Over60FinalExpense

FREE GUIDE

Final expense planning guide for retirees over 60

What to know before you buy, for people over 60

A final expense policy is a small whole life policy that pays for a funeral and last bills. This guide explains the choices in plain words, so you can decide calmly and bring good questions to an agent.

1. What a final expense policy is

It is**whole life** insurance in a small amount, usually**$5,000 to $25,000**. The premium usually stays the same for life, and the money goes to the person you name. They can use it for the funeral, the cemetery, final bills or anything else.

Most plans ask a few health questions and check prescription records instead of requiring a medical exam. It is sold by licensed agents, who work with several insurers.

2. The three plan types

Plan	Health questions	A death from illness in the first two years	Often a fit for
Level benefit	A short list	Pays the full amount	Steady health, even with controlled conditions
Graded benefit	A short list with some yes answers	Pays a reduced amount, often premiums back with interest	A recent hospital stay or diagnosis
Guaranteed issue	None	Pays premiums back, often with interest	Declined elsewhere, or very ill

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

> An accidental death commonly pays in full from day one on graded and guaranteed plans. Ask the agent to show you that line in the contract.

3. What a funeral costs

The National Funeral Directors Association reports 2023 national medians of**$8,300** for a funeral with a viewing and burial (metal casket, cemetery costs not included) and**$6,280** for a viewing and cremation. Your local price may be higher or lower.

- Ask for the general price list. A funeral home must give you one, per the FTC's Funeral Rule.
- Ask for prices by phone and compare at least two homes.
- You may buy only the items you want.

4. What Medicare and Social Security pay

Source	What it pays toward a funeral
Original Medicare	Nothing. It covers hospital and medical care, not funeral, burial or cremation costs.
Social Security	A one-time $255 death payment to an eligible surviving spouse or child.
Your family or estate	The rest, unless a policy or prepaid plan is in place.

5. How to size a policy

1. Write down a local price for the service you want.
2. Add cemetery costs, a marker or urn, and last bills.
3. Subtract savings you could reach within a week.
4. Compare the result with the monthly premium you can keep paying for life.
5. If the premium is too high, lower the amount instead of risking a lapse.

6. Ten questions for a licensed agent

- [ ] Which plan type do I qualify for, and why?
- [ ] Is there a waiting period, and what does my family receive during it?
- [ ] Is the premium level for life?
- [ ] Which insurers did you compare?
- [ ] What happens if I miss a payment, and how long is the grace period?
- [ ] How long is the free look period?

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- [ ] How does my family file a claim?
- [ ] May I see your license number?
- [ ] Can I take the offer home before I decide?
- [ ] What happens to my old policy if I replace it?

> Do not cancel an old policy until a new one has been approved and is in force.

Sources

- NAIC: Life insurance consumer guide
  content.naic.org/consumer/life-insurance.htm
- NFDA: funeral cost statistics
  nfda.org/news/statistics
- FTC: Shopping for funeral services
  consumer.ftc.gov/articles/shopping-funeral-services
- Medicare.gov: What Original Medicare covers
  www.medicare.gov/what-medicare-covers
- Social Security Administration: survivor benefits
  www.ssa.gov/benefits/survivors/

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