

What Is Final Expense Insurance?

While we do our best to plan ahead, the unexpected in life can still happen. However, that doesn't mean you can't be prepared should anything occur. A loved one's passing is difficult under any circumstances, but thankfully your family doesn't need to be burdened with bills while trying to grieve. Final expense insurance is a safe and straightforward way to ensure that your family can cover any end-of-life costs when you pass, such as medical bills and funeral expenses.

Final expense insurance is a simple alternative for individuals who are looking for a way to protect their families without breaking the bank. While payouts from this plan are commonly used to cover funeral bills, casket purchases, cremation, or other death-related expenses, recipients can spend it at their discretion.

In this article, we cover essential information about final expense insurance you need to know to help protect your family. If you are interested in alternatives to regular life insurance plans, this is an excellent place to start your journey.

Who Is It For?

This type of policy is for individuals who wish to provide financial support for their loved ones to help cover end-of-life costs when they pass. Final expense insurance is a popular, affordable option thanks to relatively easy approval, smaller benefit amounts, and focus on covering funeral costs.

Individuals with low and fixed incomes, as well as people with preexisting conditions, have a way to provide for their families. For those who cannot afford or have difficulty qualifying for traditional life insurance policies, final expense insurance is an excellent alternative.

How Does It Work?

A final expense policy is an insurance plan for individuals looking to cover their end-of-life costs when they pass, so their families don't have to. To start your own policy

today, you need to reach out to a trusted insurance broker, such as to the professionals at [American Legacy Insurance](#).

These types of policies are usually open to individuals with health complications, terminal illnesses, and other conditions that may make you ineligible for traditional life insurance plans.

Pros of Final Expense Insurance

Final Expense Insurance makes an excellent choice to cover end-of-life costs thanks to the various benefits it provides its policyholders. In this section, we discuss some of the typical benefits of this insurance plan.

- Policy premiums are relatively stable and do not increase over the life of the plan.
- Payouts can be used for various purposes and are not reserved for burial purposes. Therefore, a policy can serve as a financial cushion for the family of the deceased.
- Payouts are not taxable. This means that the passed individual's family will receive the full value of their payout without exceptions.
- The benefit of your policy cannot be reduced unless you borrow against the policy or request a hastened payout. This is also typical of other types of insurance policies.

Cons of Final Expense Insurance

Ultimately, there is no perfect insurance plan or policy as each have their own terms and restrictions. In this section, we go over a few of the drawbacks to final expense insurance.

- Some individuals allow their policies to lapse, and thus no benefits are paid to their families after they're gone. An unrenewed plan would lead to a terminated contract, wasting both time and resources.
- Some insurance firms may use false and deceptive advertising to present inappropriate information to their clients. This misrepresentation prevents them from making the right choices and may lead to them choosing the wrong policy.
- Final expense insurance may not be cost-effective if paying into a policy over a prolonged period, as low amounts paid in death benefits mean that you may be losing money the longer you pay. In short, paying for the policy over an extended length of time means that you may spend more money than the eventual payout.

Conclusion

Death is an unfortunate eventuality that none of us can avoid. Thankfully, we can plan ahead and ensure our families are secured. Many financial advisors and institutions advise that getting some form of life insurance is one of the best ways to safeguard your family from financial burdens upon your passing.

Some face difficulty affording a traditional life insurance policy or have trouble qualifying due to preexisting conditions. Reach out to [American Legacy Insurance](#) today and work with our trusted advisors to find a low-cost final expense insurance plan that will secure your family's future.