

Protection Distributors Group

Press Release

29 September 2016

Protection Distributors Group calls for 'Funeral Payment Pledge' from insurers

The Protection Distributors Group, which consists of ten leading intermediary firms in the UK protection market, is calling for insurers to do more to help bereaved families who face delays receiving the proceeds of a life policy after their claim has been agreed.

As a minimum, the group is asking insurers to ensure families can pay funeral costs by committing to a 'Funeral Payment Pledge'; proactively offering families at claim stage to pay the funeral director where no other arrangements have been made, up to £5,000.

Emma Thomson of LifeSearch, who is chairing the group, said: "Some insurers already offer help to families who don't have a Trust or Will in place, but as an industry we need to do much more. In addition to covering funeral costs we would like insurers to advance higher amounts to families to ensure other immediate expenses can also be met. Whilst many claims are paid quickly, where there are probate delays, some families wait several months for payment, even a year or two in some cases. Covering the funeral cost as a minimum, and indeed extending this to advance higher amounts would make a real difference to these families.

"And given that 99% of life claims are paid, going even further by offering to pay the funeral as soon as the insurer is notified about the claim would provide extra help, and pose minimal risk to insurers."

Commenting on the initiative, Chris Hopkinson of Aegon said: "We welcome the PDG's Funeral Payment Pledge campaign. At Aegon, we are already developing a similar initiative to help and support families pay funeral expenses. We hope the campaign encourages other insurers to make swift payments that help families focus on coming to terms with the loss of a loved one without nagging concerns about money." Andy Parker of LV= added: "At LV= we fully support this initiative and are making changes to our systems and processes so that we can offer this to our members and their families by the end of the year."

Roy McLoughlin of Master Adviser, who is a member of the Protection Distributors Group, added: "There is some good work being done by insurers but the Funeral Payment Pledge is a good starting point for those insurers who currently don't have anything in place. Aviva currently offers to pay the funeral, and other insurers such as Scottish Widows go further, advancing up to £50,000 even where there is no Will or Trust in place, subject to certain criteria. A few insurers will agree to pay the funeral but only if asked; the PDG wants this to be offered to all families automatically as part of the claims process. "

Notes to editors

Contact:

Kevin Carr, Carr Consulting & Communications – 07887 838811 kevin@carrcandc.co.uk

Linda Winder, Carr Consulting & Communications – 07984748360 linda@carrcandc.co.uk

ABOUT PDG

In May 2016 ten of the leading intermediary firms in the UK joined forces to improve the protection market for consumers, as the Protection Distributors Group. The group consists only of distributor firms and aims to improve the market for consumers by putting forward positive suggestions for change and

lobbying insurers for better outcomes via a formal and structured distribution voice for the protection industry. The group will also work on raising the positive profile of protection insurance as well as liaising with appropriate industry bodies. Decisions will be made on a majority rule basis and the group will be chaired for the first year by LifeSearch Head of Customer Care, Emma Thomson, on an honorary basis. There are no member fees during the first year and any protection distribution firms in the UK are welcome to apply to join the group. The ten founding members of the group are: Assured Futures, Drewberry, Futureproof, Highclere, LifeSearch, Lightblue, London & Country, Master Adviser, Roxburgh and Vita.