

Preneed Life Insurance and Traditional Life Insurance?

Anyone who has lost a loved one knows how severe loss can be. The emotions can be overwhelming, but one quickly finds how hard of a time it can be financially as well. The cost of a funeral can add up quickly, and the last thing someone needs to worry about in such a difficult time is if they will be able to cover the funeral expenses. That is why preplanning is critical.

Two fundamental ways to resolve the financial burden at the time of death:

1. **PRENEED LIFE INSURANCE:** This program is the most affordable of your options. It's a direct contract with a selected funeral home in your home state to cover the cost of a pre-selected plan. A highly rated Insurance company backs the contract. Funds paid directly to the funeral home within 48 hours and does not require the release of the death certificate. Preplanning direct with a funeral home will ensure your last wishes will be completed as you instructed.

Key Points:

- a. Guaranteed issue.
 - b. Short-term payment plans.
 - c. Guarantees that future funeral cost is paid with today's dollars.
 - d. Your policy pays directly to a funeral home upon death without the release of a death certificate. Which ensures your specific funeral wishes are guaranteed.
 - e. Most importantly, your loved ones will not have to make any decisions at the time of passing.
 - f. Protected from Medicaid spend-down (1).
2. **TRADITIONAL FINAL EXPENSE PROGRAM:** A direct life insurance contract between the insured and a life insurance carrier. No funeral home involvement. These programs are based on insured age and issued either with a level, graded, or guarantee contracts. In general terms, the difference is based on insured health condition at the time of the contract issue.

Key Points:

- a. Premiums once set is generally payable to age 100 or until the insured dies.
- b. The beneficiary can use insurance funds for such items as, insured last medical expenses, funeral arrangements, and other related or nonrelated expenses as deemed necessary by the beneficiary.
- c. Requires the issue of a death certificate for funds to be issued.
- d. Funds are generally not protected from Medicaid spend-down (1).

PRENEED LIFE INSURANCE and or TRADITIONAL FINAL EXPENSE PROGRAM are critical planning tools that will help protect our loved ones during a highly emotional time in their life.

Life insurance of any kind is designed based on a standard premise — protection. We use life insurance to protect the ones we love from costs associated with the end of life needs, the burden of unpaid debt after we pass away, and even threats to the continuity of lifestyle.

Alternative Legacy Planning is a member of a family of Care Counselors that have contracted with a highly rated insurance group to provide a simple, economical, and lasting memorialization for our client's final wishes. We offer PRENEED LIFE INSURANCE planning and TRADITIONAL FINAL EXPENSE programs.

For more information, go to <https://alternativelegacyplanning.com/preneed-planning>

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- (1) Rules for Medicaid qualification vary by state. You should contact an attorney, a Medicaid expert, or your local Medicaid office for more information on Medicaid eligibility and requirements.
- (2) This is to be used only as a summary not as absolute differences between the programs described above.