

Your Guide to Selling **Final Expense**



What is Final Expense?

Final Expense is a type of Life Insurance coverage that is used to help cover the cost of a funeral and the other expenses associated with death. By helping your clients secure this type of Life Insurance, you can **help them find peace of mind knowing that their end-of-life expenses will be taken care of** without adding any additional stress to those they'll leave behind. Funeral costs, medical bills, and other expenses can add up fast and **the last thing people want to do when mourning someone is to feel financial strain.** This type of Life Insurance is **a thoughtful way** to show consideration for those left behind and ensure **a smooth transition during a challenging period.**

There are **4 types of Final Expense insurance** and a Health Insurance Agent's job is to make sure their client have the right coverage for their unique needs. By understanding the different types of coverage available, **you can help your clients make informed decisions that provide peace of mind for themselves and their loved ones.**

In this guide, **you will learn about the 4 different types of Final Expense insurance, What the target market for Final Expense is, How to get started selling, How to generate Final Expense leads, and how to effectively sell.** At the end we will also go over some of **the most frequently asked questions** to make sure you have a **strong start** getting into the Final Expense insurance space.



The 4 Types of Final Expense Insurance

There are **four types** of Final Expense insurance available on the market today. When helping a client choose a Final Expense insurance policy, you'll need to consider their **age, health condition, budget, and coverage needs**. By understanding the differences between these types of insurance and their respective benefits, **you can guide your client towards a policy that best suits their unique circumstances and provides the financial protection they need.**



The Range of a policy amount for Final Expense insurance can be anywhere from \$5,000 to \$50,000.

Let's take a look at the different Final Expense types you could offer your clients.

Level Final Expense Plans

Level Final Expense Plans will pay the full amount of life insurance **immediately upon the plan's approval**. Opting for a Level Final Expense Policy **might be the most cost-effective type of Final Expense policy** a client can qualify for while paying out the highest commissions. In contrast, other Final Expense insurance options usually involve waiting periods and different payment procedures before the full policy amount is distributed upon the insured's death.

Graded Final Expense Plans

If your client has **pre-existing health conditions**, a Graded Final Expense Plan may be the best option. These plans **pay out on a graded scale typically during the initial two years of the policy**, rather than in a single lump sum. Different payout scales are offered based on the plan and provider, so it's essential explain the payout structure fully so your client's understand.



Modified Final Expense Plans

Modified Final Expense Plans are **similar to Graded Final Expense Plans**, but their payout methods are different. Modified Final Expense Plans come into play **when a pre-existing condition poses a significant financial threat to the insurance provider**, resulting in a reduced payout schedule.

We advise our agents to help clients shop around and **make sure they don't qualify for a Graded Final Expense Plan anywhere before suggesting a Modified Final Expense Plan**. A Graded plan would mean a higher payout and lower costs for your client in comparison to a Modified Final Expense Plan.

Guaranteed Issue Plans

Guaranteed Issue Plans **ensure approval for all clients, regardless of pre-existing conditions**. Although they provide lower payouts, these plans are accessible to individuals with **various medical backgrounds**.

Each Final Expense insurance plan type offers **different features and benefits** to help provide peace of mind and financial support. It's important to **carefully consider your client's individual needs and budget** when choosing the right Final Expense insurance policy for their unique situation.

One of the **key advantages** of Final Expense insurance is its **flexibility to accommodate individuals of all ages**. While it is commonly associated with older clients, **younger individuals can also benefit from securing a policy early on**. By considering factors such as **coverage amount, premium affordability, and additional benefits**, you can help your clients select a policy that aligns with their needs.

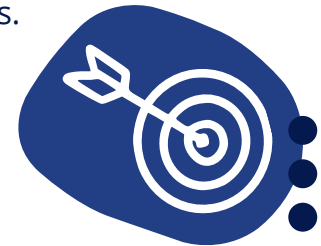
Educating your clients on the importance of Final Expense insurance can help them understand **the value it brings in planning for the future**. By emphasizing its role in alleviating financial burdens and ensuring a dignified farewell, you can **empower your clients to make informed decisions** that safeguard their loved ones' financial well-being.



What is the Target Market for Final Expense?

The Final Expense target market is very **large** and mimics the **Medicare target market**. While Final Expense insurance should be on everyone's minds, the people who typically enroll in a plan are **members of the senior market** who don't want to leave their families with burdensome funeral costs when they pass.

Other sub categories of the Final Expense target market include **people who can not afford a pre-paid funeral, those who don't want the funeral home as their trustee, and people who want protection on their savings.**



Clients **aged 50-80** with a household **income of up to \$50,000** are what some consider to be the **best niche in the market** (similar to Medicare). When matching clients with Final Expense insurance, you'll want to **be aware of industry trends when looking at target markets**. Practices like cremation trend up and down affecting what clients are expected to pay for their policies. **Knowing these trending funeral services or predicting the up and coming popular services is a key aspect of evaluating target markets.**



Agents need to keep up to date on the funeral market to effectively understand Their clients' insurance needs.

Steps to Start Selling Final Expense Insurance

Branching out into the Final Expense marketplace **is similar** to how you would enter any new insurance market. Yes, you need to do your research but **there are some backend paperwork and preparatory tasks you will also need to take care of.**

Getting a Life Insurance License

The first thing you will need to do to start selling in the Final Expense space is get your **Life Insurance license**. The process on getting your Life Insurance license varies depending on the state regulations of where you would like to operate. **Some states will require you to pass an exam while others will ask for you to attend and pass an in-person course.** Visit your state's DOI (department of Insurance) website to learn more on the process of getting your Life Insurance License.

Follow Those Who are Successful



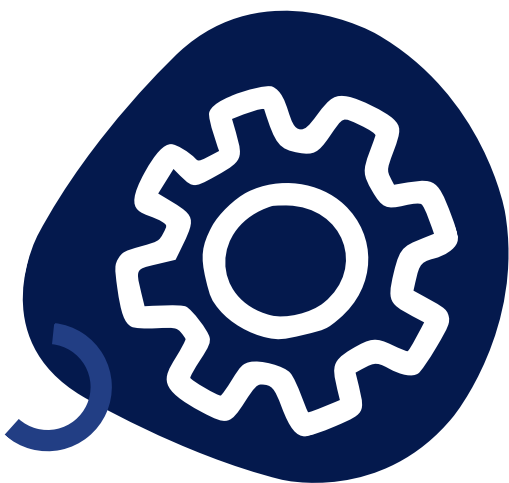
Just like any business, there are **proven methods** to finding success. Selling Final Expense insurance is no different. You'll want to do some research on what **methods industry leaders are using** and integrate those practices into your business strategies to **maximize your success**. You can focus on a handful of individuals or seek out an experienced FMO **who can help you reach the top**. (Never be afraid to reach out first! You'll miss every shot you don't take)

Invest in Your Own Success

Compared to most markets, getting started in Final Expense **doesn't require a large upfront cost**. You can start a final expense agency with as little as \$3,000 and **still have the potential earn \$100,000+ in your first year of business**. While some agents may exceed it, this amount serves as a reasonable average for **those who are well-prepared and have made an effort to enhance their knowledge and skills**.

The **key to success** for most agents lies in **self-investment**. Yes, investing in yourself includes the monetary aspect of things, but it also refers to **acquiring sales expertise, staying informed about industry developments, and cultivating strong work ethic** to ensure you are maximizing your business potential.

Work With an FMO to Get Contracted



An FMO, or **Field Marketing Organization**, is one of the many ways an agent can go about **getting contracted with insurance companies to start selling their products**. An FMO can make doing business **much easier** for agents and even agencies by being the **point of contact for everything from licensing to commissions to marketing**, but it's not a great idea to pick your FMO without doing your research first.

Beyond being a **one-stop-shop** for Final Expense contracting, an FMO like **Agent Pipeline** offers things like **Medicare, Individual Health, Life Insurance, and Ancillary & Supplemental products**, as well as opportunities and assistance with **Technology, Marketing, Compliance, and educational materials** to help our agents develop **winning business models**. Agent Pipeline is always developing new products to **meet the changing needs of insurance agents and the demands of beneficiaries**.

If you would like to find out more about working with Agent Pipeline as your FMO, **Click or scan this QR code to learn more!** (or visit: agentpipeline.com/learn-more-ap/).



Generating Leads for Final Expense

Your **leads can be what makes or breaks you** when expanding into a new insurance market. Without a consistent source of good leads, you won't be able to sustain business and will fail. **This is why it is important to learn where you can get leads and how many leads you should aim to get each week.**

How many leads do you need to be Successful



We suggest to have **at least 15-20 new leads** as well as **30-50 follow-ups each week** to stay afloat in the Final Expense market. Of course you should be aiming for larger numbers but this should be **the minimum goal for most agents**.

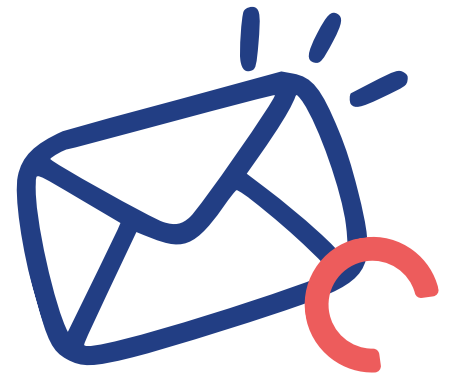
Leads can come from **several different sources**, but let's take a quick look at some of the best ways to generate leads for your business.



Types of Leads

Facebook Leads - Facebook offers **targeted ad campaigns** in addition to standard social media marketing. Using targeted ads can effectively promote Final Expense insurance, **especially when focusing on the previously discussed target markets**. On Facebook, leads can range in cost from roughly **\$8 to \$30**.

Direct Mail Leads - These advertisements are personalized letters that **prompt recipients to respond and inquire about Final Expense insurance**. This method can facilitate setting up appointments more smoothly since recipients need to respond, making Final Expense insurance a priority for them. **Although direct mail leads are the most preferred** for Final Expense insurance, **they are more expensive compared to Facebook**, with an average cost per lead ranging from **\$40 to \$50**.



Cold-Calling Leads - Also referred to as telemarketing leads, this category **can offer a cost-effective and insightful approach**. Direct communication with the consumer provides valuable insights into their thoughts. Confirming the potential lead over the phone and **promptly following up within 24 hours is key for optimal results**. Typically, telemarketing leads can range in cost from approximately **\$15 to \$25**.



Online/Internet Leads - Incorporating leads from **organic search or other websites** can serve as a valuable addition to your lead generation strategy. Timeliness is crucial as these leads may **need to be followed up within moments of the consumer submitting an online form**. The cost of these leads typically varies between **\$12 and \$40**.

Working leads in unison can be the most effective method to maximize lead generation. for example, using internet lead forms or direct mailers to get the phone numbers to call can be an effective way to use your resources for a **multi-pronged approach** to get every lead possible.



How to Sell Final Expense Plans

Regardless of what type of insurance you are selling the foundations are usually the same. **You will need a strong foundation in insurance sales training to make sure your business not only survives but makes it to the next level.**

Most new agents will speed through their Final Expense sales training because they think a small policy like Final Expense will be an easy sell. **This isn't always the case** and any premium amount, **even a small one**, could be a big decision for someone. It's crucial a Health Agent develops the following skills to **make sure they have a leg up on the competition** and can ensure their business can **flourish in the industry**.

Overcoming Client Rejection and Failure - Embrace client rejection and failure as **stepping stones to growth and success** in your journey as a professional. Instead of viewing them as setbacks, **see them as opportunities to learn and improve**. Use these experiences to **refine your skills, enhance your approach, and build resilience**. With a **positive mindset and determination**, you can turn client rejection and failure into valuable lessons that propel you **towards your goals**.

Knowing When to Schedule Appointments - In today's fast-paced environment, mastering **the art of setting appointments** is essential. Timing is crucial to stay connected with your clients and **avoid missing out on opportunities**. Health agents usually aim to touch base with clients after **3, 30, 60, and 90 days post-enrollment** to ensure the chosen plan is a good fit. By honing your appointment-setting skills, you can **improve communication, foster better relationships, and achieve your goals more effectively**.



Refining Your Presentation Skills - A crucial skill for Health Insurance Agents is **the ability to convey complex information** to clients in a simple and understandable manner. This skill is essential **for assisting clients in selecting the most suitable insurance plan for their needs**. Using storytelling techniques and active listening can make information **more relatable** and **address client concerns**. Mastering this skill will not only benefit your clients but also **enhance your reputation as a trusted and reliable insurance agent**.

Addressing Client Objections - Addressing client objections requires a combination of **active listening, empathy, and strategic communication**. By approaching objections with a **positive mindset** and a **willingness to engage constructively**, you can turn challenges into opportunities to strengthen client relationships and **showcase your professionalism**.

Closing Sales - To help your client make the purchase decision with you, **it's essential to understand their needs and preferences**. By highlighting the benefits of your product or service and addressing any potential objections, **you can guide the client towards a positive buying decision**. Closing a sale is **not about pressuring the client but rather about assisting them** in making an informed choice that aligns with their needs.



Frequently Asked Questions



Is Selling Final Expense Insurance Hard?

Not really. Final Expense Insurance is ultimately just another type of Life Insurance. It will take some time to learn the products and how to read the market trends, but, as long as you have the determination to learn it and invest in developing your sales skills, there is success to be had.



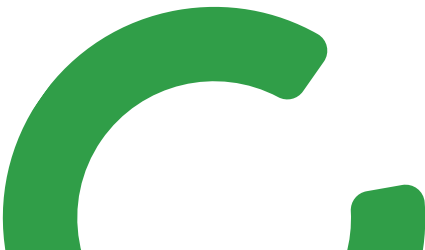
What are "Advanced" Commissions?

An Advanced commission refers to when an insurance company will pay a Health Insurance Agent in advance for future premiums their clients will pay.



What are "As Earned" Commissions?

As Earned commissions refer to when an insurance company pays a Health Insurance Agent commission each month their customers pay their premiums. This is the safest way to go, but it takes more time to build up a sustainable cashflow.





What is a “Chargeback”?

A Chargeback happens when a Health Insurance Agent opted for Advanced commissions and their client cancels their policy before paying the premiums the agent has already been paid for. This means that the Health Insurance Agent will need to pay back the difference in commission amount to the Insurance company. (Different companies have different rules when it comes to chargebacks, so it's best to read all the fine print in your contract to familiarize yourself with their processes.)



What is a “Release”?

A Release refers to a written authorization from an upline organization that allows a contracted agent to move their contract to another wholesaler or agency. It is important to familiarize yourself with an FMO's release request process before deciding to work with them in case there are any rules or restrictions that you need to be aware of.



What does LOA Mean?

LOA means “Licensed Only Agent”. This means that all commissions earned by an LOA are first paid to their agency and then their agency will pay them. An Independent agent would be paid directly by the insurance company.

Are you interested in more tips on how you can start offering Final Expense Insurance Options to your clients?

Agent Pipeline offers wide array of learning materials and support services that Health Insurance Agents can take advantage of to boost their success. This includes Licensing, Contracting, Technology, Compliance, and Marketing support. Connect with a committed marketer who can help you succeed today!

For more details on how Agent Pipeline can support you, contact 800-962-4693 today!