



Sun Life Direct calls on the industry to address the end of life time bomb

The Annual Cost of Dying Report: Sun Life Direct's fifth annual survey

- **Cost of dying increases to £7,248, equivalent to three months average pre-tax UK salary**
- **A quarter of people have not made ANY end of life plans**
- **Gap between Social Fund Funeral Payments and funeral costs grows**

[Sun Life Direct](#), the expert in the cost of dying¹, is calling on the industry to address the 'end of life time bomb' identified in its 2011 Annual Cost of Dying Report.

In the UK today, the cost of dying (including death-related costs such as funerals, probate, headstones and flowers) has increased to an average of £7,248, representing a dramatic increase of 20% since 2007, and over £400 more than last year. Discretionary funeral² costs have increased 6.7% from an average of £1,746 in 2010 to £1,864 in 2011. Estate planning costs have reached a record high at £2,292. This represents a rise of 4.2% rise from 2010. However, the largest contributing factor to the cost of dying is non-discretionary [funeral costs](#), which have risen by 8.2% since 2010. The report also reveals that this increase in costs has been met with surprise and concern from those who have responsibility for such arrangements³.

A quarter of those surveyed had not made any end of life plans. Sun Life Direct's research not only highlights confused attitudes around end of life planning but also feeds into a broader concern; that society is facing three interrelated later life issues. Firstly, the UK's ageing baby-boomers means the volume of elderly people living longer will result in a progressive surge in demand on the state over the coming decades. Secondly, this and other recent reports (Dilnot⁴) highlights that the population faces rising end of life costs and blurred ideas as to who is responsible. Thirdly, the Sun Life Direct Cost of Dying research shows that many people do not provide and plan for the end of their lives. This includes the organisation of, and payment for, funerals and estate administration as well as the preparation of legal documents such as wills and Lasting Power of Attorney's and finally end of life care.

The problem is compounded by the fact that state provisions are not adequate. Only 38,000 awards (7% of all deaths in the UK) were made by the Department for Work and Pensions administered Social Fund

¹ Researching funeral and end of life costs for eight and five years respectively

² Discretionary costs are where consumers can choose if and how much they want to spend: death and funeral notices, flowers, order sheets, limousines, catering for the wake, venue hire for the wake and memorial (headstone). Non-discretionary costs are those incurred to a varying degree for every death: Funeral Director's costs, Doctor's fees for certification, fees for a religious or secular service and burial or cremation fees

³ 53% of respondents said the funeral cost was more than they expected, up from 36% in 2009 - only 7% said the cost was lower than anticipated

⁴ <https://www.wp.dh.gov.uk/carecommission/files/2011/07/Fairer-Care-Funding-Report.pdf>

Funeral Payments Scheme in 2010/11, worth £46.2 million in total⁵ and averaging £1,217 per applicant. A further 34,000 applicants to the Scheme were unsuccessful⁶. Additionally, the shortfall between average payout received and average funeral cost is substantial, and looks set to continue to grow⁷.

Simon Cox, head of life planning for Sun Life Direct, comments:

“This is a call to the industry. We need to help educate the UK public and especially those on lower incomes who may struggle to meet funeral costs. More information on why some people are so reluctant to take a firm grip on this matter would, we believe, benefit the general public as well as government and policy makers. For this reason we are considering further research into this area.

“With economic pressures both constraining rises to the Social Fund Funeral Scheme as well as fuelling a rise in funeral prices, we expect the situation to continue to be a growing problem. Significant reform is needed by public, commercial and voluntary sectors to ensure we help people properly plan for their deaths and the inevitable strain it will have on their family’s wallets. We have already started to engage with the Government and other agencies regarding this debate and hope others will follow.”

Dr Kate Woodthorpe, lecturer in Sociology, University of Bath, concludes:

“A key concern for society is whether the current infrastructure established to support people at the end of their life is fit for purpose today. Currently, the number of deaths each year in England and Wales is at an all time low, with 491,348 deaths registered in 2009. It is anticipated however that the number of deaths will rise significantly and by 2030 there will be an additional 80,000 people dying a year.⁸ This equates to a rise of 17% in the death rate in less than 20 years.

“At the same time, people are living longer and as a result are using more resources, both their own and the State’s. Costs for social care are rising living standard expectations are high, and there remains an expectation that wealth is passed through the generations. The relationship between the public, commercial and voluntary sectors in the resourcing and provision of care, information, advice, support and services in old age and in planning for death is open to debate.”

-ENDS-

The complete report expands on the following findings:

- **This year’s headline figures and key changes from last year**
- **The extent to which end of life planning takes place**
- **Barriers to planning**
- **Confused and contradictory attitudes towards the role of families, the State and ourselves in relation to planning**
- **Who we turn to for advice and support on end of life matters**
- **Suggestions on how the end of life time bomb might be defused**

⁵ Annual Report by the Secretary of State for Work and Pensions on the Social Fund 2010/11 <http://www.official-documents.gov.uk/document/other/9780108510724/9780108510724.pdf>

⁶ Department for Work and Pensions (2010) *Social Fund Reform: debt, credit and low-income households* (London: The Stationery Office Limited).

⁷ In 2007 the fund paid out £1,117 which would cover 47% of an average £2,390 funeral. To compare, in 2011, the fund pays out £1,217 which would only cover 39% of an average £3,091 funeral

⁸ <http://pmj.sagepub.com/content/22/1/33.abstract>

To view the complete report, please contact:

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Notes to editors

About the research

The report was commissioned by Sun Life Direct and carried out by Mintel Research Consultancy. It has been conducted annually since 2004, using a consistent approach to ensure data comparability over time. The report specifically recruited a panel of directors in each of the ten regions. The regions are based upon Government office regions of England, plus Wales, Scotland and Northern Ireland. Also an online panel consisting of 1,019 mainly British adults aged 40 or above and 1,505 mainly British adults who have been personally responsible for planning both a funeral and the administration of the estate.

About Sun Life Direct

Sun Life Direct distributes financial services plans on behalf of AXA Wealth Services Ltd, direct to consumers. It is a part of the AXA Group in the UK.

Sun Life Direct is a provider of [Over 50 Life Insurance](#), [Funeral Plans](#) and [Life Insurance](#). In fact, the Guaranteed Over 50 Plan is the nation's most popular choice for over 50s life insurance*. The Sun Life name has been around for 200 years and has roots stretching back to 1810. By 1900 Sun Life were the first to offer life insurance without the need for a medical – something we're still proud to offer today. More information on Sun Life Direct can be found at www.sunlifedirect.co.uk

**Most popular whole of life guaranteed acceptance plan bought directly. ABI statistics, Q1 2011*

About AXA

AXA UK is a part of the AXA Group. AXA Group is a worldwide leader in insurance and asset management, with 214,000 employees serving 95 million clients. It is ranked the largest insurer in the world by net written premium and the top insurance brand globally.

In the UK AXA is focused on three key areas: wealth management, insurance and healthcare. It operates through a number of business units including: AXA Wealth; AXA Commercial Lines, AXA Personal Lines, AXA PPP healthcare, AXA Ireland and an independent distribution business Bluefin. AXA employs over 12,000 staff in the UK.

In 2010, IFRS revenues amounted to Euro 91 billion and IFRS underlying earnings to Euro 3.9 billion. AXA had Euro 1,104 billion in assets under management as of December 31, 2010.

The AXA ordinary share is listed on compartment A of Euronext Paris under the ticker symbol CS (ISN FR 0000120628 – Bloomberg: CS FP – Reuters: AXAF.PA). AXA's American Depositary Shares are also quoted on the OTC QX platform under the ticker symbol AXAHY.

The Group is included in the main international SRI indexes, such as Dow Jones Sustainability Index (DJSI) and FTSE4GOOD.