Foresters

Foresters Advantage Plus Whole Life Insurance
Client Scenarios

Scenario B: Cash Value Growth

Situation:
Ms Jane Ratatouille is a 32-year-old Foresters prospect. She is a working mother with a two-year-old child and another on the way. She feels that her permanent protection needs are about $300,000, but also wants to put additional disposable income aside to save for her children's education. Ms Ratatouille wants a tax-deferred option for accessing savings to contribute annually to the children's college expenses. Her desire is to limit the total outlay for this coverage to $600 a month.

Solution:

- Advantage Plus Paid-up at 100 with Flexible Payment Paid-Up Additions Rider
- Base Advantage Plus of $300,000 for a monthly premium of $271.43 with a Paid-up Additions dividend option
- Purchase of Flexible Payment Paid-up Additions Rider of $328.57 per month up until year 16 (projected age of 2-year-old to enter college)
- Policy loans for 6 years starting at the end of year 16 to help cover college related expenses ($80,000 over 6 years)
- $328.57 per month applied towards loan repayment starting in year 17 (Scenario B illustration)
- Total monthly payment of $600

Benefits:

- Protection for life
- Tax-deferred cash value build up
- Insurance protection can grow over time with the continued purchase of Paid-up Additions through the rider and declared dividends on the certificate
- Cash value can be accessed through loans to help pay for college related expenses
- No restrictions on use of loaned funds – if one or both of the children do not need any college funding the loans need not be accessed for this purpose

Illustration Summary:

	Guaranteed			Non Guaranteed				
				Midpoint			Current	
End of Year	Guar Cash Value	Guar Death Benefit		Cash Value	Death Benefit		Total Cash Value	Total Death Benefit
Year 5	$26,368	$406,376		$27,565	$412,651		$28,788	$419,060
Year 10	$64,376	$495,589		$68,370	$513,162		$72,580	$531,686
Year 20	$81,546	$520,881		$98,931	$575,372		$118,516	$636,759
Age 70 (Year 38)	$225,710	$521,890		$305,884	$670,961		$409,478	$863,579

The dividends, interest rates, benefits and values shown are neither guaranteed nor estimated for the future except for those elements clearly labeled as guaranteed. The summary assumes that the non-guaranteed elements will continue unchanged for all years shown. This is not likely to occur as the assumptions on which they are based are subject to change by Foresters based on factors such as claims, investment earnings, expenses and overall economic environment. The actual results may be more or less favorable and are expected to vary from those shown.

Dividend withdrawals or loans will reduce the death benefit and cash values and may affect how long the insurance contract is in effect. For loans, interest is charged daily at the current Foresters U.S. variable loan rates. The information given here is based on our understanding of current laws and regulations as of November 2012. Advise your clients and prospective purchasers to consult their tax or legal advisor.