How Final Expense Can Supplement Your Medicare Insurance Business

Description

This article discusses the final expense insurance market and the factors that will continue to drive sustainable growth. It also shares insights on why it may make sense for Medicare insurance agents and brokers to supplement their business with final expense insurance and how they can get started.

The global final expense insurance market is valued at nearly $149 billion and is expected to grow 7.1% annually from 2024 to 2031, reaching approximately $257 billion. Several factors are driving this growth, including:

- **Aging U.S. population**

The senior population in the U.S. has surged over the years and will continue for the foreseeable future. In the 2020 U.S. Census, there were a reported 55.8 million (16.8%) Americans aged 65 or older. All Baby Boomers, who currently account for approximately 73 million of the U.S. population, will reach age 65 or older by 2030. On average, another 11,000 Americans turn 65 each day, and the number is only climbing. Medical advances, enhanced social programs, and healthier lifestyles will only bolster this population trend. The growing number of seniors has and will continue to drive the need for more senior-focused products and services, such as final expense insurance.

- **Rising costs of funeral and burial services**

Over the last two years, the median cost of a funeral with casket and burial has increased 5.8%. During this same time period, the cost for a funeral with cremation increased 8.1%. For many seniors, these rising costs make it even more important to have a structured *plan* to save for their final expenses.

- **Affordability of final expense policies**

According to the National Council on Aging, many individuals aged 65 or older face financial challenges:

- **61%** of households headed by a person aged 65 or older had debt in 2016. Their median debt level was **$31,050**.

- **Nearly half** of adults approaching the age of 65 in 2017 had no personal retirement savings.
- **More than half** of Baby Boomers surveyed in 2019 expressed a need to catch up on their retirement savings.

Seniors on a fixed income budget and facing some of the above challenges are looking to final expense policies as an affordable alternative to other types of life insurance. Final expense policies are typically under $50,000, with some priced as low as a few thousand dollars. Final expense policies have simpler underwriting procedures and less medical test requirements, driving the costs of these plans lower than other types of life insurance policies.

Why Medicare insurance agents and brokers may not already offer final expense

The growing final expense insurance market offers a significant opportunity to Medicare insurance agents and brokers looking to grow their business. So, why donâ??t more agents and brokers sell final expense policies?

Some are simply not aware of the large revenue opportunity that final expense insurance sales could bring to their business. Others may prefer the status quo, content with just focusing on Medicare insurance sales. Still others may not want to invest time and effort in a new product or service, not knowing how to get started. Whatever the case, it is difficult to ignore the strong future sales expectations in final expense.

Why it may make sense for you to sell final expense

While there are several reasons it may make sense for you to expand your Medicare insurance business into final expense insurance, some of the most compelling reasons include:

- **Large opportunity awaits**

Final expenses are an inevitability in life and, as discussed above, the final expense market will continue to realize strong growth for the foreseeable future. Even capturing a small fraction of this opportunity could be a game changer for any agency or brokerage.

- **Underwriting costs are relatively low**

Taking on a new offering always requires investment in time and resources. However, one of the most attractive features of final expense policies is their relatively low underwriting costs as compared to other types of life insurance plans. They do not require seniors to jump through hoops, like undertaking a multitude of medical tests, to qualify. Lower underwriting costs lessens the investment required to enter the final expense market.

- **You are already familiar with the target audience**

Most individuals who have final expense insurance on their radar are aged 50 years or older. In selling Medicare plans to seniors, you already have gained an understanding of the senior community. More importantly, you already have *access* to at least a portion of the target audience. Final expense plans could be a reasonably easy add-on sale in your existing client relationships.

How to get started selling final expense

One of the quickest, easiest ways to jumpstart your final expense insurance sales is to get help identifying prospective clients who have already expressed an interest in final expense insurance. Buying sales leads allows you to focus your sales resources more on *closing* business. The highest-value sales leads providers will offer:

- **Multiple types of sales leads** (e.g., aged, real-time, transfers) and inbound calls (e.g., customer-initiated 1-800 calls, click-to-calls), giving you the flexibility to choose the option that best fits your needs
- **Opt-in** prospects who have already expressed interest and have been pre-qualified
- **Exclusive** sales leads to ensure you are the only agent or broker that receives a specific lead
- **Advanced suppression capabilities** so you donâ??t spend money on duplicate leads
- **Support for your sales effort**, including suggested campaign tactics, scripting, tech tips, and compliance

If you would like more information on how you can begin or grow your final expense business with sales leads, give The Leads Warehouse a call at **1-800-884-8371** or visit our website at The Leads Warehouse.

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