

THE FUNERAL HOME INSURANCE GAP REPORT

10 Coverage Gaps That Could Leave Your Funeral Home Exposed - and How
to Find Them Before a Claim

An Insurance & Risk Management Guide for Funeral Home Owners

FUNERAL SERVICE INSURANCE GROUP

A Keller National Company

The Question Is Not Whether You Have Insurance

The better question is whether your insurance was designed around the way your funeral home actually operates.

Funeral homes combine professional services, care of human remains, specialized vehicles, sensitive family information, pre-need obligations, public-facing facilities, chemical exposures, cremation, and specialized equipment. Few businesses bring all of those exposures together under one roof.

An insurance policy can look complete on a declarations page and still leave critical questions unanswered. Some of the most consequential gaps are not obvious until a claim occurs - exactly when the business, the family being served, and your reputation are already under pressure.

THE PURPOSE OF THIS GUIDE

This report is not a substitute for reviewing your actual policies. It is a practical diagnostic highlighting 10 important areas to examine with your insurance advisor so you can identify uncertainty before it becomes a claim problem.

Why Funeral Home Risk Is Different

- Professional decisions can create both financial loss and significant reputational harm.
- Vehicles may be used for removals, processions, staff errands, transfers, and other specialized transportation.
- Vehicles may be rented from a third party.
- Preparation rooms, refrigeration, cremation equipment, and other specialized property can create coverage questions that do not exist in a typical office risk.
- Pre-need arrangements can create obligations that extend years or decades beyond the original transaction.
- A single incident can involve multiple policies at once - general liability, professional liability, auto, property, cyber, crime, or excess coverage.

Use the next pages as a conversation guide. For every item, ask one simple question: Have we confirmed this in the policy, or are we assuming it is covered?

10 Coverage Gaps Every Funeral Home Should Review

1. Funeral Director Professional Liability

General liability is not designed to replace professional liability coverage. Allegations involving professional services can include errors in identification, preparation, authorization, disposition, documentation, or following a family's instructions.

REVIEW: Confirm the professional services covered, exclusions, limits, deductible/retention, defense provisions, and whether coverage is claims-made or occurrence-based.

2. Care, Custody & Control / Property of Others

Funeral homes routinely take responsibility for items and property that belong to others. Standard liability forms can contain limitations involving property in the insured's care, custody, or control. The exact policy wording matters.

REVIEW: Ask how the program responds to damage involving property of others and whether specialized endorsements or separate coverage apply to your operations.

3. Commercial Auto, Hired & Non-Owned Auto

A funeral home's transportation exposure extends beyond hearses and limousines. Employees may use personal, rented, borrowed, or other vehicles for business purposes.

REVIEW: Review every owned vehicle and driver, plus hired and non-owned auto exposure. Confirm how removals, transfers, processions, errands, and temporary vehicles are handled.

4. Property Valuation & Specialized Equipment

Buildings may include chapels, preparation areas, offices, garages, refrigeration, and cremation-related equipment. Replacement costs and specialized machinery can change faster than renewal values.

REVIEW: Confirm building and business personal property values, valuation method, equipment schedules, ordinance or law coverage, and any sublimits affecting specialized property.

5. Equipment Breakdown & Utility-Dependent Loss

Mechanical or electrical failure can interrupt refrigeration, HVAC, boilers, electrical systems, or other critical equipment even when there is no traditional property loss.

REVIEW: Determine whether equipment breakdown is included, what equipment qualifies, and how spoilage, expediting expense, business income, and service interruption are addressed.

6. Business Income & Extra Expense

A major property loss can stop services while payroll, debt service for loans or mortgages, rent, utilities, and other obligations continue. Rebuilding a specialized facility can take longer than expected.

REVIEW: Validate the business income limit or methodology, period of restoration assumptions, waiting period, extra expense, extended income period, and dependent-property needs.

7. Employment Practices Liability

Close-knit and family-run businesses still face allegations involving hiring, termination, discrimination, harassment, retaliation, and other employment practices.

REVIEW: Confirm whether EPLI exists, who qualifies as an insured, defense arrangements, third-party coverage, wage-and-hour limitations, and the deductible/retention.

8. Cyber, Privacy & Funds-Transfer Fraud

Funeral homes maintain personal, financial, and operational information. Cyber incidents can create costs for forensic investigation, notification, restoration, business interruption, ransomware response, and fraud.

REVIEW: Do not stop at "we have cyber." Review limits and sublimits for breach response, business interruption, ransomware, social engineering, funds-transfer fraud, and vendor-related incidents.

9. Crime, Employee Dishonesty & Social Engineering

Businesses that handle payments, banking instructions, trust-related transactions, or vendor payments can face theft and fraud from both insiders and outside actors.

REVIEW: Review employee theft, forgery, computer fraud, funds-transfer fraud, social engineering, and any requirements for call-back or verification procedures.

10. Umbrella / Excess Liability

An umbrella can add valuable limit, but it does not automatically extend over every underlying policy. Professional, cyber, pollution, or other specialized coverages may sit outside the umbrella tower.

REVIEW: Review the schedule of underlying insurance. Confirm exactly which policies the umbrella or excess policy follows and where separate excess limits may be needed.

Funeral Home Insurance Gap Scorecard

Mark each item based on what you can verify today - not what you believe the policy probably covers.

#	Coverage Area	YES	UNSURE	NO
1	Funeral Director Professional Liability	☐	☐	☐
2	Care, Custody & Control / Property of Others	☐	☐	☐

3	Commercial Auto, Hired & Non-Owned Auto	☐	☐	☐
4	Property Valuation & Specialized Equipment	☐	☐	☐
5	Equipment Breakdown & Utility-Dependent Loss	☐	☐	☐
6	Business Income & Extra Expense	☐	☐	☐
7	Employment Practices Liability	☐	☐	☐
8	Cyber, Privacy & Funds-Transfer Fraud	☐	☐	☐
9	Crime, Employee Dishonesty & Social Engineering	☐	☐	☐
10	Umbrella / Excess Liability	☐	☐	☐

Every “Unsure” or “No” is a reason to look deeper. It does not automatically mean your program is deficient - it means the answer should be verified in the actual policy forms and endorsements.

A BETTER RENEWAL QUESTION

Instead of asking, “Did my premium go up?” start with, “What changed in my operation, what changed in my policies, and where could a claim still surprise us?”

What to Bring to Your Next Insurance Review

A productive insurance review starts with operations, not premiums. The goal is to give your advisor enough information to understand how the business actually works today.

Current policies and endorsements

Property, general liability, professional liability, auto, workers’ compensation, cyber, crime, umbrella/excess, and any specialty policies.

Location and property information

Building values, renovations, square footage, construction details, occupancy, protection systems, specialized rooms, and major equipment.

Vehicle and driver schedule

Owned vehicles, regular drivers, employees using personal vehicles, rentals, borrowed vehicles, and the types of trips each vehicle makes.

Operational profile

Annual case volume, burial/cremation mix, removals, transportation practices, embalming, refrigeration, crematory operations, subcontracted services, and any cemetery operations.

Pre-need information

Approximate contract volume, funding method, administration responsibilities, third-party relationships, and any material changes since the last review.

Payroll and staffing

Job duties, payroll by role, independent contractors, seasonal staff, volunteers if applicable, and changes in hiring practices.

Revenue and continuity assumptions

Current revenue, peak periods, realistic restoration time after a major loss, alternate-location options, and critical vendors.

Cyber and financial controls

Payment processes, wire/ACH authority, MFA, backups, employee training, vendor access, and verification procedures for changes to payment instructions.

The FSI Review: Built Around the Operation

Funeral Service Insurance Group approaches the insurance review as a risk-management conversation first and a placement exercise second.

1. Understand the operation	We begin with how the funeral home works: services performed, locations, staff, vehicles, equipment, pre-need activity, vendors, technology, and changes since the last renewal.
2. Map the exposures	We connect those operations to the policies that should respond - and identify areas where responsibility crosses between general liability, professional liability, property, auto, cyber, crime, pollution, and excess coverage.
3. Review the contract language	Coverage is determined by policy language, not by the name of the policy. We focus on forms, endorsements, exclusions, sublimits, schedules, and the structure of the program.
4. Identify unanswered questions	Not every issue requires buying more insurance. Some require correcting values, adding a vehicle, changing a procedure, clarifying responsibilities, improving controls, or obtaining an endorsement.

5. Build a deliberate program

The objective is a program whose limits, forms, carriers, and risk controls reflect the funeral home you operate now - not the business you operated five years ago.

THE GOAL

A funeral home should be able to explain not only what policies it owns, but why each coverage is there, what exposure it is intended to address, and where the important limitations are.

COMPLIMENTARY

FUNERAL HOME INSURANCE GAP REVIEW

If this report raised questions about your current program, the next step is not to assume you have a gap. It is to verify the answer.

WHAT WE WILL REVIEW

Your current insurance program against the 10 areas in this report, with attention to the way your funeral home actually operates. The objective is to identify questions, potential gaps, outdated assumptions, and areas that deserve a closer look.

Start your review at:

funeralserviceinsurance.com

About Funeral Service Insurance Group

Funeral Service Insurance Group, a Keller National Company, focuses on insurance and risk-management solutions for funeral homes, cemeteries, and related death-care operations. Our approach begins with understanding the operation, identifying the exposures, and then evaluating the insurance program built around them.

This guide is provided for general informational purposes only. Insurance coverage is governed by the terms, conditions, exclusions, limits, and endorsements of the applicable policy. Nothing in this guide changes, expands, or guarantees coverage. Coverage availability varies by insurer and jurisdiction.