



What is burial insurance?

Life Insurance

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“Burial insurance” usually refers to a whole life insurance policy with a death benefit of from \$5,000 to \$25,000. As its nickname implies, people buy this type of policy to provide money for funeral and burial costs for themselves and/or family members. It is possible to buy a policy after answering a few health-related questions on the application and with no medical exam.

Premiums are payable weekly or monthly. The premium is usually collected at the policyowner’s home or workplace, and the premium is usually a small round number, such as \$2 or \$3 per week; the death benefit is whatever that premium will buy given the insured’s current age. For example, a \$3 per week premium might buy a \$6,000 death benefit for a 36-year-old man or an \$18,000 death benefit for a 9-year-old boy.

Burial policies may be designed to cover one person or everyone in a family.

Under some state laws, funeral homes may be licensed to sell burial insurance, but it is mainly sold through

brokers and agents of insurance companies licensed to sell life insurance.

An approach that is similar to burial life insurance (and sometimes called burial or "pre-need" insurance) is pre-payment of your funeral arrangements. Under this program, you may select the funeral home, type of service, casket (or cremation), flowers, headstone, burial plot, the cost of digging and filling the grave, and other items, and lock in the prices for them by paying in advance.

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