

# Funeral insurance: A snapshot

## What we did for this report

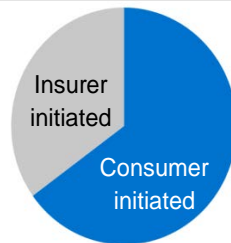
We obtained data from nine insurers who offer funeral insurance to Australian consumers via direct channels including TV, print and radio advertisements.

The data included sales of policies, premiums, claims and cancellations for the 2013 and 2014 financial years. We also obtained case studies about consumer experience of funeral insurance from financial counsellors and other consumer advocates.

## HIGH RATE OF CANCELLATIONS

**80%** 

In 2014 the number of cancellations was 80% of the number of policies sold. **The main reason was cost.**



**65%** of cancellations were initiated by consumers

**35%** were initiated by insurers for non-payment of premiums

Consumers who cancel their policies **lose the value of premiums** paid to date.



## STEEP INCREASES IN PREMIUMS



The average premium for 80–84 year olds was **four times the average** premium for 50–54 year olds.

With stepped premiums **consumers risk becoming trapped** in an unaffordable product at a time when their income is likely to be fixed or falling.

