

**Submission  
No 27**

## **INQUIRY INTO FUNERAL INDUSTRY**

**Organisation:**

**Name:** Mr James Prior

**Telephone:**

**Date Received:** 27/05/2005

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**Theme:**

**Summary**

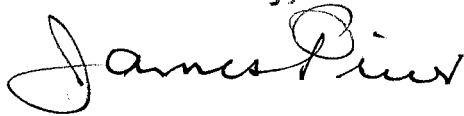
James Prior, B.A. (Comm.), M.A.

The Director  
Standing Committee on Social Issues  
Parliament House  
Macquarie Street  
Sydney.

Dear Director,

Herewith is a submission to the Inquiry into the Funeral Industry.

Yours sincerely,

A handwritten signature in cursive script that reads "James Prior". The signature is written in black ink and is positioned below the typed name.

James Prior.  
25 May, 2005.

Submission to the Inquiry into the Funeral Industry.

My submission relates to the conduct and management of so-called Funeral Funds.

My wife and I originally approached a local Funeral Director, Olsens, in 2000 with a view to entering into a pre-paid, pre-arranged funeral for each. Subsequently, a representative of Olsens called, explained the scheme operated by Olsens and we each signed an Agreement. These agreements are between Olsens, the Beneficiaries, (my wife and I) and NULIS Nominees. The latter is associated with Norwich Union Friendly Society.

Subsequently, we received a "Certificate of Membership" with Norwich Union Friendly Fund. There had been certain aspects of the scheme that troubled me and in response to my enquiry, Norwich elucidated some of these. The advice included the following, "When you invest in the Norwich Union Funeral Fund, you become a member of the Norwich Union Friendly Society and an individual account is opened in your name...NUFS is restrained by its obligations under the Common Law and the Trustee Act 1958 from accessing the moneys held in the NU Funeral Fund for its own use. A copy of this advice, dated 6 March, 2000 is attached.

My purpose in making this submission to the Inquiry lies in the fact that the agreement we had with Norwich was subsequently transferred to another organization, called Lifeplan. We had no option in this transfer and we are unsure whether the full provisions that were included in the original agreement still apply with Lifeplan.

The terms of the advice in which we were notified of the transfer, a letter dated 31 August, 2001, from Lifeplan, not Norwich, are themselves a cause of concern. This advice (copy attached) contains no assurance that the provisions promised under the original agreement with Olsens and Norwich still apply.

We believe that we have been treated in a very cavalier fashion and that the transfer between Norwich and Lifeplan may well have placed in jeopardy the full portfolio of arrangements for which we paid.

I respectfully seek the Inquiry's examination of this aspect of the Funeral Industry. I am happy to attend the hearings to give evidence if the Committee judges this to be necessary.

James Prior

*James Prior*  
26/07/05



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## NORWICH UNION

Norwich Union Funeral Plan Management Pty Limited

ACN 003 769 640

509 St Kilda Road Melbourne Victoria 3004 PO Box 7679 Melbourne Victoria 3004

Telephone 03 9829 8836 Freecall 1800 804 731 Fax 03 9829 8355

Email: funeral\_plans@norwich-union.com.au

6 March 2000

Mr J Prior

Dear Mr Prior,

Thank you for your recent inquiry regarding the Norwich Union Funeral Fund in conjunction with a Pre-paid Funeral Plan contract. I would like to answer the following points: -

1. When you invest in the Norwich Union Funeral Fund, you become a member of the Norwich Union Friendly Society and an individual account is opened in your name. These funds held cannot be released for your Pre-paid Funeral Plan until the Pre-paid service is provided. Norwich Union Friendly Society is restrained by its obligations under the Common Law and the Trustee Act 1958 from accessing the moneys held in the Norwich Union Funeral Fund for its own use.
2. If a Funeral Director ceased to trade, the payment for your Pre-paid Funeral Plan is protected as it is held in the Norwich Union Funeral Fund in your name and there is provision in the contract for the service to be conducted by another Funeral Director. Funds will only be released to a Funeral Director for payment of your funeral expenses and can not be used for any other purpose.
3. The governing legislation for pre-paid funerals in New South Wales is the "Funeral Funds Act 1979". The purpose of this Act is to regulate the taking and management of money in respect of pre-paid funeral contracts.
4. If a death occurs overseas and the body will not be returned to Australia for burial, or the body is not available ie. plane crash and body incinerated, upon receipt of official evidence of death, the Pre-paid Funeral contract will be cancelled and the benefit will be payable to the Estate of the deceased.
5. Funds held in the Norwich Union Funeral Fund may only be invested in a manner authorised by the Friendly Societies Act 1986 or as otherwise approved by the Australian Financial Institutions Commission under the Act.

6. The Funeral Fund's Actuary Mr Frank Funder of Funder & Co. Pty Ltd ACN 062 739 655, has certified that the nature of the investments made enables the Fund to be classified as **Capital Guaranteed**.

I hope that I have answered your concerns regarding the Norwich Union Funeral Fund in conjunction with a Pre-paid Funeral Plan contract. If you have any further queries just give me a call on 1800 804 731.

Yours faithfully,



Robert Micari  
Administration Officer



**Lifeplan Australia  
Friendly Society Limited**

ACN 087 649 492

**General Enquiries  
1300 1300 38**

**Adelaide Office**

111 Gawler Place  
Adelaide SA 5000

GPO Box 89  
Adelaide SA 5001

Telephone (08) 8212 3838  
Facsimile (08) 8212 2790

**Melbourne Office**

Level 22, 385 Bourke Street  
Melbourne VIC 3000

GPO Box 4721 UU  
Melbourne VIC 3001

Telephone (03) 9642 4951  
Facsimile (03) 9602 3852

31 August 2001

JAMES ANTHONY PRIOR

Dear JAMES ANTHONY PRIOR

We advise that your funeral benefits previously provided by Norwich Union Friendly Society have now been transferred to Lifeplan Australia Friendly Society. This follows the recent vote by members that overwhelmingly supported the transfer and we thank you for your support.

Part of the form you returned indicated your desire to receive future financial accounts and/or notices of member meetings. Unfortunately there was some confusion over the layout of this form and we now believe that most members who request these documents did so inadvertently. It is your right to receive these documents and we will continue to forward them to you if that is your wish.

However, the production and distribution of these documents is an expensive exercise and in an attempt to clarify your requirements and limit any unnecessary costs we seek your assistance.

If you do not want to receive the financial accounts and/or notices of member meetings we ask that you complete the section below and return it to our office in the envelope provided. Your prompt response will be appreciated so that we can finalise the printing of the current reports.

Please do not hesitate to call our friendly staff on 1800 804 731 if you have any questions.

Yours faithfully

Brenton Jones  
Secretary

X.....

JAMES ANTHONY PRIOR

FJ02001574

I hereby advise that I do not want the financial accounts or notices of meetings of Lifeplan.  
I understand that if I change my mind these documents will be forwarded by simply requesting them in writing from your office.

Signed..... on .....September 2001