

The facts of life



Life Insurance: Protector of families, futures and dreams

You have big plans for the future – raise a family, buy a home, send your kids to college, retire comfortably. They are all worthwhile goals, but despite all of your planning, there is one thing you cannot control: the future. When a family's main provider passes away, that family's dreams can suddenly seem out of reach. While money is no longer coming in, obligations such as mortgages, car loans and other bills must still be met. For generations, life insurance has proven to be an effective way to help families protect their dreams. Unfortunately, far too many families lack the coverage they need.

For generations, life insurance has proven to be an effective way to help families protect their dreams.

An American crisis

Those individuals who are insured are more likely to have only group life insurance obtained through the workplace. Perhaps even more disconcerting is that this group coverage would likely cease altogether if an individual leaves or loses his job – leaving him and his family unprotected. These statistics foretell an uncertain future for many families.

Three steps

At Foresters Financial, we believe in a three-step approach to helping clients make effective long-term financial decisions. The first step—savings—creates a ready reserve for expenses and emergencies. The third step—investments—offers the potential for long-term asset growth. However, it's the second step—life insurance—that is often overlooked. Through adequate life insurance coverage, you create a foundation upon which you can build toward your financial goals.

Benefits of life insurance

Financial protection is the main benefit of life insurance. Below are several uses of life insurance:

Life insurance can serve as a safety net, allowing assets to stay in your family's possession. It provides liquidity to your estate, meaning that hard assets such as your home or business will not have to be sold to pay bills.

Life insurance can help replace lost income, by providing funds to your family that you would have accumulated during your lifetime.

Permanent life insurance may build cash value that may be accessed through loans during your lifetime to provide a supplemental source of funding.*

No time like the present

There are a variety of policies available that can fit your budget and specific needs. If you are young and healthy, you may be able to take advantage of your high level of "insurability." While you are young and in good health, insurance providers will reward you by charging you lower premium rates. Regardless of your age, if you purchase a life insurance policy today, you are guaranteed coverage while that policy is in effect and provided you make all of your premium payments on time. If you wait, you run the risk of deteriorating health affecting your insurability, making it harder, or even impossible for you to purchase the coverage that you need. Even if you are older, it is never too late to consider life insurance. Time can still be on your side. Because, to put it simply, life insurance never gets cheaper than it is today.

Financial Wellness & Education

Types of life insurance

There are two basic kinds of life insurance policies: Permanent and Term insurance. Below is a general description of each type.

Permanent Life Insurance is intended to provide protection for the life of the insured. Permanent life insurance policy premiums have two components, the insurance cost and the cash value component. There are several popular types of permanent life insurance:

Whole Life provides traditional life insurance coverage with a cash accumulation based on guaranteed and current interest rates. The cash value builds tax-deferred each year that you keep the policy, and you can borrow against the cash accumulation fund without being taxed. The amount of your premium usually doesn't change throughout the life of the policy.

Variable Whole Life is a permanent life insurance policy with an investment component. A variable policy's cash value account is invested in professionally managed subaccounts. The subaccounts in turn invest the premiums in various stock and/or bond subaccount portfolios.

Universal Life is a type of flexible permanent life insurance that allows the insured, after the initial premium payment, to pay premiums at various times and in varying amounts (subject to certain minimums and maximums) and to increase or decrease the death benefit.

Variable Universal Life insurance is a flexible premium permanent life insurance policy that gives the consumer the flexibility of adjusting premiums, death benefits and the selection of investment choices. Policies may provide some type of guarantee that at least a minimum death benefit will be paid to beneficiaries.

Term Life Insurance is one of the most commonly used life insurance policies. It is life insurance in its simplest form. Term life provides pure insurance protection for a specified period of time, usually 10, 20 or 30 years. Term life does not accumulate a cash value.

What policy is right for you?

Life insurance is not a "one size fits all" product. Your insurance needs are unique, and your insurance strategy should be customized to meet those needs. In some situations, it is not a question of which product, but rather which portfolio of products is right for you. Let's take a look at some of the factors you should consider when evaluating life insurance policies:

Time horizon—Ask yourself the question: "How long will I need life insurance?" If you need protection for a limited time, such as the length of time it takes to pay off a mortgage, then term insurance may be the best option. However, if your answer to the above question is: "For the rest of my life," then permanent insurance may be the appropriate choice.

Risk tolerance—A second key question is: "How comfortable am I with risk?" If you are fairly comfortable with accepting investment risk, then variable life insurance, with its cash value linked to the performance of its subaccounts, may be appropriate for you. If you prefer guarantees, then a permanent policy such as whole life, with its guaranteed contract and guaranteed cash value at a guaranteed minimum interest rate may be your best bet.

Benefit from our experience

Foresters Financial Services, Inc. provides everyday families and individuals with financial solutions, guidance and tools, to meet their needs across all life stages. Our Financial Representatives offer personalized service combined with a solid, long-term approach and fresh thinking to help you:

- Save and invest for retirement, education and other life events
- Create retirement income strategies
- Protect the ones you love
- Plan your legacy

Together, we can help you achieve financial and family well-being—now and tomorrow, this generation and the next.

Neither Foresters Financial nor its Representatives offer tax, legal or estate planning services. Clients should contact their personal tax and legal advisers for any advice about tax-related investment decisions, estate planning or gifting.

The information contained herein is not intended as a recommendation of a specific security or investment strategy. Rather, it is intended to be general and informational in nature. Speak with your Representative to discuss your specific situation and financial goals.

All securities, life insurance and annuity products are offered through Foresters Financial Services, Inc. Insurance products are issued by Foresters Life Insurance and Annuity Company, New York or The Independent Order of Foresters. All guarantees, annuity payments and policy provisions are subject to the financial strength and claims-paying ability of the issuing company.

For more information about First Investors mutual funds from Foresters Financial Services, Inc. you may obtain a free prospectus or summary prospectus by contacting your Representative, writing to the address below, calling 800 423 4026 or visiting our website at forestersfinancial.com. You should consider the investment objectives, risks, charges and expenses of the funds carefully before investing. The prospectus and summary prospectus contain this and other information about the funds, and should be read carefully before you invest or send money. An investment in these funds is not a bank deposit and is not insured or guaranteed by the Federal Deposit Insurance Corporation (FDIC) or any other government agency.

Foresters Financial™ and Foresters™ are the trade names and trademarks of The Independent Order of Foresters (a fraternal benefit society, 789 Don Mills Road, Toronto, Canada M3C 1T9) and its subsidiaries, including Foresters Financial Services, Inc.

Foresters Financial Services, Inc. | 40 Wall Street | New York, NY 10005 | 800 423 4026 | forestersfinancial.com