



THE CAPSTONE GUIDE / 2026 EDITION

Final Expense Life Insurance

A thoughtful plan.
A clearer path for your family.

Understand your options. Know what to ask.
Leave the details where your family can find them.

- 01 Understand your choices**
- 02 Compare costs and coverage**
- 03 Prepare your family**

Includes fillable worksheets and a family planning record

START HERE

Protection with a purpose.

A useful plan brings together money for expenses, clear instructions and someone who knows what to do next.

Final expense insurance commonly means a smaller whole life policy. Its death benefit can help your beneficiary pay funeral costs and other expenses. Coverage stays subject to premiums, eligibility and the policy's terms. [3, 4]

Start with your own situation

Review the coverage and savings you already have. Then identify any remaining gap and a premium you can maintain.

Find what you need

Understand

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Costs, policy types, alternatives and other support

Compare

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Coverage worksheet, quotes and application steps

Get answers

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15 frequently asked questions

Prepare

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Policy record, family wishes and your next step

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Primary references and important details

Click the page ranges or use the PDF bookmarks. Worksheets can be typed into or printed.

UNDERSTAND / COSTS

Know what you are planning for.

Use national figures as a starting point, then request written local prices.

\$8,300

Viewing and burial

\$6,280

Viewing and cremation

NFDA national medians from its **2023 survey**. These are historical benchmarks, not 2026 quotes. The cremation figure includes a viewing and ceremony. [1]

Include in your estimate	Ask the provider about
Funeral arrangements	Services, transport, preparation, viewing and ceremony.
Merchandise and cemetery	Casket or urn; plot, opening and closing, vault and marker.
Other family expenses	Obituary, flowers, certificates, travel and a cost buffer.

Ask for the price list

You may request prices by phone and an itemized list at the funeral home. You can choose individual services. Direct cremation is different from cremation with a viewing and service. [2]

NFDA medians exclude cemetery interment, monuments/markers and certain cash-advance charges. [1]

UNDERSTAND / COVERAGE

The benefit schedule matters.

Ask what is paid for natural death in each early policy year, not just whether coverage starts immediately.

01 Simplified issue: level benefit

Health questions and possible record checks; usually no exam. Full stated benefit once effective, subject to contract terms.

02 Simplified issue: graded or modified benefit

Health questions still apply. Natural-death benefits are limited at first; the amount and duration vary by product.

03 Guaranteed issue

Typically no health questions or exam. Age and state restrictions apply, and natural-death benefits are usually limited initially.

Waiting period ≠ contestability period

A waiting period limits the scheduled benefit. Contestability allows the insurer to review application statements during an early period, commonly two years. A level-benefit policy can still be contestable. [8]

Example: one guaranteed-issue product returns premiums plus 10% for natural death in its first two years. Accident provisions and exclusions differ. This is not a universal rule. [5]

“Modified benefit” describes the payout; “modified premium” describes payments. Read both schedules. [4, 5, 8]

UNDERSTAND / ALTERNATIVES

Choose the funding approach.

Final expense insurance is one option. Compare it with resources and arrangements you already have.

Approach	What to consider
Final expense whole life	A death benefit for your beneficiary; ongoing premiums and policy conditions. It does not lock in a funeral provider's prices.
Existing life insurance	May already cover the need. Check the amount, expiration date and whether employer coverage continues after retirement.
Dedicated savings	Flexible funds without insurance underwriting. The balance must be built and preserved; confirm how a survivor can access it.
Prepaid funeral contract	Arranges specified goods or services in advance. Ask what prices are guaranteed, what is excluded, and how refunds or transfers work.

Avoid paying twice for the same need

If you have a prepaid contract or another policy, bring it to your review. Identify what it already covers before deciding whether more insurance is useful.

Prepaid contract rules vary by state and funding method. Texas offers separate consumer resources. [3, 8, 12]

UNDERSTAND / OTHER SUPPORT

Check benefits. Clarify debts.

Do not assume public benefits will cover the funeral, or that every unpaid bill becomes your family's responsibility.

Social Security

A **\$255 one-time death payment** may be available to an eligible spouse or certain children. Apply within two years. This is separate from any monthly survivor benefits. [10]

Veterans benefits

Eligible families may receive help with some burial, funeral, plot or transportation expenses. Eligibility and amounts depend on the circumstances. Verify what applies before subtracting it from your funding gap. [11]

Debts do not automatically pass to relatives

Debts are generally paid from the deceased person's estate. Co-signers, joint account holders and some spouses may have obligations under state law. Ask before using personal funds to pay a deceased relative's debts. [9]

For your worksheet: count only benefits and funds you have confirmed will be available for the expenses you are planning to cover.

Debt responsibility and benefit eligibility are individual matters. Consult the agency or a qualified adviser. [9-11]

COMPARE / WORKSHEET

Estimate your coverage gap.

Type into the shaded fields or print this page. Add and subtract manually; this worksheet does not calculate totals.

A. Funeral or cremation arrangements

\$

B. Cemetery, marker and related charges

\$

C. Other costs you want to help cover

\$

D. Additional allowance for future costs

\$

E. Total planned expenses (A + B + C + D)

\$

F. Existing funds assigned to these costs

\$

Estimated gap (E minus F; minimum \$0)

\$

Example: \$15,000 in planned expenses minus \$5,000 already set aside leaves a \$10,000 gap. This is an illustration, not a recommendation.

Comfortable monthly premium

\$

Use funds only once. Do not count the same savings or policy toward several different financial goals.

Capstone planning worksheet. Eligibility, policy size and an affordable long-term premium also matter.

COMPARE / QUOTE RECORD

Put written quotes side by side.

Compare equal coverage amounts and payment frequencies.

Policy detail	Option A	Option B
Insurer / product		
Coverage amount		
Monthly premium		
Premiums level? Payable until?		
Natural-death benefit: year 1		
Natural-death benefit: year 2		
When full benefit begins		
Exclusions / limitations		

Think beyond the first monthly payment

Age, health, tobacco use, state, benefit amount and product can affect price. Ask how long premiums are payable and whether total payments could exceed the benefit.

Request current carrier quotes. Confirm licensing and review the insurer's financial strength and complaint history. [8]

APPLY / PRACTICAL STEPS

Make the application count.

Bring your medication list, health history, existing coverage details and preferred monthly budget.

- 1 Start with a coverage review**
Discuss your goals and whether you already have enough protection.
- 2 Compare available policies**
Ask about level benefits before selecting a limited-benefit product.
- 3 Name your beneficiaries**
Choose primary and backup beneficiaries; confirm contact details.
- 4 Check the application**
Review every answer before signing. Complete all required steps.
- 5 Read the issued policy**
Confirm the effective date, first payment, benefit schedule and free-look deadline.

Your health history deserves a closer look

A diagnosis alone does not establish eligibility. Treatment, timing, medications and the insurer's rules can change the options available.

Approval speed and effective dates vary. Do not cancel existing coverage before reviewing an issued replacement. [3]

QUESTIONS / CHOOSING COVERAGE

Answers before you apply.

01 Is final expense insurance life insurance?

Yes. The term commonly describes smaller whole life policies intended to help with funeral and other final expenses.

02 Must the money be used for a funeral?

Generally, the beneficiary chooses how to use it. A policy assigned to a funeral provider may work differently.

03 Is a medical exam required?

Many products do not require one. Simplified issue still uses health questions and may involve record checks.

04 Can I be declined?

Some products can decline applicants. Guaranteed issue removes health underwriting but still has age, state and other eligibility limits.

05 Are premiums fixed?

Many final expense whole life policies have level premiums. Verify that guarantee and how long payments are required.

06 Can coverage expire?

Whole life is designed for lifetime coverage when requirements are met. Check premium, lapse and maturity provisions.

07 Can I apply at 75 or 80?

Some products accept these ages. Availability, coverage limits and premiums depend on the insurer and your circumstances.

General product explanations; the issued policy controls. [3-5]

QUESTIONS / KEEPING COVERAGE

Answers after you apply.

08 What happens if I miss a payment?

Contact the insurer. Grace periods and lapse rules vary; cash value may not automatically cover a missed payment.

09 Can I borrow from cash value?

Whole life generally builds cash value. Unpaid loans and interest can reduce benefits; review the loan provisions.

10 Is the death benefit taxable?

Death proceeds are generally excluded from federal gross income. Interest is taxable, and exceptions can apply. [6]

11 How fast will a claim be paid?

Timing depends on documents, review and policy terms. Ask the funeral provider how to handle bills while a claim is pending.

12 Can I keep my other life insurance?

Yes. Review existing protection before buying more. Replacement can restart early policy periods and may involve surrender costs.

13 What about my employer's policy?

It may end or change when you leave. Ask about continuation or conversion options before relying on it long term.

14 Is every policy subject to a waiting period?

No. Some offer level benefits when effective; others limit early natural-death benefits. Contestability is a separate issue.

15 Can I cancel after receiving the policy?

Check the free-look deadline and refund terms promptly. The permitted review period varies by policy and state.

Some policies can affect needs-based benefit eligibility. Get individual guidance if this applies to you. [3-6, 8]

PREPARE / POLICY RECORD

Leave a record they can find.

Complete this after issue, keep it secure, and tell your beneficiary where it is stored. Avoid bank and Social Security numbers.

Insured's name**Insurance company / policy number****Coverage amount / effective date****Full-benefit start date / early limitations****Primary beneficiary / contact****Backup beneficiary / contact****Policy location / claims contact**

To start a claim: contact the insurer and request its document list. Ask how to submit it and keep copies. If the policy cannot be found, try the free NAIC Life Insurance Policy Locator. [7, 13]

This record does not change the policy's beneficiary designation. Submit beneficiary changes to the insurer. [7]

PREPARE / PERSONAL WISHES

Give your family clear direction.

Use this conversation page to record preferences. It is not a legal directive, prepaid contract or substitute for required documents.

Burial or cremation preference

Preferred funeral provider / location

Service, faith or cultural preferences

Person to contact first / phone

Existing arrangements / where records are stored

Other wishes I want my family to know

Discuss, then share. Check that your chosen contact knows about this page and understands your priorities. Update it when your wishes change.

Do not assume an insurance beneficiary has authority to make funeral decisions; applicable law and documents govern.

YOUR NEXT STEP

Turn preparation into a plan.

Bring your completed worksheet and any existing policies. We can discuss your needs and the coverage options available to you.

- ☐ I know my estimated coverage gap.
- ☐ I understand the premium and early benefits.
- ☐ I have reviewed exclusions and payment terms.
- ☐ My beneficiary knows where to find the policy.

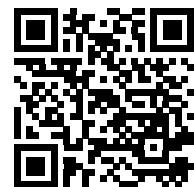
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A conversation about your family,
your budget and your options.



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You can save your completed pages in a PDF reader that supports forms, or print them and write by hand.

Insurance availability and benefits are subject to insurer approval and policy terms. Capstone Life Insurance.

SOURCES / PRIMARY REFERENCES

Sources you can check.

Click a source title to open it. Numbers throughout the guide correspond to this list.

01 National Funeral Directors Association

2023 General Price List Study. Historical national medians, included services and exclusions.

02 Federal Trade Commission

The FTC Funeral Rule. Itemized prices and the right to select individual goods and services.

03 NAIC

Life Insurance Buyer's Guide. Coverage needs, applications, replacement and policy review.

04 NAIC

Life Insurance overview. Policy types and premium structures.

05 Mutual of Omaha

The Value of Whole Life Insurance. One insurer's guaranteed-issue benefit schedule, not a universal standard.

06 Internal Revenue Service

Life Insurance & Disability Insurance Proceeds. Federal income-tax treatment of death benefits and interest.

07 NAIC

What to Know About Life Insurance Beneficiaries. Records, contacts and beneficiary review.

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SOURCES / PRIMARY REFERENCES

Sources you can check.

Click a source title to open it. Numbers throughout the guide correspond to this list.

08 Texas Department of Insurance

Life insurance guide. Contestability, payments and comparison considerations; state-specific rules may differ.

09 Consumer Financial Protection Bureau

Does a person's debt go away when they die? Estate debts and exceptions to family non-liability.

10 Social Security Administration

Lump-sum death payment. \$255 payment, eligible survivors and application deadline.

11 U.S. Department of Veterans Affairs

Veterans burial allowance and transportation benefits. Eligibility and types of assistance.

12 Texas Department of Banking

Prepaid funeral consumer resources. Funding methods and state oversight.

13 NAIC

Learn How to Use the Life Insurance Policy Locator. Free help locating a deceased person's policy.

Important details

Educational information, not a quote or individualized tax or legal advice. Availability, premiums and benefits vary by insurer, product and state. The policy controls. Guarantees depend on the issuing insurer's claims-paying ability. Cost figures are dated benchmarks; worksheets are illustrative.

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