

Navigating The Final Expense Market

Many companies offer products labeled as “Final Expense”. Usually these products are non-med and underwritten on a simplified issue basis. Depending on how questions are answered on an application, applicants are offered an immediate benefit policy or a policy that pays limited benefits for the first two years. Which is best for your client?

If your client is at least a standard issue and will take an exam and/or not mind full underwriting, **American National** offers whole life policies down to \$10,000. **American National** and **North American** also offer no-lapse UL policies down to \$25,000. These plans will **ALWAYS** be less expensive than a Simplified Issue Plan. If a client can qualify, they can buy \$25,000 of no-lapse UL for the same price of approximately \$11,000 of Simplified Issue Whole Life.

What if your client does not want to go through full underwriting and/or has some health issues? By using just three different companies, you will be able to offer them very competitive and quality “final expense” plans of insurance from highly rated carriers that will fit in with whatever their health situation may be at the time. Keeping your business with a few companies will make doing business much easier.

Assurity – LifeScape Whole Life

Immediate Benefit - provides full coverage from day one

Graded Benefit - pays 40% of death benefit in year 1 and 75% of death benefit in year 2 if death occurs

Modified Benefit - pays 110% of premiums in year 1 and 220% of premiums in year 2 if death occurs

United of Omaha – Living Promise Whole Life

Immediate Benefit - provides full coverage from day one

Graded Benefit - pays 110% of premiums paid upon death in the first two years

American General – Guaranteed Issue Whole Life (Graded Benefit)

Pays 110% of premiums paid upon death in the first two years. One rate for Non-Nicotine and Nicotine Users.

*Graded Benefit and Modified Benefit plans pay the full death benefit for Accidental Death from day one

\$10,000 Male Non-Smoker Monthly Rates

	<u>IMMEDIATE BENEFIT</u>		<u>GRADED/MODIFIED BENEFIT</u>		<u>GUARANTEED ISSUE</u>
	<u>ASSURITY</u>	<u>UNITED OF OMAHA</u>	<u>ASSURITY</u>	<u>UNITED OF OMAHA</u>	<u>AMERICAN GENERAL</u>
50	\$28.82	\$29.16	\$42.40	\$46.15	\$51.92
55	\$34.26	\$35.09	\$51.15	\$59.94	\$56.50
60	\$41.65	\$42.76	\$61.70	\$74.63	\$63.17
65	\$53.87	\$55.76	\$78.45	\$94.87	\$73.09
70	\$73.05	\$73.70	\$105.88	\$119.79	\$93.14
75	\$100.55	\$99.53	\$149.67	\$170.08	\$124.49
80	\$155.87	\$132.65	\$231.79	\$254.18	\$175.17
85	N/A	\$183.16	N/A	N/A	\$298.86

Assurity Specs

\$5,000 to \$50,000 20-65 Immediate
 \$5,000 to \$25,000 65-85 Immediate
 \$5,000 to \$35,000 40-65 Graded/Modified
 \$5,000 to \$25,000 65-80 Graded/Modified

United of Omaha Specs

\$2,000 to \$40,000 40-85 Immediate
 \$2,000 to \$20,000 45-80 Graded

American General Specs

\$5,000 to \$25,000 50-85

The same rate differences and concept also apply to female rates. As you can see, if a client is moved to the graded benefit or modified benefit classification due to health issues, in most cases it is a better option just to go with the guaranteed issue. No health questions at all. An exception would be to use Assurity if a client likes the idea of having a partial death benefit or higher return of premium paid in the first two years.

If needed, we also represent AETNA, AMERICO, American Amicable and Transamerica.