

The Truth About Rising Insurance Premiums in the Cemetery & Funeral Industry

by Domenic Antinucci

IT IS A TALE AS OLD AS TIME. Insurance premiums increase during the renewal period, causing business owners to reassess budgets come planning season. While premium increases can come as a surprise, for many Americans the reality is that insurance rates have become one of the fastest growing overhead costs. Many business owners saw commercial property insurance increase by an average of 11% in 2023.

As cemetery, crematorium, and funeral home management professionals look to build their annual business plans, understanding increased operation costs, such as insurance premiums, will be key. That is why owners and operators must be in the know on how operative factors can influence their rates and spike premiums.

Common Factors Leading to Higher Premiums

In 2026, predictions show that insurance rates will continue to rise across all sectors due to a number of factors ranging from social inflation to local legislation. However, how much rates increase and why can vary by industry. Top influences on rates in the cemetery, crematorium, and funeral home industry include:

- **Bad Actors:** Fraudulent claims are becoming increasingly common in both the cemetery and insurance sector, with nearly 10% of claims found to be illegitimate. Often orchestrated by bad actors and criminal rings, schemes like fraudulent calls and orders can severely affect a business, cause rates to skyrocket, and reduce trust in the system. In the cemetery space, these fraudulent claims can look like a person purposely placing a hazard in a walkway and tripping over it, or a driver cutting off a hearse and hitting the brakes to cause an accident.
- **Inflation:** As with many industries today, price inflation plays a significant role

Once an insurance claim has been evaluated internally, a prompt submission of a claim, complete with proper documentation, can help businesses ensure that each claim is resolved efficiently and effectively.



STOCK.ADOBE.COM / MSTHAFFIZA

in influencing insurance rates. According to Swiss Re, social inflation has increased liability claims in the United States by 57% over the past 10 years leading to restricted coverage and increased premiums. In addition to higher litigation costs, insurers have sustained added overhead from relevant repairs, replacement parts related to claims, medical bills, reinsurance, and other costs.

● **Staffing Issues:** Quality staffing comes at a premium cost. The manual labor and high emotional demands required of those working in the deathcare industry, paired with an aging workforce can lead to more risk exposures, such as workplace accidents, compliance violations, and liability claims. The large size of cemetery grounds, coupled with property maintenance and auto fleets' staffing needs, can stretch employees thin, causing burnout and higher turnover rates, and declining quality of work.

● **Local Sidewalk Laws:** Sidewalk accidents can result in serious harm, as well as severe financial and reputational burden for businesses as these claims are often recorded as an insurance loss. According to the National Floor Safety Institute, slips, trips, and falls, which are the most common type of incident to come from a sidewalk accident, contribute to around 8 million hospital visits per year due to injuries.

Cemetery and funeral home owners and operators can be at fault for hazards like cracked pavement, snow-covered walkways, or untreated ice on sidewalks. Other common dangers can include fence construction or overgrown shrubs.

Since New York City transferred the responsibility for sidewalk liability from the city to property owners in 2003, there has been a notable increase in lawsuits related to sidewalk negligence with median settlements set at \$100,000 in select states.

Preparation Is Key

Fortunately, there are a number of steps cemetery, crematorium, and funeral home management professionals can take to mitigate risk against common factors, as well as help owners and operators prepare for inevitable accidents.

● **Prioritize Training:** A comprehensive training program is key for creating a safe working environment. As professionals often work year-round, rain or shine, in-depth training sessions that provide education and best practices for safety can mitigate costly risks. Given the variable nature of demanding responsibilities and relevant hazards, such as grave digging or use of chemicals, establishing processes and adhering to state guidelines can reduce costs by preventing workplace injuries, illness, and even death.

To avoid legal complications, business owners should stay up to date on all changes to rules, regulations, laws, and recommended procedures. Owners and operators who prioritize training, as well as adhere to policies and best practices, will be set up for success to keep staff issues under control while also reducing turnover.

● **Timely Claims Reporting:** No one wants to file an insurance claim. However, timely claims reporting is essential to recouping a loss quickly and efficiently. The speed with which a business submits a claim can make a difference during the review process, ensuring timely payment and recovery. Once an insurance claim has been evaluated internally, a prompt submission of a claim, complete with proper documentation, can help businesses ensure that each claim is resolved efficiently and effectively.

In parallel, businesses should stay abreast of common fraudulent claims schemes and tactics such as *trip and fall* or *sudden stop* schemes. Moreover, delayed or fraudulent claims can negatively affect businesses, leading to delays during the

settlement process and a slower return to business.

Seeking guidance from insurance agents or brokers who are skilled in cemetery, crematory, and funeral home management can safeguard operations as well as bring peace of mind, ensuring that the business is properly protected and covered with a comprehensive professional liability policy.

● **Proper Maintenance:** Regular maintenance is crucial for the safety and security of visitors and staff. A well-maintained property includes routine upkeep such as lawn care, tree and shrub trimming, and weed removal. This provides a safe, yet welcoming environment for both guests and caretakers that is safer from common hazards.

In addition to landscaping, conducting a regular inspection of gravesites and memorials, as well as property walkways, parking lots, and adjoining sidewalks, can reduce basic risks such as *slip and fall* incidents, sidewalk negligence, and property damage that may arise.

Staying Ahead of Rising Rates

As economic instability continues, insurance rates and premiums will continue to rise. Owners and operators who understand the importance of prioritizing training, prompt claims reporting, and proper maintenance, and work strategically with their insurance partners will be better prepared to navigate fluctuating rates and be better prepared for the future. ■



Domenic Antinucci, CPCU is a program manager at the Brownyard Group, which offers cemetery and crematory insurance coverage through the Memorialpro insurance program and has been a part

of ICCFA for more than four years. He can be contacted at dantinucci@brownyard.com or 800-645-5820.