

Funeral insurance could save your day

By Faridah Kulabako

While death is one of the certainties in life, having to think about or plan for your own funeral can be an uncomfortable thing to do.

Until recently, many Ugandans did not even want to talk about it.

However, the trend is slowly changing. Although there are no readily available figures, industry players say there has been an increase in the uptake of funeral insurance in the past two years.

Allan Binayomba, a quality control manager at Swash Limited, said when he lost his grandfather at about 3:00am on January 29, he called a funeral management service and they responded promptly.

Although he died at his home on Gayaza-Kalagi Road, Binayomba said the funeral service provider was there at 4:30am and took the body to their funeral parlour in Mengo Hospital for treatment before bringing it back for burial.

He got benefits of sh5m which covered all burial expenses.

“The whole process was

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quick and a relief because I did not have to ask relatives to contribute funds. We just informed them that grandfather had passed on and they came for burial,” Binayomba said.

Industry players say the public has realised that pre-planning funeral arrangements secures one's peace of mind and also comfort and re-assurance that the family will be spared the extra burden at such a distressing time.

In an interview with *New Vision*, Daniel Wasswa, the chief operations officer of



Funeral service providers can help the bereaved to mourn their loss with less distress

A-Plus Funeral Management, said people have started appreciating the benefits of hiring funeral service providers,

thus, an increase in the uptake.

“A prepaid plan is a convenient and a reassuring way to spare your family emotional stress

when you pass on.

“Bereaved people go through a lot of difficulty to mobilise funds in a short time to finance

burial arrangement of their relatives. Having a pre-paid funeral arrangement offloads financial distress, offers peace of mind and allows the bereaved to mourn their loss,” he said.

For one to take a funeral insurance cover, policy holders (insured people) are required to pay annual premiums as stipulated in the agreement.

Payment of annual premiums guarantees compensation in form of footing funeral expenses in case of death of the insured.

Annual premiums in Uganda range between sh37,500 and sh500,000, depending on the service provider, policy plan and age of the insured.

Wasswa added that low income earners appreciate funeral insurance more because it makes sense for them to pay sh37,500 a year, instead of soliciting for funds when one dies.

It should be noted that the risk exposure is higher among older people and those suffering from chronic diseases.

Depending on the package and annual premiums, funeral benefits range between sh300,000 and sh10m upon death.

Subject to the terms and conditions of the agreement,

It makes sense to pay sh37,500 a year, instead of soliciting for funds when one dies

the package may cover, among others, caskets, embalment (treatment of the body), provision of vigil space, announcements, transporting the body to the ancestral home, grave digging and construction and catering services.

Jackson Muli, the life assurance chief executive officer of the Insurance Company of East Africa (ICEA), also alluded to the growing usage of funeral insurance services in Uganda. He says the growing need for peace of mind for mourners is driving the uptake.

Pre-planning for death, he added, allows one to have a decent send off, which according to him costs sh3m on average.

For one to qualify from ICEA's sh3m funeral benefits, they have to pay annual subscription of

sh65,000.

This covers transporting the body to burial grounds within Uganda, a coffin, tiled grave, three radio announcements and an advert in the newspaper, according to Muli.

The other packages include that of sh5m upon payment of annual premiums of sh100,000 and sh10m compensation upon payment of between sh150,000 and sh200,000 yearly, for a corporate package.

Because Muslims bury their dead as soon as possible, their funeral insurance package costs sh45,000 annually and guarantees them the benefits of between sh2.5m and sh3m.

Uganda Insurer's Association chief executive officer Miriam Magala noted that funeral insurance is increasingly becoming a more sought-after product because of its convenience.

“Some people think that planning for one's funeral will cause one to die sooner, which is not true; it actually saves the family embarrassment and worrying about money in the time of grief,” she said.

Insurance companies that offer funeral insurance in Uganda include ICEA-Life Assurance, UAP Life Assurance, Jubilee Life Insurance and Liberty Life Assurance, while funeral management homes include Uganda Funeral Services and Kampala Funeral Directors, among others.