



Press Release from the Funeral Directors Association of NZ

23 July 2020

Funeral Directors Association endorses Consumer NZ call for review into funeral insurance sales

The Funeral Directors Association today announced its support for a review of funeral insurance sales practices.

"We know funeral insurance can help offset the costs of a funeral" said Gary Taylor President of the Funeral Directors Association "but it is important to know what you will get back for your premiums".

"It can often be the case that the premiums paid exceed the sum insured and that excess can be substantial" Taylor said.

"We are aware that NZ Seniors offers a product that offsets that to a degree" said David Moger, Chief Executive of the Funeral Directors Association" but there is a better alternative available for people who want to make provision in advance via a pre-arranged and pre-paid funeral plan".

The Funeral Directors Association Funeral Trust <http://fdanzfuneraltrust.co.nz/> is a prepaid funeral plan that allows people to both preplan and prepay their funerals. Funds are held and invested by a Trust and paid out after the funeral service has been delivered. 6,500 New Zealanders already participate in the Funeral Directors Association Funeral Trust.

"The Trust is available only through Funeral Director Association members and is a safe place for people to put the money they wish to set aside for their funeral" Moger said. "It is a very effective way to provide for the family at a naturally difficult time and also a good opportunity to take the time to talk with them about what arrangements you'd like and importantly what they would like."

Any money deposited is held securely in trust and must be accompanied by a pre-arrangement plan. "This is not an investment" Moger said "but a secure way to set aside funds for when they are needed. Furthermore, pre-paid funeral expenses for you and your

partner of up to \$10,000 each are exempt from the asset test for the Residential Care Subsidy if they're held in a recognised funeral plan. This is a very useful benefit if you are thinking about future long-term residential care needs” he added.

“There are more options than just the funeral insurance plans sold online or over the phone” said Taylor “We recommend a discussion with one of our members to explore the full range of options available and to make an informed choice that is right for the family.”

ENDS

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The Funeral Directors Association of New Zealand represents funeral directing companies that undertake the majority of funerals in New Zealand. They are a group of caring professionals who are committed to ensuring that the families they serve receive high-quality funeral service. For more information, visit our website: www.fdanz.org.nz