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When preplanning your funeral, here are several general guidelines to begin the process:

- Visit various funeral homes and interview multiple funeral directors
 - Choose a funeral home and director where you think your family would be most comfortable
 - Consider bringing family members with you during this selection process
 - Be aware of and informed about bereavement entitlements such as veterans, unions, fraternities, etc.
 - Consider religious and moral convictions, and discuss them with your family
 - Determine your method of disposition (burial, cemetery, entombment, cremation, etc.)
 - Plan your ceremony considering factors such as casket viewing, religious aspects, who should be included, etc.
- Itemize your costs

The Federal Trade Commission offers a free funeral planning guide titled "Caskets and Burial Vaults" (202-326-2222) which has made it easier for consumers to comparison shop.

The FTC Funeral Rule requires funeral directors to give pricing information over the phone, as well as provide you with a readily available general price list if you visit them in person. This FTC Funeral Rule also allows you to purchase caskets, which are the single largest funeral expense, from outside vendors without the threat of a carrying charge. For more information about The FTC Funeral Rule, you can visit www.ftc.gov

What about paying for funeral expenses in advance?

Although planning your funeral arrangements in advance may help alleviate many of the details, prepaying (also known as prearranging) for your funeral services is a way of taking care of the actual expenses.

Prepaying your funeral or cremation is one of the fastest growing, and most appreciated and accepted aspects of funeral planning. Similar to preplanning your funeral, paying your funeral expenses in advance is also becoming widely accepted by many financial professionals as a solid piece of a sound financial and estate plan.

When prepaying your funeral plan, the most common and widely used strategies are savings and [life insurance](#), mainly because they tend to be deemed the most reliable and readily available.

However, there are several other strategies to consider when prepaying your funeral costs or expenses:

Savings

Although many people choose to set aside savings to pay for funeral expenses, there are several reasons this does not always end up working out as originally planned. First, the savings can be depleted based on unexpected financial circumstances, such as health or financial issues. Second, these funds are not always readily available and liquid upon death, due to the challenges and restrictions often found in estate planning. Third, the funds set aside can often be insufficient due to inflation and the rising cost of funeral expenses. Finally, it should be noted that savings are included in a part of one's estate, and, thus, the taxable consequences can often come into play.

Life insurance

Term life insurance is widely considered to be a flexible, simple, and affordable way to pay for your final funeral expenses. Although term life insurance has a set term, or set number of years, it also has multiple uses in prepaying for your funeral. Because upon your death it becomes a liquid asset that is usually not part of your estate, it can be used for many things such as funeral, burial, cremation, liquidity, and many other things, including debts or obligations.

In addition, there are some types of life insurance that allow the funds contributed to these policies (either in lump sum, monthly, quarterly, semi-annually, or annually) to grow and accumulate as a cash value that can be accessed, if necessary. Therefore, these policies can not only be used for funeral expenses, but also for other financial planning options that may arise, such as financial emergencies, college, etc.

Funeral insurance

Funeral insurance is an insurance policy which is specifically designed to cover any costs or expenses which are directly related to your funeral. If you purchase one of these policies, one of the options you have is to determine exactly which funeral costs or expenses are to be covered, such as flowers, burial plot, grave marker, and much more. Another option you have is for the policy to be paid out in a single lump-sum, which can be used to cover your pre-determined costs or expenses, or simply help your loved ones financially as they plan for you. There are many insurance companies that offer funeral insurance packages, and certain funeral homes or funeral companies also offer policies.

Pre-need trust agreements

Another alternative to prepaying your funeral is to consider a pre-need trust agreement to pay for your costs or expenses. Generally speaking, these trust accounts are typically funded with monthly payments that are invested in a fund which is designed to grow over time. Although a trust account is designed to provide the potential for protection against inflation, it is not guaranteed to do so.

In summary, the unfortunate reality is that death is a part of life. With that in mind, if you are trying to build a successful financial plan, the only way you can be sure your plan works smoothly and efficiently is to be proactive about your planning process. This is particularly true and necessary when creating a proper plan of succession, which I firmly believe must include an end-of-life plan.