

Plugging in to Online Funeral Planning

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By Colleen O'Connor

At first blush, it may seem difficult to draw a tangible lesson out of the death of Anna Nicole Smith earlier this year. However, the legal struggle that ensued between family members over what to do with her body portrayed significant issues that financial advisors face. End-of-life decisions are not just about the distribution of assets, and, as many advisors can attest, client's families tend to become very vocal when it comes to funeral arrangements.

Enter Everestfuneral.com, which launched the first online searchable database, by zip code, for pricing funerals and related products in January. The company, which targets the financial advising community, also creates and stores documents specific to pre-planning via its relationship with Electronic Data Systems Corp. (EDS), the largest independent systems management and services in the U.S.

"Research shows that consumers want to talk about this and want to talk to their financial advisors about funeral arrangements. Pre-planning is a great idea," says Everest CEO Mark Duffey. "However, most financial advisors don't know about the specifics behind funeral planning and, frankly, they don't want to - there's a big yuck factor in it."

This leaves the families of the departed left to hammer out details, ranging from cremation or embalming, price and type of casket (there are many!), even police escorts, while up against the grieving process. Furthermore, the risk of being priced gauged at such stressful moments also increases.

In harnessing the internet to streamline funeral arrangements, Duffey says his product speaks to today's retiring baby boomer and their families.

"The boomer consumer is much more mobile and wants many more choices," he says. In the traditional pre-planning model, families pre-paid and were tied to specific funeral home. However, today's retirees often move and sometimes more than once from the locations where they spent their working years. The fact that these policies don't travel with them is one reason Duffey says the funeral pre-planning industry has remained stagnant, in terms of growth, for many years.

As cracks within the 1950's model of retirement emerged over the last decade, Duffey sensed an opportunity for financial advisors after he spent years as the president of a publicly traded business in the funeral and cemetery industry. But whereas funeral homes tend to be family run enterprises, Duffey is a former energy and mezzanine-debt investment banker. In the early 1990's he was part of a team that applied leveraged buyout strategies to the industry and consolidated enough funeral homes and cemeteries to form a business that went public in 1996 on the New York Stock Exchange.

Since Everestfuneral.com launched, Duffey says he's come to believe that the product can bolster relationships for financial advisors with the children of their clients, one of the primary losses of business for financial advisors as offspring tend to fall off the list following the death of the client.

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“The financial advisor has the ability to deliver high-end value to the remaining family members because he/she can be there to guide them right then, instead of finding out three months after the insurance claim has been filed or after the safety deposit box is finally opened and the will is found,” Duffey says. “That advisor is now locked into that family through delivering a very highly perceived value.” Funerals services, he says, are really for the children anyway.

Everest offers two tiers of service. The first is either a yearly or a lifetime subscription to the database, costing \$48 and \$495 respectively.

The second is the option to purchase a Fidelity Security whole life insurance policy which can be tapped to pay funeral expenses after death. Regardless of which level or type, subscribers have access to what’s dubbed as concierge services, and funeral planning tools such as reference and decision guides.

It should be noted the ability to capture funeral home pricing information isn’t exactly Everest’s brainchild - the Federal Trade Commission requires transparency from funeral homes in the form of printed price disclosures - but its searchability and document storage is.

After more than a decade spent in the funeral industry, Duffey insists his experience has taught him that a will isn’t really the best place to store client’s wishes as to the specifics behind funeral arrangements, nor delve into costs. He says he’s also convinced that if the deceased utilized a financial advisor, that advisor seems destined to be pulled into a family struggle over what the deceased would have wanted.

“Financial advisors are a huge growth segment and we want to focus on this aspect of the market,” Duffey states.