

Your Funeral Planning Options

With so much advertising to be seen these days about 'funeral planning' it's little wonder why so many of us get a bit confused about the best option to take.

Funeral planning is a highly emotional and personal matter, and let's not forget the financial commitment that comes with such a decision.

When planning ahead there are many aspects to consider, and what may seem simple and cheap on the surface may in the long run prove to be a very expensive option for you and your Estate.

This brochure has been designed to provide a summary of the three main funeral planning options and we hope it helps remove some of the confusion surrounding each of them.

Your funeral planning options include:

- › Option One – Funeral Insurance
- › Option Two – Funeral Bonds
- › Option Three – Pre-Paid Funeral Plan



Option One: Funeral Insurance

As harsh as it may sound there is no doubt that funeral insurance is the best option for people who expect to pass away in a short period of time. Unfortunately research shows that after only 7 years you will pay more in premiums than the actual cost of your funeral.

When considering funeral insurance the main points to remember are:

- › You must continue to make monthly payments generally up to age 90
- › Failure to make one monthly payment and the Insurance Underwriter can cancel your funeral insurance
- › You receive nothing back if you stop making payments or if your policy is cancelled
- › There are no pension advantages
- › You have limited cover in the first year - accidental cover only
- › You cannot select your preferred funeral director
- › You cannot specify what you want in your funeral
- › You cannot guarantee that your funeral insurance claim payment will even be used to meet your funeral expenses!



Option Three: Pre-Paid Funeral Plan

A pre-paid funeral plan is a written contract between you and your funeral director. It details the funeral service of your choice and you pay for it at today's prices. When considering a pre-paid funeral plan the main points to remember are:

- › You choose your preferred funeral director
- › You decide on the funeral service that you want
- › You receive a written contract documenting your wishes
- › You pay for it at today's prices – you know exactly what your financial commitment is and there is no more to pay
- › You answer all the funeral questions now many of which your loved ones may struggle with in the future
- › You protect your loved ones from both financial and emotional stress
- › Your investment is not deemed an asset so it can help maximize your pension entitlements
- › You are not limited in the amount you invest
- › Generally you can pay for your Plan by installments over a three year period
- › Your investment is held at arm's length from the funeral director
- › You are protected should your funeral director no longer be operating as your investment is in your name

Some Funeral Planning Statistics

- › An estimated 1,000,000 Australians over the age of 55 have (to some degree) pre-planned their funeral.
- › Pre-paid funerals are covered by specific legislation in all States except Western Australia, ACT and NT.
- › 65% of all funerals are cremations, 35% are burials
- › Pre-paid funeral plans are the most popular planning option
- › Not all cemeteries allow you to pre-purchase a burial plot