERTIFIED MAIL RECEIPT**  
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**OFFICIAL USE**

7001 0320 0004 4250 5735

Postage \$		Postmark Here
Certified Fee		
Return Receipt Fee (Endorsement Required)		
Restricted Delivery Fee (Endorsement Required)		
Total Pk		
Sent To	Pat Baxter	
Street, Apt or PO Box	Funeral Directors Life Insurance Company 6550 Directors Parkway Abilene, TX 79606	
City, State	sms/11-1183-TRN/Admin Ord	

PS Form 3800, January 2001 See Reverse for Instructions

**SENDER: COMPLETE THIS SECTION**

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- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Pat Baxter  
 Funeral Directors Life Insurance Company  
 6550 Directors Parkway  
 Abilene, TX 79606  
 sms/11-1183-TRN/Admin Ord

2. Article Number  
 (Transfer from service label)

7001 0320 0004 4250 5735

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature  Agent  Addressee  
*Angie Dobbs*

B. Received by (Printed Name) *Angie Dobbs* C. Date of Delivery *1-17-12*

RECEIVED  
 OKLAHOMA INSURANCE DEPARTMENT  
 Is delivery address different from item 1?  Yes  No  
 If different, delivery address below:  Yes  No

JAN 20 2012  
 3. Service Type  
 Certified Mail  Express Mail  
 Registered  Return Receipt for Merchandise  
 Insured Mail  C.O.D.

4. Restricted Delivery? (Extra Fee)  Yes

**U.S. Postal Service**  
**CERTIFIED MAIL RECEIPT**  
*(Domestic Mail Only; No Insurance Coverage Provided)*

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OFFICE  
 MARTIN LUTHER KING  
 STATION

Postage \$  
 Certified Fee  
 Return Receipt Fee  
 (Endorsement Required)  
 Restricted Delivery Fee  
 (Endorsement Required)

JAN 13 2012

Postmark  
 Here

Total Postage

Sent To

Street, Apt. #  
 or PO Box #  
 City, State, Z

Mike Walls, Esq.  
 Chase & Walls, LLP  
 100 Chestnut, Suite 208  
 P.O. Box 726  
 Abilene, TX 79604  
 sms/11-1183-TRN/Admin Ord

PS Form 3800

See for instructions

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OKLAHOMA  
 Mike Walls, Esq.  
 Chase & Walls, LLP  
 100 Chestnut, Suite 208  
 P.O. Box 726  
 Abilene, TX 79604  
 sms/11-1183-TRN/Admin Ord

2. Article Number

(Transfer from service label)

7001 0320 0004 4250 5742

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature

*Chase*

Agent  
 Addressee

B. Received by (Printed Name)

*Chase*

C. Date of Delivery

*1-18*

D. Is delivery address different from item 1?  Yes

No

RECEIVED  
 DEPARTMENT

JAN 23 2012

3. Service Type

Certified Mail  Express Mail  
 Registered  Return Receipt for Merchandise  
 Insured Mail  C.O.D.

4. Restricted Delivery? (Extra Fee)

Yes