

# Final Expense Planning



*Are your funds protected?*

# Consider This . . .

Most significant events in our lives require planning; you rarely just let them *happen*.



# Funerals Require Planning, Too!



- ▶ Like other major life events, funerals require planning.
- ▶ Today, prearranging and prefunding one's own funeral is not uncommon. Of all Americans aged 50+ years, it is estimated that:
  - ▶ 34% have preplanned their own funeral.\*
  - ▶ 24% have prepaid at least a portion of funeral or burial expenses.\*

\* AARP Funeral and Burial Planners Survey (2007).

# Small Steps, Big Impact



*You don't have to decide everything all at once!*

Set aside funds today.

If and when you're ready to plan out the details, you can meet with the funeral home of your choice to make arrangements.

# In the past, there have been four common ways to pay for a funeral:



## **1. Life Insurance:**

These are funds intended to be left to your family and may not be immediately available.

## **2. Personal Savings:**

These are funds for day-to-day living. In the event of a lengthy illness, they may have eroded significantly.

## **3. Credit card or loan:**

This approach leaves heirs in debt.

## **4. Family and friends:**

Borrowing from family and friends can be embarrassing as well as a financial strain to repay.

***Fortunately, there's a better option. . .***

# Funeral Expense Trust

A designated, prefunded plan that combines the financial stability of insurance with the security of a trust.



# How Much Does a Funeral Cost?

Professional Services	\$1,817
Embalming/ Cosmetology	\$628
Memorial Service	\$670
Transfer of Remains to Funeral Home	\$250
Hearse	\$275
Service Van	\$125
Use of facilities/Staff	\$450
Cemetery Charges	\$2,000**
Casket (Metal)	\$2,295
Vault	\$1,195
<b>Total</b>	<b>\$9,500</b>

- Today's funeral costs more than you might think.
- Research shows the average adult funeral to be \$9,500\*

***If something happened to you yesterday, how would your funeral be paid for?***

# Are Your Funds Protected?

- ▶ Among people turning 65 today, 69 percent will need some form of long-term care.\*
- ▶ The national average cost of long term care is \$68,255-76,460/year\*\*
  - ▶ Annual growth of 4% over the last five years\*\*
- ▶ Many people who need long-term care will need to qualify for Medicaid at some point
  - ▶ This may require reducing your countable assets by paying the nursing home, making allowable purchases, or exempting assets from consideration
- ▶ **Putting your funds into a trust for funeral expenses may exempt that money from Medicaid consideration\*\*\***



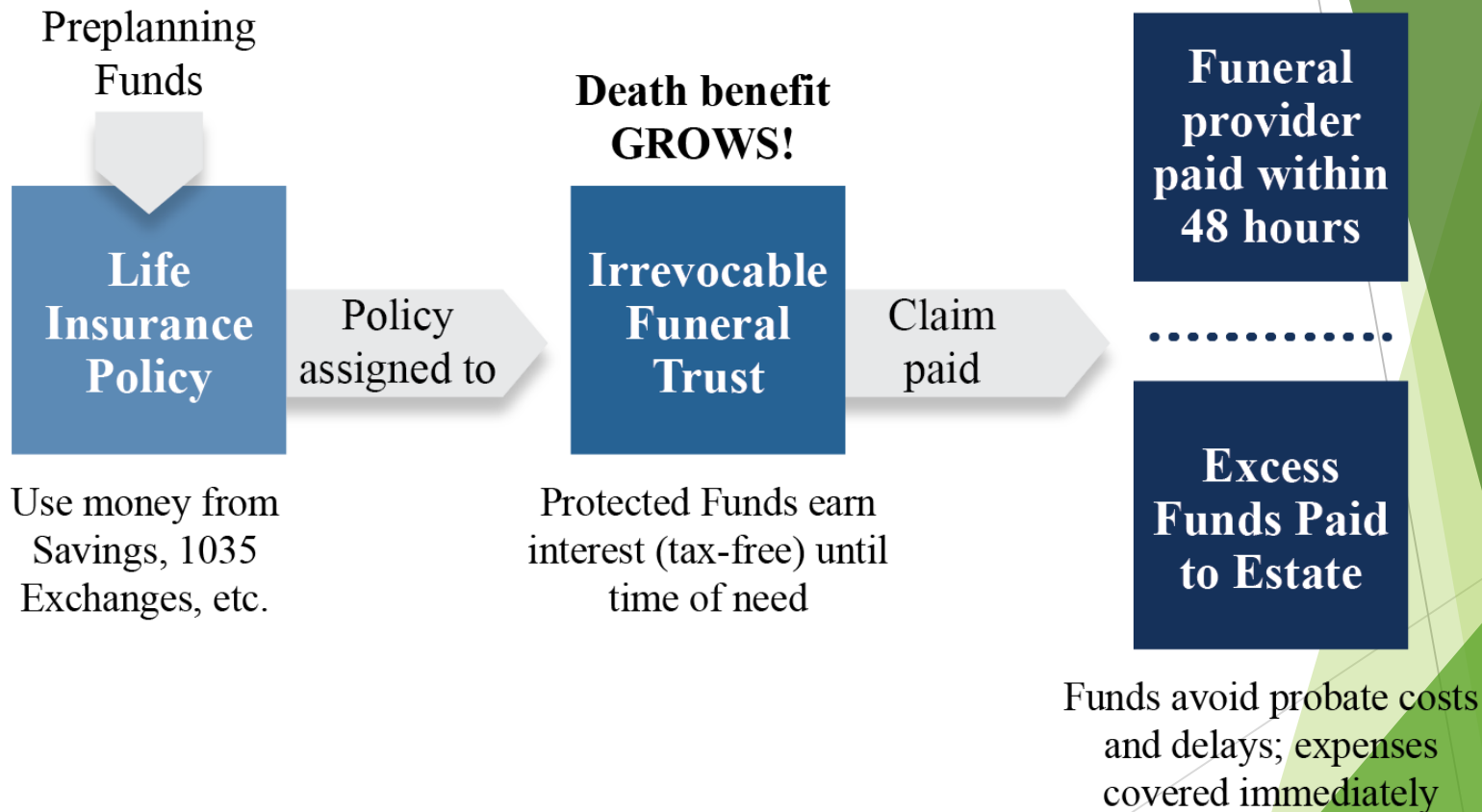
\* American Association of Homes & Services for the Aging (2009)

\*\* Genworth Financial Cost of Care Survey (2008)

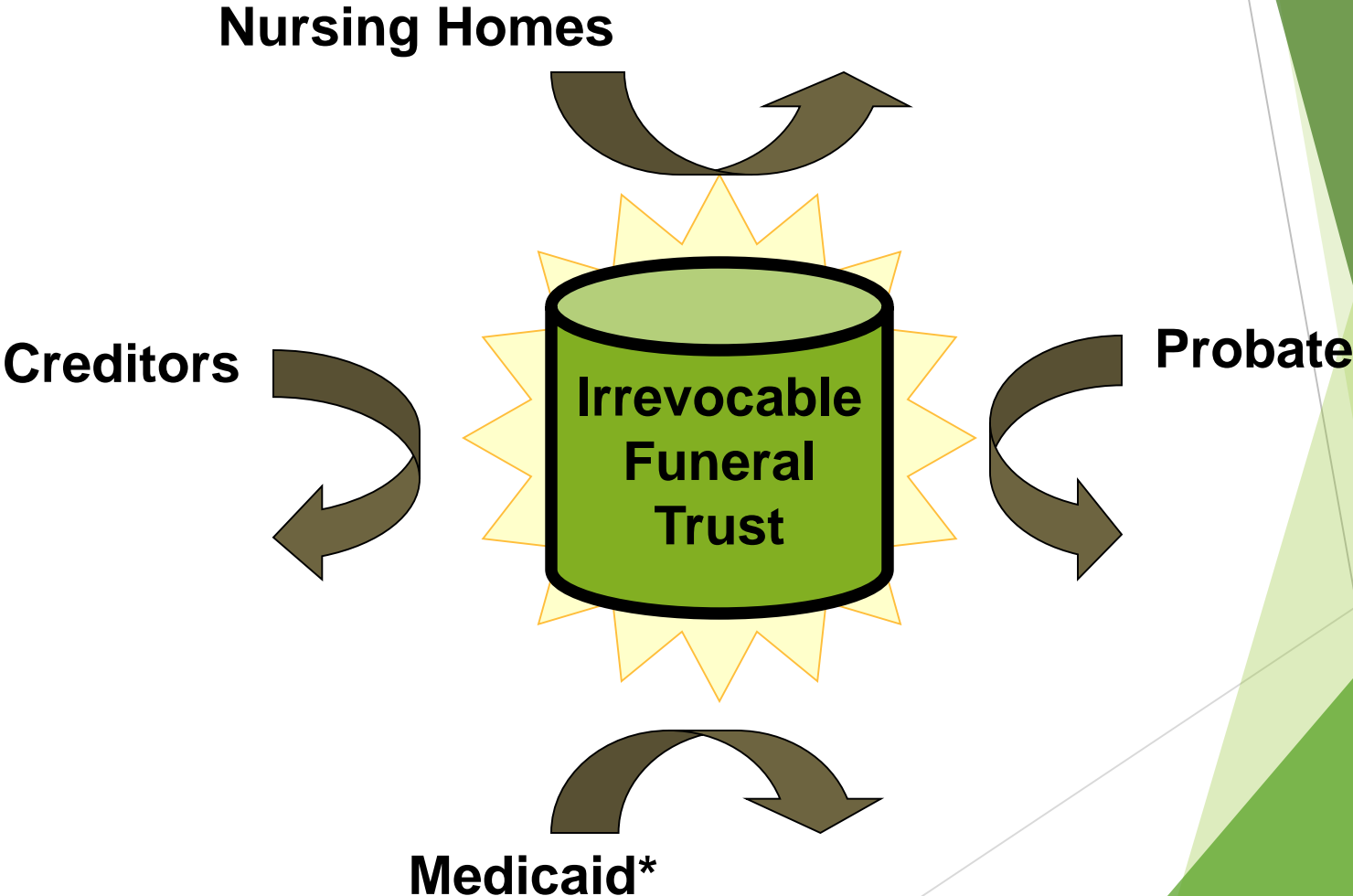
\*\*\* Some states may vary on Medicaid Rules and eligibility is not guaranteed; please consult an Elder Law Attorney in your state for assistance.



# How a Funeral Trust Works



# Fund Protection



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# How the Trust Compares

	<b>NGL's Final Expense Trust</b>	<b>Annuity</b>	<b>Savings Account</b>	<b>CD</b>	<b>Money Market</b>	<b>Mutual Funds</b>
Proceeds avoid probate costs	Yes	Yes	Depends	Depends	Depends	Depends
Federal Income Tax-free death benefits	Yes	No	No	No	No	No
Free of market risk	Yes	Depends	Yes	Yes	No	No
Principal guaranteed	Yes	Yes	Yes	Yes	No	No
Defined growth rate	Yes	Depends	No	Yes	No	No
Funds protected from creditors	Yes	No	No	No**	No	No
Excluded asset in order to qualify for Medicaid & SSI	Yes*	No	No	No**	No	No

\* Some states may vary on Medicaid Rules and eligibility is not guaranteed; please consult an Elder Law Attorney in your state for assistance.

\*\* Unless put into trust for funeral expenses.

*Thank you for coming.  
For more information, please contact:*

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