



PROJECT USIZO

MANAGEMENT REPORT

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1 EXECUTIVE SUMMARY

1.1 THE IMPORTANCE OF FUNERALS

In black society there is a huge focus on providing for one's death and being buried 'with dignity'. This entails a great deal of expense because expectations of a funeral are high. From an early age they are expected to start saving for their own funerals and those of their dependents. Whenever they talk about saving money, a large part of this is saving for a funeral. Because there is a huge gap between what is culturally expected in terms of a funeral and what most of these people can actually afford (without funeral insurance), they have put systems in place to ensure that they and their loved ones get a dignified funeral.

Some of the structures or systems they have introduced are borne out of the very real sense of community spirit (ubuntu) that they have, and from this spirit have evolved systems based on the principle of reciprocity. There is a strong sense of 'if you help me in my time of need then I will help you' – both financially, emotionally and physically. Thus burial societies were born, and to a lesser extent neighbourhood or block schemes¹. It is a way of 'prepaid death' as someone aptly put it.

What started off years ago by their grandparents as informal ways of helping one another in a time of death, has over the years become more structured and formalised to accommodate changing circumstances and needs.

A summary follows of the **perceptions** of focus group members of different providers used to cover funeral expenses.

1.2 FUNERAL PARLOURS

(In the groups they were referred to as funeral parlours, undertakers or mortuaries).

Funeral parlours fulfil a number of important needs, both physical and psychological:

1.2.1 Needs fulfilled / advantages

- The cost and quality of their service depends on each undertaker and on the amount paid to them each month – they offer a package deal to suit the person's requirements and financial situation. In general, **they do not pay out benefits in cash**. They provide the coffin, the buses for mourners, the tents, chairs, tables, hearse, crockery and cutlery, mobile kitchen and mobile toilets, the grave itself and the church service.

¹ This is an informal collection amongst people living in a community or 'block'. It takes place on death of a member of the community. Contributions are not defined and contribution is not compulsory (although details of contributions are kept and the relationship is reciprocal – i.e. if you do not contribute, others will not contribute when you need it). The value of the collection will, therefore, differ every time.

- They take a huge burden off the family – the family knows that everything will be taken care of and don't have to run around making arrangements at this sad time.
- No medical tests are needed to join – they do not explicitly exclude anyone².
- They act very quickly – they come and remove the body and store it, and then set the wheels in motion for the funeral itself. If a death certificate is needed, they generally get it for the family.
- They understand the culture they are dealing with and treat mourners with respect and empathy (which is often missing when dealing with insurance companies and banks).

1.2.2 Membership

- There is generally a joining fee to be paid and then monthly payments of between R75 – R350, depending on the package bought.
- There is a 3 – 6 month waiting period during which you are not covered (except for accidental death), after this period you are covered regardless of the cause of death.

There is a significant difference between the ways an undertaker is used in rural areas compared with urban areas:

Most often in **urban areas** the package at the undertaker is in the form of an insurance policy and thus after the waiting period there is risk involved for the undertaker. Generally it is an individual's decision to join a funeral parlour, rather than a whole burial society 'belonging' to one funeral parlour.

In **rural areas** people tend to use the undertaker as a bank – the undertaker takes no risk because the member is only paid out as much as they have paid in, there is no guaranteed amount paid out. No interest is earned on this money, but generally as long as the member has been up to date with payments, the undertaker will extend credit and allow the difference for the funeral to be paid off over the next few months. Often in rural areas there is a contract between specific burial societies and undertakers and part of the monthly premium paid by the individual to the burial society is deposited with the undertaker. Societies try to leave around R7 000 in their account at the undertaker, enough to cover 2 – 3 funerals. Once there has been a funeral they pay in extra to maintain this balance.

² This was the perception amongst focus group members. Interviews conducted with funeral parlors as part of the broader project suggests that they do apply some screening.

1.2.3 Disadvantages / problems experienced

- The biggest problem experienced is that, apart from a few exceptions, funeral parlours will not pay out cash in lieu of services. This is a problem because very often there is double cover – someone has taken out a policy with one undertaker, but perhaps a sister has registered him with another undertaker as well. Both undertakers are then supposed to provide the funeral services, and even where they are prepared to split it 50:50, the person loses out because they forfeit the benefit of the second funeral parlours (and the balance will not be paid out in cash). Often then this is money that is wasted and policyholders have no form of recourse.
- If a member defaults on payments of a funeral parlour policy for 3 consecutive months, then the policy lapses and the money paid in so far is lost.
- There is no time limit on the number of years one goes on paying the monthly premium to the undertaker. Policyholders could end up paying for many years, far in excess of the cost of the funeral they are providing for.
- Older people particularly do not understand the contracts they sign and often sign without even reading the contract. At a later stage they may unwittingly default in some way – thus losing all the money they have paid in.
- There are unscrupulous undertakers and those that go bankrupt – City Mortuaries was a case in point. Though people try to use undertakers that are well-known and established, this is no guarantee and they could lose all their money.

1.3 BURIAL SOCIETIES

Burial societies are very popular and together with funeral parlours, they function together to provide all that is needed for a funeral. They provide the cash and 'helping hands' at the time of death, while the funeral parlours provide the actual service.

1.3.1 Membership

- Societies consist of friends or family members – generally people who know and trust each other. Numbers in a society vary between 10 and 40 members, with each of the members having up to 10 dependents (other family members) registered and covered by the monthly premiums they pay.
- They meet monthly to socialise and pay their premiums. More women than men belong to societies as main members, mostly due to the function of 'helping hands' they provide at funerals. Men are generally registered as their dependents. Men do sometimes have

their own societies, generally formed from a stokvel or guys that drink together in the shebeen.

- A joining fee is paid – between R400 to R1 500 in urban areas, and R100 – R300 in rural areas.
- The monthly premium also varies from one group to another, mostly between R50 – R100 a month – and this amount covers all the dependents registered with the society (some limit the number that may be registered). Usually the dependents are the husband and children, and often also the parents.
- After a 3 – 6 month waiting period, the member and dependents are fully covered. There is a set benefit that the society as a whole has agreed to pay out. Main members get a higher cash pay-out than their dependents.
- As long as the waiting period has been reached no-one is excluded. Age and health status are not problems.
- Membership lapses if monthly premiums are not paid for 3 consecutive months.
- Fines are levied if members miss too many meetings, if they don't pay premiums in time and, in some societies, if they don't wear the uniform.
- A committee is elected annually and this committee changes every year. Whenever cash has to be withdrawn, three committee members have to sign for it to ensure that fraud is not committed.
- In the case of most societies money is collected from each member at the monthly meetings, recorded and taken to the bank. A few societies, however, have a system whereby each member has her own bank account and these bank books have to be brought along to every meeting and shown to the group as proof of payment. When a funeral occurs, then each member draws out a set amount and gives it to the member concerned.

1.3.2 Advantages / needs fulfilled

- There is no discrimination at all – health status and age are not a factor.
- No death certificate is needed because they all know and trust each other. Only if the deceased lived far away do they need the death certificate.
- Members get a cash payout within 2 days. Many use this to buy the cow and the vegetables for the funeral, or simply for 'running around money' as they call it. It is entirely up to the member what he or she does with this cash.

- Members of the society help each other to prepare food for the mourners and this, together with the money they receive, is the reason why people join these societies. It is noted if people don't give their help and will not in turn get help when they need it.

1.3.3 Disadvantages / problems experienced

- In some cases there are no legal rules or structures so problems are dealt with as and when they occur.
- Funds are sometimes misappropriated by members who claim for dependents falsely (this cannot easily happen unless the dependent lives far away).
- Societies may end up paying out more than once for a dependent if this person has been registered by more than one member (e.g. if two sisters both register their mother and she dies, the society has to pay out twice for the same funeral).
- A big disadvantage is that the monthly premiums are the same for all members, regardless of how many dependents, up to a maximum, are registered. This causes bitterness when some families get paid out more often because they have bigger families.
- If you default on payments for 3 months, then you are not a member any longer and you lose all the money you have paid in up to that point.

1.4 TOWNSHIP / BLOCK SYSTEMS

This started as an informal collection amongst neighbours of a deceased, to help the family with funeral costs. In some areas it has been formalised to the extent that families register and are then expected to pay a set amount for every funeral that happens in their area. This contribution is generally very small – between R2 and R10 – but in large areas a fair amount can be collected for the family of the deceased.

At the time of a death in the family, someone goes around with the book or list of registered households and collects their money. Those who default on payments three times are crossed off the register and won't get help when they need it. Once again, the concept of reciprocity plays a large role.

1.5 INSURANCE COMPANIES / BANKS

Though everyone belonged to either burial societies or funeral parlours (or both in many cases), fewer had funeral policies with banks or insurance companies. None of the respondents from rural areas had these types of policies³.

These policies are taken out by individuals, where a set monthly premium, usually between R26 and R250 depending on the cover, is paid through a debit order. A formal contract is signed between the policyholder and bank/insurer. There is a 3 – 6 month waiting period, after which cover is guaranteed.

1.5.1 Advantages

The biggest advantage is that policyholders are guaranteed a cash payout, usually within 48 hours⁴, provided all the documentation is correct.

1.5.2 Disadvantages / problems experienced

- Unlike with burial societies and funeral parlours, new policyholders sometimes have to undergo medical tests and certain illnesses (including HIV/AIDS) are excluded from cover. Age is also restricted.
- There is a great deal of red tape involved in claiming the monetary benefit on death and this often results in a frustrating and lengthy process. This often results in the benefits not being available at the time that the cost of the funeral is incurred.
- Often people don't understand the terminology on contracts and sign without understanding the terms and conditions that apply. As a result, at a later stage policyholders may find that they are not covered, because of not complying to terms stipulated in the contract.

1.6 THE IMPACT OF HIV / AIDS

In some cases HIV/AIDS is having a negative impact on the financial viability of burial societies. However, no real plans have been made for the future and there seems to be a resistance or disinterest in discussing possible future scenarios. This may also be due to the fact that members expect their society to deal with this through the same mechanisms (discussed below) that it deals with any other funds shortage.

³ This may be partly due to a misunderstanding of the involvement of formal insurers. For example, respondents would classify AVBOB as a funeral parlor without knowing that it is also a formal insurer.

⁴ This response related mostly to bank-tied insurers, where the money could be deposited into the beneficiaries bank account. With standalone insurers, the responses indicated that it generally took longer than 48 hours to receive payment.

Currently, burial societies apply two main solutions – such as when a society runs low in funds, because they have paid out for a funeral, every member has to pay double (or another specified amount) the next month or, alternatively, the benefit paid out may be reduced until the fund has recovered. A time may, however, come when they simply cannot replace these funds on a long-term basis, and plans and strategies will have to be devised if these societies are to continue to provide funds for 'dignified' funerals.

1.7 DEMOGRAPHIC DIFFERENCE

Throughout these discussions differences based on demographics have been investigated thoroughly. However, very few differences were noted. Those that are significant were discussed and include the following:

Rural versus urban respondents

They differed in the way they used funeral parlours – with rural people using the funeral parlour, through their burial society, as a bank (at no risk to the funeral parlour) and urban people using parlours for funeral insurance.

Men versus women

The only noticeable difference was that women are more likely to be the main members of burial societies rather than men. This is mostly due to the nature of help expected at the time of the funeral, which is perceived to be 'women's work'.

2 INTRODUCTION

In South Africa it is estimated that over 8 million people currently belong to stokvel and burial societies where an estimated R10 billion is invested every year. However, from a recent study undertaken by Genesis Analytics on 'making insurance work for the poor'⁵, it is evident that the existing legislation and regulatory environment is inadequate both in protecting consumers and in facilitating the development of the informal component of this sector. This is largely due to a lack of information and clear understanding of how consumers provide for their funerals and how they interact with the providers of the various services relating to the assistance businesses.

Genesis Analytics is currently documenting the provision of insurance by assistance business providers and, in the light of the potential for abuse, aiming to propose appropriate legislation and a regulatory framework going forward.

Focus groups were undertaken to provide insight into how lower-income households provide for their funerals, with particular focus on current and potential abuse by the various institutions.

This document summarises the main findings from the focus group research. The information presented here are the perceptions of the individuals attending the focus groups, which may not always be factually correct. Where possible, we have added comments to indicate where this was the case. Even though, it is not always factually accurate, it is essential to consider the perceptions of these individuals as this is what drives their interaction with the market. In order to preserve the accuracy of the recording of responses, this document will interpret some of the responses, but opinions and comments of the researcher will be limited to the minimum necessary for clarification and context.

3 GOALS

The primary objective of the focus group research was to understand the nature of the interaction with various funeral service providers (including formal insurers as well as funeral parlours and burial societies), focusing specifically on the extent and potential for abuse. Due to the limited number of focus groups that could be done and the detail of discussion required, it was decided to limit the focus groups to urban and rural⁶ black households who make up the bulk of consumers of funeral services and funeral provision products. The focus was placed on urban households as it was expected to be the group in which most of the experiences with the funeral market would be manifested. These households also often have strong rural links and were expected to be able to comment on the rural/urban differences. A smaller number of rural groups were conducted to test these assumptions.

⁵ The full report can be found at:

http://www.finmark.org.za/researchmaterial/research_type/research_type.asp?uno=3

⁶ We gratefully acknowledge additional funding provide by the Life Offices Association, which allowed us to extend the focus groups to include rural households.

The more specific objectives to achieve this aim included the following:

- Associations with money and savings and how this is linked with funeral provision.
- The decision-making process for choice of system and use of specific providers.
- Different providers that is available and used.
- An evaluation of each of the providers used, including formal insurers, funeral parlours and burial societies, in terms of:
 - How each one works
 - Who are the beneficiaries
 - Servicing the policy, including nature of meetings, collecting of premiums, penalties on defaulting
 - How they claim on death, verification required, format of benefit, waiting period
 - Problems inherent in each option
 - Awareness of fraudulent practices and how disputes are handled
- The future – how HIV/AIDS has impacted and will impact in future on the way people provide for funerals.

4 RESEARCH METHODOLOGY AND SAMPLE

In order to fully explore this topic, it was decided to use focus group discussions. Each group consisted of between 7 or 8 respondents and the discussion was conducted by an experienced moderator in the home language of the respondents. Groups were video-taped so that, where the client could not view the groups, they were able to watch the video-tape. Groups were also tape-recorded and the transcriptions of these groups were analysed to form the basis of this report.

The sample consisted of 8 focus groups, split as follows:

6 groups with urban black respondents, 3 with males and 3 with females in three age categories:

- 25 – 34 years
- 35 – 49 years
- 50+ years.

2 groups with rural black respondents, one with males and one with females, aged 25 – 49 years.

All respondents were from the LSM 4- 6 levels. Some were employed and others were not. Through a systematic random selection process, individuals within the groups (defined by LSM, age and rural/urban criteria) were selected on the basis of (i) having experienced a death in the family in the last 18 months and (ii) being a member of one or more of burial society, funeral parlour scheme or formal insurance scheme. A summary of their employment follows for each group:

- **FEMALES AGED 25 – 34 YEARS**

8 respondents of which 6 were employed, 3 fulltime and 3 part time. They were employed in the following fields:

- Dental receptionist
- Customer services
- Teacher
- Landlord
- Clothing industry
- Nu-Metro cinema

Five of them had children. They enjoy listening to the radio, especially music, as well as socialising, reading magazines and singing choral music.

- **FEMALES AGED 35 – 49 YEARS**

8 respondents of which 2 are unemployed, but one is training as a dressmaker.

The 6 who are employed included:

- MTN call centre operator
- Data Capture
- Dental receptionist
- Teller
- Nursing sister (part time)
- Own clothing business.

Only two were married, though all had children they were raising. Many lived with parents or other relatives.

- **FEMALES AGED 50+ YEARS**

8 respondents, mostly older women – 6 were aged between 59 and 65 years.

Five were pensioners, one was unemployed.

Two had their own businesses – one owned a taxi and the other a restaurant.

They enjoy going to church, cooking and baking and social clubs.

- **RURAL WOMEN**

8 respondents – three aged 25 – 34 years and 5 aged between 35 and 49 years.

Five were employed part time and three fulltime, but no details were given.

- **MALES 25 – 34 YEARS**

7 respondents.

Two had full time employment – a teacher and an IT consultant.

Three had part time employment – slot machines / shop assistant / last not stated.

Two are self-employed – plumber and tour company.

They enjoyed music, women, clubbing, movies, soccer and body-building. They did not state whether they were married or had children.

- **MALES AGED 35 – 49 YEARS**

8 respondents – all employed.

1 is self-employed.

4 have full time employment – clerk / admin / auditor

3 employed part time – Tupperware / tiling / Interflora deliveries.

They enjoy soccer, watching TV, reading, cricket, motor racing, socialising and going to church.

Most of them have children.

- **MALES AGED 50+ YEARS**

7 respondents - all were aged 50 – 56 years.

3 are unemployed.

1 is self-employed – cartage contractor.

1 is a part time builder.

2 work full time – sports coach and in the music industry.

They enjoy soccer, athletics, wrestling, boxing, reading and listening to the radio.

- **RURAL MALES**

8 respondents – 7 aged between 25 and 34 years, 1 aged 35 – 49 years – thus a young group.

No other demographic details were given.

5 TIMING

The group discussions were conducted in July 2004.

6 MAIN FINDINGS

6.1 MONEY AND ITS FOCUS

In all the focus groups the responses on how their money was generally spent was very similar. Although day to day expenses are generally covered first (i.e. food, paying for basic services such as rent or bond repayments, electricity and water, rates, telephone and transport) a number of people mentioned funerals and providing for death very high up on their list of priorities. Those who have children also have to pay school fees. In both younger groups they mentioned giving money to charity, while in most of the male groups they spend money on entertainment or gambling as well.

Savings were important to everyone, some more short-term and others with a longer term view. Their savings mostly take the form of:

- funeral policies – often through social clubs or burial societies
- stokvels – where a group of people save a specific amount every month
- policies to cover dreaded diseases, disability or death
- bank accounts to use in the event of an emergency – hospitalisation or even death
- education policies for their children

6.2 FUNERALS

6.2.1 Expectations with regard to funerals

On an emotional level focus group participants expect to have a very dignified funeral, something that often involves substantial expense. For this they need a substantial amount of money and, as a result, start planning well in advance for funerals. Their focus on planning is also the result of being responsible for the funeral expenses of other family member (including distant family members). They need actual cash (generally from the burial society) to buy food (generally an ox and vegetables) and they need the services of a funeral parlour to provide everything else. This includes the collection and storing of the body until the funeral, the grave being dug, the coffin, the hearse, buses to transport mourners to the funeral, tents, tables, chairs, gas stoves to heat the food and mobile toilets.

In addition, they expect a 'helping hand' from other people – generally the members of their burial society. These members are expected, amongst other things, to come along and prepare the food, do the cooking and help clean up afterwards.

It was interesting to note that only in one group (the females aged 35 – 49 years) did anyone express the opinion that perhaps they go 'too

overboard' on what they spend on funerals, trying to impress other people. There were three women from this group who said that while it is part of their culture to do this, perhaps the time has come to question whether this should still happen. Many people cannot afford to spend such a huge amount on a funeral and get into terrible debt as a result. To these women it does not make sense anymore. It comes from their parents and grandparents and the culture of having to slaughter a cow to prove you have money to bury your family in style. They felt quite strongly that this should change.

- *'Sometimes we black people tend to have so many expenses – I mean why do we have to go to such extreme measures? Imagine, you have to slaughter a cow, hire buses, I just don't get it. My mother told me the same thing, it is our culture, but when I sit down and think about it, it doesn't make sense.'*(Fem 35-49)
- *'It is a trend and it is all about what will other people say? But it is your money that you have to spend; you shouldn't have to worry about what other people say. It makes me mad.'*(Fem 35-49)

6.2.2 Type of system used to provide for funeral cover

There are a number of different ways these people provide for funeral cover, and most people have two or more of the following:

- They belong to burial societies
- They pay monthly fees to funeral parlours or undertakers
- They belong to neighbourhood block systems
- Some have insurance policies with insurance companies
- Some have funeral policies with banks.

These different systems are discussed in great detail in this report.

6.2.3 The decision-making process

In many cases a death in the family prompts family members to sit down and discuss how to plan for funerals in the future – if the death has been unexpected. Everyone then gives their input - though according to the males interviewed, it is mostly the men who decide what to do – particularly with regard to forming township or neighbourhood schemes, or paying monthly fees to a funeral parlour.

- *'Ours only started with the guys; we did not consider what the women would say about it because we felt that is the right thing.'*(Male 50+)
- *'What happened to us at home is that my dad caught us by surprise when he died and we had problems. The undertaker did not bring his body the day before he was buried and after that he would not leave before he got paid, so the three of us had to go back to our banks and ask for money – I even asked my wife to help us because we were in a situation. After that we called a meeting (there were seven of us) and*

then eventually we formed a team of eleven people and we paid R100 each to the undertaker. (Male 50+)

Certainly however when it comes to joining a burial society, it is mainly the women who join these, and the men, children and sometimes distant relatives are listed as beneficiaries. This is largely because the society not only offers a monetary benefit, but also functions to give emotional support and practical help at the time of the funeral, which is regarded as 'women's work.'

- *'It is the women, often our mothers, who decide to join burial societies. (Male 35-49)*
- *'In fact this idea comes with the women because as men we tend to ignore such things. The women normally tell the men about the burial society and the men just give the money. (Male 50+)*
- *'There are very few men who join the burial societies – my husband doesn't want to hear anything about the social club. (Fem 50+)*
- *'Most of the time it is the women who decide because when all the problems come, a woman is the bearer of them. (Fem rural)*

It was interesting to note, however, that when it comes to taking out life policies with banks or insurance companies, most of the men agreed that they don't tell their wives that they have these policies. They felt quite strongly that telling your wife that she will get a lot of money when you die, may encourage her to kill you for the money! They say they will tell their lawyer, and it will come as a surprise to the family when the person dies. They will tell their wives about policies with undertakers or societies, because these involve a relatively small amount of money – not enough to tempt them to murder!

- *'It should be a joint decision and I always treat it as a joint decision, but some people don't do that for fear that they will be killed – especially for lump sums. (Male 25-34)*
- *'I won't tell my wife or my mother, only the lawyer. I will make a will once to say this is what I have got and this is how much I want my son to get when I die. (Male 25-34)*
- *'They can know about ABVOB and societies – nobody will kill for R5 000 – but when you are talking about R500 000 it would be putting in an application for death. People die mysteriously for money. (Male 25-34)*
- *'We also fight with our wives when they insure us, we say they want to kill us and get the money when we are dead. (Male 35-49)*
- *'There are policies you do not tell your wife about. (Male 35-49)*

Very occasionally they have had advice from banks or insurance companies who want them to invest the burial society's money in policies with them. While sometimes this advice is valuable, very often they are wary and concerned that the person giving the advice may be out to dupe them. The vast majority have had no formal advice. This lack of knowledge often results in problems of miss-selling. It is clear that the money could often be better invested than it is currently.

- *'We fear these people because they are full of things – they will act like they are helping you, in the meantime they try and crook you somehow.'*(Fem 25-34)
- *'At Standard Bank they have opened a funeral scheme for burial societies. They are coming to our meeting on the 1st of August because they say we find we have R50 000 there and we only draw out R4000, so they are coming to explain to us how to invest better.'*(Fem 50+)
- *'We came up with the idea to invite Old Mutual to come and present to us, and they came out with cheaper offers that we could afford and they really pay out a lot in the case of death.'*(Male 50+)

6.3 FUNERAL PARLOURS / UNDERTAKERS

6.3.1 Introduction

Without a doubt undertakers are enviable in that everyone needs them – when it comes to a funeral you can't get by without their services. They fulfil an emotional need as well as a practical need – at the time of death the bereaved don't want to be running around making arrangements and all the stress that goes with this. Having a policy with an undertaker means that the burden is taken from them because everything has been arranged in advance.

- *'It takes the burden away because they do all the work for you – you just talk to them over the phone.'*(Fem 50+)

Focus group respondents understood a funeral parlour policy as a policy to pay up (in the form of services) at the time of death – as someone said, it is 'pre-paid death'. These days you have to make certain that you are covered for this when someone dies, you cannot leave it to the last minute and expect to get help. In fact, some of the women said that if you do not put money away for a funeral in advance, then people look down on you and gossip about you.

- *'Gone are the days when one would go to these people (undertakers) and say I have a situation at home, so and so has died and I do not have money to bury him, please help me guys, and they would help you. That does not happen anymore. Now they have come up with a plan where you pay as you die – prepaid death.'*(Male 25-34)
- *'When death occurs you normally don't have money on you and people start to question what is it that you have been working all this time and you didn't plan anything? It is a disgrace and very irresponsible.'*(Fem 35-49)
- *'Ladies gossip about it – you ask yourself what was this person thinking? Is this person mad? She dresses very well but she cannot plan. Did she not know that there is something called death out there?'*(Fem 35-49)

Many different funeral parlours were mentioned, including:

Metropolitan	21 st Century	AVBOB
Kopane	B3	Tswelopele
Poonies	Kenny's	KV
Clientele	Ntombela	Phumolong
Mageza	Vusana	George Boundary
Martin's	Bathopele	The Rose
Zimeli		

In the rural area they mentioned:

Mashigo	Prestige	Sello
AVBOB	Thlabane	Makapan

Sometimes the choice of undertaker is made by the burial society – they are linked to a certain undertaker, while in other cases the individual joins whatever funeral parlour he/she chooses.

- *'Often the burial scheme has an undertaker arrangement, whichever burial society you are on has an undertaker that works with them.'*(Male 35-49)
- *'In our burial society if someone dies we give cash and you can go to the undertaker of your choice.'*(Male 35-49)

6.3.2 Benefits

Various packages are available to suit individual needs and financial situations. The more you pay, the more you get in the way of benefits. Generally most of the undertakers do not pay out cash; rather they allow a certain sum for 'services' and the coffin. The policy one takes spells out what you get – usually the coffin (to a certain value), the hearse, transport of the body to the undertaker and then to the cemetery, buses to transport the mourners, tent, chairs, tables, mobile kitchen, mobile toilets, crockery and cutlery, as well as the church service and a priest to conduct the ceremony. Some also provide the vegetables to be served to mourners and people to cook and serve the meal, if required – this costs extra. If one wants, you can pay in extra for a better quality coffin as well. The funeral parlour seldom includes the cow or ox to be slaughtered in their services; this is something the family must still pay for themselves – though again it depends on what agreement you have with the funeral parlour.

- *'They all have different policies, but the money you pay is different as well. The one I took out for my mother, they provide everything, and the family does not pay even a cent, even the cow and the catering they provide. They bring their own people to cook at the funeral.'*(Male 50+)
- *'With Poonies, they cover for everything except catering, which is an optional extra if you want it. You have to buy your own food and they will bring people to cook and serve for you.'*(Male 25-34)

- *'It really depends on the money that you pay – the more you pay, the better the benefits.'*(Fem 25-34)

A few of the men mentioned that some of the undertakers (namely AVBOB) also give a cash amount if you want it – but it was not the norm.

- *'With AVBOB you can get the service plus cash, you can choose which combination you want.'*(Male 35-49)

6.3.3 Joining the funeral parlour – rules that apply

- Some funeral parlours charge a joining fee (a few mentioned R75 – R100).
- Then you pay a monthly fee to the undertaker – according to your means and what benefits you want. It also depends on how many dependents you want covered – the more people you register, the more you pay. This varied from R75 – R350 per month and some undertakers allowed them to register up to 10 dependents or beneficiaries.
- There is normally a 3 month waiting period during which you cannot claim – though some funeral parlours have made this 6 months. Once this period is over, they will pay, no matter how many people die in one month.
 - *'Another good thing about undertakers is that even if three people from one family can die in an accident in one month, they will bury them once the probation period is up, because that is their agreement with you. As long as those people have been registered by you, they will not complain.'*(Fem 35-49)
- In general, no medical test is required – there are no exclusions due to age or illness. Once the waiting period has passed, they will pay out regardless of when or for what reason the person died. This is very useful.
- If you do not make payments for 3 consecutive months, the policy lapses and you lose the money you have already contributed. This is a problem for many people.
 - *'If you do not pay undertakers for 3 months in succession, they will not help you – even if you have been with them for years, if you miss 3 months, your membership lapses.'*(Fem 25-34)
- At the time of death, a death certificate is needed for the undertaker before they will pay out for the funeral. A few funeral parlours (this happens very rarely) allow the person with the policy to add the name of another beneficiary in the place of the one who has died.

- * Payments are made monthly usually at the funeral parlour itself. Often this is in the form of stamps which the person buys every month and keeps himself. The onus is on the member to prove that he has paid every month by producing this booklet with stamps. Some however deposit the money directly into the bank account of the funeral parlour, or even have a debit order against their salaries.

6.3.4 The funeral parlour as insurer versus 'banker'

An important difference was noted between how respondents from rural areas use funeral parlours compared with how this happens in urban areas generally:

In rural areas most often the undertaker is used merely as a **bank and not for insurance**. The individual pays a set amount every month and in the event of a death, the parlour only pays out whatever amount has already been paid into this account. No interest is earned on this money. This therefore involves no risk at all for the funeral parlour. If there is not enough money in the account, the funeral parlour will often allow the person to go into credit and provide the coffin and the service, which will then be paid off in the future. Very often in the rural areas the burial society has a contract with a specific funeral parlour and part of the monthly fee to the burial society is taken to be 'banked' at the funeral parlour. They usually try to ensure that there is enough money in this account to cover 2 – 3 funerals (around R7 000). After a funeral they withdraw money from the burial society bank account to replenish funds in the account at the undertaker.

It was interesting to note that when asked why they bank at the undertaker and why not rather put all this money in the bank to earn interest and only withdraw it to pay the undertaker at the time of a funeral, they felt strongly that one needs to build up a relationship of reciprocal trust and loyalty with the undertaker. If the time comes that they don't have enough money in their account to pay for the whole funeral, then they already have a relationship and the undertaker knows them well enough to allow them to pay it off at a later date.

- *'We join a mortuary so that even when we don't have money and we need his help, he will know that these are my clients. The same applies at supermarkets – if you buy there regularly you are a customer that they know and you then have a relationship with them – if you need a bag of maize meal he can lend you a bag because he trusts that you will pay back. So if you keep money in the bank you might find that you are going from one undertaker to the next trying to compare prices, and you don't have a loyal relationship with one of them.'*(Fem rural)
- *'We know that the money we save there doesn't earn interest, but he can help you if your money is used up. Say I save at the bank and three funerals come up and the money is enough to bury only two people. With Mashigo he can give me three coffins even when I am short, but at the bank it is not their problem.'*(Rural male)

While using the undertaker as a bank seemed to be the norm in rural areas, there were a few respondents from the younger (25 – 34 years) group in the urban areas who also did this. The fact that this was not mentioned in the other groups does not mean however that this never happens – it is just not the usual way undertakers in the urban areas seem to work. The younger men spoke of buying stamps and the value of the stamps determines the value of the funeral they will give you – though they also said that generally you are allowed to pay off the difference over time if your funds are short.

- *'With undertakers it is like banking your money with them – you get as much as you put in. They work on the amount of tickets you have at Poonies – say they are about R3 000 and you need R3 500 to bury that person, you will then add R500 cash and they will do the job.'*(Male 25-34)
- *'If your cash falls short, then they can do whatever for you and you can pay them back later.'*(Male 25-34)

In the urban areas the undertakers usually offer insurance policies – after three months probation, you are covered for the entire cost of the funeral. They thus take a risk whereas in the rural areas they do not. However, there were also one or two men from the rural area who said that their undertaker acts as an insurer and not as a bank – they all seem to have different ways of operating.

- *'We had an agreement with the undertaker that you pay for the first three months and there is no funeral cover during that time – after that, whether you have reached the amount you need for a funeral or not, they will still bury your people. Even if there are three funerals they will still cover you.'*(Rural male)

6.3.5 Advantages of having an arrangement with undertakers

The reasons why people have policies with undertakers (or bank with them) are mainly for the following:

- Everyone is familiar with this way of doing things – it is something they all relate to far more than they do to insurance companies.
- They generally know the undertakers and are treated with respect and empathy – something that is lacking in the more formal atmosphere of banks and insurance companies.
- They pay out (usually in services) almost immediately – there is no waiting for the money or the service. They get into action straight away and organise everything.
- One has peace of mind knowing that all the details will be taken care of and the bereaved does not have to worry about anything.

6.3.6 Problems with undertakers

There are quite a number of problem areas with regard to their contracts with undertakers. These were mainly the following:

- The biggest problem is that most of the undertakers will not pay out cash, but will render services instead. This is very problematic and many people have learnt this the hard way. What happens is that the person taking out the policy lists a number of people he or she wants covered and pays a set amount for this. However, people even within the same family seldom talk about this, with the result that you often find for example that a father dies and he is covered by two or three children with the same undertaker or different undertakers. All of the undertakers have agreed to do the funeral services, but they can't do the same service three times – even though in effect this has been paid for. The person thus has to lose this money because the undertakers are totally inflexible and will not pay out cash in lieu of services. Apparently some undertakers will allow you in this case to nominate another beneficiary in the place of the deceased. Everyone agreed that they would very much appreciate it if this could be changed – and they acknowledged that they need to sit and discuss as a family who has listed what family members in his policy so that there is not this problem of overlapping benefits.
 - *'We had a problem because three of us had our uncle under three different undertakers and sadly we lost out on that. There is nothing we can do about it. I want something flexible because I don't like the package business.'*(Fem 35-49)
 - *'The thing is we do not communicate and tell each other what our intentions are. If we had spoken about it earlier, we would have had enough time to substitute someone else before the funeral.'*(Fem 35-49)
 - *'This discussion is an eye-opener because we didn't know about these things. It means we have to sit with our children and tell them not to all make me their beneficiary, they should work together. At least let one get the undertaker and the other an insurance policy – because if I die now one of them will forfeit the money they have been paying every month to the undertaker.'*(Fem 50+)
 - *'It is not possible to get money instead of the services – that would be violating the agreement. The contract itself will tell you that it does not relate to any kind of reimbursement, they stipulate clearly that the purpose is to conduct a funeral service.'*(Male 50+)
 - *'The mortuary just says it is your problem and they don't give you cash.'*(Rural male)

- Some of people have realised that they pay to the undertaker a certain amount every month and this can go on for years and years – but the undertaker still only covers the funeral to a set amount you have agreed on, say R3 500 or R5 000. The benefits don't increase, even though you may have accumulated far more than this amount at the undertaker. A similar situation is where you pay year after year without claiming for a funeral and you have no way of claiming that money back or receiving some sort of investment value.
 - *'The disadvantage is that you might pay a lot of money over the years and you don't have a funeral and you have paid more than what you are supposed to be covered for.'*(Rural male)
 - *'I got 3 months probation from B3 and I have already long passed that 3 months and when I look at it, it's a waste of money because I think I am boosting them now because I am still young and will continue paying them until I don't know when. They will be making profits from my money and they will give me the same amount should anything happen because I took the R5000 policy with them. They won't say no this person has been paying us for 10 years, let's increase the benefit.'*(Male 25-34)
- Some of the older men complained that the undertakers make you sign a contract that you don't understand. They use difficult language and there is a lot of small print that they don't understand – and many of them feel embarrassed to say that they don't understand the contract, so they simply sign it without reading it. Almost everyone in this group confessed that they had not read the policy first.
 - *'It is important to look at the terms and conditions because you sign and you need to know what you are signing for – and sometimes they are very tricky.'*(Male 50+)
 - *'Another thing is that the terms and conditions are written in such small words you cannot read them. You get tired of reading the small print.'*(Male 50+)
 - *'Others do ask if you understand everything and we sometimes fear to ask or say that we do not know some of these things.'*(Male 50+)
- Often there are no written contracts so you don't know all the terms and conditions and this can be a huge problem when you try to claim and find that you have defaulted in some way and now have no access to the money you have paid in or to any services from them.
 - *'It is very painful. I have an example of what happened to me, my mother stays in Carletonville and there is an undertaker there that we have been using called BAFA. She has been paying that policy for 17 years and then she sold*

her house and moved and now she was told that she will forfeit her membership because she has moved from the area – and nobody has died so she has never claimed anything from them in all these years.'(Fem 25-34)

- *'That is why you need to ask them questions in detail, not only the things that will affect you now, but even in the future.'*(Fem 25-34)
- *'They will make sure that these things are verbal, there is nothing written down that you can fall back on in future.'*(Fem 25-34)
- Some have found that the clause that says you will not be covered if you default on premium payments for 3 months can be a problem. An example was cited of a lady who had been paying for many years regularly, and then she went to hospital for a long time and could not pay for three months. Her membership lapsed even though she had proof of payment for so many years and proof that she had been hospitalised.
 - *'They are in business and they do not want to hear anything else.'*(Fem 25-34)
- Another problem that very few people take into consideration with undertakers is that undertakers can go bankrupt and simply close their doors, leaving those who have policies with them with no recourse. Many mentioned City Funerals that closed down due to bankruptcy and they had been a well-established company – not what they considered a 'fly-by-night' company. This showed that you cannot really trust any company – yet despite this many do not think about this at all.
 - *'Another problem we face with undertakers is that they close down and in that way you do not get your money back. You do not get a receipt and just do not know what happened – like City Funerals closed down. My friend was a member and what happened is that they made all the arrangements, chose the coffin and when they got to the cemetery there was no grave for them to bury that person. It was raining and people had to stand there for hours waiting and when they came to collect the corpse that is when they found out that they have been banned at Avalon cemetery.'*(Fem 25-34)
 - *'It can become a flop and they run away. They ran to the East Rand.'*(Fem 35-49)
 - *'Look at our grannies who lost out to City Funerals – they paid for so many years and it doesn't exist anymore.'*(Fem 50+)
 - *'There are some that have been there a long time and still go bankrupt, like City which was big but now it is just in Limpopo – and that means people have lost all the money they have been paying.'*(Male 35-49)

6.3.7 How they choose an undertaker – the question of who to trust

People choose undertakers generally on the basis of those that have been around for a long time (though City Funerals had also been around for many years), those that have been recommended by other people, and they try to choose one that is visible in their area and run by someone well-known in the community. Trust plays a huge part – and particularly so as very often there are no proper records of payment so they can easily be duped. It is really a case of having to trust someone and they seldom think about what would happen if the undertaker simply closed down or disappeared.

- *'We trust the undertaker if we know him, if he is a community member and we know his type of business.'*(Fem 50+)
- *'We trust B3 because they have a profile and referrals, they are well-established and registered and they have a tax number – you can always track them down.'*(Male 25-34)
- *'If you grow up knowing the undertaker it is easy for you to trust that it won't go down because it has been there for a long time. Your parents were using it.'*(Male 35-49)
- *'We have never thought about what would happen if they closed down. We have been telling ourselves that if money is with Mashigo it is safe.'*(Male rural)

6.4 BURIAL SOCIETIES

6.4.1 Introduction

Burial societies are social clubs that started with the express purpose of providing as a group for funerals. Many consider them to be the most important way of providing for a funeral – because you not only get financial support, but also emotional support and 'helping hands' at the time of the funeral.

6.4.2 Members

Burial societies are made up of a group of family members and/or friends in the area, who meet once a month to have a social occasion and to pay their fees. It is always people who know each other well, people you feel comfortable with and whom you can trust. Burial societies are far more prevalent amongst women than amongst men - mainly because of the very practical help and support given by the women at the funeral. The men regard this as 'women's work'. Men do also have their own burial societies, usually started amongst 'stokvel' members, friends who meet regularly in the shebeen, but also work colleagues. Many men however are not the principal members of the burial societies – but are covered by the society as a result of their mothers, sisters or wives being members.

- *'You usually get into a society because you know one person from there and then you meet different people there and from there you create friendship.'*(Fem 25-34)

- *'It is mostly friends and family – we trust them because it is people we know.'*(Fem 50+)
- *'You join with people you know you will work well with.'*(Fem rural)
- *'Ours was started by friends, it was my sister and two of her friends, they started by helping each other. Whenever there is a death they will go there and help. My younger sister came up with the idea of forming a society and we each started paying R50 per month.'*(Male 25-34)
- *'We also have stokvel, let's say 8 of us form a stokvel and we pay R250 each per month. One person cooks for us and buys booze and part of the money is for funerals.'*(Male 25-34)
- *'Mostly it is started by women – but ours started as a stokvel – we would bring money and the person we were giving the money to that month would entertain us with food and drinks. In 1984 when the riots started, we decided to start something like this because we saw that we can die anytime during the riots. It started that way and the guys joined their wives and kids and we grew from there.'*(Male 35-49)
- *'I know of other guys' burial societies that started at shebeens. One of our friends passed away and we decided to pay R10 each and take it to our friend's house. Then we decided to make it official that we all pay a certain amount every month. It comes out of a need and then you try to formalise it.'*(Male 35-49)
- *'Women like these societies so much that if there is a death in the family, they go there and cook and help the family out.'*(Male 50+)
- *'Burial societies are not all the same, some allow anyone to join, but here at home we choose the people we know to join.'*(Male rural)

The number of active members of a burial society is normally anywhere between 10 – 40 people – though each of them registers many other family members to be covered.

It seems that most societies allow each member to register up to 10 other family members who will be covered in the event of death – though some say there is no limit at all.

Cover normally includes the immediate family – husband or wife and all their children (no matter how many) as well as parents and in-laws. Grandchildren are also often covered – it depends on the society and how many beneficiaries they are allowed to register. Children are taken off the register once they get married or reach the age of 21 years and can then join as adults.

The members have to register beneficiaries by bringing along their ID books and these numbers are then written down. Once someone dies, this ID number is crossed out and, in some cases, the member may put in someone else in place of this person.

6.4.3 Fees and coverage

Each society has its own rules about fees paid – obviously as it is regulated by the members themselves. They decide what to charge based on what they can afford. A joining fee is normally charged and this varies between R400 – R1500 in the urban areas, and usually between R100 – R300 in the rural areas. Monthly fees also vary between R50 – R100 per month usually.

There is a waiting period of 3 or 6 months (it varies from one society to another) and if someone in the family dies during this time, you are not covered at all. Once this time period is up however, then you are fully covered. There were some societies however that allow members to 'buy' the waiting period, and if this happens you are covered immediately.

- *'You can buy your probation by paying 5 months in advance.'*(Fem 50+)

It is easy to join as there are no age restrictions or health restrictions that apply. No blood tests are required prior to joining – thus no discrimination is practised even if you have AIDS – as long as you have passed the waiting period you will be covered.

- *'We run to them because they don't check age. Insurance companies check age and health as well.'*(Fem 50+)
- *'Societies do not judge a person according to the sickness he or she has. People should understand that a society is actually a helping hand from the community – you help me and I help you. Whether you die because of an accident or AIDS, it is the same – as long as you are dead you get the money.'*(Male 25-34)

Your membership lapses and thus your benefits as well if you do not pay your fees for three consecutive months. Generally though if you have not paid for two months and someone in your family dies, the society will usually allow this and simply deduct the amount owing from what they pay out to the family.

Fines are also levied against members who do not attend meetings regularly, who pay their money in late and in some cases if they don't wear their uniform to meetings.

6.4.4 How banking is done / monthly fees are collected

A committee is elected annually and new committee members are chosen every year. These are normally a chair person, secretary and treasurer. Whenever money has to be withdrawn either 2 or 3 of these people have to be signatories – this way they prevent possible abuse of the funds.

Money is collected in various ways, though usually everyone pays cash at the monthly meeting. This is written in the book and then one person takes the money to be banked. Quite often the society has a bank book that they use instead of a card – they prefer this as everyone can see

every month that the money has been deposited. The book is shown to everyone at the meeting. Those who have a bank card bring along bank statements for everyone to see. Some say their bank book is kept by someone in the society who has no signing power on the account, in order to prevent fraud.

- *'The bankbook does not stay with the treasurer, it is kept by another member. It only goes to the committee if a funeral is coming up and they have to withdraw money.'*(Fem 25-34)
- *'When we collect the money, the chairperson takes it to the bank and at the following meeting he brings the book with him and shows us the entire book and the deposit slip.'*(Fem 35-49)
- *'At the meeting they write down that everyone has paid, the money is counted and they tell the members that they have made so much today. Then the money is taken to the bank by the three committee members – and the same applies when they withdraw money – three must sign for it.'*(Fem rural)

Some of the younger women and some of the rural men say that in their society to prevent fraud, every member has her own bankbook so each person's savings are kept separately. At each meeting everyone brings along her bankbook for the group to check. In the event of a death, everyone draws out the same amount from their own bankbook.

There are times when the funds in the account run low, if they have had to pay out for a number of funerals, and then the members all pay higher premiums the next month to try to restore the balance kept in the account. They call this 'replacement money'.

- *'If we pay R50 every month, then after a funeral we will pay R100 the next month – so should there be another death somewhere along the line, we will use the replacement money.'*(Fem 35-49)

Some of the societies that have been going for a long time, may accumulate a large amount of money in their account at the bank. These societies then often invest a certain portion of this money in a 32 day call account that earns them better interest. They keep enough in the ordinary savings account to cover between 7 – 10 funerals and invest the rest.

- *'We have had our society for 25 years and then if there is a lot of money available in the account, the bank advises you to put some of it in a 32 day call account. We do this when we have more than R10 000 in the account.'*(Fem 35-49)
- *'With our group, we've instructed the bank to debit R500 from our saving account to a 32 day call account every month. If there is a death, we use the money from the savings account. There are 19 members and we all contribute R50 each and that comes to R950, so if we put R500 into the call account, we still are left with R450 every month in the savings account.'*(Fem 35-49)

6.4.5 Difference between urban and rural areas

As discussed earlier in the report, there seems to be a fundamental difference in the way people provide for funerals in urban as opposed to rural areas. In the urban areas, people tend to join funeral parlours on an individual basis to cover the cost of the undertaker and the coffin, and then they also join a burial society which gives them a cash payout and helping hands at the funeral.

In the rural areas there seems to be a greater link between burial societies and undertakers, and usually each burial society is linked to a specific undertaker. Some of the money collected at the burial society every month is taken to the undertaker and paid into a group burial society account there. Once an undertaker has conducted a funeral, the funds in this account are then replenished from the burial society account to keep enough of a balance to cover a few funerals.

- *'We have to make sure that we have money at the mortuary and at the bank. After a funeral, we take money from the bank and put it in at the mortuary. At my society we usually have about R7 000 at the mortuary. We make sure that we always have at least enough money for 3 funerals there.'*(Fem rural)
- *'At our burial society we pay R50 a month each and out of that R50 there is some money that goes to the mortuary so that when there is a funeral we shouldn't have the problem of paying for the coffin.'*(Rural male)
- *'When you join a burial society you pay for you and your dependents, and whatever amount they pay to the funeral parlour, it is in the name of that burial society. If we pay R400 per month to Mashigo parlour it is for the whole society so that when there is a funeral they can help us. The funeral parlour doesn't have the names of the members of the society, the only name they have is of the burial society.'*(Rural male)

This does not happen in all cases however – there are some burial societies in the rural areas that are not linked to funeral parlours, and dealing with the funeral parlour is done on an individual basis (as in the urban areas).

- *'If I join a society that is not linked to the parlour, then what happens is when there is a funeral the society will give me R2 000 and I am the one who has to go to the parlour myself. The burial society don't interfere in parlour issues, their responsibility is to buy you a cow, as long as the person who passed away is on their list.'*(Rural male)

Some of these men said that they often join two burial societies – one that is linked to a funeral parlour and thus provides the coffin and the service, and another one that is not linked to a funeral parlour but just pays out cash.

- *'What I did is at home my parents joined the burial society that is linked to a parlour, so I joined one that buys you a cow and groceries.'*(Rural male)

- *'I joined a burial society that is linked to Mashigo for the funeral services, and also one that is not linked that will give me R2 000 cash and I will see how I will spend it.'*(Rural male)

6.4.6 Benefits paid at time of death

The very real benefits of joining a burial society are that no death certificate is required and the member gets paid out within 2 days. This makes life much easier – there is no red tape involved and thus no pressure at all. The only time a death certificate is required is if the deceased lived in another area far away – though very often even in this case, someone from the burial society will attend the funeral to make sure the death has happened.

- *'No death certificate is needed because we all know one another and we all go to the funeral.'*(Rural male)
- *'We only insist on a death certificate if it's for someone who is far away. If it is someone in Soweto, we just go there and see for ourselves, but if you have registered someone who is in Natal, then we need to see the death certificate.'*(Fem 35-49)
- *'At our social club if you wrote a person on your list and they pass away, they just scratch out the name, they don't request a death certificate because we know each other.'*(Fem 50+)

If a main member of the burial society dies, then one of her dependents must take over as the main member or they will not be covered anymore. If a dependent dies, then most societies allow you to put someone else in their place.

Benefits paid out include a cash sum (which varies according to whether it is the main member or a dependent) as well as emotional support and being there with the family preparing and cooking the food for the funeral. Amounts paid out also depend on how much the monthly contribution is – some societies pay R500 – R1000 for members, while others pay out up to R5000 for members and possibly R1000 – R3000 for their dependents. This varies greatly from one society to another, and sometimes it also varies according to the age of the children. Some of the societies pay out some cash and then buy groceries up to a certain value.

- *'We pay the money plus support of the members – you need to lend a helping hand to the bereaved.'*(Fem 25-34)
- *'All those who live in the household are covered and we pay out about R3 500 per burial. We also join to get help – washing dishes, peeling vegetables, the cooking – and for moral support.'*(Fem 35-49)
- *'The burial society gives you money but they also help you with the funeral preparations.'*(Male 35-49)
- *'We pay R1 200 either cash or an ox, and then another R1 200 after the funeral for expenses.'*(Male rural)
- *'Burial societies don't only contribute money, they also give a helping hand by peeling and cooking vegetables.'*(Male rural)

Some of the rural men said that at the end of the year, if your family has not claimed for a death, then the society buys them a present. At the end of the year, each person pays in R50 extra and with 40 members this amounts to R2 000. This amount is then split up and given to those families who didn't claim for a funeral that year.

There is no limit to the number of burial societies you are allowed to join – provided you pay the fees, you get the benefits.

The practical help given is a big factor in the burial societies, and it is carefully noted if people don't arrive to give this help. If it is seen that they don't pitch in to help, then they must not expect help from the burial society in their time of need.

- *'You also find those who do not want to participate in other people's funerals – they are never there to peel vegetables or to help out at all, but then when they have a problem they expect you to come and help. Now we tell them that we won't come the night before the funeral, we only go and take the money to them and that is it. There is no obligation on our part to do anything else besides give you the money that is due to you.'*(Fem 35-49)
- *'With the burial societies that we have here at home, it is not only about contribution only, it is also about your co-operation, helping with your hands. If you can't come to a meeting for a long time, a fine is charged, and if you have a funeral we won't come to help you either.'*(Male rural)

6.4.7 Other uses for the money

Some burial societies do not only function to provide money and help at funerals – they also have a very social element. Some of them throw parties at the end of the year using some of the money they have collected, others organise day trips or even holidays for their members. To raise extra money, often you can invite other friends and they pay to come along. One of the women said that her society lends money to members. The rates are normally high and very similar to what micro-lenders charge.

- *'We have a closing party at the end of the year and we share the interest accumulated over the year.'*(Fem 25-34)
- *'We organise trips or picnics to raise funds. We give out cards to people and tell them to find 5 other people to bring to the picnic. So each person brings 5 people and they pay R20 each.'*(Fem 35-49)
- *'Some years it happens that we take holidays to places like Mpumalanga or anywhere if we have earned a lot of interest on our money. We don't only look at things like funerals.'*(Fem 35-49)
- *'Our group has started something new, we loan the money out to group members and the amount is R1 000 per member. It is usually done in January and then you pay it back with interest on a monthly basis, which is 20% - and it has to be paid back by June at the latest.'*(Fem 35-49)

6.4.8 Advantages / benefits of burial societies

The biggest advantage is that you get twofold support – cash in your time of need, and emotional support and help at the funeral. It is people you know and you can depend on them to be there for you.

In practical terms, no-one is exempted from joining and there are no health tests to be taken. No death certificate is needed as everyone is generally going to go to the funeral anyway. Everything is very informal and based on trust, rather than on written contracts.

Money is paid out very quickly, within 2 days usually, and it is up to the person what they want to spend it on. In fact, there are people who join a number of societies and put down the same dependents at each one, thereby getting multiple payouts at the time of death. It can also be seen as a way of getting a bit of a windfall to spend as you like – because obviously you don't put it all towards funeral expenses. Some feel this has become a problem (more about this under 'Problems').

6.4.9 Problems experienced with burial societies

A number of problems have arisen in burial societies, including the following:

- Funds are sometimes misappropriated by members. It has happened that people have pocketed funds instead of banking them, or they have claimed fraudulently. It may be that they tell everyone that one of their dependents has died and it is accepted as such based on trust – however the person simply wants the money that will be paid out, and the dependent is still alive. (This can happen only if the dependent does not live in the area – and of course no death certificate is needed, which makes this easy for them to do.) The society then crosses this dependent off the list, and the member simply adds another name in its place.
 - *'Sometimes societies are not safe because for example my aunt was a member of a society and they found out that there were funds being misappropriated. They all fought and hurt each other, others went to jail and there was a lot of confusion and conflicts within the members because they did not know who was involved.'*(Fem 25-34)
 - *'At work we collect money monthly and the lady we appointed as treasurer really opened our eyes. We used to collect from every department and we would write down the names as they paid. She said it wasn't necessary to write down the names, so say we gave her R900 then she would only put away R200 and destroy the list of people who had paid. When we queried it, she would claim that not everyone had paid and of course there would be no evidence. We had to relieve her of her duties as treasurer and now we only collect when there is a funeral, we don't save anymore.'*(Fem 35-49)

- *'In our group one of the ladies lives in Sebokeng and she had a death in her family. She decided to claim but she hadn't registered that person with us so she lied and said it was her brother-in-law who had been registered. So we took the money to her a day or two later without verifying the documentation. After the funeral we insisted on a death certificate and she started beating around the bush. Then we saw on the programme that we gave her money for a person she hadn't registered. But then a few months later her husband died and we never gave her money for that – she had to go ahead without our assistance.'*(Fem 35-49)
- Some complained that the spirit of the burial society is being abused. It was formed to offer real financial aid to someone in need, but these days people join and list dependents just so they can claim the money for themselves. Sometimes you find that they only give the family a small amount and they keep the rest for themselves.
 - *'Sometimes you find people have put you on their policies for their own benefit, not because they want to help you. When you die, they don't give your family that money, they just pocket it. They may give your family R300 and keep the rest, maybe R700.'*(Male 25-34)
- It happens that because family members don't discuss these things first, three siblings may all list their parents as dependents in the same society. Each member then gets paid out the same amount from the society, instead of the society only paying this out once. They all agreed that families need to discuss this first and come to some agreement about it.
 - *'It gave us a problem when we had three siblings who all had their father as a dependent and they all had to get R2 000 when he died. Some people wanted to refuse the claim, but they said but I have written him as my dependent and I have been paying and they were all right. So we told them they should have discussed it and agreed that others must get other people as dependents instead of having one person listed as a dependent for three members.'*(Rural male)
- Some respondents feel disgruntled at the fact that no matter what the size of your family you have as dependents, everyone pays the same monthly fee. This is most unfair as it sometimes happens that someone has ten dependents registered while another family may only have five. This is a huge disadvantage to those with small families who thus get fewer benefits.
 - *'Sometimes you find that I am from a small family and the other person has a big family and you are both paying the same amount of money. So it is an advantage for one with ten dependents and a disadvantage for the one with two dependents.'*(Rural male)
- It is also unfair that a person may go on paying the burial society for years and never claim for a funeral while others claim for many

funerals during the same time. You then realise that you have paid in a great deal of money and had no benefit from it. Another problem is that even if you have been paying regularly for years, if you default on your payments for three months, they will not pay out if you die. They don't take into account all the money you have paid in over the years.

- *'You may pay for a long time and in the long run you fail to continue paying. Say you have paid for ten years and then you fail to pay for four months – they will say they can't bury you and that is a disadvantage.'*(Rural male)
- The rural males also complained that some burial societies also cover weddings, confirmation and unveiling of tombstones. This means once again that a family with many members could benefit from all these celebrations while some families get far less in the way of benefits.
 - *'There are other societies that cover for weddings and parties as well. You may find that I don't have kids and you have five kids and one gets confirmed, then another one graduates and there is a party thrown for him – so you have many parties for the same family. In some societies they have changed it and say they will only cover one party or they only cover for funerals and tombstone unveilings.'*(Rural male)

6.5 TOWNSHIP / NEIGHBOURHOOD SOCIETY

6.5.1 Introduction

This is another way of neighbours helping each other when there is a death in the family. It has been formalised to the extent that people join the 'block' system as some of them call it, by paying a nominal joining fee (R2 – R5) and then a list is kept of all the people who are registered. There is no monthly fee, but whenever there is a death in a family, everyone registered is required to pay a set amount – which varies between R2 and R10 mostly. When a township is large, like Dube for example, this can amount to a sizeable sum.

- *'In our area if there is a burial then each household donates R20. Somebody will volunteer to do the collections and they take a book or paper around and record all the donations collected.'* (Fem 35-49)
- *'There are a lot of people dying and you find that money is an issue – this is just a matter of helping each other out.'* (Fem 35-49)
- *'There is a block thing in the townships – in Dube, Orlando West and Meadowlands as well – but not everyone contributes. When somebody dies we go there and each family pays R5.'* (Male 25-34)
- *'In Zimele we pay R5 whenever somebody dies – but the disadvantage is that not everyone pays and sometimes you do not have enough money to pay for the coffin.'* (Male 25-34)
- *'At Phiri if someone dies in your house they will come with their books and they will ask one family member to sit with them and the people come and pay at that house. They then count all the money and leave it there and then they leave the book with the family member so that whoever comes to pay later, they can register everything in the book. They will then maybe take 5% of that money – for stationery, stamps, and things like that.'* (Male 25-34)

Someone either goes around and collects the money (though sometimes fraud is committed when unscrupulous collectors keep some of the money) or the register is given to the family of the bereaved, and everyone then goes to the house and pays their money. The money is paid out for anyone in that household who dies.

It is also noted however when certain people who are registered don't pay – and if this happens three times, they are then taken off the register and they don't qualify for this money themselves when they have a death in the family.

- *'If you are registered and you do not pay for three times in succession, they scratch you off the list.'* (Male 25-34)

6.6 FUNERAL POLICIES WITH INSURANCE COMPANIES AND BANKS

6.6.1 Introduction

In each of the urban groups there were respondents who also had funeral or life policies that would pay them out a pre-determined sum of money in the event of their death – in addition to belonging to burial societies and undertaker societies. None of the respondents from the rural areas had this type of formal insurance.

The insurance companies they had dealings with included the following:

Sanlam	Clientele	AVBOB
Old Mutual	Hollard Life	African Life
Metropolitan Life	Cross Atlantic	AIG

Banks they dealt with included all the major banks.

6.6.2 Advantages

The biggest advantage of such a policy is that your family is assured of getting this money when you die and it pays out a much larger sum than the burial societies and other informal societies. Some also pay off the bond on your house when you die.

You get paid out within 48 hours of producing the death certificate.

- *'I think the most important thing is the surety that you will get the money within 48 hours.'*(Fem 35-49)

There is a feeling that because it is formalised and they are dealing with big established companies, they can trust them to pay out. This is not always the case with undertakers for example.

- *'It covers you and your family. It also covers things like say you die and you owe the bank for a bond, it will cover that bond and the kids' schooling.'*(Male 25-34)
- *'It is for financial security basically.'*(Male 25-34)
- *'The policy gives you cash and you decide what to do with the money.'*(Male 35-49)
- *'Most of these other schemes are fly-by-nights whereas with the bank or insurance company you know it will always be there. Even if you go to Rustenburg you will be able to bury your loved one, unlike the other schemes that tell you they do not go to those places.'*(Male 50+)

6.6.3 Premiums and benefits paid

Monthly premiums are usually paid by debit order on their bank accounts, and premiums vary according to the benefit paid out, usually between R26 – R250 per month. Obviously the more dependents covered, the higher the premium.

Amounts paid out at the time of death vary as well according to the premiums – usually the main member is covered for a larger sum of money, often R5000 – R15000, while children and other family members get less.

6.6.4 Disadvantages and problems experienced

There were a number of disadvantages or problems that they have experienced with regard to insurance policies.

- Generally you need to undergo a health test first, and at the time of death they need proof in the form of a death certificate. Unlike the more informal societies, they exclude people on the basis of age and health problems.
 - *'There are age restrictions – I have a 25 year old daughter who does not attend school and she is not working and the policies exclude her automatically.'*(Fem 35-49)
 - *'If I want to join a funeral policy at the bank, they are refusing me. It must be my child who is the main policyholder and I will be the beneficiary. They are refusing me because of my age.'*(Fem 50+)
 - *'I once took a policy with Old Mutual when I started working and they sent me for medical examinations. When I asked the guy why they are doing this, he said if they discover that I am HIV positive, they won't approve the policy.'*(Male 25-34)
 - *'I think they consider the fact that you will die quickly before they have collected enough money from you to be able to cover your death.'*(Male 25-34)
 - *'If death strikes your family, they do not give you the money on time, the procedure is very long. They want death certificates and when there is a death you do not want to be away for a long time, you want to be at home instead of running around for death certificates.'*(Male 25-34)
- It can be very difficult to claim the money because of all the red tape involved. Many complained that the bank or insurance company needs too much documentation before they will pay out the money, and it is often difficult for them to get the necessary documents. They often have difficulty tracing the next of kin of their family member and they end up being pushed from pillar to post. They feel often that they are not treated with understanding and respect at this time, whereas this is very much part of the treatment they get from the burial societies.
 - *'It becomes a problem when they have to pay, it is easy when they take the money from your account, but come time for them to pay and it becomes a problem. I have a situation right now, my uncle passed away in December and I did all the funeral arrangements. I knew that he had insurance but the problem was I could not find his wife or any of his children. He had left his wife and children and was living with a girlfriend and had a*

child with her. Then he had another girlfriend and he got AIDS and I could not find his wife or any of his children. When I went to the insurance company and explained the whole situation, they told me they need the death certificate, which I have them together with the ID, and then they also wanted a marriage certificate which I did not have. I couldn't get hold of any of them and the elder son came a week after the funeral. Now we still don't know whether they are going to pay or not.'(Male 25-34)

- *'Insurances should have a better way of working with people, be friendlier. We need to be treated with dignity and respect up to the end, to get your money without hassles.'*(Male 25-34)
- *'Recently one of my friends was dealing with Old Mutual and it happened that his mother passed away. He went to them and they needed the death certificate and promised him that after 24 hours they will pay, but they broke the promise and it was a very long process. They wanted a death certificate and after that they wanted a marriage certificate, proper documentation. Each time he went to check the progress they would tell him to come back another time because they are still checking his files. That is why I am questioning their professionalism.'*(Male 35-49)
- There are also problems for many of these people in understanding the small print and knowing what the conditions are and what constitutes defaulting on the policy. Many of them are not well educated and they don't understand the terminology used, neither do the insurance agents explain it properly to them. Some of them go on paying monthly for years, only to find that they are not covered because they were not aware of certain conditions that applied. Hardly anyone of them has read their contract.
 - *'Another problem with banks – we were burying my brother's child in Botswana recently and his mother was paying for him while he was still a student. He turned 22 this year and they refused to pay out the claim, they said he was over age. She asked them why didn't you let me know when I have been paying for him all this time?'*(Fem 50+)
 - *'They don't have to tell you, it is on your contract – it says it pays up to 25 years only if it is a student, if he is working at the age of 21 you have to take him out and let him pay for himself. That is your problem, you must read the contract.'*(Fem 50+)
 - *'Often people are not educated and they never give you a clear picture of what you are in danger of because they want to make money.'*(Fem 50+)
 - *'You never read contracts, we are just in a hurry for our things to be processed.'*(Fem 50+)
 - *'Sometimes they don't even give you a chance to read it, they will just tell you 'sign here where I have ticked.'*(Fem 50+)

6.7 THE IMPACT OF HIV / AIDS ON THEIR FUNERAL PROVISION

Everyone agreed that HIV / AIDS were of huge concern and that it is affecting their societies. They realise that their funds could easily be depleted if too many members die in a short space of time. However, many of them had not really discussed it or put in place any lasting mechanisms to ensure the continued existence of these societies.

- *'It is possible that if say 5 members die the resources will soon become exhausted.'*(Male 50+)
- *'It is very possible for the societies to go under although we have not thought about it. It would be better to go to Old Mutual but the premiums will go up – but at least then you are covered.'*(Male 50+)
- *'We all have been affected by HIV / AIDS – but we have not really thought about what to do about it.'*(Fem 25-34)
- *'We haven't talked about it yet – the thing is everyone is blocking it, so if we block it as well, who is going to cover these people?'*(Fem 35-49)

What is happening is that they have implemented a short-term solution by everyone contributing a higher amount the next month after they find their funds are being depleted too quickly. This is what they call 'replacement money' – but it is not a long-term solution as people cannot afford to pay these increased fees every month. Some of the funeral parlours are dealing with this by being forced to increase their premium and their waiting period from 3 – 6 months to one year.

- *'When we see the money is becoming less, we collect more the next month, the replacement money.'*(Fem 25-34)
- *'We have had a bad time where 5 members were buried in one year so we came to a decision that instead of paying R100 each, we are going to contribute R200 a month for one year – but we cannot do it for all the years.'*(Fem 25-34)
- *'If we pay R50 every month and there has been a death, then the following month we pay R100. So should there be a death again somewhere along the line, we then use the replacement money.'*(Fem 35-49)
- *'A lot of people are dying of AIDS now and now Kopano wants to have a probation period of one year – but in the societies we haven't talked about it.'*(Fem 35-49)
- *'When you bury in succession the money will definitely be exhausted. We have a procedure that you sign an agreement that if the money finishes at the bank, you have an obligation to pay more to make more money available. Once it is back to normal, then we go back to paying the normal amount.'*(Male 35-49)
- *'That is why we now pay R50 each to Mashigo instead of R30. It happened that we were short at the mortuary and we had to increase the contribution to R50.'*(Male rural)

Some people suggested that in future they may have to think of paying out less for funerals – which would mean having less elaborate funerals.

However, culturally this would be a problem for many because of the need to have a 'dignified' burial. Apparently when at times a funeral has been held that is not in keeping with the usual expectations, mourners have complained and felt insulted.

- *'The only thing is that now many people are dying and we might end up paying out less than R5 000 for members until we are okay, maybe R3 500.'*(Fem 25-34)
- *'We shouldn't even eat at funerals anymore – or just make sandwiches.'*(Fem 35-49)
- *'I have been to a funeral where they just served sandwiches and people were complaining – some people didn't even eat. People want meat at a funeral.'*(Fem 35-49)
- *'I was thinking that instead of increasing the monthly contributions, we rather lower the condolences paid out – decrease it from R1 200 to R800 – because sometimes it is a problem to take out more money from your pocket and still meet your debts.'*(Male rural)

6.8 REASONS FOR HAVING MULTIPLE COVER

From this research it is clear that almost everyone in the urban areas has funeral cover with a number of providers. The most popular is the burial society, which everyone either belongs to as a main member or is registered under the main member's name. In addition, many have policies with undertakers – either individually or their society has links with one. Some also have a policy with a bank or an insurance company in addition to these – though these were more limited in these groups.

In rural areas, people mostly use burial societies linked to funeral parlours

Why the necessity for all this multiple cover? The reason is that people have a hierarchy of needs when it comes to a death in the family, and each of these providers contributes in a different way to ensure that all these various needs are met at various stages. It is to ensure peace of mind that they will have enough money to cover all these needs that they contribute to all these providers. One of the respondents summed it up very well:

- *'As a person you have needs, there is a hierarchy of needs. Socially you need to have money should something happen – so you need the burial society, and then you need undertakers who will take care of the funeral. The money from the insurance company takes time to pay out so whenever that money comes you can settle all your outstanding bills, so it is worth it. It's for peace of mind in a way.'*(Male 25-34)

In the female urban groups they were asked whether they would like to have just one provider that offered them an all-in-one option – cash and the funeral service all provided by one organisation. This would be a very good idea as the two go hand in hand. What they really want is more options and choices available to them – a policy that allowed them to choose for example how much cash they wanted and what value they

wanted to apportion for the coffin and all the funeral services. One of their greatest needs is to have the option of getting cash from undertakers instead of services – this would solve many of the problematic situations they currently experience.

- *'The cash benefit and the funeral service in one is a good idea because we need the undertaker for what he is doing, and the society also plays a role.'*(Fem 25-34)
- *'It would help us in terms of making choices – then you can decide if you don't want buses, if you want sandwiches instead of slaughtering cows and by so doing you automatically save money for kids for school.'*(Fem 35-49)
- *'If we can get one society that can do everything for us but give us choices, I think we will all fall for it.'*(Fem 50+)
- *'I wish they could make it lawful that we have a choice of getting money from the undertakers.'*(Fem 50+)

7 CONCLUSIONS AND RECOMMENDATIONS

- There is a strong focus on providing for death and ensuring that loved ones are buried with dignity. From a relatively young age people start saving for funerals so that the burden is not left to other family members. A funeral involves a huge expense when one considers all that is involved in sending the loved one off in a manner befitting their dignity and status – providing transport, tents, tables, chairs and food for all the mourners. To bury someone without fulfilling these traditional expectations is strongly frowned upon. Often families incur huge debt that they cannot afford if they have not provided properly for a funeral.
- Insurance in this market is 'bought' and not 'sold'. Because the mindset is that of thinking about one's death and providing for it, people go looking for ways of providing cover for funerals themselves, they do not have to be persuaded that this is necessary.
- Often more than one provider of funeral cover is used to ensure that when death occurs, the family is more than sufficiently covered. This includes both formal and more informal structures and by having this multiple cover, different needs are met. Some provide cash, others the funeral services, groceries, or practical help and emotional support at the time of death. This goes a long way to ensuring peace of mind for the future.
- People are relatively insensitive towards the price they pay for funeral cover. Often they have not thought it through and don't realise that they could get better funeral cover for a lesser premium in some cases. They tend to stick to the traditional ways of providing funeral cover even though often they get short-changed in the end.
- People in rural areas react differently with the providers of funeral cover compared with those in urban areas. Generally in rural areas there is a tendency to use the funeral parlours as banks and not as insurance policies. There is no risk involved for the funeral parlour as they only pay out whatever amount has been deposited into the account with them at the time of a funeral. There are also strong links between burial societies and specific funeral parlours, with the burial society making payments on behalf of all its members to a specific funeral parlour. In the urban areas, the funeral parlours function as insurance policies – after a probation period, they pay out the full cost of the funeral and so put themselves at risk. Urban people generally also choose what funeral parlour to use on an individual basis rather than as a group (burial society).