

NINETEENTH JUDICIAL DISTRICT COURT
PARISH OF EAST BATON ROUGE
STATE OF LOUISIANA

NUMBER: 628,016

DIVISION E SEC. 23

JAMES J. DONELON, COMMISSIONER OF INSURANCE
FOR THE STATE OF LOUISIANA

VERSUS

SNIDER MUTUAL FUNERAL ASSOCIATION

**MOTION OF REHABILITATOR TO APPROVE PLAN OF REHABILITATION OF
SNIDER MUTUAL FUNERAL ASSOCIATION, TO APPROVE REHABILITATOR'S
AGREEMENT WITH SCI LOUISIANA FUNERAL SERVICES, INC., AND FOR
OTHER RELIEF**

James J. Donelon, Commissioner of Insurance for the State of Louisiana ("Commissioner" or "Rehabilitator") in his capacity as Rehabilitator of Snider Mutual Funeral Association ("Snider"), through the Commissioner's appointed Receiver, Ralph Gaubert ("Receiver"), files this motion (i) to approve the Plan of Rehabilitation for Snider Mutual Funeral Association ("Plan") dated January 15, 2016, pursuant to La. R.S. 22:2009(B); (ii) to approve Rehabilitator's agreement with SCI Louisiana Funeral Services, Inc., and all exhibits attached thereto, which essentially constitutes the plan to rehabilitate Snider, and (iii) for other relief, and respectfully represents as follows:

INTRODUCTION

1.

On May 19, 2015, the Commissioner filed his Petition for Rehabilitation in this proceeding pursuant to La. R.S. 22:2001, et seq., and on May 19, 2015, this Court entered its order ("Rehabilitation Order") granting the relief requested and placing Snider into rehabilitation. Pursuant to the Rehabilitation Order, the Commissioner was appointed Rehabilitator, Barry Karns was appointed Receiver and Ralph Gaubert was appointed Deputy Receiver. On March 26, 2015, by Order of this court, Ralph Gaubert was appointed Receiver in place of Barry Karns due to Mr. Karn's impending retirement.

SNIDER MUTUAL FUNERAL ASSOCIATION

2.

Snider is engaged in the business of insurance within the State of Louisiana as defined by La. R.S. 22:46 and 22:47 and other applicable law and is deemed an insurer pursuant to La. R.S.

22:2002 and 22:2003. Snider was organized for the purpose of establishing, maintaining, and operating a non-profit funeral service plan. The policies issued by Snider are small face amount policies used to pay for funeral expenses. Snider has not written any new policies since 1956.

3.

As found by this Court and recognized in the Rehabilitation Order, Snider does not have a valid Board of Directors. Without a valid Board of Directors to continue the management and operation of Snider, Snider was found to be in such condition that it could not meet the requirements for organization and authorization to operate as an insurer in this state and that continued operation would endanger the interests of its policyholders.

ADMINISTRATION OF THE REHABILITATION PROCEEDING

4.

In accordance with the Rehabilitation Order and pursuant to La. R.S. 22:2008(A), the Commissioner was appointed Rehabilitator of Snider and was authorized and directed to take immediate possession of Snider's assets and to administer them under the supervision of this Court. By operation of law, the Rehabilitation Order vested in the Rehabilitator title to all assets of Snider. Further, the Rehabilitation Order suspended "all authority of all officers, directors, and managers" of Snider and vested such authority in the Rehabilitator and his Receiver until further order of this Court.

5.

Since the date of entry of the Rehabilitation Order, the Rehabilitator, through his Receiver, has conducted the initial rehabilitation tasks described in the Rehabilitation Order and examined the causes and conditions that made rehabilitation necessary.

6.

According to the books and records of Snider, the company has 27 policyholders. The face amount of the policies range from \$100.00 to \$300.00. A list of the current policyholders, including the face amount of their respective policies, is attached hereto as **Exhibit "A"**.

7.

The total assets of the company are approximately \$32,538.03.

8.

After careful consideration of the alternatives available, the Rehabilitator has determined that it is in the best interest of the policyholders, creditors and Snider to effect a Plan of

Rehabilitation ("Plan") to submit to this Court for approval, disapproval or modification in accordance with La. R.S. 22:2009(B). The Plan is attached hereto as **Exhibit "B"**.

9.

The purpose of the Plan is to facilitate an efficient and orderly runoff of Snider's liabilities and obligations, including but not limited to providing a means to ensure that Snider's current policyholders receive at least the face amount of their policies and to satisfy Snider's unpaid claims liability.

**OVERVIEW OF REHABILITATOR'S AGREEMENT WITH SCI LOUISIANA
FUNERAL SERVICES, INC., AND PLAN OF REHABILITATION**

10.

As part of the Plan, the Receiver entered into an agreement ("SCI Agreement") with SCI Louisiana Funeral Services, Inc. ("SCT") (attached hereto as **Exhibit "C"**). Pursuant to the SCI Agreement, SCI shall honor all current policyholder's policies at twice the face amount of the policy in the form of a credit ("Credit") for services and merchandise selected at the time of the policyholder's funeral. The present policy requires all services to be performed by the Hixson-Snider Funeral Home ("Hixon Snider") in Dequincy, Louisiana. However, under the terms of the proposed SCI Agreement and as an additional benefit to policyholders, the Credit shall be honored at any Dignity Memorial service provider located in Louisiana, including Hixon-Snider. Policyholders shall not be required to pay any additional premium in order to receive the Credit. The Receiver, after payment of all costs and expenses for the rehabilitation and liquidation of Snider, will pay to SCI its pro-rata share of class-two claimants.

11.

In accordance with La. R.S. 22:2009(E)(4), the Receiver has determined that is necessary and in the best interest of policyholders, creditors and Snider to implement the SCI Agreement and effect this Plan of Rehabilitation.

**REHABILITATOR'S REQUEST TO APPROVE THE PLAN OF REHABILITATION,
TO APPROVE THE SCI AGREEMENT, AND FOR OTHER RELIEF**

12.

The Commissioner, in his capacity as Rehabilitator, and the Receiver by this motion, requests entry of an order:

- a. Approving the Plan of Rehabilitation dated January 15, 2016 and attached hereto as **Exhibit "B"**; and

- b. Approving the SCI Agreement attached hereto as **Exhibit "C"**.

REHABILITATOR'S REQUEST TO PRESCRIBE AND APPROVE NOTICE

13.

Pursuant to La. R.S. 22:2009(B), the Rehabilitator request that this Court fix the manner in which the notice of hearing on the Motion ("Hearing") is to be given and order that the Receiver provide notice of the Motion, the deadline and procedures for objection or responding to the Motion, and the Hearing ("Notice") to all known parties in interest as follows:

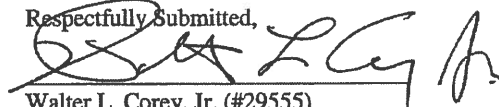
A. Upon the entry of this Court's Order setting a Hearing, the Receiver shall provide Notice to all known parties of interest appearing in the Snider's books and records. The Notice shall be substantively in the form of the notice attached to the Rehabilitator's Motion as **Exhibit "D"** and shall be provided by way of the United States Postage Service, first class postage prepaid, mailed to each such party at the address listed on the current books and records of Snider. The Receiver shall mail the Notice at least 30 days prior to the Hearing.

B. To afford other reasonable notice to potential parties not otherwise noticed, Rehabilitator shall also post the Notice, Motion, Plan, and the SCI Agreement on the website of the Louisiana Department of Insurance devoted to significant documents from this proceeding and shall have the Notice published in the DeQuincy News. The Notice and related documents will be posted and published at least 30 days prior to the Hearing.

The Rehabilitator will file a certification to having taken these prescribed notice steps before or at the Plan hearing.

WHEREFORE, James J. Donelon, Commissioner of Insurance for the State of Louisiana, in his capacity as Rehabilitator of Snider, through the Commissioner's appointed Receiver, Ralph Gaubert, respectfully prays that this Court, after notice and hearing, approve the relief sought herein.

Respectfully Submitted,



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