Putting the spotlight on Beneficiaries

Beneficiaries 101

For every Foresters Financial™ life insurance certificate, your client needs to consider who to name as the beneficiary. This sheet will help you to guide your client as to who is an acceptable fraternal beneficiary – and who's not.

It is important to remember that all normal underwriting requirements, including insurable interest rules, must be met in addition to naming acceptable fraternal beneficiaries. See Foresters producer website and Foresters Underwriting Resources for more information.

For more information call:
Foresters Sales Desk
866-466-7166, Option 1

When the Owner and Insured are the same

Generally, acceptable Foresters fraternal beneficiaries include any beneficiary designation that benefits the Owner/Insured or the Owner/Insured's dependents or community.

Acceptable beneficiaries may include persons with whom the Owner/Insured is in a close relationship, and the Owner/Insured wished to leave that person a legacy or expects that person to use the death proceeds to cover the Owner/Insured's final expenses. Examples of acceptable beneficiaries include:

- Wife, husband, domestic partner, common law spouse, fiancée
- Son-in-law, daughter-in-law (upon review)
- Children, stepchildren
- Grandchildren (upon review)
- Sibling
- Parent
- Grandparent (upon review)
- Family Living Trust
- Certain Charitable Trusts
- Irrevocable Life Insurance Trust (ILITs)
- Qualified charitable or community organizations

Other possible beneficiaries (Foresters may request an explanation of the purpose of the insurance and how it is of benefit to the Owner/Insured or the Owner/Insured's dependents):

- Family-owned business
- Employers or business partners

Examples of beneficiaries that are **not acceptable** include:

- Funeral homes
- Lending institutions, finance companies or private lenders (instead, consider collateral assignments to the lender or creditor of the amount owed by the Owner/Insured)

If a beneficiary is not named, it may result in the death proceeds being paid to the estate of the Owner/Insured. Life insurance proceeds left to the Owner/Insured's estate may cause death taxes, court costs and other fees.

If the Owner and the Insured are not the same, State laws and regulations may vary, creating different rules around acceptable beneficiary designations.

Foresters, their employees and life insurance representatives, do not provide, on Foresters behalf, legal or tax advice. The information given here is merely a summary of our understanding of current laws and regulations. Advise your clients and prospective purchasers to consult their tax or legal advisor.

Foresters Financial

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