

The 4 Types of Final Expense Insurance

X Guaranteed Issue

The most straightforward type of final expense plan. Generally, has a streamlined application process with no health-related questions but may have some limitations. Many of these policies will not come with any additional riders, and it should be noted that while providing guaranteed coverage, these premiums are the highest of the four types.

They may have better death benefit conditions, like improved interest rates on the premiums returned or shortening the amount of time until full death benefits are available. All guaranteed issue final expense policies will have a **minimum 2-year waiting period**.

These are traditionally for people experiencing multiple or severe health problems, normally excluding them from getting insurance with standard rates.

X Modified Final Expense

This type of policy looks for any health conditions that could result in a more restrictive modified final expense plan. A **2-year waiting period** is common before the total sum of the death benefit is paid out. In the event a non-accidental death occurs before that timeframe, the modified final expense policy will only pay a return of premium and a predetermined percentage of interest.

- ***If in the 1st or 2nd year, the premiums paid will be returned, plus 10% interest on those premiums.***
- ***If in the 3rd year or beyond, the carrier would probably pay the full amount of the death benefit.***

Most who qualify for this plan will be in less than perfect health and/or have health conditions preventing them from getting a more traditional whole life policy.

X Graded Final Expense

This type of policy generally has a **2 to 4 year waiting period** before the carrier will pay out the full death benefit to the beneficiary. If there is a non-accidental death before the waiting period is up, the policy will often pay a percentage of the policy's death benefit. For a non-accidental death in:

- ***The 1st year, the carrier may only pay 25% of the death benefit.***
- ***The 2nd year, the carrier might only pay 65% of the death benefit.***
- ***The 3rd year or beyond, the carrier will probably pay the full death benefit.***

Designed for people in less than perfect health and/or with a health condition preventing them from getting a more traditional whole life policy.

X Level-Benefit Final Expense or Simplified Issue Traditional Whole life

These policies are considered to have the most flexibility when it comes to age restrictions and face value. These plans usually will have the most cost-efficient premiums and will have a wide selection of riders to choose from.

They will often be available to many demographics, including young adults and children. Face value of policies can go up to \$100,000 with a simplified issue whole life policy and issuing ages starting at 0, these products are very versatile to fit most needs.

The biggest difference between this type and the others is that they require good or excellent health for the underwriting. Carriers may also have a preferred rate and a standard rate class that is decided based on your health.

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