

Selling Final Expense: *How to Get Started*

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Understanding Final Expense

The final expense business, a crucial aspect of the insurance industry, involves selling life insurance policies to cover end-of-life expenses such as funeral costs, legal fees, and outstanding debts. These policies are typically marketed to seniors, giving them the peace of mind that their expenses will not burden their families. As a new insurance agent entering this field, it's not just essential but empowering to understand the product thoroughly, identify the target market, and learn effective sales strategies. Agents should know the different types of final expense plans, the underwriting process, and the commission structures.

Building a solid client base requires empathy, excellent communication skills, and a genuine desire to help families during difficult times. To begin selling, agents must get appointed with insurance companies that offer final expense products, and they should consider leveraging tools like local SEO and content marketing to reach potential clients.

It's also beneficial to learn from experienced agents and possibly focus in niche markets or guaranteed issue policies, depending on the clientele's needs. However, the journey doesn't end here. Continuous learning and adapting to industry changes are beneficial and necessary for a successful career in the final expense business.

Approximately 50% of the population is uninsured or underinsured, representing a significant opportunity to help people by selling Final Expense products. The Final Expense market is also experiencing 11% year-over-year growth, particularly among the 50-85 demographic.

A final expense plan, often called burial or funeral insurance, is a type of life insurance designed to cover the costs that arise at the end of one's life.

End of Life Expenses

These expenses typically include the cost of a funeral service, burial or cremation, and the associated items like a casket or urn. Additionally, final expense insurance may cover outstanding medical bills, legal fees, and other debts that could be left behind, ensuring that these financial obligations do not burden the deceased's family.

The coverage is usually capped at a modest amount, ranging from \$2,000 to \$35,000, which reflects the intent to cover only these specific costs rather than act as income replacement. Policies are accessible to older individuals and often do not require a medical exam, offering simplified or guaranteed issue plans. While premiums can be higher due to the age and health of the insured, the peace of mind provided by knowing end-of-life expenses are taken care of can be invaluable.

Let's break down and expand on each of these topics.

Final Expense Broken Down by Product Type

Four different product categories make up a consumer's options. These options are specifically designed to offer people with various health conditions and options to receive adequate coverage for their needs.

- **Level Death Benefit** – A level death benefit policy offers the insured immediate coverage once the policy's first premium is drafted. This allows the death benefit to be paid out to a beneficiary upon death of the client starting at day one of the policy life. The client must qualify based on the underwriting questions on the application. Each company has its own unique questions.
- **Graded Death Benefit** – A graded death benefit policy has a waiting period, usually two to three years, during which the full death benefit is not paid. If the insured passes away during this period, beneficiaries receive a portion of the benefit. Typically, the policy would pay out 30% in the first year, 60% in the second year and 100% in the third year. The client must qualify based on the underwriting questions on the application. Each company has its own unique questions.
- **Modified Death Benefit** – A modified death benefit policy may also have a waiting period like graded policies. However, these policies typically pay out the premium paid during the waiting period plus 10% until the waiting period is over. At which time the full death benefit becomes payable at 100%. The client must qualify based on the underwriting question on the application. Each company has its own unique questions.
- **Guaranteed Issue** – A guaranteed issue policy does not ask medical questions and makes it accessible to those with health issues. Still, it also includes a waiting period where only premiums plus interest are returned if the insured dies within this period. These policies are crucial for managing financial risks associated with end-of-life expenses.

Final Expense Target Market

Potential clients for a final expense policy are typically individuals interested in securing insurance to cover end-of-life expenses such as funeral costs and medical bills.

These policies are precious to those who do not wish to leave their loved ones burdened with financial obligations during mourning.

The target demographic often includes seniors aged 50 and above in the low-to-middle-class income bracket. However, it's not limited to this age group alone. Agents seeking to connect with potential clients should employ strategies that emphasize empathy and understanding, recognizing the sensitive nature of this type of insurance.

Effective lead generation and management strategies are crucial for identifying and approaching these potential clients, which can include a mix of direct mail, social media advertising, and telemarketing, among other methods. Each approach has its own set of advantages and challenges. Still, the key is to

maintain a personalized and empathetic communication style that resonates with the needs and concerns of potential clients.

Acquiring effective sales skills is crucial for new agents eager to excel in selling final expense insurance. A comprehensive approach involves understanding the concept of a sales funnel, a strategic model depicting the customer's journey from awareness to purchase.

Mastery of this concept can significantly enhance an agent's ability to convert leads into sales. Additionally, free resources such as this Final Expense Training Guide offer a wealth of knowledge, including articles and videos that cover various aspects of final expense sales. It's also beneficial for agents to learn from experienced professionals in the field, and many online platforms provide interviews with top final expense agents, offering insights into successful strategies and best practices.

Furthermore, specialized training programs and mentorship opportunities can offer new agents the tailored guidance and practical experience to thrive in this niche market. By leveraging these resources, new agents can develop the skills to build a successful final expense insurance sales career.

Sales training and mentorship are crucial for a final expense agent's success. These programs equip agents with the necessary skills and knowledge to navigate the complexities of final expense insurance, essential for providing peace of mind to clients facing end-of-life expenses.

Effective sales training can enhance an agent's understanding of the sales funnel, from generating leads to closing sales, ensuring a structured approach to customer engagement.

Mentorship, on the other hand, offers personalized guidance and support, fostering professional growth and development. It allows new agents to learn from experienced professionals, gaining insights into best practices and

Learn Effective Sales Strategies

Sales Training and Mentorship

Importance of Marketing

avoiding common pitfalls.

Together, sales training and mentorship form a comprehensive learning ecosystem that can significantly improve an agent's performance and ability to serve clients compassionately and competently.

Marketing and lead generation are pivotal for final expense sales agents, as they are the driving force behind connecting with potential clients actively seeking coverage for end-of-life expenses.

Effective marketing strategies help establish trust and credibility, which is essential in an industry dealing with sensitive and emotional decisions. Lead generation, mainly through methods like pay-per-call, allows for real-time engagement with motivated individuals, increasing the likelihood of converting prospects into clients. Moreover, a mix of traditional and digital marketing techniques, such as direct mail, social media, and search engine optimization, can reach a wider audience.

The ability to generate high-quality leads is crucial, as it drives sales and contributes to building a sustainable business model by ensuring a steady influx of interested prospects.

Working with an FMO

Field Marketing Organizations (FMOs) are pivotal in distributing these insurance products. They act as intermediaries between insurance carriers and independent agents. FMOs provide crucial support to new agents through credentialing, certification, contracting, carrier alignment, Errors and Omissions, cost assistance, and personal support. They also offer training programs and access to technology like quote engines and enrollment tools, essential for agents to effectively market and sell insurance products.

For new agents, partnering with an FMO can be particularly beneficial. FMOs have established relationships with insurance carriers, which can offer contracts that might be inaccessible independently. This allows new agents to access various quality products from top companies. Moreover, FMOs negotiate

favorable contracts and provide ongoing support to enhance the business efforts of agents at all levels. In essence, FMOs serve as a valuable resource, offering the tools, knowledge, and support necessary for new agents to thrive in the competitive insurance market.

Agent and Marketer Benefits of Final Expense Insurance

- **Streamlined Sales Process:** Final Expense applications generally require less paperwork and eliminate medical exams, leading to faster approvals and a more efficient sales experience for agents.
- **Increased Revenue Potential:** The Final Expense market is experiencing significant growth, creating a lucrative opportunity for agents to expand their product offerings and generate sizable and immediate income.
- **Improved Client Engagement:** Final Expense products can be a practical entry point for building long-term client relationships, potentially leading to future sales opportunities.

Consumer Benefits of Final Expense Insurance

- **Final Expense Coverage:** Final Expense insurance offers simplified issue coverage through a streamlined application and underwriting process (or a guaranteed issue option if significant health conditions exist). This provides a valuable safety net for individuals struggling to qualify for traditional life insurance options.
- **Financial Protection for Loved Ones:** This insurance ensures a death benefit payout to designated beneficiaries. These funds can be used for various purposes, including funeral and burial expenses (which can average \$7,000–\$12,000), outstanding medical bills, debts, legal fees, or other unforeseen costs. This financial support alleviates the burden on grieving families during a difficult time.
- **Predictable Budgeting:** Final Expense policies offer fixed premiums, allowing for easy budgeting and financial planning. The guaranteed death benefit remains consistent throughout the policy life, providing peace of mind and assurance of coverage.

YourFMO Resources

Visit [YourFMO.com](https://www.yourfmo.com) to explore the extensive free resources available from YourFMO to help you promote, grow, and streamline your Final Expense sales process.

Sources:

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