FinalExpense60

FREE GUIDE

The final expense insurance buyer's guide

Plans, questions to ask and red flags, in plain language

Final expense insurance is a small whole life policy sized for a funeral and last bills. This guide shows the three kinds of plan, the questions to ask before you sign and the warning signs of a bad offer.

What final expense insurance is

It is a whole life policy in a small amount, often $5,000 to $25,000, that pays a person you name when you die. The policy lasts for life while premiums are paid, and on most plans the premium stays level. The money goes to your beneficiary, not to a funeral home, so the family can use it for the funeral, the cemetery or cremation, a final medical bill or travel.

Many plans decide from a few health questions instead of an exam. That is why people in their 50s through their 80s, and people turned down for larger policies, often choose it.

The three plan types

Plan	Health questions	If death is from illness early on	Often fits
Level	A short list answered without red flags	Full amount from day one	Fair to good health
Graded	A short list with a few yes answers	Part of the amount, then full after the graded period	A recent or ongoing condition
Guaranteed issue	None	Premiums paid back, often with interest, during the waiting period	Turned down elsewhere

General education, not insurance, legal or tax advice. Figures are examples unless a source is named. Prices and rules vary by state and insurer.

> On many graded and guaranteed plans a death from an accident pays the full amount from the start. Ask the agent to confirm how your plan treats it.

Ten questions to ask every insurer

1. Does the plan pay the full amount from day one, or is there a waiting period? How long?
2. Can the premium ever rise, or is it level for life?
3. How long is the grace period if I miss a payment?
4. How long is the free look period in my state?
5. Is the company licensed in my state? (Check with your state insurance department.)
6. What do the health questions ask, and how far back do they look?
7. Is there a policy fee on top of the premium?
8. Can I name a backup beneficiary and change it later?
9. Does the policy build cash value, and can I borrow against it?
10. How is a claim filed, and what do you need from my family?

How a claim works

The beneficiary files a claim form with the insurer and sends a certified copy of the death certificate. The funeral director can order certificates. No insurer can promise a payout date, but many claims are paid within a few weeks once the paperwork is complete. A beneficiary can also sign an assignment that sends part of the benefit straight to the funeral home.

During the first two years the insurer can review the application against your records, so answer every health question truthfully. A policy that lapses from missed payments pays nothing, so set the premium on an automatic draft.

Red flags that mean it is time to hang up

- Anyone asking for a fee to release a prize or an unclaimed life insurance benefit. The FTC calls this a scam.
- Pressure to decide today, or a refusal to put the terms in writing.
- A promise of no health questions and full coverage from day one with no waiting period.
- An unsolicited call that asks for your bank account or Social Security number before you have chosen a policy.

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Where to check

- Your state insurance department: confirms an agent or company is licensed.
- NAIC consumer guides: plain explanations of life insurance (content.naic.org).
- FTC funeral guidance: your rights when you compare funeral prices (consumer.ftc.gov).

Sources

- NAIC: Life insurance consumer guide
  content.naic.org/consumer/life-insurance.htm
- FTC: Shopping for funeral services
  consumer.ftc.gov/articles/shopping-funeral-services
- FTC: The Funeral Rule
  consumer.ftc.gov/articles/ftc-funeral-rule

Ready to compare prices? See your estimate in about a minute at finalexpense60.com/quote

finalexpense60.com/quote or call (888) 635-3511

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