

# Cooperative Funeral Fund Inc.

Preneed in 2018

as seen in:

The Funeral Professional's #1 Resource for Business Growth and Profitability | January/February 2018

# FUNERAL

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**A TRACK RECORD OF TRUST**  
THE STORY BEHIND THE NATION'S LARGEST  
PRIVATELY OWNED AND **FASTEST. EASIEST.®**  
INSURANCE ASSIGNMENT FUNDING COMPANY  
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**EXPRESS**  
FUNERAL FUNDING  
**FASTEST. EASIEST.®**

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SPOTLIGHT ON:

# PRENEED IN 2018

Preneed services help funeral directors create impressions and offer comfort long before the family needs a funeral service. In many cases, families opt for advance funeral planning so that they aren't forced to make tough decisions during a difficult time and can simply focus on celebrating the life of their loved one. If a funeral home isn't offering an attractive preneed program to their community, they are missing a significant opportunity to reach potential consumers and grow their business.

"Almost every funeral director would agree that delivering their service goes far beyond the funeral. From the initial contact, to the preneed consultation, to the follow up on open items, to remembrance cards after the fact, to showing compassion and empathy during the difficult times; It is all part of the tremendous service offering a funeral director provides. A funeral director's service is an ongoing role that helps a family grieve and put a loved one to rest with honor and dignity," explains Todd Mannix, VP Sales & Marketing of Cooperative Funeral Fund, Inc.

Almost every successful funeral home today offers preneed to their communities. That reason alone makes it an absolute necessity to include preneed in your list of services. If you aren't offering preneed services, your competitors already have a strong advantage over you. A preneed program is just like any other effective business product or service. Beyond the initial sale of a contract, a powerful preneed program can generate additional new business through client referrals – especially in the death care profession that depends heavily on relationships and reputation.

"In today's world, the best approach is to incorporate technology into your preneed program. With the right technology, clients can easily monitor their preneed contracts by reviewing their payments and outstanding balance, and can even review an image of their actual contracts at any time. This level of simplicity and transparency will go a long way for people who seek excellent service during a time of discomfort," expounds Bill Williams, President and CEO of Funeral Services, Inc.

The funeral profession has never faced more uncertainty than today. From trends in cremation and discounting, to internet merchandise and the rise of social media, funeral home owners are facing a lot of uncertainty. However, in-the-midst of great uncertainty there is also great opportunity.

"As we know in this business, it's not always the best funeral home that wins; it's usually the first one that connects with the family that wins. An active sales program can help grow and/or maintain market share for the funeral home by helping a funeral home connect with families. This has become even more important in 2018 as the traditional lines of competition are becoming more blurred. It used to be that brick and mortar funeral homes were the only competitors to be concerned with. As if that wasn't challenging enough, today, there are cemeteries, cremation societies, churches, hotels and virtual funeral homes all vying for a share of the market. Preneed has the potential to bring more opportunity into the funeral home's files and create a more secure future for the business," states Jeff Stewart, VP/Chief Marketing Officer of Funeral Directors Life.

Simply put, preneed plays a vital role in the long-term strategy of a successful funeral business. With the right funding provider, a robust preneed program can satisfy consumer demand, generate positive PR, secure future business and ensure financial stability.

"One key benefit of preneed is that it helps a funeral home lock in future business. Homesteaders' latest policy owner survey found that 73% of consumers only considered one funeral home before making their arrangements. An active preneed program can enhance a funeral home's reputation in its community and increase its brand recognition, making it much more likely that they will be the first (and only) provider a consumer considers when deciding to make prearrangements," says Steve Shaffer, Chief Operating Officer of Homesteaders Life Company.

The industry continues to evolve year after year and that means changes to preneed processes as well.

"Doing business online is certainly coming of age and funeral businesses need to be aware of how these tools might help them reach out to their consumers. Much of the consumers that will be responsible for planning funerals are part of the Millennial Generation that demands online shopping. If a funeral home is not looking in to online solutions now, it should be something they are planning to do very soon," suggests John W. Baker, Regional Vice President of National Guardian Life Insurance Company.

"One of the greatest shifts over the years that we have seen with families is the desire to include money for cash advance items. Keeping in mind that the cash advance item prices are not controlled by the funeral home, these items and money put into the preneed account, should be listed under the non-guaranteed section of the contract. It should also be stated that it is important to consult your individual state laws to determine what is allowable for preneed. A second major shift in the funeral service, with regards to preneed, has been the introduction of packages. Packages represent an opportunity to bundle goods and services, which makes the explanation and choices easier for the funeral home staff, as well as, the consumer families," states Matt Schuen, Director, Sales Development of Security National Life.

Preneed represents a great opportunity to make many of the necessary decisions in advance of the funeral. In other words, by making the decisions before at-need, this allows the funeral directors to focus on making the funerals memorable and more of an individual experience for their families. Additionally, stress is often added to the arrangement when family members are trying to gather all the dates, places, and other details under a time sensitive scenario. Any of the decisions and details that can be taken care of in advance, can help relieve the stress. For a funeral director to have much of the personal information gathered and completed, can make the work for the director a bit less difficult at-need. Preneed is also important for the funeral home, as it allows the ability to create a backlog of written preneed business. **FBA**

*To learn more about the importance of preneed for your funeral home and get advice from top preneed providers in this feature editorial, see pages 28-32.*



# FDLIC

“The profession is in the midst of rapid change and this trend is being reflected in the areas of lead generation and marketing. It’s critical that your preneed provider understands these dynamics and is prepared to reach the new funeral consumer on their terms. Not only must the funeral director consider how to get the best return from traditional lead generation and marketing techniques such as direct mail, television, cable television, radio, print media, and billboards, the funeral director has to reach families in an increasingly mobile and digital world through their website, Facebook, video strategies, search engine optimization, and email marketing techniques. Funeral directors and preneed companies must be adept at integrating their analog and digital marketing in both the preneed and at need settings in order to communicate and connect with families in the most cost-effective ways. If the funeral home owner succeeds in this task, they very well may remain relevant to their families and have a thriving business,” explains Jeff Stewart, VP/Chief Marketing Officer of Funeral Directors Life.

Funeral Directors Life provides a variety of very competitive insurance products and turn-key preneed solutions, as well as industry-leading marketing services, training, consulting, funeral home lending, custom technology solutions for the funeral industry, and much more.

“Many of our clients benefit from strategic marketing planning services, social media management services, digital preneed contract software, a digital claims process, and life insurance assignment services, to name a few. While products and services are important, it’s even more important to have people who can share insights and ideas as well as solve the real-world problems of the funeral home. At Funeral Directors Life, we are more than a product company. We are a solutions company that prides itself on delivering quality outcomes for our customers,” adds Jeff.

At Funeral Directors Life, they understand that one size does not fit all.

“We offer custom solutions to every prospective funeral home client. The proposal process is designed to give the funeral home owner(s) and key employees the information they need to make an educated decision about whether Funeral Directors Life is a good fit for their organization or not. Additionally, our people are motivated to challenge conventional thinking and help our customers succeed at the highest possible levels in the 21st century. Funeral home owners should also know that Funeral Directors Life is committed to continuous improvement. That means that we will work with each client individually, take suggestions and feedback, and work toward continually improving the service that we provide to the funeral profession,” Jeff states.



“Most funeral directors agree that, for many reasons, a strong pre-need program is truly an essential part of a robust strategy, one that secures future business and increases family satisfaction. A recent Homesteaders survey of funeral home owners revealed that 70% say the at-need experience is much better when a prearrangement exists. 95% of funeral directors participating in the survey report that consumers are receptive to prearranging. Advance funeral planning is also important to – and valued by – consumers. Homesteaders’ latest policy owner survey showed that 100% of pre-need policy owners were satisfied with their decision to prearrange. In fact, they’re so satisfied that 96% reported that they plan to or would consider recommending pre-need to someone else, with more than 40% already having recommended within a couple of months of prearranging,” explains Dean Lambert, Senior VP-Marketing and Communications of Homesteaders Life Company.

Homesteaders offers a variety of products to meet the unique objectives of every funeral home owner.

“While some products may be more popular than others, each product is designed to successfully meet the needs of the funeral home owners and their client families. Our company does one thing: we facilitate the advance- planning of funerals and related expenses. We are committed to providing as many products as necessary to accomplish that goal with our funeral home customers,” says Steve Lang, President and CEO of HLC.

“For more than 110 years, Homesteaders has maintained a commitment to be there when our policy owners need us the most. We are a mutual company, which means we’re owned by and accountable to the client families served by our funeral home customers. We take very seriously the promises we make to our customers and maintain a financial discipline that ensures we are well positioned to honor those promises today, tomorrow and well into the future. Our financial strength and investment strategy is regularly affirmed by A.M. Best with an A- (Excellent) rating,” continues Steve.

“One of the reasons Homesteaders is the most often-used pre-need company in America is that we have the largest active group of account executives in the pre-need funeral funding space. These business consultants have the training, experience and commitment to understand each funeral home customer’s individual needs. Chief among their responsibilities is helping funeral home owners select products and pre-need marketing plans that match their specific objectives. We recognize building a sustainable pre-need program requires finding the right long-term funding partner. We commit a great deal of resources to understanding the needs of funeral professionals and consumers and trends that help us create products and support that satisfy both groups today and well into the future,” says Lyndon Peterson, Executive VP-Sales and Marketing.





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**NGL Preneed**  
*It's about people.*

"There are two reasons preneed is critical. Having a prepaid contract assigned to a funeral home reduces the likelihood that a family member will 'move' or look for another funeral home at the time of need. Unfortunately, the at-need business today is filled with shoppers and discounters who try to negotiate the best deal and the funeral home does not have the ability to do anything but compete on price. The second reason is that the prepaid funeral contract reduces the overall accounts receivable that a funeral home maintains, if the funeral home offers terms. Also, if a family has to scramble to obtain sufficient funds to pay for the funeral, they may be forced to look for discounts or reduce the goods and services they might have otherwise selected," says John W. Baker, Regional Vice President of National Guardian Life Insurance Company.

As our world changes and technology evolves, so does the funeral industry - including preneed services.

"Doing business online is certainly coming of age and funeral businesses need to be aware of how these tools might help them reach out to their consumers. Much of the consumers that will be responsible for planning funerals are part of the Millennial Generation that demands online shopping. If a funeral home is not looking in to online solutions now, it should be something they are planning to do very soon," suggests John.

Whether you are an experienced preneed professional or learning about the industry, NGL is the experienced, reliable insurance partner you, your business and your clients can trust.

Funeral professionals choose NGL for the:

Single pay, multi-pay, and flexible premium preneed annuities, guaranteed issue options, simplified issue with limited health questions, variety of growth rate options, and trust options.

"We recognize how critical it is to provide fast and accurate service to our preneed partners. That's why we have dedicated staff to serve the preneed industry. These individuals understand the uniqueness of our industry and strive to serve our customers in the best way possible," he continues.

NGL services include:

Dedicated agent support team, faxed application submission, average new application turnaround time of less than a 48 hours, claims processed within two business days\*, online claim submission with electronic claim payments available\*, secure agent website with 24/7 access to policy information, reports, product and marketing information, and multiple rate calculation options including mobile.

\*In most states

[www.nglic.com](http://www.nglic.com)



**Security National**  
*Life Insurance Company*

"Funeral Home/agent working relationships, and therefore the director's support and opinion of the preneed program, are generally dependent upon the quality of the contracts written, meaning the level of detail, and the completeness of the arrangements. A well-written contract will translate into a smoother at-need arrangement for the director. Additionally, once a contract is written, it becomes difficult for a funeral director to 'upgrade' a family at need. Therefore, if written well, a preneed contract can be a great help to the funeral director and the owner. If written poorly, it can create additional challenges when meeting with the family at need. This creates additional pressure to make sure the business written is quality business. If done correctly, it should give the funeral directors confidence in the process and allow them to have more of an emphasis on marketing and market share growth through preneed. These additional marketing concepts such as community awareness programs and seminars give the funeral home the ability to take a more active position in the community and create additional touches with potential customers," explains Matt Schuen, Director, Sales Development of Security National Life.

Security National Life has a product suite to fit all needs.

"We can offer high growth and lower commission products, or lower growth and higher commission products. As a preneed insurance company to have not lowered growth rates since 1965, we place a heavy emphasis on growth. We know that high commissions are exciting, and will attract initial attention, but it is ultimately providing the at need growth necessary for fulfillment that keeps our funeral home clients as long-term customers. Like most companies, we offer dollar for dollar, annuities, and insured products. Our customers are able to pay using single pay or multiple pay, through 3, 5, 8, or 10-year plans. Each of our products also have family and pet protection (the first pet protection in the industry), and accidental death benefits. We offer our client families direct billing on multi-pay, as well as electronic funds transfer. Lastly, we offer fast funding, or at need assignments," he continues.

SNL was founded in 1965, and is a publicly traded company on the NASDAQ (SNFCA).

"We have four main lines of business which are life (preneed and final expense), at-need assignment factoring, mortgages, and a group of funeral homes and cemeteries that are owned. As a company that never reduced our growth after the financial meltdown of 2006, we pride ourselves on providing strong growth to the funeral homes for long term partnership. 100% of our local management have selling experience, which enhances the service experience. We have a full suite of products that can be determined based on the funeral homes' growth and commission needs," adds Matt.

[www.SNLaBetterWay.com](http://www.SNLaBetterWay.com)