

Funeral Advantage Report

HONEST FACTS

about funeral,
burial, and
cremation costs

WHAT
YOU
SHOULD
KNOW



Lincoln Heritage
LIFE INSURANCE COMPANY



**Funeral Consumer
Guardian Society®**



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4343 East Camelback Road, Phoenix, AZ 85018

1-800-433-8181 • lhlic.com

This report is based on information provided by the Funeral Consumer Guardian Society® and other industry sources such as the National Funeral Directors Association. It gives you an up-to-date guide to funeral costs and other related expenses throughout the US as well as an inside point of view of the funeral and cremation marketplace. It is intended for informational purposes only.

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Key Findings

Experiencing the death of a family member or close friend is a painful experience, but the funeral industry can make matters worse by making surviving loved ones spend as much as possible on final arrangements.

The **National Funeral Directors Association (NFDA)** conducted a survey to calculate the median cost of a funeral. The survey found the median cost of a funeral is \$9,135, but the final cost can be thousands of dollars more when you include the cost of a burial plot, headstone, flowers, and obituary.

One of the reasons funeral costs are so high is that prices vary from community to community and from funeral home to funeral home. Families often don't know there are more affordable options available from third-party sellers and that they have specific rights when working with funeral homes.

This can leave families with a large unexpected burden if they are unprepared for the costs...and they often are. The only financial help qualifying families receive is a one-time payment of \$255 from the federal government. This payment amount hasn't increased since 1954 even though the cost of a funeral continues to rise.

Unfortunately, with no prior experience navigating the funeral industry, they often emotionally overspend by hundreds or thousands of dollars.

If the funeral industry is the problem, Funeral Advantage is the solution.

Funeral Advantage is a final expense program composed of a life insurance cash benefit from Lincoln Heritage and family support services from the Funeral Consumer Guardian Society. It offers professional guidance and support to policyholder families in the midst of planning and paying for a funeral.

The Funeral Advantage program was designed to be an easy way for Americans ages 40-85 to protect their loved ones from financial and emotional hardship when they pass. With Funeral Advantage, families save an average of \$1,800 on traditional funerals and up to \$600 on cremations.

In the pages that follow, the FCGS will show you important statistics and information to help you understand how to navigate the funeral industry.

About This Report

This report was assembled by a team of insurance experts from Lincoln Heritage Life Insurance Company in partnership with professional funeral advocates from the Funeral Consumer Guardian Society.

Lincoln Heritage Life Insurance Company is the leading provider of final expense insurance in the U.S., operating in 49 states with over one million policies in-force through the Funeral Advantage program. The Funeral Advantage program offers easy qualification and a streamlined application process for life insurance designed to help cover end-of-life expenses.

The Funeral Consumer Guardian Society (FCGS) is an independent consumer advocate organization now serving thousands of Americans. Upon the death of an FCGS member, the FCGS immediately goes into action – shopping and comparing local funeral homes for the surviving family members, in order to secure the best rates for member families. Families save an average of \$1,800 on funerals, thanks to the FCGS' insider knowledge of the funeral business and associated costs.

The Purpose Of This Report

We've assembled this report to summarize trends in the funeral marketplace, and to illustrate why many families need to consider where the funds to pay for a funeral, cremation, and/or burial will come from once they've passed away. It also illustrates the need for expert price-shopping support when it comes to the families who will be left to pay for funeral expenses.

How Will You Pay For the Funeral?

When it comes to paying for someone's final arrangements, many people are unaware of how expensive the costs can be and how long it can take to receive government benefits.

The cost of a funeral can be up to **\$9,000 — or more.*** This cost comes as a shock to most families when a loved one passes. With little to no savings set aside to cover the final arrangements, families are often left with a financial burden.

DID YOU KNOW....?

- If the deceased had life insurance, the benefit payout can take weeks — or months — depending on the life insurance company.
- Families are often forced to pay the funeral home out-of-pocket while they wait for funds.
- Funds from an estate or probate can take years for family members to receive if there are disputes or complications.

Over the next several pages, we'll show you funeral cost examples from around the country, common funeral industry myths, and why a final expense life insurance policy with Lincoln Heritage is the smart solution to protect your loved ones from a financial burden.

*Source: NFDA, National Funeral Directors Association www.nfda.org/news/statistics

Fact vs. Fiction — Correcting Common Funeral Industry Myths

Surviving family members are often unprepared to navigate the ever-changing funeral industry and need someone to walk them through the many details that will arise. Fortunately, the FCGS can help surviving loved ones understand their options and work with the funeral home of their choice.



MYTHS

- Funeral homes and cemeteries are the same.
- You're required to use the cemetery's funeral home.
- Funeral prices are similar from one funeral home to another.
- Cremation will save a lot of money.

REALITY

- Cemeteries are separate from funeral homes and purchasing a cemetery plot is often less than half of the total cost of arranging a funeral.
- You can use any funeral home regardless of what cemetery you use.
- Prices can double or triple depending on the funeral home you choose.
- While cremation can be cost effective, adding a service or viewing beforehand raises the cost considerably.

Key Service Prices in 15 States

Price-shopping common funeral items and services is one of the key services the FCGS provides free of charge to Funeral Advantage policyholders.

Below is a sample list of costs for items and services used in most final arrangements. The costs below do not reflect the price of any particular funeral home.

CASKET



GOOD	BETTER	BEST
\$1,000	\$1,500	\$2,500

URN



GOOD	BETTER	BEST
\$40	\$125	\$300

STATE	PROFESSIONAL SERVICES	EMBALMING	CREMATION	OPENING/CLOSING	HEARSE	REFRIG-ERATION*	VAULT	PREP†	TRANSFER	FLOWERS	TOTAL WITH \$2,000 CASKET
AZ	\$1,250	\$650	\$275	\$1,600	\$400	\$150	\$1,100	\$250	\$400	\$600	\$8,675
CA	\$1,100	\$600	\$200	\$1,850	\$400	\$75	\$900	\$175	\$350	\$600	\$8,250
FL	\$1,200	\$500	\$250	\$1,200	\$375	\$125	\$1,000	\$225	\$400	\$600	\$7,875
GA	\$1,500	\$700	\$350	\$1,000	\$450	\$50	\$1,000	\$300	\$300	\$600	\$8,250
ID	\$1,250	\$900	\$400	\$1,850	\$200	\$100	\$900	\$200	\$475	\$600	\$8,875
IL	\$1,650	\$700	\$400	\$1,700	\$500	\$100	\$1,100	\$250	\$650	\$600	\$9,650
ME	\$1,900	\$800	\$400	\$2,100	\$500	\$150	\$1,300	\$325	\$600	\$600	\$10,675
MN	\$1,275	\$650	\$250	\$1,600	\$375	\$75	\$950	\$200	\$475	\$600	\$8,450
NE	\$1,300	\$700	\$300	\$1,300	\$350	\$100	\$900	\$250	\$525	\$600	\$8,325
NC	\$1,500	\$500	\$300	\$1,050	\$450	\$50	\$1,100	\$200	\$500	\$600	\$8,250
OH	\$1,400	\$700	\$250	\$2,000	\$425	\$125	\$1,200	\$200	\$550	\$600	\$9,450
PA	\$1,550	\$800	\$300	\$1,800	\$450	\$100	\$1,100	\$400	\$600	\$600	\$9,700
TN	\$1,900	\$600	\$325	\$1,100	\$350	\$75	\$900	\$175	\$400	\$600	\$8,425
TX	\$1,300	\$350	\$200	\$2,000	\$400	\$75	\$850	\$200	\$400	\$600	\$8,375
WA	\$1,100	\$600	\$200	\$2,000	\$350	\$75	\$975	\$250	\$500	\$600	\$8,650

* Refrigeration is per day

† Prep refers to Preparation or "Dressing, Casketing, Cosmetizing, etc."

Costs are Rising...Fast

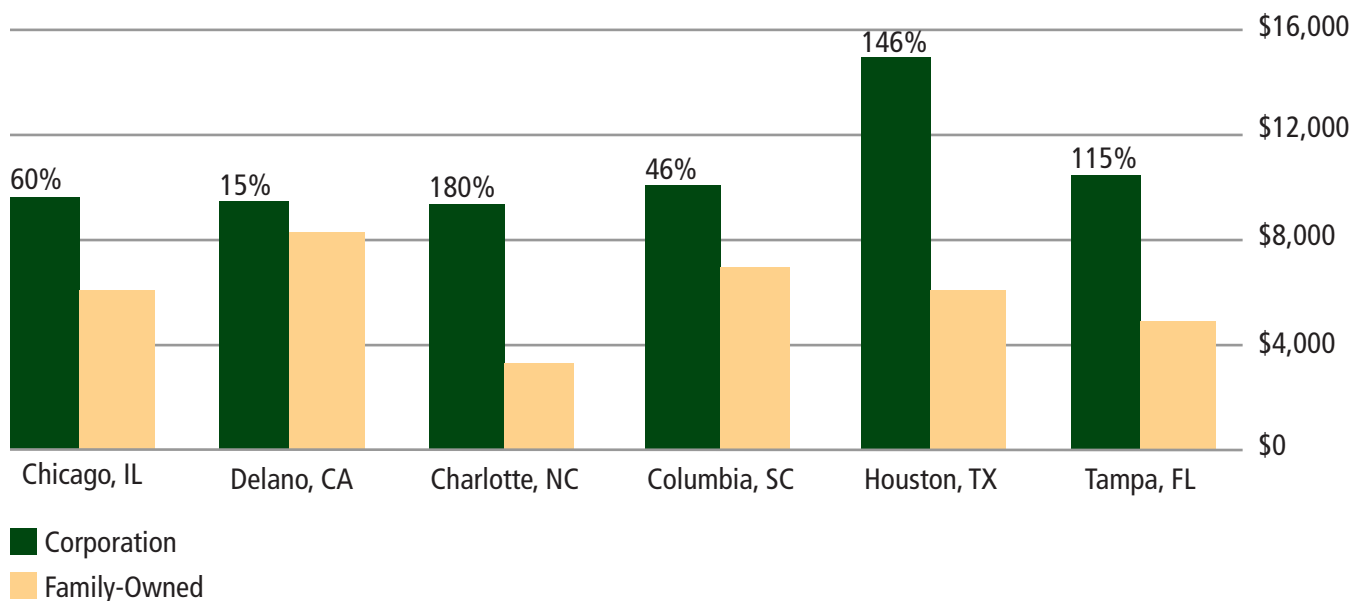
The chart below shows the increase in specific funeral costs over the past 10 years based on the experience of the FCGS and the National Funeral Directors Association.

SERVICE	2006 Median Cost	2019 Median Cost	Percent Change
Nondeclinable basic services fee	\$1,595	\$2,195	+ 37.6%
Removal/Transfer of remains to funeral home	\$233	\$350	+ 50.2%
Embalming	\$550	\$750	+ 36.3%
Other preparation (e.g. casketing, cosmetology, dressing grooming)	\$203	\$255	+ 25.6%
Use of facilities/staff for viewing	\$406	\$425	+ 4.7%
Use of facilities/staff for funeral ceremony	\$463	\$500	+ 8.0%
Hearse	\$251	\$340	+35.5%
Service car or van	\$120	\$150	+ 25.0%
Printed materials (basic memorial packages)	\$119	\$175	+ 47.0%
SUBTOTAL WITHOUT CASKET AND VAULT	\$3,940	\$5,140	+ 30.0%
TOTAL WITH CASKET	\$6,195	\$7,640	+ 23.0%
TOTAL WITH VAULT	\$7,323	\$9,135	+ 24.7%

Corporations Cost More

Funeral corporations typically charge a lot more than family-owned funeral homes.

The FCGS has almost 20 years of experience in the funeral industry and has worked with thousands of funeral homes across the nation. In many cases, it's not immediately obvious that a funeral home belongs to one of the national corporations. In fact, funeral corporations often own several "mom and pop" funeral homes in local communities. The funeral home's name will stay the same, but their prices will increase.



If Costs Are a Problem — Funeral Advantage Is the Solution

Most people underestimate just how costly a funeral or cremation service can be. Average funeral expenses can cost about **\$9,000** according to the National Funeral Directors Association. Even cremation services can cost thousands of dollars depending on the service performed.

When planning a funeral, many people aren't sure where to begin. Who should be contacted first? What needs to be done now and what can be put off until later? What funeral preparations are available? How much will it cost?

Final Expense Insurance — A Smart Solution

Saving for funeral costs can be difficult, but final expense life insurance can help. If you're concerned about your family experiencing a financial burden when you pass, consider getting a final expense policy. Final expense insurance — commonly known as "burial insurance" or "funeral insurance" — is specifically designed to help with funeral costs and other end-of-life expenses.

About Funeral Advantage — The Leading Final Expense Program In The Nation

The Funeral Advantage program has two key components:

The first is a Final Expense Life Insurance Cash Benefit that offers easy qualification and a streamlined application process. No health examinations are necessary — only a few health questions on a one-page application. Most people get coverage, even with health issues.

The second is the Family Support Services provided at **no additional cost** to every policyholder through the Funeral Consumer Guardian Society (FCGS). Upon the death of a Funeral Advantage policyholder, a live representative from the FCGS is ready to go into action on your family's behalf to help surviving loved ones cope with the many details that immediately arise. With the Funeral Consumer Guardian Society, families save an average of \$1,800 on traditional funerals and up to \$600 on cremation services.

Learn More At LHLIC.COM



Lincoln Heritage®
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**Funeral Consumer
Guardian Society®**

From Lincoln Heritage Life Insurance Company



Lincoln Heritage Life Insurance Company has been the national leader in final expense life insurance for most of our 55+ years in business. Unlike many of our competitors, final expense is not just one of several lines of business; it is our specialty and focus.

We believe that if a company of our size tries to be involved in a number of lines of insurance products, the natural result is we become mediocre at all of them. Instead, we choose to be the best at final expense and to invest our time and resources in this one market. As a result, we believe we have more experience and understanding of final expense life insurance than any other life insurance company in America, with over 1 million policyholders depending on us to be at their side in their time of need.

Our promise is to be here providing comfort and financial support to our families when they need us most and we consider this a high calling rather than just a job. I am proud to be involved in this very important industry at a time when our services are needed more than ever.

Our final expense product — Funeral Advantage — is made possible due to the one-of-a-kind partnership we have with the Funeral Consumer Guardian Society. Like us, they consider the services they provide a high calling, and they work as tirelessly as we do to ensure our families are taken care of. We are proud to partner with such an important organization who provides valuable services during such an emotional time in our customer's lives.

Alex Londen

President

Lincoln Heritage Life Insurance Company

From The Funeral Consumer Guardian Society



We believe the death industry is in a state of instability. Funeral homes are constantly being bought and sold. Old funeral homes exit the business and new ones enter the market every year. This instability combined with increased competition is changing an industry that has usually relied on community support — rather than prices — to market their goods and services.

Historically, this community support has allowed the funeral industry to be secretive in their approach to pricing. This works fine when it is a small, community focused, family-run funeral home. The family working in that funeral home has a reason to not take advantage of the people they interact with daily.

Fast-forward to today and that small, community focused, family run funeral home is owned by a large publicly traded company. The name hasn't changed so most people in that community don't realize that ownership has changed. That large corporation could take advantage of the secretive approach to pricing and gain more revenue for their shareholders.

In my experience helping families through the funeral process, I have found that a lot of publicly traded funeral homes charge 15% more than family-run operations — sometimes more. Most consumers in markets like this are unaware of what's happening, but we think they deserve to know.

And that's one of the key reasons why Lincoln Heritage Funeral Advantage exists — we know what's happening, and we can share that knowledge to help protect consumers in the marketplace.

When the Funeral Consumer Guardian Society first started, we found a big problem in our ability to help families; we could give the member advice, but we had no leverage to lower the price.

We decided to partner with Lincoln Heritage to get the leverage the family needs in order to purchase merchandise and services from outside the funeral home. They are the only life insurance company we work with because we need the money fast - and Lincoln Heritage is the fastest when it comes to paying claims in our experience.

This, along with their educated, enthusiastic salesforce, excellent customer service, and competitive prices allows us to offer a complete package to the individual that wants to protect the ones they love.

J. Benjamin Kraft

Vice President

Funeral Consumer Guardian Society