

According to the Texas Department of Insurance (TDI).....

Prepaid funeral insurance is a special type of policy to prearrange the payment of funeral services. An advantage of this insurance is that it locks in the funeral cost at current prices.

Funeral insurance can be relatively expensive compared with other types of life insurance. The premium amount often exceeds the amount of the death benefit within a few years. At the same time, many policies will not pay the full amount of funeral expenses if you die before paying a required amount.

A standard life insurance policy or a well-planned savings program may be a better way to pay funeral costs. You should shop carefully before you buy funeral insurance and make sure you understand a policy's details.

(Emphasis Added)

SOURCE (Viewed Oct 31, 2010): [TDI Consumer Publication "Understanding Life Insurance"](http://www.tdi.state.tx.us/pubs/consumer/cb018.html)