



Your Guide to Final Expense Insurance



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Contents

What Is Final Expense Insurance?	4
Final Expense, Burial, Preneed—What's the Difference?	5
Why Do I Need Final Expense Insurance?	7
How Much Does a Funeral Cost?	8
What Types of Final Expense Insurance Are Available?	10
Final Expense Insurance Facts	11
How Much Insurance Do I Need?	12
About HealthMarkets	13



If you pass away, can your family comfortably pay for your funeral expenses?

We can't plan when we leave this world. But we can plan to make things easier for those left behind. One way is by purchasing final expense insurance. It's an affordable way to provide the financial resources necessary to cover your funeral costs and other final expenses or outstanding debts.

How Final Expense Insurance Helps You and Your Family

- Dedicated funds for burial and related expenses
- Easy to qualify for
- Low cost
- No waiting period
- May accumulate cash value

Now is the time to consider a final expense life insurance policy. Policies can be issued to those age 50 and older. You'll have peace of mind knowing your family won't be burdened with how to pay for your final costs.



What Is Final Expense Insurance?

Final expense insurance helps survivors cover the cost of your funeral and burial or cremation services. But it can do even more than that. A final expense policy can also provide them with the flexibility to help pay outstanding debts or other remaining expenses.

Upon your death, a beneficiary of your choosing could receive a cash benefit of up to \$35,000 directly to cover things such as funeral services, burial plots, cremation, legal fees, medical bills, and expenses other policy types don't cover.

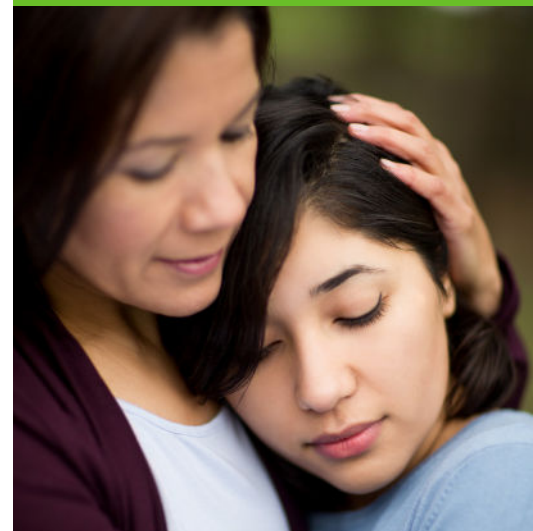
Final Expense Insurance Basics

- Your policy can increase in value over time.
- Your premium amount will not increase.
- You can select a beneficiary, which means you can choose someone who will ensure that your funds are distributed according to your wishes.
- You won't be required to take a medical exam to receive coverage, and your policy won't be canceled due to any changes in health.
- Additional benefits can be awarded in the case of an accidental death.
- It covers a number of expenses—not just burial costs.
- You can allocate funds without being tied to a certain provider, geographic area, or plan.
- You can borrow against the tax-deferred dividend value of your final expense policy, which means you have an accessible line of credit in case of emergency. (Policy loans will reduce the death benefit).

¹Except as provided for in the contestable provision.

Final Expense Whole Life Insurance at a Glance

- Fixed premiums that will never increase
- Non-cancellable as long as premiums are paid¹
- Cash value that accumulates on a tax-deferred basis and may be borrowed against
- Simple application process with no medical exam





Final Expense, Burial, Preneed— What's the Difference?







There are a variety of plans that cover funeral and burial costs, and they go by many different names depending on the company selling the service. It can be easy to get confused, so it's important to become familiar with the general types of policies available.

Burial Insurance, Preneed Insurance, and Prepaid Funerals

Burial insurance is a term that refers broadly to funeral insurance meant to cover burial expenses. It may also be called preneed insurance or a prepaid funeral plan. These plans only cover costs associated with burial and a funeral service. The beneficiary is usually the funeral home.

Final expense insurance is similar to an insurance policy. There's no direct contact with a funeral home, and you choose your own beneficiary who can use the funds to pay for services, medical bills, or other personal debts you may leave behind



Benefit	Burial/Preneed/ Prepaid Insurance	Final Expense Insurance
 Expenses Covered	Burial/funeral costs only	A variety of final expenses
 Beneficiary	Funeral home	Your choice
 Specific Arrangements	Locked in at the time you choose	Remain flexible, although you give instructions
 Cost	Varies by provider and selection; solely covers funeral costs	A \$10,000 policy costs about \$2 per day
 Benefit Amount	Once the plan is paid for, the benefit amount remains the same	Tax-free savings increase over time up to \$35,000
 Balance May Be Borrowed Against	No	Yes

Final expense insurance financially protects your loved ones at a time when it's needed most. HealthMarkets offers multiple, affordable policies. Contact an agent who can guide you— free of charge.



Why Do I Need Final Expense Insurance?



Of course, the reasons to consider final expense insurance aren't purely financial. Time, energy, stress, peace of mind, and other considerations can play a big part in the plan that's right for you. Here are a few things to think about—beyond a number on the calculator—when you're choosing a plan.

Ease the burden for grieving loved ones. When you choose to invest in final expense insurance, you are ensuring that your family and friends will face their grief without the extra burden of planning and paying for a funeral.

Ease the burden for yourself. Financial decisions and other practical considerations surrounding the eventuality of your own death are never easy. Planning ahead gives you the time and space to find the options that suit your needs.

Know that your funeral will represent who you really are. When you buy final expense insurance, you don't have to wonder whether your ceremony will reflect your personal values or whether your remains will be dealt with in a way that you find appropriate.

Give your family immediate access to funds. Final expense insurance policies generally make the finances available immediately, so no one has to pay out of pocket. There are no probate delays or waiting to be reimbursed.



How Much Does a Funeral Cost?

The National Funeral Directors Association gave a breakdown in 2014 of the cost of average common funeral types.

Funeral With Burial:

Metal Casket	\$2,395
Basic Services Fee	\$2,000
Vault	\$1,327
Embalming	\$695
Facilities/Staff for Ceremony	\$495
Facilities/Staff for Viewing	\$420
Hearse	\$318
Removal or Transfer of Remains	\$310
Miscellaneous Preparation	\$250
Printing for Memorial	\$155
Service Vehicle(s)	\$143

Total **\$8,508**

Funeral With Cremation:

Basic Services Fee	\$2,000
Cremation Casket	\$1,000
Embalming	\$695
Facilities/Staff for Ceremony	\$495
Facilities/Staff for Viewing	\$420
Third-Party Cremation Fee	\$330
Removal or Transfer of Remains	\$310
Urn	\$280
Miscellaneous Preparation	\$250
Printing for Memorial	\$155
Service Vehicle(s)	\$143

Total **\$6,078**

And That's Not All

The estimates listed on the previous page don't include flowers, obituaries, grave plot, or monument/marker costs. They also don't include cash advance fees, which can further increase costs when funeral providers use third-party vendors.

Totals Are Rising

One current projection says the average cost of funerals will rise to \$18,276 by 2030. Facing these expenses, some families may choose to take on debt in the form of loans or money borrowed from friends.

Making financial decisions is not what loved ones need during a difficult time. Instead, they need space for grieving and time to heal. Coordinating arrangements with final expense insurance makes it easy for your family to access the funds they need.





What Types of Final Expense Insurance Are Available?

Final expense insurance gives comfort to your family during a difficult time. It helps cover your final expenses and debts without being a burden to your survivors. This way, you leave your family with memories instead of extra bills.

There are two main types of final expense policies:

Level Benefit Plan

This type of plan requires you to be in excellent health, which means you've had no recent significant health issues. Your benefits will be available immediately after death.

A typical level policy provides an immediate full death benefit and an accelerated benefit for terminal illness. You can receive 50 percent of the death benefit if you are diagnosed with a terminal medical condition with a life expectancy of 12 months or less.

Graded Benefit Plan

If you have minor health conditions—including diabetes or a history of heart attack or internal cancer—you could qualify for a graded insurance plan. There may be a waiting period for beneficiaries to receive funds, and the cost could be higher than a level policy.

Typically, for non-accidental death, the benefit during the first policy year of a graded benefit plan is 30 percent of the death benefit, 70 percent in the second year, and 100 percent thereafter. The full death benefit will be paid for accidental death in all years.

In addition to the policies above, there are also **modified plans** for applicants with serious health conditions and **guaranteed issue policies** that have no health requirements. Both of these policy types can be significantly more expensive than level and graded plans.



Final Expense Insurance Facts

- Policies can be purchased for as little as \$10 a month, though the cost may vary depending on your provider and current health. For example, if you are a smoker or have pre-existing health conditions, you can expect to pay more.
- Once purchased, your premium will never change and is payable until you reach age 100.
- You can choose to pay in monthly or yearly installments.
- Some policies earn cash value over time, which will increase the overall value.
- Policies can be issued to those age 50 and older.
- Final expense policies never expire. As long as premiums are paid in full when due, the policy will remain in force.
- Benefits will go directly to a beneficiary of your choosing.

Final expense insurance can be your final gift to your loved ones. Contact a HealthMarkets agent today to find the best policy for you.





How Much Insurance Do I Need?

To determine the amount of final expense coverage you need, you'll need to estimate your total final expenses. It's a simple 4-step process.

Step 1: Estimate Household Expenses

Take the total amount of a typical month's expenses (including house payments, utilities, car expenses, food and transportation costs, insurance fees, etc.) and multiply by 3. This will roughly be the amount your family needs to survive for 3 months.

$$\text{Total Monthly Expense} \times 3 = \text{Household Expense}$$

Step 2: Factor in Funeral Expenses

Funeral expenses are determined by the kind of services you end up choosing (see costs in previous section). Currently, these expenses average between \$6,000 and \$10,000.

$$\text{Funeral Expense}$$

Step 3: Add to Find Total Final Expenses

Add the above figures together. This total would cover expenses if you died today.

$$\text{Household Expense} + \text{Funeral Expense} = \text{Total Expense}$$

Step 4: Take Inflation Into Account

Multiply the total expense by the inflation factor listed next to your age range for the total estimated cost.

$$\text{Total Expense} \times \text{Age Range Inflation Factor} = \text{Minimum Coverage Required}$$

Age Range Inflation Factor

Age	Male	Female
40-44	3.38	3.92
45-47	3.00	3.45
48-50	2.74	3.13
51-53	2.52	2.86
54-56	2.31	2.61
57-59	2.13	2.39
60-62	1.97	2.17
63-65	1.83	2.02
66-68	1.70	1.87
69-71	1.59	1.73
72-74	1.49	1.61
75-77	1.41	1.51
78-80	1.34	1.42
81-83	1.27	1.34
84-86	1.23	1.27
87-89	1.17	1.22

About HealthMarkets

HealthMarkets Insurance Agency can help you understand the many insurance options available, so you can make the best choice. Let us help you get the right life insurance coverage for you and your family. Best of all, our service is free!

HealthMarkets is one of the largest insurance agencies in America, with more than 3,000 licensed agents and nearly 250 offices located across the country. We also offer unmatched levels of service to our customers. We're proud of our 95 percent customer satisfaction rating and an A+ rating from the Better Business Bureau (BBB), the highest rating assigned by the not-for-profit agency that works to advance marketplace trust.

HealthMarkets Insurance Agency

Health | Medicare | Small Group | Life | Supplemental

Call us now at **(800) 827-9990** or visit **HealthMarkets.com** to find a licensed agent near you.

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