

# Life insurance made simple



## What is life insurance?

Life insurance is a contract between an insured person and a life insurance provider that pays out a lump sum of money to a beneficiary on the death of the insured person. But the impact of life insurance is much more far-reaching. It can be a valuable financial tool and can make all the difference to your loved ones in the event of your death by enabling them to enjoy the lifestyle you planned for them.

## When should I buy life insurance?

There are many life stages which are natural times to consider life insurance. For example, many people first consider life insurance when they get married or have a child. But life insurance is not just for newlyweds or parents. In many homes, single adult children help pay the monthly bills or even support aging parents and grandparents. Their contributions would be sorely missed if they died unexpectedly. And in later years, as people approach the end of their lives, they might consider life insurance to ensure that their families are not burdened with the cost of final expenses.

## Why do I need life insurance?

Not sure if you need life insurance?

Ask yourself this question: "Will someone in my life suffer financially if I pass away?"

If the answer is yes, you probably need life insurance. Adequate life insurance enables your family to grieve without the added burden of financial hardship. Life insurance can help:

- Provide money to pay for burial or other final expenses
- Ensure your loved ones are able to sustain their current lifestyle and stay in their home
- Cover your debts, including your mortgage
- Provide an income for your family
- Cover the cost of childcare
- Provide a nest egg for your family or a favorite charity
- Cover the cost of postsecondary education for your children

## What are the different kinds of life insurance?

There are many different life insurance products and finding the right product for you depends on your age, your debts, the age of your dependents and your long-term financial goals. Most life insurance products fit into two categories – term life and permanent life.

### Did you know?



Half of all US households report that they need more life insurance<sup>1</sup>

#### About term life insurance

- Generally, a fixed premium and a set amount of coverage
- Useful if you only need coverage for a specific time period (e.g. 10 to 15 years)
- The death benefit can cover a major debt like a mortgage or provide an income to help take care of your children
- Only pays a benefit if you pass away during the specified period of time
- After the term expires there's no guarantee that you will qualify for a new policy
- If you do qualify, the premium will probably be higher because of your older age

#### About permanent life insurance

- No fixed time period so it's designed to cover you for the rest of your life
- Some permanent products have flexible premiums, investment components, cash surrender values or the possibility to borrow against the cash value of the policy
- There are two kinds of permanent life insurance – whole life and universal life

"Our agent is a great guy. He gave me some good advice and I am thankful that he protects us well. He never tried to just sell us a policy; he was sincerely concerned about our family well-being."

— **Anna M**, Montreal





## How much life insurance do I need?

The amount of life insurance you need depends on your personal situation but you may need as much as 7 times your current salary to cover all of your financial obligations including paying current debts, maintaining your family's lifestyle and preparing for future expenses. An online life insurance needs calculator can provide a basic estimate of how much life insurance you may need using information about your current and projected expenses and assets.

Of course, there is more to choosing life insurance than simple calculations; a qualified life insurance representative can review your situation in more detail and make appropriate recommendations.

## Can I afford life insurance?

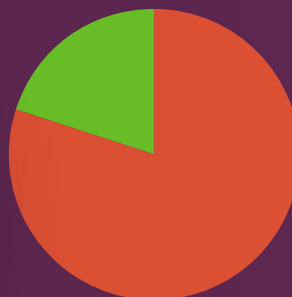
When asked why they don't have life insurance, many people claim that they can't afford it but by making even a small monthly life insurance investment, you can help ensure that your family will keep the house, send the kids to college or sustain their livelihood if there's a loss of one or both income providers.

It's never too late to buy life insurance but generally, the earlier you start, the lower your premiums. As you get older, the same coverage costs more, regardless of what type of insurance you prefer. A licensed insurance representative will consider your specific circumstances and can help you determine what you can afford.

"I know when I have kids I will definitely continue with Foresters. It feels good to be part of Foresters, they have been a constant in my life and I plan on keeping it that way."

— Josie C, Montreal

### Did you know?



80% of consumers overestimate the cost of life insurance<sup>2</sup>



75 million American families count on life insurers to protect their financial futures<sup>3</sup>

## For more information

For more information on Foresters life insurance products, or to speak with a life insurance representative in your area, visit [foresters.com](http://foresters.com)

## How do I buy life insurance?

Even when people know they need life insurance, they are often confused about the application process and the different products available. To simplify the process, you can get more information and purchase life insurance from a qualified sales professional in your area. They can take the time to carefully assess your financial situation and long-range objectives, and then work with you to find the right products for your specific needs.

When choosing a life insurance provider, look for an established, reputable insurance carrier with a long history of stability. Independent ratings agencies such as A.M. Best and Standard & Poor's score providers on their financial soundness and claims-paying ability. For an alternative to traditional life insurance companies, consider fraternal benefit societies – life insurance organizations whose members share a common bond or purpose such as supporting families, volunteering or faith. Foresters™ is a fraternal benefit society with a unique purpose: to champion the well-being of families.

## What are the steps involved in buying life insurance?

After you meet with a qualified sales professional, you will need to do the following:

1. Complete an application which asks for basic information, such as your name and address and personal information such as height, weight, health, lifestyle and financial details.
2. Depending on the product you choose, you may also be required to have an in-person medical exam in which a licensed healthcare professional will take samples and ask further questions about lifestyle and medical history. The insurer may also order your medical records for review.
3. The life insurance provider reviews your application to determine your insurability and your premiums.
4. If your application is approved, the life insurer will issue you a policy or certificate and you'll start paying premiums.

<sup>1</sup> LIMRA: Household trends in US Life Insurance Ownership, 2009

<sup>2</sup> LIMRA 2014 Insurance Barometer Study

<sup>3</sup> ACLI document based on US Census 2011 and Federal Reserve Board 2010 Survey of Consumer Finances

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