

Making Final Expense Work For Your Budget

When making any important life decision, it is crucial to do the proper research to ensure you're making the right one. This remains especially true when you're in the market for life insurance policies like final expense insurance. While affordable, it can quickly become financially demanding if you do not research and plan appropriately.

The worst thing that can happen with an insurance plan is that it expires, and no payout is made when you pass. To protect your family upon your passing, you need to conduct the due diligence necessary to ensure you keep paying your insurance premium throughout the term of the policy.

In this article, we will be reviewing ways to make your policy works within your budget. To do this, you need to ask the right questions to guarantee the policy is financially viable. If you decide it is, the next logical step is to figure out how you will pay your premium without affecting your current and future financial obligations. Below are some of the key questions you need to answer to ensure Final Expense Insurance is affordable for you.

Premium Cost

Before purchasing Final Expense Insurance, you need to figure out how much it will cost you in the short and long term. For this plan, payments typically range between \$60-\$80 monthly, with your premium depending on various factors. Age, health, sex, and other insurance coverage are some of the primary factors that may affect your premium price.

For example, if you are over the age of 60 and have a pre-existing medical condition, your premium will be higher than a healthy 40-year-old. Ensure you correctly calculate the amount your premium will be so that you can efficiently budget it accordingly. This way, you can plan for your monthly premium payments months or even years in advance.

Funeral Costs

If you plan for your family to use the money from your payout to offset the cost of your funeral, you will need to plan it in advance. Funeral costs may vary based on the type of funeral you wish to have. For example, the price for cremation is notably different from the price for a casket burial.

Have a discussion with your family about your final wishes and requests, and decide on the best option that works for you. Over the years, the cost of funerals has steadily risen across the country. While doing your research, ensure you contact a reputable funeral home so that you can adequately calculate the exact costs of your chosen funeral type.

Debts

Research has shown that a significant percentage of Americans pass away with debt. If you plan on using your Final Expense Insurance payout to handle any outstanding debts that may remain after you die, you should first consolidate your debt.

You ideally want to find a financial sweet spot for yourself that can handle funeral costs, as well as take care of all outstanding debts, if any, in the event of your passing. Some of the most common debts include credit card debt, student loans, mortgages, and personal loans. If the payout is unable to cover all outstanding debts, ensure you prioritize payments accordingly at a minimum.

Medical Expenses

If you have any current medical requirements or expenses, you will have to determine the total costs of your treatments and how paying for a Final Expense Insurance premium will affect your expenses. Over the last several years, the average costs of medical care and insurance have both risen significantly.

Government subsidies such as Medicaid and the Affordable Care Act can only do so much to mitigate the high medical costs. If you are already on a medical insurance plan,

ask your agent how much extra final expense payments would cost in addition to your insurance premium. This is a great first step to see if you can afford it.

Final Word

Final Expense Insurance is a popular and cost-effective way to provide for your family after you pass on. While it is an affordable alternative to traditional life insurance plans, it is still important to ensure your payments fit within your budget.

Hopefully, these four questions will help properly budget and align your payments to prevent premature termination. That said, before making any important financial decisions, be sure to consult a trusted financial advisor, such as the experts at American Legacy Insurance. That way, you can be fully informed about your financial choices' potential ramifications and outcomes.