

Overview

Final Expense

The market for final expense life insurance is expanding with the aging demographic in the U.S. Most retirees have done little to no planning for final expenses

Product and Market

The final expense consumer segment is a growing and underserved population. This target market represents seniors who are inadequately prepared for the later years of their life, with most having done little to no planning for retirement and final expenses. Additionally, this demographic group is characterized by less-than-average insurability due to age and health.

According to the National Funeral Directors Association, the average expense of a funeral is \$7,800. With final expense benefits of between \$2,500 and \$50,000, the costs of final arrangements such as the funeral service, outstanding medical bills and credit card debt can be quickly settled.

Final Expense Facts
Average household income: \$15,000 - \$50,000
Growing segment: 78.8 million Americans over the age of 55
Coverage gap: Only 34% of those over 50 have completed any pre-planning for final needs
Average face amount: \$9,500
Average premium: \$626
Average issue age: 50 - 67
Primary distributions: 65% of new premium in 2010 was sold through independent agents; 32% was direct

Opportunity

Since 2006, in force premiums for final expense products has increased by an average of 22% per year. Wilton Re's focus is on:

- Reaching the underserved final expense segment in a fast and efficient manner
- Providing simple products that easily fulfill the consumer's needs
- Lowering the carrier's costly underwriting and policy issue expenses
- Reducing investments in systems for untested products and processes

Wilton Re Solutions

Wilton Re offers end-to-end product, system and process solutions for final expense and other simplified life insurance products designed for the middle market.

- Simple products designed to meet the needs of middle market policyholders and agents
- Product development, actuarial, and underwriting consulting
- Significant mortality and lapse studies covering simplified issue products
- Underwriting decision engines and policy issuance systems
- Scalable processes with high standards for customer and distributor service
- Point of sale approvals and accelerated, same day policy issuance
- Risk sharing arrangements based on client needs

Overview

Final Expense

Strength of Experience

Wilton Re has extensive experience with final expense products, applications, underwriting approaches, and supporting delivery systems to meet customer and distributor expectations.

- Practical experience ranging from product development to all aspects of policy issue and administration
- Wilton Re partnered with Milliman for the most comprehensive mortality study of the final expense market in the industry
 - 11 million policy years of exposure and over 322,000 deaths during the 2000-2009 study period
 - Competitive protective values for application questions, Rx database use, and APS

Wilton Re can help your organization reach your target customer with speed, efficiency, and confidence

Talk to Wilton Re today to find out more about our Final Expense solutions

Summary

1

Speed to market: Clients can begin offering new proprietary products in as little as four months

2

Improved business returns: Decrease variability of returns by leveraging Wilton Re's extensive final expense experience data

3

Increased ROI: Bring new product to market with little upfront investment in systems. Avoid heavy development costs and resource strain

4

Enhanced customer and distributor experience: Processes are designed with the final expense customer and distributor in mind

5

Confidence in results: Tested products and processes easily scalable to our clients' needs and opportunities

Contacts

David Van Der Beek
203.762.4442
dvanderbeek@wiltonre.com