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**SNIDER MUTUAL FUNERAL ASSOCIATION  
IN REHABILITATION**

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**PLAN OF REHABILITATION**

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*Proposed by:*

James J. Donelon, Commissioner of Insurance for the State of Louisiana in capacity as  
Rehabilitator, through his Receiver, Ralph Gaubert

January 15, 2016

**EXHIBIT B**

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 delegated Receiver, Ralph Gaubert (“Receiver”) and pursuant to La. R.S. 22:2009(D), proposes to implement this Plan of Rehabilitation for Snider (“Plan”).

The Rehabilitator and the Receiver find that this Plan is in the best interest of the policyholders, creditors and Snider and provides the most efficient and effective means and procedure necessary to address Snider’s unpaid claims liability and to ensure that Snider’s current policyholders receive at least the face amount of their policies.

### **INTRODUCTION**

On May 19, 2015, the Commissioner filed his petition (“Petition”) in this proceeding pursuant to La. R.S. 22:2001, et seq., to place Snider into rehabilitation, and on May 19, 2015, this Court entered its order (“Rehabilitation Order”) granting the relief requested and placed 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**

As of the date of the Rehabilitation Order and currently, Snider is engaged in the business of insurance within the State of Louisiana as defined by La. R.S. 22:46, 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.

### **ADMINISTRATION OF THE REHABILITATION PROCEEDING**

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 the Receivership 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 until further order of the Receivership Court.

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. After careful consideration of the alternatives available and in accordance with La. R.S.22:2009(B), the Rehabilitator has determined that it is in the best interest of policyholders, creditors and Snider to effect this Plan of Rehabilitation for the Court’s consideration and approval. The Rehabilitator suggest that this Plan provides the most effective and efficient 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 THE SNIDER MUTUAL FUNERAL ASSOCIATION PLAN OF REHABILITATION**

As part of the proposed Snider Plan, the Rehabilitator, through his appointed Receiver, has executed an agreement with SCI Louisiana Funeral Services, Inc. (“SCI”), which subject to the terms and conditions of the agreement (“SCI Agreement”), Receiver and SCI agree that:

- (i) SCI shall honor all current policyholder’s policies at twice the stated face amount of their policy in the form of a credit for services and merchandise selected at the time of the policyholder’s funeral;
- (ii) The credit may be redeemed for services performed at the Hixon-Snider Funeral Home in Dequincy, Louisiana or at any Dignity Memorial service provider located in Louisiana;
- (iii) Policyholders shall not be required to pay any additional premium to receive the credit.
- (iv) The Receiver, after payment of all costs and expenses for the rehabilitation and liquidation of the estate, shall pay to SCI Louisiana Funeral Services, Inc., its pro-rata share of class-two claimants.

#### **NOTICE AND OPPORTUNITY TO RESPOND TO PLAN**

Pursuant to La. R.S. 22:2009(B), the Commissioner, in his capacity as Rehabilitator and the Receiver will request that the Receivership Court fix the manner in which notice of the Plan hearing is to be given and order the Receiver to provide notice to all known parties of interest appearing in the Snider’s books and records 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 notice shall include, but not be limited to the date, time and location of the Plan hearing and instructions for policyholders to file a response in support or in objection to the proposed Plan. An eligible policyholder that has timely filed an objection and elects to reject the credit offer will receive payment for only the face amount of their policy.

#### **REHABILITATOR'S REQUEST TO APPROVE THE PLAN OF REHABILITATION**

The Receiver by motion filed with the Receivership Court will request entry of an order:

- a. Scheduling a hearing to approve the Plan of Rehabilitation for Snider Mutual Funeral Association pursuant to La. R.S. 22:2009(B);
- b. Fixing the manner of Notice to be given by Rehabilitator for the Plan hearing;
- c. Approving the Plan of Rehabilitation for Snider Mutual Funeral Association dated January 15, 2016; and
- d. Approving the Rehabilitator's agreement with SCI Louisiana Funeral Services, Inc. pursuant to La. R.S. 22:2009(C)(4).

#### **CONCLUSION**

The Commissioner, in his capacity as Rehabilitator, after careful consideration of the alternatives available, has determined that this Plan of Rehabilitation (and the SCI Agreement) is necessary and appropriate for the effective and efficient administration of this rehabilitation proceeding and will assist in providing the maximum protection to Snider's policyholders, creditors and the public.