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NEWS

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Illinois Department of Insurance Orders Funeral Directors' Insurance Agent to Surrender License

Director also imposes \$100,000 fine

CHICAGO – The Illinois Department of Insurance has issued an [Order](#) requiring Edward L. Schainker to surrender his insurance license due to his role in developing, marketing, and selling an insurance scheme (the “Program”) to the Illinois Funeral Directors Association (IFDA).

The Department alleged that Schainker recommended and sold insurance policies to the IFDA Trust, from which he personally derived substantial income. Schainker’s business practices did not comply with Illinois legal requirements and did not serve the interests of funeral directors and their client families. The Program, which involved individual funeral directors, was allegedly designed to produce income to IFDA members in connection with the burial expenses of Illinois consumers who purchased Pre-Need contracts from the IFDA.

“The Department of Insurance works to protect consumers every day – that is our core mission,” said Michael T. McRaith, Director of the Illinois Department of Insurance. “Our action today against Mr. Schainker further illustrates that producer misconduct will be dealt with firmly.”

On September 15, 2009, the Department entered an Order requiring Schainker to surrender his insurance agent’s license, prohibiting him from reapplying for an insurance agent’s license for three years, and fining him \$100,000, each of which are the maximum penalties allowed under Illinois law. The Order resolves revocation proceedings against Schainker that were commenced in May and that coincided with the Department’s imposition of an Order requiring Merrill Lynch Life Agency to deposit \$18 million into an account for the benefit of Illinois consumers.

More Information

The mission of the Illinois Department of Insurance is to protect consumers by providing assistance and information, by efficiently regulating the insurance industry’s market behavior and financial solvency, and by fostering a competitive insurance marketplace. The Department assists consumers with all insurance complaints, including health, auto and homeowners. Consumers in need of information or assistance should visit the Department’s web site at <http://insurance.illinois.gov> or call our toll-free hotline at (877) 527-9431.

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