



Is a term conversion right for you?

A great decision was made when term insurance was purchased with Foresters Financial™. However, what happens if financial needs or health have changed since purchasing this coverage?

Did you know?

Foresters term insurance and term riders provide a contractual provision providing for the ability to convert the term insurance to permanent insurance without evidence of insurability. This provision, called the conversion period, is available until the earlier of the initial term period less 5 years or the certificate anniversary in which the insured is age 65. Within the conversion period, insurability is secured and the original underwriting class is utilized for the new permanent insurance without additional underwriting requirements.

Considering a term conversion?

When should a conversion be considered?

- Likely to outlive the current term coverage
- Looking to upgrade coverage to leverage the features permanent insurance offers
- Financial priorities have changed
- Health has declined since originally purchasing the term insurance

Why consider converting to permanent coverage?

- Ability to choose the right product; choose between Foresters Advantage Plus II Whole Life and Foresters SMART Universal Life¹
- Ability for cash value growth and tax-advantaged distributions
- Provide loved ones with a lifetime death benefit
- No medical exam or medical questions required regardless of health during the conversion period

Is there a right time for a conversion?

Like any type of life insurance coverage, the cost of insurance can rise each year based on various factors. The longer you wait to leverage a conversion, the higher the required premiums will be for the death benefit amount desired. It's important to remember that there is a defined conversion period and once it passes this option is no longer available.

Are partial conversions allowed?

Yes. In some situations, the full death benefit amount may not be required to meet long-term needs or financial constraints may limit the amount converted. In these situations, a partial conversion may be desired, which provides for the ability to convert a specific death benefit amount. The remainder of the term insurance balance can remain in-force or discontinued if not required. If the remaining term coverage is kept in-force, the term conversion privileges remain during the conversion period. (Product minimums apply)

How may a term conversion help meet your changing needs?

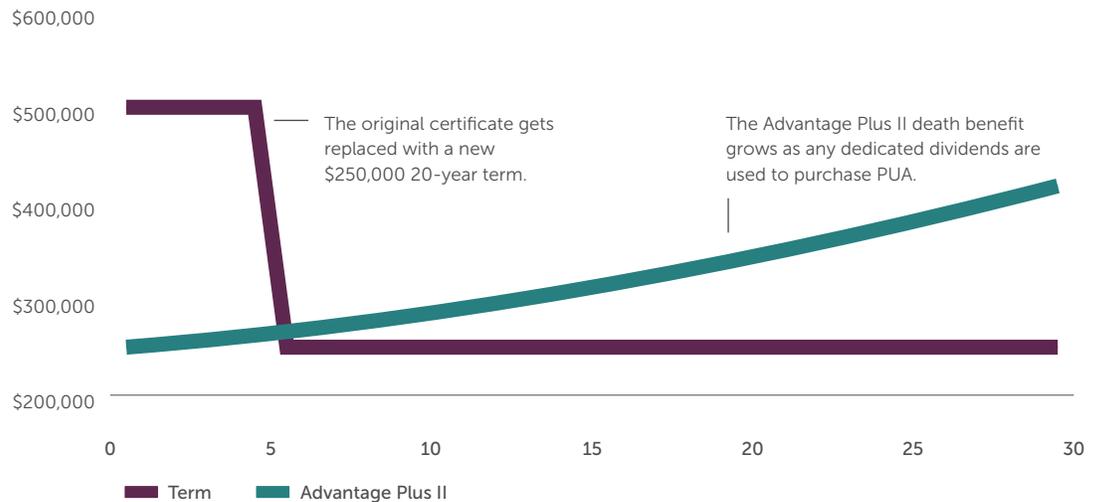
Let's look at an example:

Lucas purchased a \$500,000 10-year term certificate with Foresters 5 years ago because he wanted coverage until he retired. He received a preferred non-tobacco offer with a monthly premium of \$93.63. Today, Lucas is now age 60 and has additional health issues. He's within his last year of conversion eligibility on his current term and now wants to be in a position to leave a legacy to his beneficiaries. A life insurance certificate review reveals he requires \$250,000 today to meet his family's obligations. He now has a dilemma; should he convert \$250,000 to permanent insurance today, or keep his current term for 5 more years and then purchase new term insurance (assuming he's insurable)?

To review Lucas' dilemma, let's compare converting \$250,000 to Advantage Plus II today versus keeping his term for 5 more years and then purchasing new term insurance with an assumption that Lucas passes at age 90.

Death benefit breakdown: Death Benefit

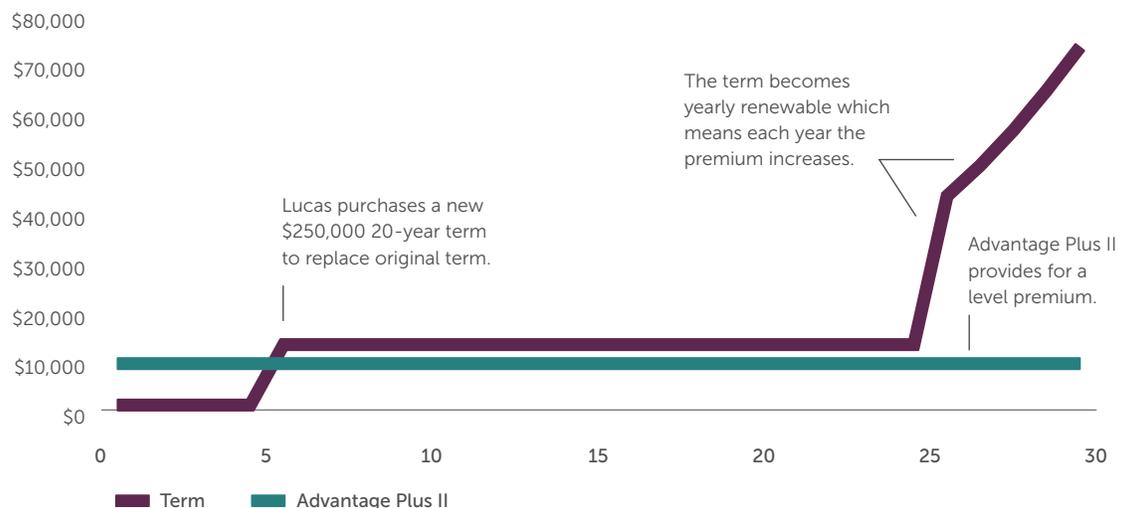
Based on non-guaranteed values including assumed dividends², at his death at age 90, his beneficiary could receive a death benefit, generally tax-free, of \$418,071 from Advantage Plus II versus \$250,000 from the Term. One feature Advantage Plus II offers is the ability to have declared dividends³ purchase paid-up additions, which has a significant impact on the available death benefit for his family's financial future.



Premium breakdown:

By leveraging the conversion privilege today, by the time of his death Lucas will have paid premiums of \$282,380 towards the Advantage Plus II coverage versus a staggering \$559,247 for term. The \$559,247 figure assumes that 1) the term coverage was kept in-force for 5 more years and then, 2) a new \$250,000 20-year term was purchased. Due to his health at the time of purchase, the 20-year term is based on substandard table D non-tobacco.

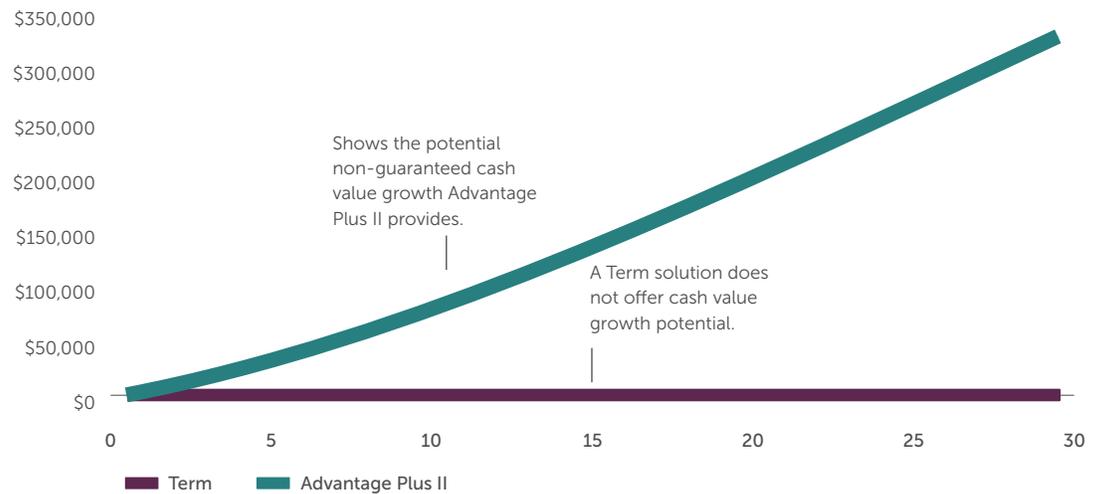
Required Annualized Premium



Cash Value Growth:

By leveraging the conversion privilege today, Lucas has the ability for cash value growth over the years with Advantage Plus II. The cash value within the certificate provides for tax-deferred growth and tax-advantage distributions if income is required to meet financial obligations. Note that taking distributions does impact the certificate cash value and death benefit amount within the certificate. Unlike Advantage Plus II, cash value growth is not possible with term insurance.

Potential Cash Value Growth



Lucas' dilemma highlights the power a term conversion option may have on a family's financial future. Maybe it's time we had a conversation about a term conversion?

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Foresters Advantage Plus II: ICC19-WL-US01 or WL-XX01-2019 or in NY, Whole Life: WL-NY01-2019, ICC18-UL-SMART-US01 or UL-SMART-XX01-2018 or UL-SMART-FL02-2018

² Dividends are not guaranteed. Past dividends are not an indicator of future dividend performance.

³ Dividends are not guaranteed and vary depending on factors such as gender, band, smoker, preferred/standard, and premium-pay period.

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