

Plan Your Funeral — Before You Need It! **When is the Best Time to Plan a Funeral? Now.**

Any time is a good time for funeral planning ... except at the time of the funeral. Why? Because there are clear advantages to planning ahead for a funeral. Can you imagine planning a wedding in just a day? Why leave the ultimate celebration of your life be left to the last minute?

The greatest gift you can give to your family or spouse is to pre-plan your funeral. It relieves an enormous amount of anxiety, frustration, and second-guessing for them.

At-Need vs. Pre-Need Funeral Planning

“At-Need” funeral arrangements are made at the time of death, usually by surviving family members or by a trusted friend on behalf of the deceased. Unfortunately, making funeral plans shortly after one’s death are particularly difficult, because the time frame is short and survivors are overcome with emotions dealing with their grief. Not only is there a lot of planning to do, but there are also imminent financial concerns. Payment for funeral services is due at the time of the funeral which can be quite expensive.

“Pre-Need” plans (also known as “Preplanning”) are the funeral plans that people make for the living. Pre-Need funeral plans can be made at any time and offer many advantages. Funeral homes can help you preplan a funeral for yourself, a spouse or a parent, etc.

Here Are 5 Reasons Preplanning a Funeral Could Be the Right Choice For You

You will appreciate the benefits of preplanning your funeral arrangements, if:

1. **You want to ease the burden on your family.** If your wishes are unknown when you die, they will sadly be faced with making difficult decisions at a trying time. Will they know if you wish to be buried or cremated? Have an open or closed casket? How much to spend? Are you an organ donor? Confusion and disagreements are common occurrences when there is no plan to follow. You can avoid this by leaving them a plan.
2. **You want to assume the financial responsibility for your funeral.** Planning ahead enables you to make financial arrangements to cover your funeral costs. Even if you are leaving sufficient bank or insurance money, will your survivors be able to access it?
3. **You want your family to have the benefit of a meaningful funeral.** A funeral is an important event for a grieving family. Psychologically, it provides a sense of closure and enables the family to begin the healing process. Families benefit immeasurably by honoring the lives of their loved ones with a fitting ceremony and an appropriate burial.
4. **You want your final wishes to be known and followed.** If you have specific preferences for the disposition of your remains and the elements of your funeral services, you can clearly express them in your funeral plan. You may have a preference for burial or cremation, a design or phrase on your headstone, or the music and scriptural readings at your funeral. Whatever your wishes, they need to be documented in your funeral plan.
5. **You want to be self-reliant and have your affairs in order at the end of your life.** Taking care of your funeral arrangements is a very thoughtful and caring thing to do for your family. It is comforting to know that you have done all you can do to ease their

burden. And you can be assured that they will appreciate your taking care of the final planning details beforehand and that your caring for them continued after you are gone.

Average Funeral Costs

According to the 2010 funeral price survey by the National Funeral Directors Association, the average funeral cost for an adult funeral is approximately \$7,775. This is based nationally on the most commonly selected items for a traditional funeral, including a casket (approximately \$3,000 and higher depending on its design) and a cemetery burial vault (approximately \$1,500). This does not however, include cemetery costs. For example: the purchase of a grave plot, a grave marker (headstone), and the fees for opening/closing the grave plot can easily cost another \$1,500 to \$2,500. Therefore, a traditional funeral and burial today could conceivably cost around \$8,000 or more.

Note, while direct burial or direct cremation remain the most cost efficient option available for some, many today still prefer the traditional funeral and burial process.

Managing Funeral Costs

A funeral doesn't have to be expensive to be dignified and meaningful. Careful planning takes into consideration the costs vs. the benefits of a myriad of funeral services and merchandise. Rule of thumb: Allocate more of your funeral dollars to those items that mean the most to you.

Planning in advance is essential and prudent today, because it allows you the time to carefully consider your options and to "shop" and compare funeral prices. By planning ahead and pre-funding your funeral, you can lock in today's prices with a price guaranteed funeral contract.

Should You Prefund (Prepay) Funeral Costs in Advance?

A key advantage to planning ahead is that it enables you to manage the cost of your funeral. One way you accomplish this is by selecting the services and merchandise you want at the prices you want to pay (e.g., you decide how many visitations will be held; whether the casket will be of simple wood or a more expensive one made of bronze or another precious metal; etc.).

The other way to control costs is to make wise decisions to lock in today's prices. What might this save? Consider, for example, a 65 year old woman, in good health, who has pre-planned a funeral that would cost \$7,000 today. Most likely, she'll live another 20 years or more. Assuming we experience an average rate of inflation of 3% per year, her funeral could cost over \$12,000 in 20 years! To help you control the costs, many funeral services providers will guarantee to deliver services and merchandise at today's prices, if you enter into a pre-need funeral or burial agreement and pre-fund your funeral.

What Is Funeral Insurance?

Funeral insurance is a form of life insurance specifically designed to provide your family with the funds to pay for your funeral. Some funeral insurance policies also provide funds to cover other "final expenses" such as medical bills, legal expenses, credit card charges, and any other bills that remain unpaid at time of death. These policies are commonly referred to as final

expense insurance, burial insurance, and preneed funeral insurance (collectively “funeral insurance”), but there are important differences to consider when making a purchase decision.

How Do You Purchase Funeral Insurance?

Know what you’re buying! Regardless of whether the policy is marketed as funeral insurance, final expense insurance, burial insurance or preneed insurance, be sure to find out if it is a whole life policy or a term life policy. There are very important differences. Term life premiums will be lower but the policy will terminate at a specific age (e.g., 75 or 80 years old) or after a specific period of time 10, 15 or 20 years. If the policy terminates during your lifetime there will be no payout of the death benefit. Whereas, a permanent whole life policy can be kept in force throughout your lifetime and your beneficiary(s) will receive the payout upon your death.

Funeral insurance policies are available from various insurance companies and can be purchased through funeral service providers and their agents, as well as from insurance agents. The terms of these policies not only vary from company-to-company, but also from state-to-state due to differing state regulations for funeral insurance.

Why Do You Need Funeral Insurance?

The most important benefit of funeral insurance is financial security for your family. Covering unpaid funeral costs often is a heavy financial burden for most people, especially if it comes unexpectedly and at a stressful time. Having a funeral insurance policy in place protects your family against this financial hardship and helps to avoid their unnecessary stress.

What Are the Differences Between Funeral Insurance and Life Insurance?

Life insurance is an excellent means of providing financial security for your survivors. If your family depends on your income, life insurance can partially replace the income lost due to your death. Also, life insurance is a way to provide an inheritance for your heirs even if you do not have assets to leave them. To meet these objectives, most life insurance policies have a minimum purchase of \$25,000 or more, which is more than needed for most funerals.

One important feature that ***funeral insurance*** policies have in common is they are available in much smaller dollar amounts than traditional life insurance. Because they are specifically designed to cover only your final expenses, funeral insurance policies can be purchased in amounts under \$25,000 and they may have fewer requirements to qualify for coverage.

Since funeral costs are due at the time of the service, funeral insurance policies often pay claims within a few days. This provides your family with immediate access to cash when they need it most and relieves them of the worries of how to pay for your funeral.

There are basically two types of funeral insurance—“preneed funeral insurance” and “final expense insurance.”

Preneed Funeral Insurance

Preneed funeral insurance is linked to a funeral home, cremation service provider, or other funeral service provider of your choosing and is a popular alternative to a funeral trust. The first step is to choose a provider and enter into a preneed contract for future delivery of your funeral goods and services. Payment plans may be a single lump sum payment or installment plans over 1, 3, 5, 7, or 10 years. Once you have paid the premiums in full, the policy remains in force throughout your life. Preneed funeral insurance is designed to specifically cover your funeral costs, not other final expenses.

Final Expense Insurance

Final expense insurance offers greater flexibility than preneed funeral insurance because it is not linked to a preneed contract or a specific funeral home. You or your survivors are free to choose and change funeral service providers at any time. Also final expense policies can cover other anticipated final costs in addition to your funeral costs. Generally, final expense policies have lower premium payments than comparable preneed funeral insurance policies, and it's easier to meet the health requirements for a final expense policy. However, final expense policies typically accumulate little or no cash value that you might borrow against or receive if you cancel the policy. A final expense policy pays the death benefit to your designated beneficiary, who will use it to pay the funeral costs prevailing at the time of your funeral and any other final expenses. You should purchase sufficient final expense insurance to cover future price inflation.

Which Type of Funeral Insurance is Best for You?

If you wish to keep your recurring payments as low as possible and maintain flexibility in your choice of funeral service providers, a final expense policy (or burial insurance policy) may be best for you. However, preneed funeral insurance may be the way to go if you are certain about your selection of a funeral service provider, can afford higher premium payments, and wish to secure a price guarantee.

Funeral Liturgy Preplanning

Along with your pre-planning of funeral and burial arrangements with the funeral home, please also consider talking with the parish church where the funeral will occur also, about pre-selecting your favorite liturgical music and scriptural readings; obituary information; designating casket pall bearers; where will visitation of the remains be held, if appropriate; etc. Additionally, is there a charity or a benefit you would recommend to mourners in lieu of flowers?

In closing, when the funeral and burial are planned ahead, this does help remove a huge burden from the family's shoulders and minds, and permits them to comfort each other and appropriately participate in the grieving and healing processes.

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