

# How can you be sure you're leaving the legacy you want?

We all want our legacy to be straightforward and easy for our loved ones – especially when they feel deep loss. An important part of the solution is sound estate planning.

Fortunately, estate planning doesn't have to be complicated. But where do you begin?





# Understanding estate planning

At its simplest, estate planning<sup>1</sup> means **creating a will**, and deciding how your assets will be divided after you die. It also includes:

- Taking stock of your assets
- Planning to minimize estate taxes
- Ensuring financial protection of your loved ones for generations to come
- Planning for unexpected life events, such as chronic, critical, or terminal illness

## How does life insurance help in the estate planning process?

<sup>1</sup> Foresters, its employees and life insurance representatives, do not provide legal, tax, or estate advice. Consult a tax, legal or estate advisor regarding estate planning.

# Make sure you protect your assets

When thinking about how you can protect your assets, permanent whole life insurance can be a good place to start. It's designed to be there for your lifetime and the potential growth in death benefit may increase the value of the legacy for your loved ones. One permanent whole life product available from Foresters™ can potentially be a good estate planning solution. Naturally enough, it's called Your Legacy.

So, what's so special about Your Legacy? It's a "single premium", non-med<sup>4</sup> permanent life insurance product. That means you only pay for your coverage once. Then you can sit back and not worry about paying premiums, confident that your coverage will be there when your loved ones need it most.

Did you know?



**55% of Americans** die without a will or estate plan.<sup>2</sup>

Once you've taken stock of your assets, a proper will and estate plan will let your loved ones know how to divide your assets.

Foresters members<sup>9</sup> have access to free and discounted legal services – including help with writing a will.<sup>3,9</sup>

## Potential dividends can increase the value of your estate

Foresters has a solid track record of paying dividends on participating products. Since 2004 our dividend interest rate has ranged from 5.60% and 6.75%.<sup>5</sup>

### How can dividends be used to increase coverage?

Your Legacy is a participating life insurance product, meaning it's eligible to receive dividends. But what is a dividend?

In effect, a dividend represents a return of a portion of the Owner's premium payment. Certificate premiums are calculated to cover the anticipated cost of insurance protection. The cost of insurance is affected by factors such as mortality experience, control of expenses and return on investments. When these factors are better than anticipated, Foresters may declare a dividend. Dividends are not guaranteed.

One way potential dividends can be used is to purchase paid-up additional life insurance. A paid-up addition uses the dividends to purchase additional permanent insurance with no additional premium required. It's a way to build up additional coverage and cash value.

Plus...

Financial strength you can count on

Foresters maintains a strong financial position with assets of

**\$11.9 billion**<sup>6</sup>

and liabilities of \$10 billion<sup>6</sup>

Ability to withstand adverse business and market conditions with a surplus of

**\$1.9 billion**<sup>6,7</sup>

A.M. Best Company

**"A"** (Excellent) rating<sup>8</sup>

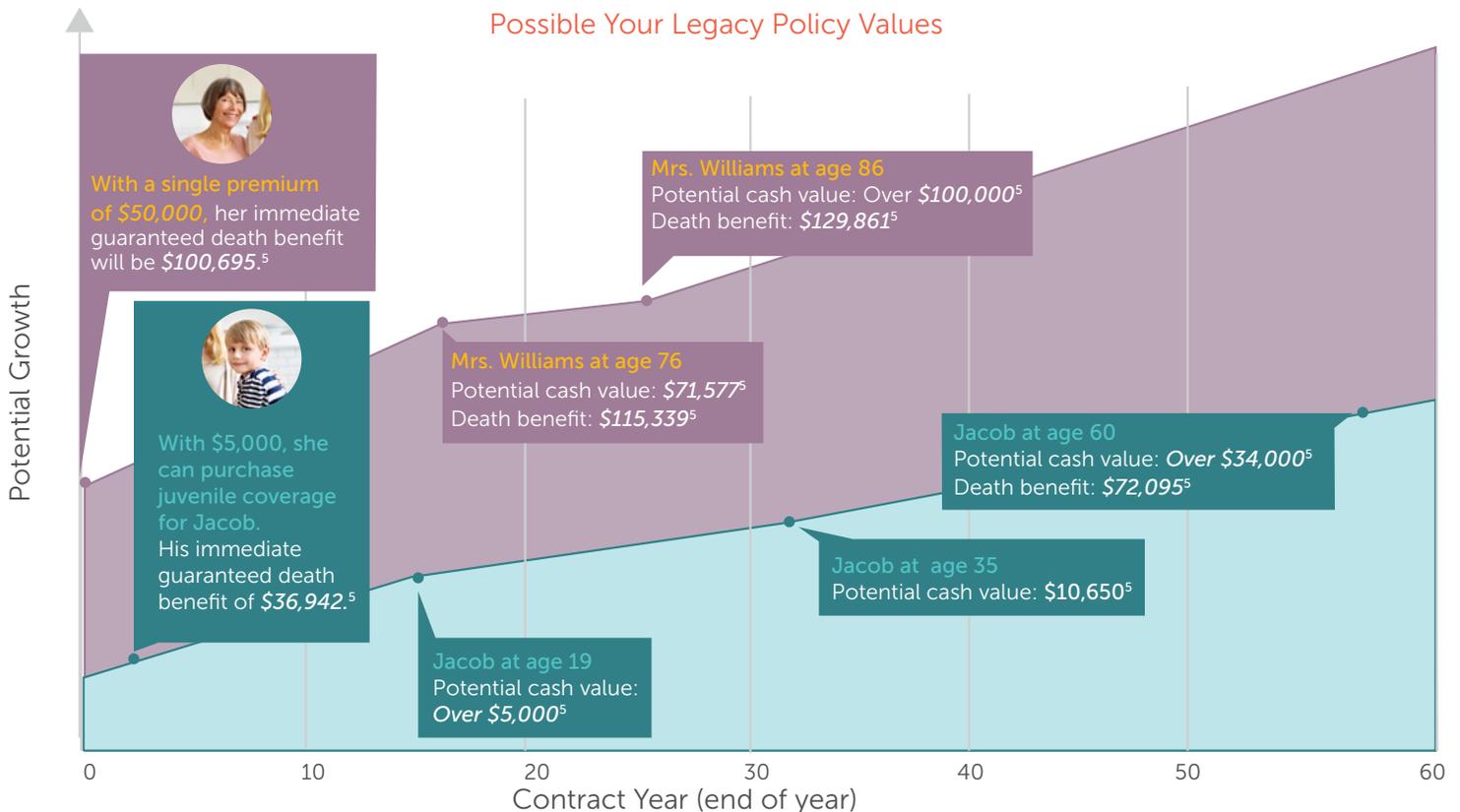
for 15 consecutive years



Take Mrs. Williams for example. She's a 60-year-old grandmother who wants to build cash value and leave more to her loved ones.

She has \$55,000 that she would like to invest in a life insurance policy that allows for cash value growth and purchase juvenile coverage for her 4-year-old grandson, Jacob. How can Your Legacy address these needs? Assuming Foresters declares dividends every year, dividends on Your Legacy can be used to purchase paid-up additions and grow her cash value. She'll be able to leave her daughter more to pay off debts or any other expenses she may have. Plus, she can feel secure knowing that she's given Jacob a head start on financial security.

See footnote #5 for more information on how sample values are calculated.



### That's not all...

By becoming a Foresters member, Mrs. Williams can access a range of member benefits. She can help ease the financial burden that comes with post secondary tuition costs by giving Jacob the opportunity to qualify for a Foresters Competitive Scholarship.<sup>10</sup>

#### Competitive scholarships for grandchildren

Foresters is proud to contribute to the opportunities that education can bring to individuals, families and communities. In 2014 alone, Foresters awarded \$1.8 million<sup>6</sup> in funding for more than 1,100 Foresters Competitive Scholarships.

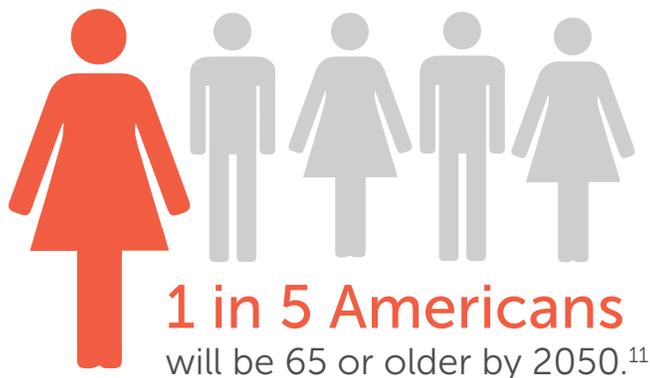


# Estate planning doesn't have to be intimidating

It's tempting to delay planning your estate. It all seems too complicated and intimidating. But it doesn't have to be. Just use this 10-step estate planning checklist to cover all your bases.

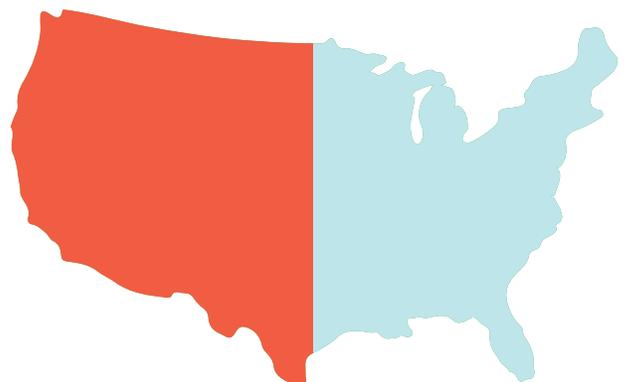
- 1 Create a "team" of professionals who can provide you with advice and support, including a life insurance representative, and tax and legal advisors.
- 2 Draw up a household balance sheet and budget.
- 3 Understand and fund your life insurance needs.
- 4 Draw up a will and trust documents, with the help of an attorney. Name your beneficiaries.
- 5 Establish a power of attorney for property and personal care.
- 6 Name guardians for any minor children.
- 7 Work with your tax and legal advisors to create a plan to minimize estate taxes and administration fees.
- 8 Keep track of accounts, investments, assets and important information. (Keep them in a safe place.)
- 9 Review and update your estate planning strategy regularly with your life insurance representative and the rest of your team. Make funeral arrangements.
- 10 Tell someone about your estate plans to avoid confusion and uncertainty in the future.

## Plan for a healthy, active retirement



## What if you get sick?

As of 2012, 60% of Americans age 50 to 64 had one or more chronic health problems.<sup>12</sup>



The Solution: Living Insurance Benefits

# Living life insurance benefits can be priceless

Believe it or not, the living benefits of life insurance can be just as important as the death benefit. Let's look at the living benefits of Your Legacy permanent whole life insurance.

Your Legacy offers comprehensive **living insurance benefits** automatically included at no additional premium.

- The **Accelerated Death Benefit Rider<sup>13</sup>** lets you take a portion of the death benefit<sup>14</sup> in advance if you develop a chronic, critical or terminal illness that's covered. Please note that this rider is not available in CA, NY or CT.

For example, let's say you develop life threatening cancer. This rider is designed to let you take an advance of up to 95% of the death benefit (up to a maximum of \$500,000) to use as you wish. Perhaps you need the cash for special medical treatments, to create comfortable surroundings in your home or just want to spend time with loved ones.

- Natural disasters – like earthquakes, hurricanes or tornadoes – can saddle your family with unexpected medical costs, such as hospital stays or emergency room visits. The **Family Health Benefit Rider** reimburses you for qualified health situations and it also covers your immediate family.



# Going beyond living life insurance benefits

You get a lot when you purchase a Foresters product. And as a Foresters member, you get much more.<sup>9</sup>



**Everyday Money** – Do you need financial counselling on how to balance your budget? Looking for ways to work down credit card debt or pay down your mortgage? As a Foresters member you have access to complimentary telephone advice from accredited financial counsellors.

**Community Grants** – This funding allows members to plan local activities for their families and other Foresters members, creating exciting volunteer opportunities and family activities.

**Competitive Scholarships** – Awarded annually to ease the burden of post secondary tuition costs.

## Did you know?

In 2014, Foresters awarded \$4.8-million in Community Grants and \$1.8-million in Competitive Scholarships.<sup>10</sup>



Foresters for families  
and communities

<https://youtu.be/wvHhfJRdgRo>

There are many wonderful ways Foresters make a real difference in the lives of American families.

Watch this short video to see more about how Foresters and our members enrich communities across the country.

Compliments of

## Estate Planning: Your 10-Step Checklist

Use this handy worksheet as a guide to start planning your estate. Your agent can walk you through this checklist to help you reach your personal estate plan objectives.

	To Do	Started	Done	Notes
1	Create a "team" of professionals who can provide you with advice and support, including a life insurance representative, and tax and legal advisors.	<input type="checkbox"/>	<input type="checkbox"/>	_____
2	Draw up a household balance sheet and budget.	<input type="checkbox"/>	<input type="checkbox"/>	_____
3	Understand and fund your life insurance needs.	<input type="checkbox"/>	<input type="checkbox"/>	_____
4	Draw up a will and trust documents, with the help of an attorney. Name your beneficiaries.	<input type="checkbox"/>	<input type="checkbox"/>	_____
5	Establish a power of attorney for property and personal care.	<input type="checkbox"/>	<input type="checkbox"/>	_____
6	Name guardians for any minor children.	<input type="checkbox"/>	<input type="checkbox"/>	_____
7	Create a plan to minimize taxes and administration fees.	<input type="checkbox"/>	<input type="checkbox"/>	_____
8	Keep track of accounts, investments, assets and important information. (Keep them in a safe place.)	<input type="checkbox"/>	<input type="checkbox"/>	_____
9	Review and update your estate planning strategy regularly with your life insurance representative and the rest of your team. Make funeral arrangements.	<input type="checkbox"/>	<input type="checkbox"/>	_____
10	Tell someone about your estate plans to avoid confusion and uncertainty in the future.	<input type="checkbox"/>	<input type="checkbox"/>	_____

Other notes

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## Glossary of Terms

**Accelerated Death Benefit Rider** - A living insurance benefit included in most Foresters products that allows you, under certain circumstances, to receive a portion of the proceeds (also called the Death Benefit) of your life insurance before you die. Such circumstances include chronic, critical or terminal illness.

**Beneficiary** - The person named in your life insurance certificate to receive the insurance proceeds when you pass away.

**Cash Value** - is the amount of money that the insurer will pay to the owner if the life insurance is terminated before the death of the insured. Certain insurance products, such as Foresters Your Legacy, have guaranteed cash value that builds up over time in your certificate. Additional cash value may also be created by potential dividends used to purchase paid-up additional insurance or when dividends are left on deposit. Typically, cash value from dividends can be withdrawn, if immediate access to funds is needed.

**Death Benefit** - The payment made by the insurer to the one or more beneficiaries when you pass away.

**Dividend** - A dividend represents a return of a portion of the Owner's premium payment. Certificate premiums are calculated to cover the anticipated cost of insurance protection. The cost of insurance is affected by factors such as mortality experience, control of expenses and return on investments. When these factors are better than anticipated, Foresters may declare a dividend. Dividends are not guaranteed.

**Face Amount** - The amount stated in the certificate to be paid at death or at the maturity of the policy. It does not include additional amounts payable under accidental death or other special provisions, or acquired through the application of policy dividends. The face amount can be reduced by the amount of any policy loans that the insured has outstanding as of the date of death.

**Family Health Benefit Rider** - A living insurance benefit included on most Foresters life insurance products at no additional premium that pays a benefit for qualified health situations, such as a hospital stay or emergency room visit, as a result of a catastrophic event such as an earthquake, hurricane, or tornado.

This benefit covers both the insured and his or her immediate family.

**Interest** - For participating life insurance products that can earn dividends, such as Foresters Your Legacy, interest is paid on the value of the dividends if they are left on deposit in the certificate. Interest is also earned on the cash value of universal life products. Of course, you need to pay interest on any loans you take from the cash value of your life insurance.

**Paid-up Coverage** - Life insurance coverage that is in effect, but no longer requires you to pay additional premiums. Single Premium life insurance, such as Foresters Your Legacy, is an example.

**Participating Life Insurance** - A type of permanent life insurance that can earn dividends. Foresters Your Legacy is a participating product.

**Permanent Life Insurance** - Intended to provide coverage for the rest of your life. Designed to pay a benefit no matter when you pass away.

**Premium** - The payment you agree to make for an insurance certificate. Depending on the terms of the certificate, the premium may be paid in one payment (called a "Single Premium") or a series of regular payments (e.g., annually, semi-annually, quarterly or monthly).

**Rider** - A provision of an insurance certificate that is separate from the basic certificate and that provides additional benefits, usually but not always, at additional cost.

**Whole Life Insurance** - Life insurance intended to provide coverage for as long as you live.

## Description of Foresters Member Benefits<sup>9</sup>

### Grants and Scholarships

**Foresters Competitive Scholarship<sup>16</sup>** – The Foresters Competitive Scholarship Program offers up to 250 renewable tuition scholarships for postsecondary education worth up to \$8,000 each. Eligible members and their family members, with at least 40 hours of community service and a minimum GPA of 2.8 or minimum grade of 70%, may apply.

**Foresters Community Grants** – Foresters Community Grants provides funding to members to organize fun family activities and volunteer events in their own communities. In addition to the grants, Foresters provides tools and resources to help ensure the events are successful. Members can apply for two types of grants:

**Community Involvement Grant:** funds for member volunteering opportunities, such as creating care packages for a local Ronald McDonald House® or refreshing a park or library.

**Member Involvement Grant:** funds family-friendly events that help members relax and reconnect at little to no cost like a day at the zoo, theme park or sporting event.

**Orphan Scholarship<sup>16</sup>** – This scholarship may provide children of deceased members with a post secondary scholarship ranging from \$1,500 to \$6,000 per year for up to four consecutive years to help cover tuition and maintenance.

**Emergency Assistance Program** – Emergency grants provide short-term, temporary financial assistance to members affected by significant personal hardship, disaster or large-scale emergency. This benefit is a one-time, per disaster, per household payment.

### Well-being Benefits

**Everyday Money** – Our toll-free, personalized and phone-based financial helpline gives members access to accredited counsellors who can answer their daily money management questions.

**Legal Link** – Members can access certain free and discounted legal services in their area and consult with a lawyer on wills, family law and more.

**Terminal Illness<sup>15</sup>** – A member who becomes terminally ill may receive an interest-free loan of up to 75% of the total amount of the Foresters life insurance on that insured to a maximum of \$250,000.

**Orphan Benefit<sup>16</sup>** – A monthly orphan benefit, which may pay up to \$900 per month per child to the legal guardian of children under 18 years of age in the event of the death of both parents.

### Community and Volunteering

**Community Involvement Events** – Each year Foresters and our members organize thousands of local, hands-on volunteer activities so members can spend time with their loved ones and also make a meaningful impact in their communities.

**Fun Family Events** – Foresters and our members organize fun family events that help members take a break from their busy schedules and enjoy quality family time at little to no cost. Activities include visits to local attractions, theme parks and sporting events.

**Partners and Activities** – Foresters invests in local and national causes that enrich the lives of families and communities and is proud to partner with KaBOOM!, Ronald McDonald House Charities® (RMHC®) and the American Red Cross™.

**Member Leadership** – Foresters members can have their say in the future of the organization by participating in the annual elections process. Through its Branch Council system, Foresters also provides leadership opportunities for members who want to help focus and support its impact in local communities.

Descriptions of member benefits that you may receive assume that you are a Foresters member. Foresters member benefits are non-contractual, subject to benefit specific eligibility requirements, definitions and limitations and may be changed or cancelled without notice.

<sup>1</sup>Foresters, its employees and life insurance representatives, do not provide legal, tax, or estate advice. Consult a tax, legal, or estate advisor regarding estate planning.

<sup>2</sup>Source: American Bar Association – Estate Planning FAQ:  
[http://www.americanbar.org/groups/real\\_property\\_trust\\_estate/resources/estate\\_planning/estate\\_planning\\_fa.html](http://www.americanbar.org/groups/real_property_trust_estate/resources/estate_planning/estate_planning_fa.html)

<sup>3</sup>Free and discounted legal services provided through Legal *Link* member benefit.

<sup>4</sup>Insurability depends on the answers to a few medical and lifestyle questions and an underwriting review, based on underwriting requirements and guidelines.

<sup>5</sup>Based on current dividend rates as of February 2015. Dividends are not guaranteed. This example assumes 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 the overall economic environment. The actual results may be more or less favorable and are expected to vary from those shown.

<sup>6</sup>Financial results as at December 31, 2014. Figures in Canadian dollars.

<sup>7</sup>This surplus represents excess funds above the amount required as legal reserves for insurance and annuity certificates in force and provides additional assurances to our members for our long term financial strength.

<sup>8</sup>An "A" (Excellent) rating is assigned to companies that have a strong ability to meet their ongoing obligations to policyholders and have, on balance, excellent balance sheet strength, operating performance and business profile when compared to the standards established by A.M. Best Company. A.M. Best assigns ratings from A++ to F, A++ and A+ being superior ratings and A and A- being excellent ratings. In assigning the ratings for The Independent Order of Foresters (Foresters) on July 1, 2015, A.M. Best stated that Foresters rating outlook is "stable", which means it is unlikely to change in the near future. See [ambest.com](http://ambest.com) for the latest ratings.

<sup>9</sup>Foresters members are insured under a life insurance certificate issued by the Independent Order of Foresters. Descriptions of member benefits that you may receive assume that you are a Foresters member. Foresters member benefits are non-contractual, subject to benefit specific eligibility requirements, definitions and limitations and may be changed or cancelled without notice.

<sup>10</sup>Foresters Competitive Scholarships program is administered by International Scholarship and Tuition Services, Inc.

<sup>11</sup>Source: US Census Bureau – Working Beyond Retirement Age. <https://www.census.gov/hhes/www/laborfor/Working-Beyond-Retirement-Age.pdf>

<sup>12</sup>Source: Pew Research – Health Fact Sheet: <http://www.pewinternet.org/fact-sheets/health-fact-sheet/>

<sup>13</sup>This rider is not available for certificates issued with a base face amount of less than \$20,000. On certificates where the insured's issue age is higher than 80 or issued as sub-standard, Terminal illness, where available, will be the only eligible illness issued. This rider is not available in CA, NY, or CT.

<sup>14</sup>The payment, due to diagnosis of an eligible illness, may be less than the acceleration amount which may be subject to a fee, an actuarial discount amount and other applicable deductions. Payment will decrease certificate values and benefits.

<sup>15</sup>Not available as a member benefit in the state of Illinois and New York or on Accidental Death products.  
Terminally ill means there is a reasonable certainty of death within 12 months as determined by a legally qualified physician who can provide medical proof of satisfactory to Foresters.

<sup>16</sup>Available to eligible members with an in force certificate having a minimum face value of \$10,000 or if an annuity, a minimum cash value of \$10,000 or a minimum contribution of \$1,000 paid in the previous twelve months.

This brochure is provided for information purposes only; it does not form part of the Foresters Your Legacy Single Premium Whole Life participating life insurance contract and is not intended to amend, alter or change any of the terms and conditions of the contract. Refer to the Foresters Your Legacy Whole Life contract for your state for these terms and conditions.

Life insurance contracts are issued by The Independent Order of Foresters, a fraternal benefit society.

Foresters Your Legacy and its riders may not be available or approved in all states and are subject to eligibility requirements, underwriting approval, limitations and state variations. Foresters Your Legacy and its riders are filed under the following form numbers, where "XX" represents either "US" or your state's postal abbreviation, as applicable.

Foresters Your Legacy: ICC14-WL-SPREM-US01 or WL-SPREM-XX01-2014

Accelerated Death Benefit Rider (for Chronic, Critical and Terminal Illness):

ICC14-TRAD-ABRCHCRTI-US01 or TRAD-ABRCHCRTI-XX01-2014

Accelerated Death Benefit Rider (for Critical and Terminal Illness):

ICC14-TRAD-ABRCRTI-US01 or TRAD-ABRCRTI-XX01-2014

Accelerated Death Benefit Rider (for Terminal Illness): ICC14-TRAD-ABRTI-US01 or

TRAD-ABRTI-XX01-2014

Common Carrier Accidental Death Rider: ICC11-WL-CCADR-US01 or WL-CCADR-XX01-2011

Family Health Benefit Rider: WL-FHB-XX01-2011

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