



# funeral service **insider**

independent news & guidance for funeral home owners and operators

## Preplanning in an App Now a Reality With Everdays/Homesteaders Alliance

### Mark Alhermizi Thinks Solution Will be a Game-Changer

Imagine if families were able to buy a preneed policy through a free app – without having to talk to a preneed counselor or anyone at a funeral home.

That idea is now a reality with a partnership between [Everdays](#) and [Homesteaders Life Company](#), who are introducing the solution in conjunction with the National Funeral Directors Association convention, Oct. 27-30, in Chicago.

Everdays, whose app broadcasts news about someone's death to an individual's cell phone contacts, sees the offering as a key part in its evolution – and as something that will help funeral homes boost market share.

“There are about \$4 billion in preneed sales that happen annually, and we were shocked to learn that comes from only about 5% of people 55-plus preplanning in any given year, which means to me there is a completely untapped addressable market

of another \$20 to \$30 billion in business,” says Mark Alhermizi, founder and CEO of Everdays. “My approach to this space has not been to help a funeral home or insurance partner shift dollars from one place to another – no. I have always been about expanding the preneed pie for everyone because today's methods of marketing preneed are the same as they were 30 or 40 years ago.”

Steve Shaffer, president and CEO of Homesteaders, says he and his team recognized Everdays' potential shortly after the company launched at the end of 2016. “Homesteaders recognizes and appreciates the community focus of Everdays' platform and saw another way to extend the ability of the funeral home to care for the broader community impacted by a loss,” he says.

Homesteaders did not need to craft a new insurance product for the app as it already has a robust product offering, Shaffer says. Those using the app will be able to





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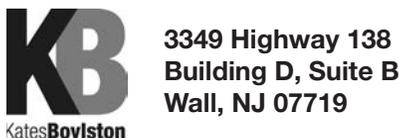


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Mark Alhermizi



Steve Shaffer

buy a policy in all states where Homesteaders is offered, Shaffer says. (Every state except Washington, New York and Maine. The company is actively working on a solution for those states.)

“Ultimately, it was important that we keep an open mind and stay focused on the potential positive outcomes for both organizations as we explored how our products might work in the digital environment,” Shaffer says. “At Homesteaders, our focus is on helping families plan and fund their funerals, and we know digital options are likely to be very important tools in the near future as our profession works with boomers who are accustomed to connecting via digital platforms with providers of products and services they want and need. If we fail to meet the customer where they are, when they are ready to interact with us, we will miss the opportunity to earn their business and become irrelevant.”

The solution is a way for Everdays to grow the funeral space and bring preplanning to a huge swath of people that is receptive to the preneed offer, Alhermizi says.

“We have created a way to generate opportunities that are vastly larger than direct mail and contextual based on relationships that are based on an event – the passing,” he says.

While the solution is currently only being launched for Homesteaders policies, Alhermizi says he can foresee bringing on other insurance companies in the future. “This does not replace what funeral homes are already doing,” Alhermizi says. “This is completely additive so any funeral home – regardless of which insurance company they use – can use this platform. Yes, the policy is provided by and underwritten by Homesteaders, but it does not conflict with anything else they are currently doing.”

The new initiative will have no effect on marketing relationships in place with other companies, such as Precoa, a preneed sales and marketing organization, Alhermizi says.

One of the reasons Everdays launched the solution with Homesteaders is the insurance company is progressive, Alhermizi says. “Unlike some others, it does not see this as a zero-sum game where for us to win, you have to lose,” he says. “That is what I love about Steve Shaffer and his team. For them, it’s about growing preneed. That is what they are about, and that is why this is a great partnership. I am hoping we can grow the industry for all the insurance companies.”

The ability to buy a preneed policy within the Everdays app will be turned on for every funeral home in the Everdays network, Alhermizi says. “This is a soup to nuts solution that builds a community and activates the community to market the funeral home and sell preneed – that is Everdays,” Alhermizi says. “If someone loves all our other features and does not want the preneed part, we can turn that off for them.”

The fact that Everdays helps firms create a relationship with friends and family of the deceased was a big reason Homesteaders sought to develop a relationship with Everdays.

“Prearrangers tell us that the reason (someone) decided to plan when they did is that they recently experienced the death of a friend or family member,” Shaffer says. “Everdays provides a convenient digital platform that offers a new way to prearrange when consumers are most likely to think about it. This combined offering has the potential to reach far more consumers by expanding on the current model.”

By being able to buy a preneed policy entirely through an app, Alhermizi hopes to shorten the “long physical touch” that selling a preneed policy usually entails. “Many marketers still rely on their call centers and physical sale agents in homes to meet with prospects, educate them and close the sale,” he says.

The app, however, has created what Alhermizi calls “the next great leap forward in preneed” – something he says, “will be a game changer for Everdays and the entire industry.”

Offering consumers the chance to buy a preneed policy within the app is a perfect complement for what the app is all about – notifying a loved one when someone dies, Alhermizi says. “Whether you attend a funeral for a loved one or a family member or even if you only hear of someone who died – it all invokes feelings of mortality in us and makes us more open and receptive to the idea and message

that maybe I should plan my funeral,” Alhermizi says.

Asked whether preneed salespeople should be concerned about an app affecting their livelihoods, Shaffer says no. “We truly believe the use of this combined offering will expand the existing market,” he says. “Under the current model, our best estimate is that we are reaching maybe 5% of the possible market. Because advance funeral planning is an involved and sometimes a complicated process, there will always be a population of consumers that will feel it is necessary to work with an experienced prearrangement specialist or funeral director to prearrange.”

With that said, there are two factors that Shaffer points to that leads him to think Homesteaders’ affiliation with Everdays will prove successful. “First, a huge number of baby boomers are coming into the time in their life when they are beginning to think about end-of-life planning,” he says. “I continue to believe this can provide a big challenge for funeral professionals to finding the time and the people to help them plan when they want to plan. Second, more and more consumers want to discover and learn prior to engaging with a salesperson, especially with larger purchases. They want to be prepared and informed enough to feel in control of the buying process.”

Shaffer also notes that while some may feel they can complete a purchase online, a large percentage of those consumers still want and need to work with a professional to complete and pay for their plans. “Preneed and funeral professionals are telling us they consider these to be excellent leads because instead of selling, they are facilitating something the consumer already knows they want and need,” he says. “The Everdays app is an ideal solution for consumers who prefer to engage in another way – these are also very likely people who funeral professionals are not getting the opportunity to serve today.”

The Everdays team learned a lot from sitting down with Homesteaders, Alhermizi says. “We learned that many modern consumers do not want to sit and plan – they want to have a learning experience online just like shopping for cars or life insurance,” he says. “They want to get pricing online and make a decision online – and kind of related to that there is a large and growing secular shift toward people that want to transact without human interaction and have control over the when and where they do it – whether it is on their lunch break or at 11 p.m. watching Game of Thrones or whatever it is.”

## Four Questions with Steve Shaffer

Steve Shaffer, president and CEO of Homesteaders Life Company, has high hopes for the company’s partnership with Everdays. Here are his responses to four questions.

### What impresses you about Everdays?

We are always looking for new ways to engage with people to expand our ability to communicate the value of funerals and preplanning. We were very interested in the Everdays offering and their ability to find enhanced digital pathways to connect with our communities. We like the fact that they are developing solutions that work for today’s consumer while continuing to develop their technology around the needs of future consumers. As a market leader, we feel it is incumbent upon us to continue to look for the tools that will help the profession remain successful well into the future.

### How will this partnership benefit funeral homes?

This alliance allows our mutual funeral home customers to offer families a whole new way to interact with the firm around a funeral service and a way to prearrange, while providing the confidence that the funding they choose comes from a time-tested, financially secure company.

### How does this option make it easier for families?

I can’t emphasize enough the importance for the funeral profession to be where consumers are when they are ready to plan and buy. People are using digital platforms and the Internet to shop and buy just about anything today, and the Everdays app is just one more way consumers can interact with the funeral home and make choices about their final wishes if they prefer to work through digital tools. For those people who don’t have the time or the inclination to come to the funeral home or meet with a counselor, the funeral home can now provide them an option for engagement, education, and yes, even a quality buying experience they’ll promote to family and friends.

### What exactly is the insurance product?

The products used in this offering are consistent with our other offerings available to the market and provide options at the discretion of the funeral home to meet their needs.

As a result, Alhermizi says he became convinced that it was time to come up with a solution. By teaming up with Homesteaders, the Everdays app “puts a complete planning and purchase platform directly in the palm of community members that Everdays generates around every at-need family,” Alhermizi says.

“Entirely online in an app and without the need for a sales agent in the home ... they can create their plan, fund the plan and automatically send all the info to the funeral home of their choice or – what is more likely – to the funeral home whose at-need community generated the opportunity in the first place,” Alhermizi says.

### **Win-Win-Win**

For the launch of the preplanning app, Homesteaders will be the only company with policies available. “Our primary goal is to provide the best product and technology solution for Everdays and our funeral home partners,” Shaffer says.

Just as with a traditional prearrangement, there is a goods and services contract based on a funeral home’s offerings, Shaffer says. “All Homesteaders policies are transferable, but very few of them ever transfer to another funeral home,” he says. “We expect the same to be true of this offering.”

The role of Homesteaders in the joint offering is to support the technology and provide a stable product “that can be relied upon over time to fund the funeral,” Shaffer says. “This is not much different than our other offerings in the market but will reflect Everdays’ new method of reaching and engaging consumers who are interested in preplanning,” he says.

If it goes as planned, the partnership will be a win for Homesteaders, a win for Everdays and a win for funeral homes and the families they serve, Shaffer says.

“Homesteaders makes money by selling more policies,” Shaffer says. “The funeral home makes more money by capturing market share via customers who want to engage in a digital platform, and by responding to consumers when and where they wish to be served. Firms also benefit through more efficient use of their capacity – spending time with consumers who desire face-to-face support or meeting with consumers who may have questions about their nearly-complete prearranged funeral plans.”

Everdays will receive a commission with every sale, Alhermizi says – although he declined to say how much. The company would also receive a lower commission for “abandoned cart” sales that the funeral home

converts on its own, he says.

“Our view is we will have abandoned carts as the term goes, and we will either nurture them or if they want to meet someone, we will pass them over to the funeral home and if the home closes with them, we will share our commission with the home,” Alhermizi says.

The beauty of the platform is that it won’t cost funeral homes anything when a policy is sold: Everdays will be paid by Homesteaders and the funeral home will get incremental sales while having zero costs, Alhermizi says.

“We are doing all the relationship building in the name of the funeral home,” Alhermizi says. “We are building their brand and putting them in the center of the community, and that is why we have been able to grow preneed sales.”

Offering preplanning via the app will cost funeral homes nothing, Alhermizi says. Startup costs will be covered by Everdays and Homesteaders, he says.

“Homesteaders is throwing all their might behind this, and we are, too,” Alhermizi says. “In five years, I believe our app will represent 50 percent of all new preneed growth. That growth will come purely from Everdays ... I see us adding \$500 million in

prearrangements in the next five years.”

Shaffer says he has no idea how successful the offering will be over time. “What we do expect is that more consumers will be interested in connecting with funeral professionals in more ways over time just like most other professions today, including digital,” he says.

“We believe it is wise to be part of the solution rather than waiting for someone to bring the solution that intends to disrupt our world. Providing another way for people to learn about the profession and the value we bring to celebrating life with the combined ability to engage and plan should be a good thing for the profession.”

Shaffer acknowledges that what Homesteaders is doing

today might not be the final answer. “But it will very likely lead us to a better answer in the future,” he says. “Opportunities to team up with organizations like Everdays to test these new pathways to connecting with people and helping them understand the value of funeral service and preplanning represent a real opportunity for thought-leading organizations in the profession like Homesteaders,” Shaffer says.

“The product itself will blow people away,” Alhermizi says. “Everdays was always like having 10 more funeral directors on your team and now it’s like having 10 more sales agents on your team – and they are presenting 100 times more opportunities because we generate on average hundreds of community members around each at-need case.”

In five years, 20 to 30% of consumers will be preplanning in the Everdays app, Alhermizi predicts. “Whether all those have a preplan and get funded – probably not all of them ... but our goal is to help people preplan within the app and to fund those preplans with our partners,” he says.

Alhermizi adds that he has the utmost respect for Shaffer and his team. “Steve Shaffer is an *amazing* man,” he says. “He has foresight and is on the cutting edge – and his team is as well.”

*Everdays will answer questions about its feature at the National Funeral Directors Association convention at booth 930.*

*Homesteaders will be exhibiting at booth 466.*

Learn more at [clients.everdays.com/homesteaders](https://clients.everdays.com/homesteaders)