

Mutual of Omaha Tacks on Funeral Concierge to Whole Life

By Cyril Tuohy October 15, 2018

Mutual of Omaha is rolling out a new whole life policy, seeking to attract buyers who don't want to burden grieving beneficiaries with planning a funeral.

Its Guaranteed Plus insurance comes with a free funeral planning services rider attached. **Everest Funeral Concierge** will compare funeral home prices and handle the delicate final arrangements. The product is being sold directly to the consumer.

“We see this as a new way of going to market,” said **Brian Poppe**, senior vice president at the insurer.

Guaranteed Plus joins Mutual of Omaha's other whole life products, which include Living Promise, sold through independent agents, and Guaranteed Whole Life, also sold direct. Mutual of Omaha is approved in 34 states.

Guaranteed Plus will go on sale online and over the phone beginning Nov. 5, the company said. Policy face amounts range from \$2,000 to \$25,000 and applicants can be from 45 to 85 years old.

Coverage is guaranteed, with no medical exams or health questions to answer, Poppe said. Death benefits are reduced during the first two years of the policy, with the full benefit paid after that.

Poppe thinks the funeral services rider is the standout feature. In February, Mutual of Omaha surveyed its life insurance customers and found that 81 percent want a more simplified funeral planning process, while 76 percent want help finding a funeral home that offers fair prices for their funeral, Poppe said.

Mutual of Omaha's research also found that actually paying for the funeral was a smaller part of what clients were looking to solve. Organizing the funeral was more burdensome, according to Poppe.

“We think that this is something our customers will value significantly,” he said.

The concierge service provides secure online planning and data storage, which allow consumers to communicate their wishes to family members and help create a will, health-care directives or power of attorney, the company said.

“We have seen a large increase in baby boomers planning for themselves and their loved ones,” said **Walker Posey**, a spokesperson for the **National Funeral Directors Association**. “They want to have a say in what they want to do and have some level of control in how they are remembered.”

Families tend to be “brand loyal” when it comes to funerals, he said.

“The majority of families know who they are going to go to when the time comes,” he said. “In a market where there’s not much brand loyalty or in more transient environments, the concierge is perhaps more suitable.”

The funeral services rider differentiates Guaranteed Plus from pre-need insurance, or insurance bought specifically to cover funeral costs and other final expenses.

Pre-need coverage often hamstrings beneficiaries, forcing them to deal with an approved set of funeral homes or caterers, for example, said **Mark Duffey**, president and CEO of Everest Funeral Concierge. Having a concierge involved is not only comforting to a beneficiary, but can end up being less costly.

A concierge service can look to manage the cost, which can be considerable. The average price of a burial has soared from about \$1,000 in 1970 to nearly \$8,000 in 2016, according to the National Association of Funeral Directors. And prices can vary widely in the same market.

In New York City, the **Ortiz Funeral Home** at 235 W. 72nd Street charges \$7,520 for funeral services, a casket and other costs. By comparison, **Boulevard-Riverside Chapels** at 180 W. 76th St. bills \$15,820, according to a pricing table provided by Everest.

In Charlotte, N.C., **Kings Funeral Home** charges \$895 for cremation, compared with \$2,436 for **McEwen Funeral Service-Pineville Chapel**.

The funeral home industry is a cottage industry of independent businesses with opaque pricing and the only way to find services at a reasonable cost is to shop around, which isn’t top of mind with a mourning widow or widower.

While baby boomers want to be involved in the plan for after they die, they don’t want beneficiaries to have to deal with the details, Duffey said. “Boomers say that’s my plan – if I die call Everest.”

A convenient element of Guaranteed Plus is that the policy expedites payment of the life insurance proceeds to help with funeral costs, according to Duffey.

“That’s the game changer – that with the services I get paid right now,” he said.

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