

5 Mistakes That Can Tie Up Your Cash Flow

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Continuing Education Credit

- Approved for 1 hour of funeral director continuing education by Academy of Professional Funeral Service Practice.
- Today, after the webinar, you will receive an email with a link to a survey. You must complete the survey within 5 business days to receive a certificate of completion. Your certificate will be emailed to you in 7-10 business days.
- Please follow the procedure required by your state for CE credit.
- Questions about CE:
Contact Terri Bannister terri.bannister@funeraldirectorslife.com
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How You Can Participate

- Use the Chat function for comments
- Use Q&A for questions

Questions You Might Have

- How can I use insurance assignments to improve my cash flow?
- How do I minimize the risk of taking an insurance assignment?
- What is the value of using an insurance assignment company rather than processing assignments in-house?

Impact of Covid-19

- Cash flow slowed dramatically
- At-need calls increased
- Funeral averages decreased due to restrictions
- Delayed death certificates
- Some had to furlough or lay off employees

5 Mistakes You Can't Afford to Make

1. Not offering life insurance assignments up-front
2. Doing assignments in-house
3. Taking on too much risk
4. Missing the red flags
5. Leaving money on the table

Mistake #1 - Not Offering Life Insurance Assignments Up-Front

- A funeral director's least favorite part of serving a family is discussing payment
- How to pay for a funeral is a family's number one concern
- Providing payment options up-front addresses the elephant on the table and allows the family to make decisions based on how they desire to honor their loved one and not on what they can afford
- Not everyone has a preneed but almost everyone has some sort of life insurance
- Lowers accounts receivable

Mistake #2 - Doing Assignments In-House

- Dealing with multiple insurance companies and each one requires something different
- Staff's time is spent working on assignments rather than serving families
- Or worse, assignments are piling up because staff can't get to them
- Delay in death certificates
- Disbursement of insurance proceeds delayed
- Many assignment companies will take assignment on the entire policy and provide immediate cash to the family

Mistake #3 - Taking On Too Much Risk

- If you don't know all the right questions to ask and how to ask them, you may be left high and dry
- If you don't file the claim in a timely manner, benefits may be paid directly to the family
- If you don't have the most recent claim forms, payment could be delayed
- If you haven't identified all the beneficiaries, your claim could be delayed or denied

Mistake #4 - Missing the Red Flags

- Is the policy assignable?
- Is the policy contestable?
- Does the policy exclude suicide?
- Does the policy exclude death caused by a pandemic?
- Are there any loans or liens against the policy?
- Is the policy lapsed?
- Is there any pending child support disbursement?
- Is there a minor or an estate involved?

Mistake #5 - Leaving Money on the Table

- Increase in average at-need contract – Insurance assignments allow the family to make decisions based upon the proceeds of the policy and not the balance in their checking account
- Increase in preneed contracts – Insurance proceeds over and above the cost of the funeral can lead to preneed discussions with the remaining family member
- Passing the fee to the family – Insurance assignment services can be delivered at no cost to you
- Returning families - Family members who remember how easy and painless it was to work with you in processing their life insurance will return

The Benefits of Using An Insurance Assignment Company

- Less risk to you - A good insurance assignment company assumes 100% of the risk
- Improves cash flow – Get your money in a few days rather than a few months
- Simplified process - Work with one company versus hundreds of insurance companies
- More time - Free up your staff's time to do what they do best – serve families
- Be a hero - Families can request a cash advance for needs above the cost of the funeral
- No delays because of outdated information - Get access to a library of up-to-date forms and insurance company requirements

