

OneFamily Adviser



GUARANTEED 50 PLUS LIFE COVER



The projected average cost of a burial by 2045 will be

£15,607*

The Funeral Costs Report 2016

Introduction

The OneFamily Funeral Costs Report 2016 is based on research carried out for us by Trinity McQueen¹. It gives you an up-to-date guide to funeral costs throughout the UK in 2015.

Trinity McQueen's research updates our 2014 study into UK burial and cremation costs², which we use to create our Funeral Cost Calculator.

This is a really useful tool for advisers, giving you up-to-date cremation and burial costs throughout the UK, at the touch of a button.

You'll find the updated Funeral Cost Calculator at onefamilyadviser.com.

Why do we research funeral costs?

We update our research so you can give your clients the latest details of the average cost of a funeral in their area. The calculator includes the costs of many items, from embalming and grave digging to hiring an organist or placing an obituary. It's based on interviews with over 600 funeral professionals nationwide.

“ Many IFAs have told us they find the Funeral Cost Calculator extremely useful. It gives them quick, easy access to current information and predicted costs over the next 30 years. They find that very useful when planning with clients. ”

John Adams,
OneFamily Commercial Director.

Key findings from the 2015 research

Funeral costs are rising faster than inflation

Our findings show that the average cost of cremations and burials is currently rising much faster than inflation. Between 2014 and 2015, the average cost of a cremation has risen 10% and the average cost of a burial by 4%.

The costs also vary widely across the UK. Clients in London pay a premium, with burials costing an average of £8,250 whereas a burial in Tyrone, Northern Ireland can cost as little as £2,510 for example.

England is the most expensive country within the UK for a cremation, with an average cost of £3,672, whereas Wales is the most expensive country for a burial, with an average cost of £5,065.

But wherever your clients live, they might be surprised to learn that a burial or cremation is likely to cost much more than they probably thought.

£
The average cost of a UK cremation is
£3,572

£
The average cost of a UK burial is now
£4,858

£
43%
The biggest increase in cremation cost across the UK was found in Norfolk

£
£15,607*
is the projected average cost of a burial by 2045

*This cost is based on an assumed annual rate of increase of burial cost of 4% per year. This predictive cost should not be relied upon to estimate the precise cost of a burial.

Source for all other figures: A Study Into UK Burial and Cremation Costs by Trinity McQueen January 2016

And the costs don't stop there

The many components of a burial or cremation can significantly increase the overall cost of a funeral.

Once you've taken into account items such as flowers, coffin and admin fees, a burial on average can cost £5,465 and a cremation £4,078.

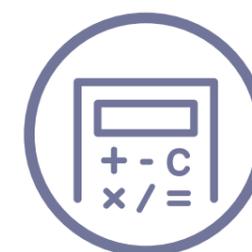
Whilst these figures will come as no surprise to you, often they're a shock for the public and are likely to make them rethink their financial situation.

Admin + Fees

=£3,363

The combined cost of admin and burial fees, the most expensive components of burials

More than **50%** of the total cost of a cremation comes from the admin fees



The funeral cost dilemma

Most people wouldn't want their family to foot the bill

Most of us want to leave a legacy behind for our loved ones. And that includes taking responsibility for our funeral costs, so our family isn't left with the bill.

But those hopes aren't matched by reality. Research shows a relatively small proportion of over 50s have made a provision for their funeral costs, by putting money aside or taking out life cover.

It's something your clients need to consider and plan for. Especially because the costs of a funeral might be higher than they expect.

Social payments simply don't cover the cost

Contrary to popular belief, the Government won't always step in to pay funeral costs when people can't pay for themselves. There are very strict rules on who is eligible for support and there are caps on funeral payments.

Only 58% of people who applied for a Social Fund Payment during 2013-14 were successful. Even then, the average payment of £1,347 falls way short of a full funeral cost⁴. This is why it's so important for your clients to plan ahead.



It can take a long time to release money for funeral bills

At a particularly difficult time for bereaved families, finding the money to pay for a funeral can make things even more stressful.

Funeral directors often ask for their payment before funds can be released from the deceased's estate, so family members have to pay from their own pockets until they can be reimbursed. Our research shows many people may go into debt to pay the bill.

According to Dominic Mackenzie, a Member of the Law Society's Probate Section and Partner at Ison Harrison, "In England and Wales, probate takes around three months for a simple estate, whilst the average length is six months, and for more complicated estates where property is involved, or inheritance tax, it could take a year or more."⁵

In England and Wales, probate takes an average of

6 months

Source: Dominic Mackenzie, a member of the Law Society's Probate Section, and partner at Ison Harrison, interview October 2014

To qualify for social payments you must be one of the following:

- the partner of the deceased when they died
- a close relative or close friend of the deceased
- the parent of a baby stillborn after 24 weeks of pregnancy
- the parent of a deceased child, if they were under 16 (or under 20 and not in full-time education)
- responsible for a deceased child where the parent is 'absent' and receives a qualifying benefit.

Your client (or their partner) must receive one of the following:

- Income Support
- Income-based Jobseeker's Allowance
- Income-related Employment and Support Allowance
- Pension Credit
- Housing Benefit
- the disability or severe disability element of Working Tax Credit
- one of the extra elements of Child Tax Credit
- Universal Credit⁶.



72%

of over 50s are not currently putting money aside to cover funeral costs³



£1,347

The average social fund payout⁴



Over half

of over 50s have no life cover³

The OneFamily solution

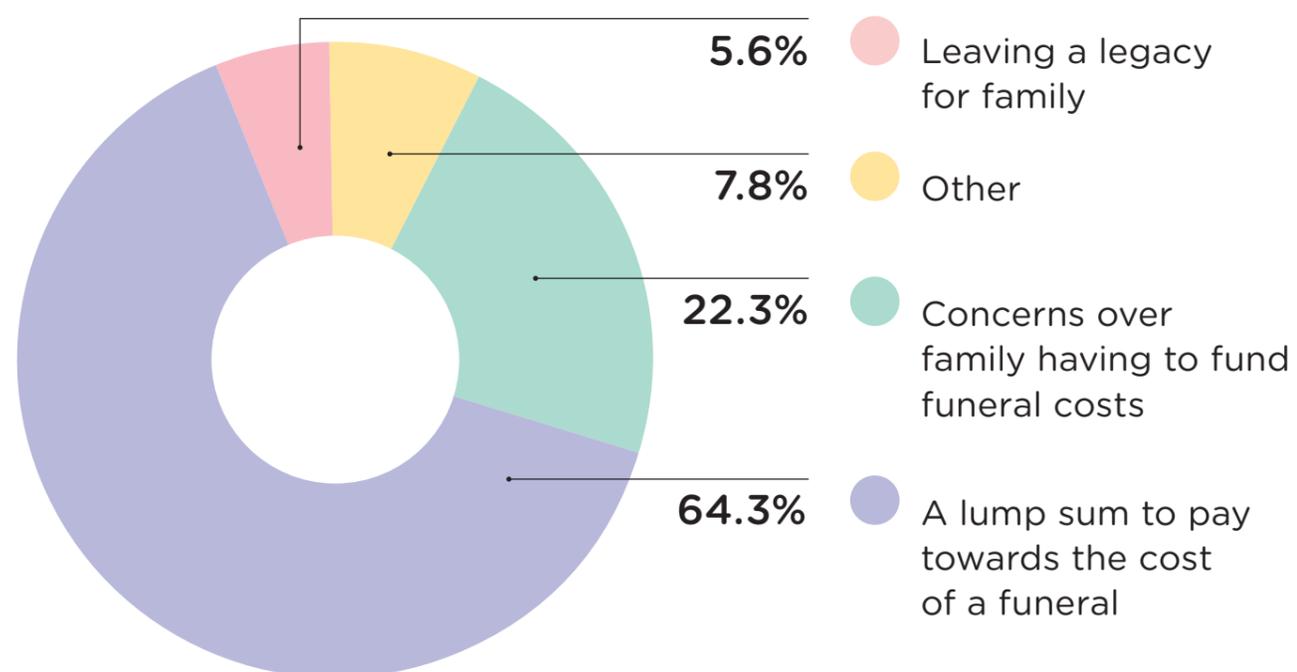
Prepare for funeral costs with Guaranteed 50 Plus Life Cover

Helping to prepare for funeral costs is one of the main reasons our customers take out over 50s life cover⁷. For as little as £10 a month, your clients could save their family the extra stress of financial burden, at a particularly distressing time.



Please bear in mind that Guaranteed 50 Plus Life Cover is not a funeral plan and may not meet the full cost of a funeral

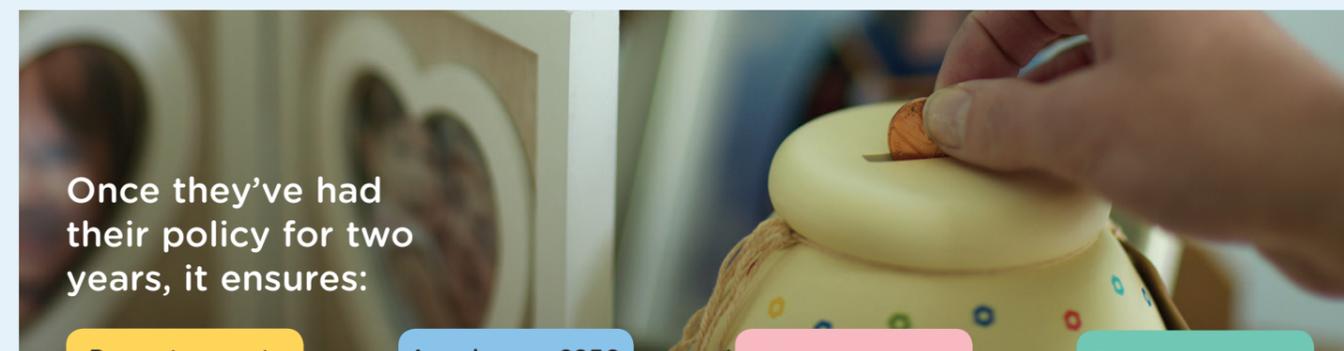
Reasons for purchase



Source: OneFamily Over 50s Life Cover Headline Results

Added peace of mind, at no extra cost with our Funeral Funding Option

Our Free Funeral Funding Option means your clients can do more than just leave money towards funeral costs.



Once they've had their policy for two years, it ensures:

Prompt payouts

- your client's life cover policy will go directly towards the cost of their funeral
- there's no need to wait for the estate to be distributed or for probate.

A welcome £250 contribution to funeral costs*

- when your client makes their funeral arrangements with the funeral director, they'll contribute £250 towards the funeral costs – at no cost to your client.

Easier funeral arrangements

- arranging a funeral is stressful enough for a grieving family. Knowing arrangements are already in place saves further distress and uncertainty.

* Terms and conditions apply. See page 8 'Important things to remember about the £250 Contribution' for more details.

Expressing their personal wishes

- your clients can say what sort of funeral they want.
- requests can't be guaranteed, but the funeral director will discuss them with the person arranging the funeral.

These examples show when the sum assured and the Funeral Funding Option do and don't cover the funeral costs

Example 1	
Sum assured is more than the funeral cost	
Sum assured	£4,700
Plus the £250 contribution	£250
Minus funeral costs	£3,500
Balance of your OneFamily policy payable to your estate or nominated beneficiary	£1,450

Example 2	
Sum assured is less than the funeral cost	
Sum assured	£2,500
Plus the £250 contribution	£250
Minus funeral costs	£3,500
Balance payable to appointed Funeral Director	£750



Important things to remember about our Funeral Funding Option

- when your clients choose the Funeral Funding Option, they'll be applying what is called a 'Legal Charge' to their policy in favour of The Co-operative Funeralcare or Golden Charter
- to do this, they simply need to add the Funeral Funding Option to their policy. This means all or part of the proceeds of their Guaranteed 50 Plus Life Cover policy will be paid towards their funeral costs
- your clients can only apply a Funeral Funding Option to a single policy
- clients who have more than one OneFamily Over 50s Life Cover Plan need to let us know which one they want to apply the option to
- clients with a Funeral Funding Option with another provider can't have another with us
- the Option can be used towards the cost of any funeral services, as long as they are arranged by The Co-operative Funeralcare, another participating co-operative, an affiliated funeral director or through Golden Charter
- a Funeral Funding Option takes priority over any beneficiary nominations made against a policy
- it has no cash value at any time
- it cannot be applied retrospectively once the funeral has been arranged
- it cannot be applied if the Guaranteed 50 Plus Life Cover policy has lapsed
- once removed, no future Funeral Funding Options can be applied.

Important things to remember about the £250 Contribution

- it's only valid when Guaranteed 50 Plus Life Cover from OneFamily has a Funeral Funding Option in place on the policy
- it's unlikely that the sum assured from the Over 50s life cover plan will be exactly the same amount as the cost of the funeral
- if the combined value of the sum assured and the contribution is more than the cost of the funeral, the funeral will be covered in full. The nominated beneficiary or the administrator of the estate will then need to claim the balance from us
- if the combined value of the sum assured and the contribution is less than the cost of the funeral, the person arranging the funeral will be responsible for settling the balance with the appointed funeral director when they arrange the funeral
- if your client dies within the first two years of taking out their policy, the Funeral Funding Option will not apply. Instead, we'll return 150% of the premiums to the estate, or in the case of accidental death, three times the sum assured up to a maximum payout of £48,000.

Your clients' questions answered

Q What happens if I stop paying the premiums once I've added a Funeral Funding Option to my Guaranteed 50 Plus Life Cover?

A The life cover would end, so there would be no proceeds from the plan to pay towards the cost of a funeral. Also the Funeral Funding Option would be removed, so no £250 contribution would be paid.

Q What if my next of kin want to use the benefit payable for my funeral but not with The Co-operative Funeralcare or Golden Charter?

A First of all, your next of kin will need to write to our Customer Services team to cancel the Funeral Funding Option and £250 contribution. We'll then pay the sum assured to your estate or nominated beneficiary, so they can use the money as they wish or to make their own funeral arrangements.

Q What if I change my mind?

A The Funeral Funding Option can be removed at any time. If you decide to remove your Funeral Funding Option, please remember you won't be able to add it back again at any time.

Adding the Funeral Funding Option

You can add the Funeral Funding Option by calling our Intermediary Support Team on **0808 100 5075**

The OneFamily solution

Ensuring a respectful, professional funeral service

We understand the funeral service will be very important to your client's family members. They'll want the reassurance that it will be carried out professionally, sensitively and with dignity.

The **co-operative** funeralcare

The Co-operative Funeralcare are the UK's leading funeral provider with a nationwide network of over 1,200 Co-operative owned Funeral Homes and a long and distinguished heritage. When your clients choose this option they can make their own choice of local Co-operative funeral providers.

Golden Charter

Golden Charter represent over 3,000 independent Funeral Directors. These Funeral Directors are often family-run businesses who have served their communities for generations.

So your clients can expect local, personal service when it matters most. When your clients choose this option, Golden Charter will nominate a local Funeral Director for them.

“ This is a fantastic benefit which can get funds released quickly at a very stressful time. It's staggering that statistics show that **57% of people in the UK will die intestate.** ”

Dominic Mackenzie,
Law Society's Probate Section member
Partner at Ison Harrison October 2014.

Quicker cash payouts to nominated beneficiaries

As a Friendly Society, we're able to make quick cash payouts to a named beneficiary, without having to wait for probate, which can take up to 6 months.

- your client simply nominates a beneficiary on their life cover plan
- they can do this at any time, and the beneficiary can be any relative, friend or charitable cause your client chooses

- if the beneficiary contacts us, provides the relevant death certificate and completes the claim form, up to £5,000 could be released within a few days

- this applies whether or not the customer has taken out the Funeral Funding Option, although the Funeral Funding Option takes priority over how the proceeds of the policy are distributed.

With a death certificate and claim form, we could pay a nominated beneficiary in **just a few days**

In summary

onefamilyadviser.com gives you the tools to explore funeral funding with your clients



Funeral Cost Calculator

Discover average costs in your clients' local area and help them choose an appropriate premium level.



The OneFamily Funeral Costs Report 2016

Download our latest statistics and insights on national and local funeral cost trends, to help you demonstrate the benefits of our Funeral Funding Option to your clients.

Guaranteed 50 Plus Life Cover with OneFamily could give your clients:

- ✓ the choice of a FREE Funeral Funding Option that:
 - pays out promptly
 - contributes £250 to the final funeral costs
 - offers a choice between the Co-operative Funeralcare and Golden Charter.
- ✓ an affordable way to prepare for funeral costs
- ✓ a quicker cash payout to a nominated beneficiary.

Why recommend OneFamily?

- ✓ our Funeral Funding Option is simple and easy to sell, and could help generate extra income
- ✓ you'll be helping your clients make practical provision for the future
- ✓ your clients will thank you for this valuable advice, strengthening your relationship with them
- ✓ talking about their funeral can open up further conversations about other savings and protection needs.

Here to
make your
life easier



To find out more



Visit **onefamilyadviser.com**



Email us at **advisersupport@onefamily.com**



Call our team on **0808 100 5075[†]**

We'll be here from 9am - 6pm, Monday to Friday.

[†]We might record your call to help improve our training and for security purposes.
We hope you don't mind. Calls are normally free from UK landlines and from mobile phones.

¹ A Study into UK Burial and Cremation Costs by Trinity McQueen January 2016. ² A Study into UK Burial and Cremation Costs by Brass Insight November 2014. ³ Mintel Whole of Life Report 2014. ⁴ House of Commons Library debate packs CDP-2015-007, 2015. ⁵ Interview with Dominic Mackenzie, October 2014. ⁶ www.gov.uk/funeralpayments/eligibility. ⁷ OneFamily Over 50s Life Cover 2014 Results, Authors Stephen Hampshire and Sarah Stainthorpe p4, May 2014.

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