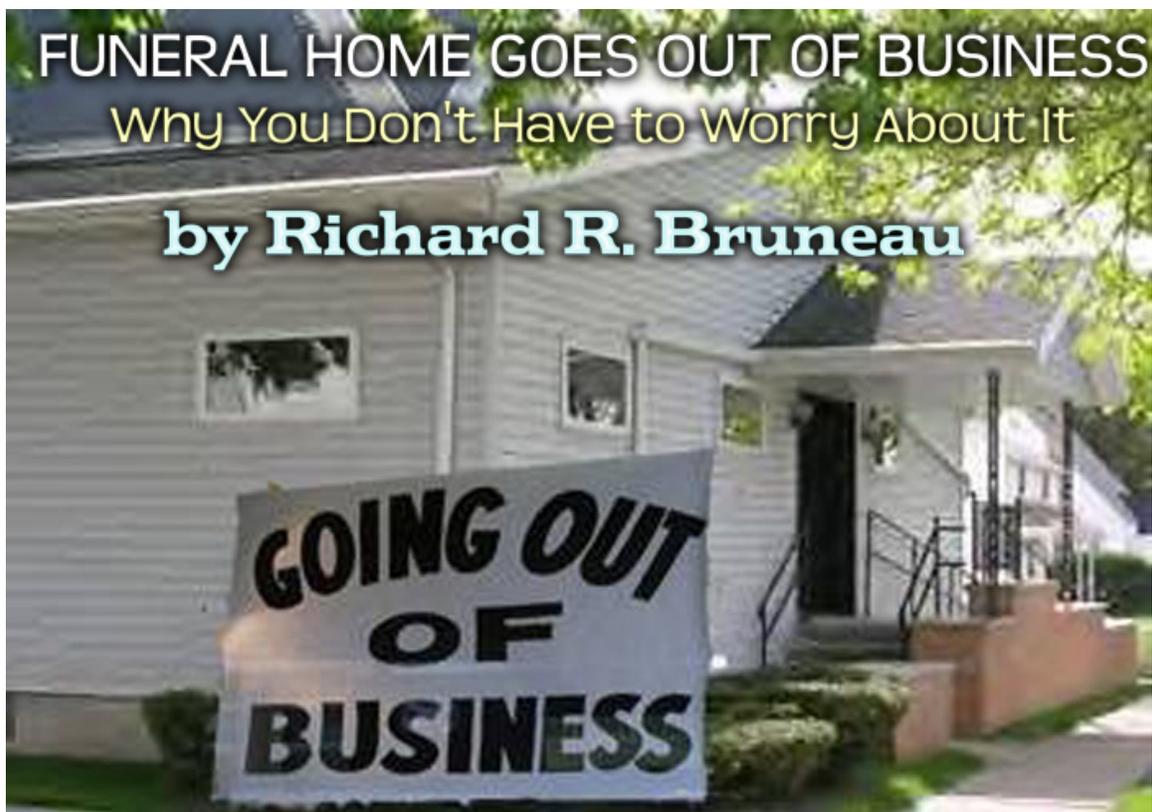


Funeral Homes Going Out of Business: Why You Never Have to Worry About It

By Richard Bruneau



Funeral homes can go out of business, as they originally were. But in nearly every case their operations and obligations are taken over by other funeral service companies. This means whatever guaranteed prepaid plan you had with the old funeral home will be honored by the new one at the old prices.

Funeral homes can go **out of business**, as they originally were. But in nearly every case their operations and obligations are taken over by other funeral service companies or funeral homes. This means whatever guaranteed prepaid plan you had with the old funeral home will be **honored completely** by the new one at the **old prices**.

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And a vast majority of funeral plans, mostly those written after the 1970's, are funded by a life insurance company that is doing business in the "final expense" market, such as National Guardian Life, where each individual's funeral plan money is kept safely in a fund growing tax-free until death outside that funeral home's business. The money along with its growth is still intact. The new funeral home taking over handles funerals, burials, and cremations nearly the same way as everywhere else. The new company will make a smooth transition while it assumes all obligations that originated in the past. This is also a matter of maintaining goodwill in the community. If a funeral

home took over another funeral home and didn't honor previous agreements or contracts (even though they are not legally required to, the new funeral home would develop a bad reputation and would start losing a lot of business.

In any case, your money cannot go down the proverbial drain along with any funeral home and their financial troubles. The law requires that your investment be safely protected in a specially designated fund that the funeral establishment has no access to until you pass away.

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If a funeral home you've chosen becomes a less desirable choice as time goes on, you can change whom you use--based on your own wise research. This can happen also if you decide to move away in the future, and the original funeral home you've chosen would be an inconvenient or inappropriate choice. If you have a contract with a funeral home that guarantees costs, you may lose those price guarantees if you switch funeral homes (but many will honor them so they can get your business). You won't, however, lose your *money*. Your money will be in an insurance policy specially designed for use in guaranteeing funeral costs or a final expense whole life policy, along with continuing cash value growth as long as you're alive. This money can be transferred elsewhere, by naming a different

funeral home as the beneficiary of the funds. Or you can just make someone in your family the beneficiary of the funds, to do with as they wish at the time of need.



You should never make your funeral plan “irrevocable” to any funeral home. If you do, the funeral home gets your money no matter what and you can’t direct the money to be used elsewhere. Although this provides a protection for your money against “attachments” or claims of any kind and can’t be counted as an asset for Medicaid purposes, it stays in the possession of that funeral home permanently. On the other hand, a funeral expense trust that allows you to change funeral homes, such as National Guardian Life’s *Funeral Expense Trust*, also called *Asset Guard*, is a much more useful alternative. The NGL *Funeral Expense Trust* gives you maximum protection of your money, to the point it is “untouchable” by anyone, and it belongs to no funeral home until your death. Until your death, you can change funeral homes as many times as you’d like. Go to www.nqlic.com.

**Never make a funeral plan
"IRREVOCABLE"
to that
funeral home!**



**They will own
your money
and you won't
be able to use
it anywhere
else.**

Choose a funeral home in advance and plan to direct funds to them, even if there's a chance they could go out of business and/or be taken over by someone else. This is because it is difficult and expensive to change to another funeral home once a funeral home has taken possession of your body. It is as simple as stating "At time of need contact [funeral home] [Phone number]." On the other hand, if you have a prepaid plan with a more expensive funeral home that has become a less desirable choice as you study and survey, *changing* that plan so that the money to be used with a more economical funeral home is easy in most cases, unless you've made the plan *irrevocable* to a particular funeral home. I have helped many seniors *redirect* the funds they had invested with expensive funeral home's plans to a much less costly funeral home. Their families will undoubtedly be getting money back or credited at the time of their death. You can change to a better funeral home, even if you have it "already taken care of." Even if you have a funeral plan already prepaid, it could well be an *over-investment* you need to change.

Unless you are sure you are going to use a particular funeral home, don't buy a plan that puts your funds into that funeral home's "trust" fund, which they can legally use as an alternative to life insurance funding. Most funeral homes don't use such trusts. Funeral homes can impose penalties often as high as 25% with their private trusts when you try to take your money out to be used elsewhere. And these trusts don't offer the benefits of an insurance-funded funeral plan. Make sure your chosen funeral home offers one or more pre-need or final expense life insurance companies to use to prepay, such as *Forethought, National Guardian Life, Homesteaders Life, Great Western, etc.*

If a funeral home goes out of business or is taken over by another, you have nothing to worry about if your money is placed in an appropriate insurance preneed or final expense fund, such as the NGL Funeral Expense Trust. You can put your funds in a pre-need plan funded by a safe insurance company, get most of your costs "frozen" or guaranteed, and your money will grow in cash value for the rest of your life.

How you **CONTROL** funeral and final expense costs

by Richard R. Bruneau



Concentrate on planning



Organize your thoughts, records, and paperwork



Start making *notes*



Talk to your spouse and family



Research your local funeral home market



Outline your final wishes



Make a short *list* of who has the best prices



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