

# Funeral Cover Fraud Awareness

## DISCLAIMER:

This guide is for informational purposes only and does not constitute financial or insurance advice. Funeral cover terms, waiting periods, and benefits vary by provider. Always confirm FSCA registration and review policy documents carefully before committing to any cover. Bilnor Staffing Solutions accepts no liability for decisions made based on this guide.

## Funeral Cover Fraud

Funeral cover plays a critical role in helping South African families manage the high and immediate costs of funerals. Unfortunately, the funeral insurance sector is also a common target for **fraud and scams**, which can leave families financially exposed when they need support the most.

Understanding how funeral cover fraud works is essential to protecting yourself and your loved ones.

### What Is Funeral Cover Fraud?

Funeral cover fraud occurs when individuals, funeral parlours, or unregistered insurers **misrepresent, manipulate, or illegally claim benefits** from a funeral policy. Fraud can happen at the time of policy sale or when a claim is submitted.

### Common Funeral Cover Fraud Tactics in South Africa

#### 1. Fake or Unregistered Funeral Policies

Some scammers sell funeral cover without being registered with the **Financial Sector Conduct Authority (FSCA)**. These policies often appear cheap but offer no real protection.

#### Warning signs include:

- No policy documents provided
- Cash-only payments requested
- No FSP or FSCA registration number
- Pressure to sign up immediately

#### 2. Policy Misrepresentation

Fraud can occur when policy benefits, waiting periods, or exclusions are **intentionally mis explained** at the time of sale.

Examples include:

- Promising immediate cover when waiting periods apply
- Claiming cover for extended family members not listed on the policy
- Overstating payout amounts

#### 3. Duplicate or False Claims

Some fraudulent claims involve:

- Claiming for a person who is still alive
- Submitting multiple claims for the same funeral across different policies
- Using falsified death certificates or documents

These practices are illegal and can lead to **claim rejection and criminal charges**.

#### 4. Funeral Parlour Collusion

In some cases, funeral parlours may:

- Inflate funeral costs
- Submit claims without the policyholder's full knowledge
- Encourage unnecessary services to exhaust policy benefits

Always ensure you understand what services are being provided and billed.

#### 5. Identity Theft and Policy Abuse

Personal information may be used to:

- Take out policies without consent
- Change beneficiary details
- Claim benefits fraudulently

Protecting your ID documents is crucial.

### How to Protect Yourself from Funeral Cover Fraud

To reduce your risk:

- Verify that the insurer or broker is [FSCA-registered](#)
- Request and keep **written policy documents**
- Avoid cash payments without proof
- Understand waiting periods and exclusions
- Regularly review beneficiaries and covered members
- Use reputable funeral service providers
- Report suspicious activity immediately

### What To Do If You Suspect Fraud

If you believe fraud has occurred:

- Contact your insurer immediately
- Report the matter to the **FSCA**

To report fraud to the Financial Sector Conduct Authority (FSCA), use their dedicated anonymous email [fsc@behonest.co.za](mailto:fsc@behonest.co.za), call their general inquiries line at 0800 20 37 22, or complete the online Complaint/Enquiry form on their website, but also immediately report scams to your bank and consider contacting the South African Fraud Prevention Service (SAFPS) if you've lost money.

- Open a case with the **South African Police Service (SAPS)** if identity fraud is involved

- Seek advice from an independent insurance advisor

Acting quickly can prevent further losses.