

# Funeral and Cemetery Insurance Assignment Receivables – What to Think About



{ by Daryl A. Wallace }

*Daryl A. Wallace is President/Ceo of Lincoln Factoring, LLC. He can be reached at 817.850.9800, or you may email him at daryl@linefin.com, or visit www.linefin.com.*

The Death Care industry has served as one of the most profound and dedicated pillars of society in the United States. The Professionals that make up this prestigious fraternity come from all walks of life; I commend all the men and women that serve the two million plus families each year with such passion and commitment that only a death care professional can express. In this challenging economy, how can funeral homes reduce accounts receivable and guarantee payment of funeral expenses by accepting “funeral and cemetery insurance assignment.” Financing your funeral and cemetery insurance assignment can be an essential process to funeral homes. This insures accounts receivables while offering peace of mind to funeral homes and the families that they serve.

Life Insurance safeguard families from financial hardship associated with the death of a loved one. The proceeds are known as death benefits. The death benefits can help families cover funeral expenses. Most people have life insurance and the Life Insurance and Market Research Association (LIMRA) reported May 21, 2012 that total new premium life combination products reached \$2.2 billion in 2011, approximately 13 percent of total individual life insurance premiums. The numbers are astounding.

What are the advantages to funeral homes in utilizing the services of a funeral insurance assignment factoring company?

1. Eliminates billing, paperwork and burdensome follow up calls.
2. Puts an end to small monthly installment payments.
3. Improves the funeral home’s cash flow which allows them to do payroll, pay taxes, or take advantages of supplier discounts in a timely manner.
- 4 Eliminates problems with insurance companies and families concerning collectability.
5. Ends the question of whether the beneficiary will actually

pay you after they are paid by the insurance company.

6. Removes financial anxiety for the family and puts them at ease.
7. Allows your family to plan the kind of funeral they can be proud of, rather than scaling down due to available cash.
8. Allows your bereaved family to deal with their grief without having to make business decisions and guarantees payment of each and every one of their funeral bills.

The American Council of Life Insurers (ACLI) reported that in 2010 life insurers paid out \$58 billion to life insurance beneficiaries. There is a meticulous protocol and procedure most insurance companies follow to execute the payment process. As a funeral home, you must insure “cash flow” for day to day operations in an easy, simple manner. A funeral home may need to address the difficult task of deciding whether or not to process insurance assignments in-house or to entrust them to a funeral insurance assignment company. There are countless stories related to funeral homes processing funeral insurance assignments in-house and the “cash flow” challenges incurred to do it. A funeral home must ask:

- What is my success rate in processing my assignments?
- Have I successfully processed 100% of my insurance assignment or is it less?
- What are my outstanding insurance assignments presently?
- Due to the amount of insurance assignments outstanding, am I paying my bills on time and taking advantage of my supplier/vendor discounts?
- Am I stressed over my cash flow situation?
- Am I financially stable to support a 90 or 120 day interest free loan to my families while awaiting payment of a death

benefits from the Insurance Company?

I encourage you take time to fully investigate because with a trusted funeral and cemetery assignment provider you (the funeral home) are no longer the banker or the collection agency.

So the question remains, "How can funeral homes reduce account receivables and guarantee payment of funeral expenses?" You trust skilled professionals to provide you specific services. This same discipline must apply when you need to insure and increase your cash flow!

Unfortunately, there are thousands of funeral homes that are unaware of funeral insurance assignment financing and thousands more that disregard these valuable services. Remember, the Death Care business is a "cash flow" industry. We've all heard the term, "You get what you pay for."

Therefore, I recommend you take time to fully investigate the funeral insurance assignments companies and their services. Each company has various features and benefits that may or may not be right for you. Most funeral insurance assignment companies offer a myriad of services. In your pursuit of a funeral insurance assignment provider ask them difficult questions. Such as, what type of in-house professional services

for accounting do they provide for your assignments and at what cost? Do they provide in-house legal services and insure that proper legal procedures are performed on ALL your Funeral Insurance Assignments and at what cost? Do they have Insurance Claim Investigators to handle your problem insurance assignments, etc.? The financial services of a trusted funeral insurance assignment company is a tremendous added value to your funeral home's daily operations. The most important aspect for successful daily business operations of your Funeral Home is "cash flow." The best interest of your families can never be compromised by not having the best possible service provider. As a firm, you've worked hard to establish a stellar reputation in your communities and provide the trusted service you've exemplified. Don't jeopardize your wonderful reputation by mishandling your insurance assignments by not adequately investigating the pro and cons of doing it yourself, or the reputation of the assignment company you intend to use.

Remember...you get what you pay for and cheap is not always better. You should ask, "Do I have liability (recourse loan) if something goes wrong with the assignment, even if it is the fault of the assignment funding company?" There are a few companies that offer no recourse funeral insurance assignments and you should always do you due diligence to make sure that you work with the company that best suits your needs. **FBA**

**RUSTIC HICKORY**

**C.J. BOOTS**  
**CASKET COMPANY**

*Introducing* our new "Rustic Hickory", a casket with natural appeal.

*Call today* to find out how we can serve your needs.

Contact your local distributor for availability in your area.

**Visit our new website!**

C.J. Boots Casket Company . 516 Meridian Street . Anderson, IN 46016  
**765.683.9760 / 877.4CJ.BOOTS / www.cjboots.com**