



**Christian Fidelity**  
LIFE INSURANCE COMPANY®

# IS FINAL EXPENSE INSURANCE A GOOD IDEA?



Final Expense Life Insurance is an affordable way to free your loved ones from the financial worry of meeting your final expenses.

# IS FINAL EXPENSE INSURANCE A GOOD IDEA?

When a loved one passes away, family members rarely have much time to grieve properly due to the funeral planning process. Adult children of the deceased usually need to ensure that burial and funeral arrangements are properly made and family and friends get notified. In some cases, people may need time to travel, take time off from work, or make arrangements to house and feed out-of-town guests.

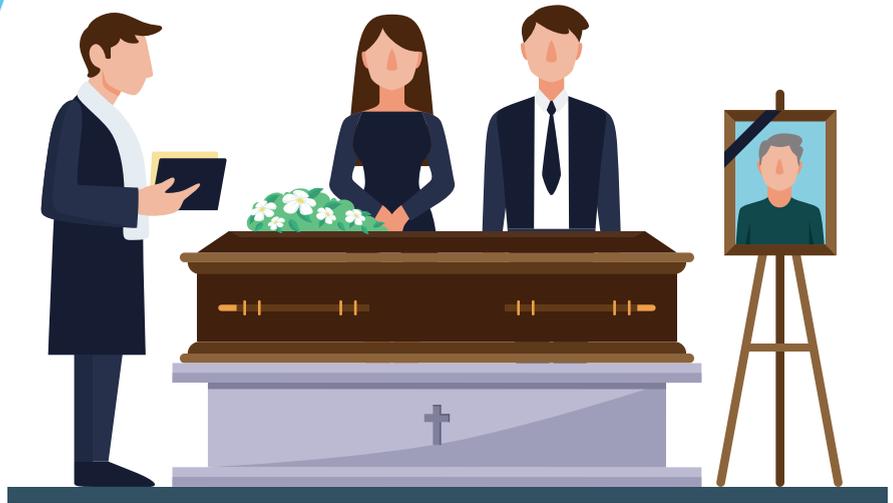
Shortly after the funeral, whoever is named responsible for handling the estate, even a small estate, may need to settle debts, clean out a home, or handle dozens of other issues that crop up after a death. This period of mourning usually consumes a lot of time, energy and a significant amount of money.

The reality is that many middle and lower-class families are quite unprepared for even the burial costs, much less all of the other expenses. Elderly people often live on very tight budgets after retirement, and they cannot always be expected to have several thousands of dollars saved for burial costs.

## **What Does Final Expense Mean?**

The easiest way to understand final expenses is to break it down into three distinct categories: **Death Care Funding**, **Estate Settlement Funding** and **Legacy Funding**.

# DEATH CARE FUNDING



This provides for the expenses of the final memorial and burial. Expenses such as transportation of the remains, embalming or cremation services, the cost of a casket or urn, purchase of the cemetery lots, providing a marker or headstone, memorial services expenses, the cost to publish an obituary, and travel and hotel costs for out-of-town family to attend the funeral.

## **Consider some financial facts about the average American funeral:**

- According to the National Funeral Directors Association, the average cost of a US funeral in 2017 was \$8,755. This average does not include the cemetery plot, headstone, flowers or other expenses such as hospital, medical bills, unpaid debts, and travel expenses.
- If you consider these additional costs, your own longevity and inflation, this cost could be significantly higher. There is no way to predict the average cost of funerals in five or ten years, but it is pretty easy to assume that it will increase. Meanwhile, final expense insurance has been specifically designed as an affordable and simple way for families to plan for all final expenses and not just the funeral and burial.

# ESTATE SETTLEMENT FUNDING

Every person has an estate, whether they are millionaires, middle class, or living paycheck to paycheck. It is a certainty that there will be expenses involved to preserve and liquidate the estate of the deceased. These items are the most overlooked during final expense planning.

These expenses include mortgage, utilities, credit card bills and other debt. The deceased will also be expected to pay hospital care costs, nursing home bills, hospice and other long-term care fees. The estate may also incur taxes, such as property tax, income tax and taxes and fees to transfer title or deed of certain properties. When a person passes away, their income sources such as pensions and Social Security will end or be greatly reduced for the surviving spouse.

In the weeks and months ahead there will likely be many other expenses necessary to preserve and maintain their estate while it is being sold, distributed or transferred. Other expenses to think about also include advertising costs for estate sales, banking fees, shipping costs, storage and disposal, attorney and accountant fees including preparation of their final income tax return and probate expenses.

Almost every property owner incurs probate expenses, whether or not they have a will. For many American families, their home is the largest single asset in their estate. However, when a homeowner dies, there are many expenses that continue as long as the estate continues to own it.



# LEGACY FUNDING

This final category can be used to make a statement about their final wishes. Perhaps they would like to leave one or more cash gifts to their children, grandchildren, family members or even a non-profit organization. Legacy gifts are an opportunity to make a final lasting expression of love and commitment after death.



# HOW DOES FINAL EXPENSE INSURANCE WORK?

These final expense plans, sometimes called burial policies, are usually simple whole life policies with small benefit amounts. This is good for consumers because the insurance industry is strictly regulated, so people can be sure they will actually get what they are promised.

## HOW TYPICAL FINAL EXPENSE INSURANCE PLANS WORK:

1

### CASH BENEFITS

These plans quickly pay cash to the beneficiaries after the death of the insured person.

3

### QUALIFYING

The plans are usually open to applicants from about 50 to 85 years old.

2

### AMOUNT OF BENEFIT

Typical policies range from \$5,000 to \$30,000 in death benefits, so they can be customized to fit a family's financial needs and premiums can be paid monthly, quarterly or annually, whichever is most convenient.

4

### HEALTH QUESTIONS

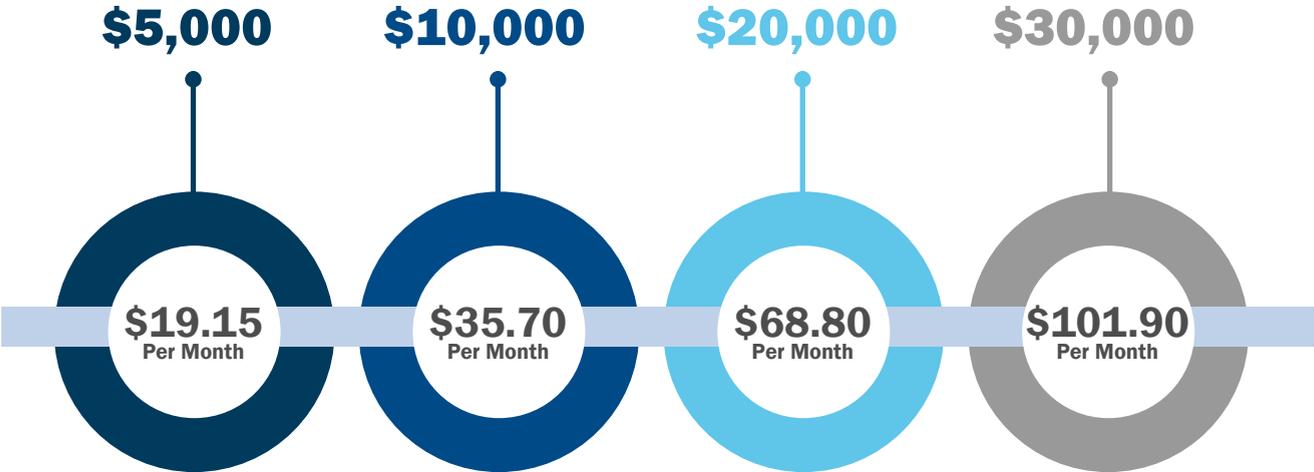
Some insurance companies may require a medical exam; however Christian Fidelity® is one company that does not require one. They only require a simple medical questionnaire and the application process is quickly handled by their insurance agent in just a few short minutes, through their InstaWrite<sup>SM</sup> health assessment process.



# THE COST OF FINAL EXPENSE INSURANCE

The most important question that everyone asks is “how much do these plans cost”? Insurance companies know that people who need help with final expense planning typically lack huge budgets, and that is why they need help in the first place. That is why Christian Fidelity® offers monthly premiums that range from 15-20% less than other carriers, which makes final expense insurance more affordable for many middle and lower-class families. In some cases, the elderly person to be covered will pay for the plan, but very often, one of his or her adult children will offer to step in and make monthly payments.

**Consider A Final Expense Quote From Christian Fidelity®  
For A Non-Smoking 65-Year-Old Woman In Good Health:**



Of course, these rates are just examples and every applicant should compare their own final expense insurance quotes, because rates might vary due to the applicant’s age and nicotine use. Still, these examples were pulled from live quotes from Christian Fidelity Life Insurance Company, and most families would say that making affordable monthly payments like these would be much easier than trying to come up with several thousands of dollars after one of their family members passes away.



## HOW TO BUY FINAL EXPENSE INSURANCE FOR YOURSELF OR AN ELDERLY LOVED ONE

The first step is simply to compare final expense quotes either online or over the phone with your Insurance Agent. If you are healthy for your age, answering a few health questions may lead to the lowest prices and better benefits.

Either way, it doesn't pay to wait. Premiums only increase as people get older. Remember that these policies pay a cash benefit, and the beneficiary is free to use this money in any way he or she needs to. That means, part of the proceeds could be used to pay for a funeral, but any money that is left over can be spent or saved. So we encourage you to take the time to learn more about final expense insurance and what options are best for you. After purchasing your plan, you can relax and enjoy the time you have with your loved ones.



# Don't let your funeral expenses be a burden to your family.

Christian Fidelity® Final Expense Life Insurance provides an affordable way to free your loved ones from the financial worry of meeting your final expense.

*This document is not intended as legal, accounting or investment advice. The reader of this document assumes all responsibility for the use of these materials and information.*

## **Christian Fidelity Life Insurance**

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\*Effective as of 6-28-2019. For the latest rating, access [ambest.com](http://ambest.com)  
A.M. Best assigns ratings from A++ to F, A++ being superior ratings.