

# Understanding life insurance

The life insurance solution you choose can have a big impact on your financial stability and overall wellness.

## What is life insurance?

Essentially, it's a legal agreement between the insured and the insurance company that specifies payment of a predetermined benefit amount upon death, subject to the terms of the insurance contract. Life insurance proceeds are generally free from federal income tax.<sup>1</sup>

### Who needs life insurance?

Anyone who wants to protect survivors or dependents against financial hardship if you die. For example, if your family were to have trouble getting by without your salary, a life insurance policy can provide funds they need to continue living their lives. Here are some other ways, life insurance can benefit you:

**Final expenses.** A death benefit can be used to help pay medical bills, funeral costs and other related expenses.

**Mortgage protection.** Your loved ones can use the death benefit to help cover mortgage payments or to pay it off, entirely.

**Income replacement.** Your family can use life insurance proceeds to help maintain their standard of living.

**Estate planning.** Life insurance can be an effective way of paying the costs associated with settling your estate. A legal or tax professional can provide you with the right guidance when it comes to estate planning.

**Charitable giving.** Expanding your legacy by giving to your favorite charity may also provide you with a valuable tax benefit.

## What is modern life insurance?

It's life insurance that does more than just pay a death benefit after you're gone. It's a holistic solution that helps provide economic security while providing opportunities for you, and your family, to live richer, fuller lives.

Our unique member benefits<sup>3</sup> program is designed to help you live your best life today and every day.

- Fun family events
- Volunteer opportunities
- Community grants
- Competitive tuition scholarships<sup>4</sup>



## Did you know...

Approximately

**50 million**

U.S. households recognize they need more life insurance.<sup>2</sup>

**33%**

of Americans in a committed relationship wish their partner would purchase more life insurance.<sup>2</sup>

More than

**35%**

of all U.S. households would feel adverse financial impacts within one month if a primary wage earner died.<sup>2</sup>

# How much life insurance do you need?

Every individual's insurance needs are different based on various factors, including:

- Current income
- Accumulated debt
- Retirement and financial needs
- Current savings
- Future education needs
- Your age and life stage

A life insurance agent can assist you in determining the right coverage for you.

Calculate your life insurance needs online at [foresters.com/calculator](https://foresters.com/calculator).

## Foresters Financial™ life insurance products

**Foresters offers a number of life insurance products based on your individual needs and financial goals.**

**Term life insurance** is designed to cover you for a specified period of time – usually 10, 20 or 30 years. A death benefit is only paid if the insured dies within the term period.

**Permanent life insurance** has no fixed term and is designed to cover you for your lifetime. The premiums are typically higher than term life insurance but often, it comes with a cash value component. The most common permanent life insurance products include:

- **Whole life insurance** provides traditional life insurance coverage with a savings component that accumulates cash value based on a guaranteed interest rate.
- **Universal life insurance** offers flexible premiums and death benefit with an investment component that accumulates cash value based on actual interest rates.

## Talk to your life insurance agent today about your needs

For more information about Foresters Financial go to [foresters.com](https://foresters.com) or call me today for a free no-obligation quote.

Compliments of:

Foresters Financial, Foresters, and Helping Is Who We Are are trade names and/or trademarks of The Independent Order of Foresters (a fraternal benefit society, 789 Don Mills Rd, Toronto, Canada M3C 1T9) and its subsidiaries. N473

Products may not be available or approved in all states and are subject to underwriting approval, limitations, contract terms and conditions, and state variations. Refer to the applicable insurance contract for your state for these terms and conditions. For complete costs and details, see your life insurance agent. Life insurance certificates are issued by The Independent Order of Foresters.

<sup>1</sup> Foresters, their employees and life insurance representatives, do not provide, on Foresters behalf, estate or tax advice.

<sup>2</sup> Facts of Life, 2018 LIMRA, LIAM September 2018.

<sup>3</sup> Foresters Financial member benefits are non-contractual, subject to benefit specific eligibility requirements, definitions and limitations and may be changed or cancelled without notice.

<sup>4</sup> This program is administered by International Scholarship and Tuition Services. Available to eligible members. Please visit <https://www.foresters.com/en/foresters-difference/scholarships> for eligibility criteria.