

# Capitec Funeral Plan Competitor analysis



## Summary

This report compares the Capitec Funeral Plan to other competitor plans in the funeral insurance market. The aim is to demonstrate that Capitec is selling a funeral plan that is competitive in the market.

The information considered here is the latest available that could be obtained through company websites (online quoting), client walk-in centres, call centres and sales agents. Competitors considered include banks, insurance and telecommunications companies, as well as some retail companies that are players in this business.

## Competitors considered

Banking	Traditional insurers	Online	Telecommunications
Bank A	Insurer A	Insurer A (Online)	Telecommunications company A
Bank B	Insurer B	Insurer B (Online)	Telecommunications company B
Bank C	Insurer C	Insurer H	Telecommunications company C
Bank D	Insurer D		
Bank E	Insurer E		
	Insurer F		
	Insurer G		
	Insurer I (distributing through grocery retailer 1)		
	Insurer I (distributing through grocery retailer 2)		

## Key profiles



Primary life assured (PLA) aged 37, cover of R20K	PLA aged 37, cover of R20K Spouse aged 37, cover of R20k	PLA aged 37, cover of R20K Spouse aged 37, cover of R20k Children aged 5 & 7, cover of 10K each	PLA aged 37, cover of R20K Parent aged 60, cover of 20K	PLA aged 37, cover of R20K Spouse aged 37, cover of R20k Children aged 5 & 7, cover of 10K each Parent aged 60, cover of R20K
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## Benefit comparisons

The table below gives an overview of competitor benefit offerings in comparison to the Capitec Funeral Plan.

Benefits	More benefits than Capitec	Fewer benefits than Capitec
Memorial benefit	Bank B, Insurer C, Bank C, Bank A, Insurer B	
Grocery benefits on death of the PLA	Bank B, Bank C, Insurer A, Insurer B, Insurer C	
No more premiums benefit on retrenchment/unemployment	Insurer C, Bank B, Insurer D	
No more premiums benefit on PLA and spouse death		Insurer E, Insurer I (distributing through grocery retailer 1)/ Insurer I (distributing through grocery retailer 2), Insurer F, Insurer C, Insurer G
No more premiums benefit on PLA and spouse disability		Insurer C
No more premiums benefit on childbirth		All
Double accident cover		Bank D, Insurer A, Insurer D, Insurer E, Insurer I (distributing through grocery retailer 1)/ Insurer I (distributing through grocery retailer 2), Insurer B, Bank E, Insurer F
Premium holiday/grace period		Bank A
Burial repatriation		Bank D, Bank A, Bank C, Insurer G, Insurer I (distributing through grocery retailer 1)/ Insurer I (distributing through grocery retailer 2), Insurer F

# Premiums comparisons

The premiums compared are based on specified groups of lives covered (specific “policy bundle”) for each competitor. The specific bundles have been put together by combining individual premiums for the lives included in the bundles by considering the specific ages and cover amounts (where applicable). Some premiums were not available for the required cover amounts or life types so reasonable approximations were used to arrive at the required premiums.

As an example, for Telecommunications Company B, where the PLA premium for R20 000 cover was required and Telecommunications Company B only offered premiums for R10 000, we used 2 x R10 000, as that would be the premium a client will pay.

Another example is where the parent premium for R20 000 cover was required but the available premium is for maximum cover level of R15 000. Here the premium for R15 000 cover was used.

Below is a comparison of absolute premiums with key competitors in the banking, traditional, online and telecommunication spaces.

## Banking Competitors



<b>Capitec</b>	51	86	92	137	178
<b>Bank B</b>	67	108	128	158	219
<b>Bank D</b>	86	130	189	204	306
<b>Bank A</b>	55	110	99	154	221
<b>Bank E</b>	61	105	105	143	187
<b>Bank C</b>	36	70	85	204	251

## Traditional Long-Term Insurance Competitors



<b>Capitec</b>	51	86	92	137	178
<b>Insurer A</b>	131	148	148	199	347
<b>Insurer D</b>	94	188	237	274	417
<b>Insurer E</b>	98	168	186	240	328
<b>Insurer C</b>	265	434	498	616	849
<b>Insurer G</b>	110	144	156	187	233
<b>Insurer I*</b>	51	69	75	86	110

\* (distributing through grocery retailer 1).

## Online Competitors



<b>Capitec</b>	36	71	77	122	165
<b>Insurer H</b>	62	100	100	144	182
<b>Insurer A</b>	64	83	83	104	n/a
<b>Insurer B</b>	321	356	382	426	488



## Telecommunications Competitors



<b>Capitec</b>	51	86	92	137	178
<b>Telecommunications Company B</b>	104	104	104	n/a	n/a
<b>Telecommunications Company C</b>	106	168	183	286	364
<b>Telecommunications Company A</b>	64	99	107	134	177

## Conclusion

Overall, the Capitec Funeral Plan is cheaper than most other competing products across the different policy bundles. In summary we can conclude the following:

- The Capitec Funeral Plan is generally significantly cheaper than most traditional competitors.
- Most competitors increased premiums since the last update.
- Some competitors have limited maximum ages at entry.
- When considering banks, only Bank B and Bank C Funeral Plans offer more benefits.

The Capitec Funeral Plan is still very competitive, in terms of premiums and benefits, when measured against other comparable plans in the market. The no-more premiums benefit on new birth/adoption of a child is still a unique feature of this plan.



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