



# ISP CHOICE

**A LEVEL PREMIUM VARIABLE LIFE INSURANCE  
POLICY WITH FOUR PAYMENT PERIOD OPTIONS:  
ISPC-10, ISPC-20, ISPC-65 AND ISPC WHOLE LIFE**

**OFFERED BY  
FIRST INVESTORS LIFE INSURANCE COMPANY**

*This booklet contains two prospectuses. The first prospectus is for our Level Premium Variable Life Insurance Policy with four payment period options: ISPC-10, ISPC-20, ISPC-65 and ISPC Whole Life, which we call ISP Choice. The second prospectus is for the First Investors Life Series Funds, which provides the underlying investment options for the policy.*

THE DATE OF THIS

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**P R O S P E C T U S**

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IS MAY 1, 2012



# ISP CHOICE

A Level Premium Variable Life Insurance Policy  
with four premium payment period options

ISPC-10, ISPC-20, ISPC-65,  
ISPC-Whole Life

Offered By First Investors Life Insurance Company Through First Investors Life Separate Account B.

110 Wall Street, New York, New York 10005 / (800) 832-7783

This prospectus describes an individual Level Premium Variable Life Insurance Policy (the "Policy") that is offered by First Investors Life Insurance Company ("First Investors Life", "we", "us" or "our") through First Investors Life Separate Account B ("Separate Account B"). The Policy offers four different premium payment period choices – a 10-year option ("ISP CHOICE 10" or "ISPC-10"), a 20-year option ("ISP CHOICE 20" or "ISPC-20"), an option to pay until age 65 ("ISP CHOICE-65" or "ISPC-65"), and an option to pay until age 100 ("ISP CHOICE-Whole Life" or "ISPC-WL").

Please read this prospectus and keep it for future reference. It contains important information that you should know before buying or taking action under a policy. This prospectus is valid only when attached to the current prospectus for the First Investors Life Series Funds ("Life Series Funds").

The Securities and Exchange Commission ("SEC") has not approved or disapproved these securities or passed judgment on the adequacy of this prospectus. Any representation to the contrary is a criminal offense.

First Investors Life does not guarantee the performance of the segregated investment options under the Separate Account B that correspond to the Funds of the Life Series Funds ("Funds"). The Policy is not a deposit or obligation of, or guaranteed or endorsed by, any bank or depository institution, or federally insured by the Federal Deposit Insurance Corporation, the Federal Reserve Board or any other agency. The Policy involves investment risk, including possible loss of principal amount invested.

The Policy may not be available in all states or jurisdictions. This prospectus does not constitute an offering in any state or jurisdiction in which such offering may not lawfully be made. First Investors Life does not authorize any information or representations regarding the offering described in this prospectus other than as contained in this prospectus or any supplement thereto or in any supplemental sales material authorized by First Investors Life.

The date of this prospectus is May 1, 2012.

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## SUMMARY OF BENEFITS AND RISKS OF THE POLICY

### POLICY BENEFITS

The Policy allows you to select the amount of life insurance that you want or the amount of premium that you will pay each year, and to select one of four premium payment period options. In the case of ISP CHOICE-10 you pay premiums for 10 years, in the case of ISP CHOICE-20 you pay premiums for 20 years, in the case of ISP CHOICE-65 you pay premiums until you reach age 65 and in the case of ISP CHOICE-Whole Life you pay premiums until you reach age 100.

Once you make your selections and the Policy is issued, your premium and payment premium period cannot be changed by you or us. Nor can we increase your premium or the number of years you must pay. The net amount of each premium remaining after deduction of Policy charges is invested in our Fixed Account and/or one or more investment Subaccounts in accordance with your instructions. You may not invest more than 50% of your premiums in the Fixed Account.

The Policy is designed to provide you with permanent life insurance protection as long as you pay your premiums for the premium payment period. Once you have finished paying the premium for the period selected, the Policy remains in force for the life of the Insured unless you choose to surrender your Policy, or you borrow against it to the extent that it lapses. Your choice of the payment period depends on how much life insurance coverage you want or need. In general, the longer that you pay your premiums, the greater the life insurance coverage you will obtain per premium dollar. Thus, you will obtain the most initial coverage by purchasing ISPC-WL and the least initial coverage by purchasing ISPC-10.

Upon the death of the Insured, the Policy's death benefit will be paid to the named Beneficiary. The amount of the death benefit may increase above the Policy's guaranteed insurance amount (known as the "Face

Amount") based upon the investment experience of the Subaccounts you select and the credited interest in the Fixed Account if chosen. However, the death benefit is guaranteed never to be less than the Policy's Face Amount (reduced by any outstanding Policy loans, accrued interest, partial surrenders and due and unpaid premiums).

The Subaccounts invest in corresponding Funds of the Life Series Funds. Each Fund is a professionally managed mutual fund with its own investment objectives, strategies and risks. The Fixed Account, which is part of our General Account, bears interest at a fixed guaranteed minimum interest rate, plus any additional interest that in our sole discretion we may declare. Your Cash Value and Variable Insurance Amount will fluctuate based on a number of factors including the performance of the Subaccounts you select and the proportion of your Cash Value which you allocate to the Fixed Account.

You may change your allocation of future additional premiums subject to certain limitations. You may also change the allocation of Cash Values among the Subaccounts, or among the Subaccounts and the Fixed Account, through Transfers of Cash Value, Automated Subaccount Reallocations, or Systematic Transfers. Allocations of Cash Values (i.e., "transfers") are subject to certain conditions and restrictions described elsewhere in this prospectus.

You may borrow up to 75% of the Policy Loan Value during the first three Policy Years and up to 90% of the Loan Value thereafter, if you assign your Policy to us as sole security. While a Policy loan is generally not taxable, the loan amount may become taxable under certain circumstances.

You may also fully surrender the Policy at any time while the Insured is living. The amount payable will be the Cash Value less any outstanding loans, accrued interest and due and unpaid premium. A surrender is a

taxable event. You may surrender a portion of the Policy's Cash Value on any Policy anniversary provided you meet our requirements. Partial surrenders may have adverse tax consequences.

Subject to availability in your state, we offer optional insurance riders to add benefits to the Policy. You pay an additional premium amount for each rider and certain age, insurance underwriting requirements, limitations and restrictions apply. You may terminate a rider at any time and your premium will be adjusted accordingly. Premiums for certain optional riders are not necessarily level for the term of the rider. See "Optional Insurance Riders" for further details.

### **POLICY RISKS**

Because of the insurance costs, the Policy is not suitable for you unless you need life insurance. If you have no need for life insurance, you should consider a different type of investment.

The Policy involves a long-term commitment on your part, and you should have the intention and financial ability to make the required premium payments. It is not suitable as a short-term savings vehicle.

The Policy is different from fixed-benefit life insurance because you bear the investment risks. The death benefit and Cash Value will increase or decrease as a result of the investment experience of the Subaccounts you select. However, the guaranteed insurance amount is never reduced based on negative performance of the Subaccounts. We bear the investment risk that the Fixed Account will produce a return equal to at least principal plus the minimum guaranteed rate of return. Because you may allocate no more than 50% of your premiums to the Fixed Account, investing in the Fixed Account does not eliminate investment risks.

If you take a partial surrender from your Policy, reduce the face amount of the Policy, eliminate a rider, or make any other material change to the Policy after it is issued, this

may convert the Policy into a modified endowment contract (MEC). This can have adverse tax consequences to you.

If you decide to take Policy Loans, they may reduce the death benefit and Cash Value of your Policy whether or not you repay the loans because loans may undermine the growth potential of your Policy. While a Policy loan is generally non taxable, it may be taxable if the loan is outstanding when the Policy is surrendered, exchanged, lapsed or converted to continued insurance, or the Policy has been converted into a MEC. A Policy loan may also cause a Policy to terminate if the Cash Value of the Policy falls below the total amount borrowed due to fluctuation in the values of the Subaccounts selected or other factors. In such case, the entire amount of the loan is immediately taxable to the extent it exceeds your cost basis in the Policy.

Your Policy may lapse if you fail to pay your premiums or your loans exceed the Surrender Value. However, if you do not elect one of the insurance Settlement Options, we will automatically purchase continued insurance with the Policy's Cash Value. This may delay but not avoid the lapse of your Policy.

### **RISKS OF THE LIFE SERIES FUNDS**

You bear the investment risk of the Funds underlying the Subaccounts you select. The investment objectives, principal investment strategies, and principal risks of the Funds are described in the attached Life Series Funds prospectus. There is no assurance that any of the Funds will achieve its stated investment objective.

## FEE TABLES

The following tables describe the fees and expenses that you will pay when buying, owning and surrendering the Policy. The cost of insurance charges and optional rider premiums shown may not be representative of what you will pay because these charges are based on the Insured's age, sex and underwriting class. Your Policy will be accompanied by an illustration based on your actual annual premium and guaranteed insurance amount as determined by the Insured's age, sex, underwriting classification, payment frequency and optional riders selected.

The table below describes the transaction fees and expenses that you will pay for the years you pay premiums, depending upon which premium payment period is chosen. The minimum charge indicated is based on the lowest rate for our representative non-tobacco underwriting class. The maximum charge indicated is based on the highest possible charge at issue for our non-standard underwriting class (unless otherwise specified) up to our maximum issue age for this class. The standard charge indicated is based upon our representative Insured, a male age 35 in our standard non-tobacco underwriting class at the time the Policy is issued.

Transaction Fees and Other Charges and Expenses							
Charge	When Charge is Deducted(1)	Amount Deducted					
Maximum Percentage Charge Imposed on Premiums (the Load)  Percentage of Premium less Policy Charge	Upon each premium payment	Year(s)	ISPC-10	ISPC-20	ISPC-65	ISPC-WL	
		1	33.5%	33.5%	33.5%	33.5%	
		2 to 5	11.5%	11.5%	11.5%	10.5%	
		6 and beyond <sup>(2)</sup>	8.5%	8.5%	8.5%	7.5%	
Maximum Deferred Sales Charge	Not Charged	NONE					
Other Surrender Fees	Not Charged	NONE					
Transfer Fees <sup>(3)</sup> (Limit of 6 transfers per Policy Year)	On 5th and 6th transfer	\$10					
Maximum First Year Charge	Upon payment of first year premium	\$5 per \$1,000 of Face Amount					
Maximum Policy Charge	Upon each premium payment	ISPC-10	ISPC-20	ISPC-65	ISPC-WL		
		\$85	\$85	\$85	\$65		
Premium Payment Mode <sup>(4)</sup>	Upon each premium payment	Annual: 0% increase in premium Semi-annual: 2% increase in premium Quarterly: 4% increase in premium Monthly: 5.96% increase in premium					
Optional Rider Premiums  Waiver of Premium	Upon each premium payment		ISPC-10	ISPC-20	ISPC-65	ISPC-WL	
		As % of Total Premium					
		Minimum	0.09%	0.13%	0.64%	0.87%	
		Maximum	3.11%	4.93%	1.81%	5.46%	
		Standard case <sup>(6)</sup>	0.23%	0.49%	1.08%	1.68%	
Accidental Death <sup>(5)</sup>	Upon each premium payment	Per \$1,000 Face Amount of Rider					
		Minimum	\$1.50	\$1.50	\$1.00	\$1.00	
		Maximum	\$2.00	\$1.75	\$1.50	\$1.50	
		Standard case <sup>(6)</sup>	\$1.75	\$1.50	\$1.25	\$1.00	
Children's Term Life Insurance Rider	Upon each premium payment	Per \$1,000 Face Amount of Rider					
		Minimum	N/A	\$5.25	\$5.25	\$5.25	
		Maximum	N/A	\$5.25	\$5.25	\$5.25	
Spouse's Term Life Insurance Rider	Upon each premium payment	Per \$1,000 Face Amount of Rider					
		Minimum	N/A	\$0.62	\$0.62	\$0.62	
		Maximum	N/A	\$15.70	\$10.25	\$15.70	
10 Year Level Term Insurance Rider	Upon each premium payment	Per \$1,000 Face Amount of Rider					
		Minimum	\$0.67	\$0.67	\$0.67	\$0.67	
		Maximum	\$43.47	\$43.47	\$25.87	\$43.47	
		Standard case <sup>(6)</sup>	\$2.70	\$2.70	\$2.70	\$2.70	
20 Year Level Term Insurance Rider	Upon each premium payment	Per \$1,000 Face Amount of Rider					
		Minimum	N/A	\$0.66	\$0.66	\$0.66	
		Maximum	N/A	\$67.24	\$17.44	\$67.24	
		Standard case <sup>(6)</sup>	N/A	\$2.82	\$2.82	\$2.82	

*(1) The table assumes that premiums are paid at issue and then on each Policy anniversary. If you pay your premium on an installment basis over the course of a Policy Year, the charges, which are premium-based, will be prorated over those payments.*

*(2) The Policy allows you to select the period of time over which you will pay premiums. The transaction fees and other charges and expenses shown in the table apply to all premium payment periods unless specifically noted. There are four premium payment period options available. In the case of ISP CHOICE-10 you pay premiums for 10 years, in the case of ISP CHOICE-20 you pay premiums for 20 years, in the case of ISP CHOICE-65 you pay premiums until you reach age 65 and in the case of ISP CHOICE-Whole Life you pay premiums until you reach age 100.*

*(3) We charge a \$10 fee for transfers in excess of four per Policy Year including those involving the Fixed Account.*

*(4) The amount of the added premium is determined by the applicable insurance rates based upon the Insured's age, sex and underwriting classification. The premiums disclosed may not be representative of the premium you will actually pay. You may obtain more information about the premiums you will incur by contacting your representative.*

*(5) The benefit issued may not exceed \$200,000 less all of the Insured's accidental death benefit coverage in all companies.*

*(6) Our representative Insured is a male, age 35 at the time the Policy is issued, and is in our standard non-tobacco underwriting class. The guaranteed maximum premiums are shown.*

The next table describes the fees and expenses that we may deduct from your Cash Value periodically over the life of the Policy(ies). These fees and expenses do not include operating fees and expenses of the Funds.

Periodic Charges Other Than Fund Operating Expenses						
Charge	When Charge is Deducted	Amount Deducted				
Cost of Insurance <sup>(1)</sup>	Last Day of Policy Year and/or upon surrender <sup>(2)</sup>		ISPC-10	ISPC-20	ISPC-65	ISPC-WL
		Minimum <sup>(3)</sup>	\$0.18 per \$1,000 of net amount at risk (NAR)		\$0.43 per \$1,000 NAR	
		Maximum <sup>(3)</sup>	\$1,000 per \$1,000 NAR		\$1,000 per \$1,000 NAR	\$1,000 per \$1,000 NAR
		Representative Case <sup>(4)</sup>	\$1.12 per \$1,000 NAR	\$1.12 per \$1,000 NAR	\$1.12 per \$1,000 NAR	\$1.12 per \$1,000 NAR
Mortality and Expense Risks Charge	Daily	Effective annual rate of 0.50% of your Subaccount asset value				
Policy Loan Interest	Policy Anniversary	6% of the outstanding loan <sup>(5)</sup>				
Income Tax Charge <sup>(6)</sup>	Not charged	None deducted				

(1) Your cost of insurance charges will be determined by the insurance rates applicable to your Policy based upon the Insured's age, sex, smoker or non-smoker as well as the net amount at risk (NAR). As a result, the charges disclosed above may not be representative of the charges you will actually pay. You may obtain more information about the charges you will incur by contacting your representative. The NAR under a Policy is equal to the Policy's guaranteed insurance amount, plus the variable insurance amount, minus the Cash Value. The NAR may decrease or increase each year depending on the investment experience of the Subaccount(s) and/or the Fixed Account selected.

(2) If the total benefit base at the end of the first Policy year is less than the cost of insurance due, the balance will be reflected in the cost of insurance charged on the last day of the following Policy year.

(3) The minimum charge reflects the annual cost of insurance rate per \$1000 of NAR for a female, age 5 for ISPC-10 and ISPC-20 and a female, nonsmoker, age 18 for ISPC-65 and ISPC-WL. The maximum charge reflects the annual cost of insurance rate per \$1000 of NAR for all rating classifications at age 120.

The maximum first year cost of insurance charge based on the maximum issue age for the Policy is equal to \$17.41 per \$1000 of NAR for ISPC-10 and ISPC-20, \$10.10 per \$1000 of NAR for ISPC-65 and \$17.41 per \$1000 of NAR for ISPC-WL.

(4) The representative case is based on our representative Insured. This is a male, age 35 at the time the Policy is issued and is in our standard non-tobacco underwriting class. There is no difference in the cost of insurance between the standard and non-standard class. The charge indicated is the maximum rate we can deduct for the first year cost of insurance charge.

(5) Because we transfer from the Separate Account to our General Account an amount equal to the amount of the loan, while the loan is unpaid, we credit you into your chosen Subaccount(s) interest at an effective annual rate of 4% for the amount maintained in the General Account. As a result, the net interest rate as a cost to you is 2%.

(6) We reserve the right to impose this charge if we incur taxes attributable to Separate Account B.

The next table below describes the range of fees and expenses for the Funds that you will indirectly pay during the time that you own the Policy. The table shows the minimum and maximum Total Annual Fund Operating Expenses as of December 31, 2011. These expenses may be higher or lower in the future. More detail concerning each Fund's fees and expenses is contained in the attached prospectus for the Funds.

<b>Total Annual Operating Fund Expenses</b> (expenses that are deducted from Fund assets, including management fees and other expenses)		
	<b>Minimum</b>	<b>Maximum</b>
<b>Gross Annual Fund Operating Expenses</b>	0.81%	0.99%

### WHO WE ARE AND HOW TO CONTACT US

First Investors Life Insurance Company ("First Investors Life", "we" and "our"), with its home office located at 110 Wall Street, New York, New York 10005, is a stock life insurance company incorporated under the laws of the State of New York in 1962. We issue life insurance policies and annuity contracts.

For information or service concerning a Policy, you can contact us in writing at our Administrative Office, located at Raritan Plaza 1, Edison, NJ 08837. You can call us at 1-800-832-7783 between the hours of 9:00 a.m. to 6:00 p.m., Eastern Time, or fax us at 732-510-4209. You can also contact us through our website at [www.firstinvestors.com](http://www.firstinvestors.com).

You should send any payments, notices, elections, or requests, as well as any other documentation that we require for any purpose in connection with your Policy to our Administrative Office. No such payment, notice, election or request will be treated as having been "received" by us until we have actually received it, as well as any related forms and items that we require, all in complete and good order (i.e., in form and substance acceptable to us) at our Administrative Office. We will notify you and provide you with an address if we designate another office for receipt of information, payments and documents.

### Separate Account B

We issue the Policies described in this prospectus through our Separate Account B. We established Separate Account B on June 4, 1985, under the provisions of the New York Insurance Law. Separate Account B is registered with the SEC as a unit investment trust under the Investment Company Act of 1940, as amended (the "1940 Act").

We segregate the assets of Separate Account B from the assets in our general account (the "General Account"). The assets of

Separate Account B fall into two categories: (1) assets equal to our reserves and other liabilities under the Policies and (2) additional assets derived from expenses that we charge to Separate Account B. The assets equal to our reserves and liabilities support the Policy. We cannot use these assets to satisfy any of our other liabilities. The assets we derive from our charges do not support the Policy, and we can transfer these assets in cash to our General Account. Before making a transfer, we will consider any possible adverse impact that the transfer may have on Separate Account B.

All the income, gains and losses (realized or unrealized) allocated to Separate Account B are credited to or charged against Separate Account B without regard to our other business. We are obligated to pay all amounts promised to Policyowners under the Policies even if these amounts exceed the assets in Separate Account B. Assets allocated to Separate Account B support the benefits under the Policy. The assets are in turn invested by each Subaccount of Separate Account B into a corresponding Fund at net asset value. Therefore, we own the shares of the underlying Funds, not you.

Each Subaccount reinvests any distributions it receives from a Fund by purchasing additional shares of the distributing Fund at net asset value. Accordingly, we do not expect to pay you any capital distributions from the Policies.

### The Fixed Account

The Fixed Account is not part of Separate Account B. It is part of our General Account. The General Account consists of all assets owned by us, other than those in Separate Account B or in any other legally segregated separate accounts. The assets of the General Account are subject to the claims of our general creditors and can be invested as we choose, subject to certain legal requirements. We guarantee that any assets that you choose to allocate to the Fixed

Account will earn interest at an effective annual rate of at least 4.00%.

We may, but are not required to, declare interest in excess of this rate (“excess interest”). In the event that we declare excess interest, we are not required to guarantee that it will remain in effect for any specific period of time. Therefore, we may reduce or eliminate such excess interest at any time without prior notice to you. However any excess interest already credited to your account is non-forfeitable. You do not share in any gains or losses that we experience in the Fixed Account or our General Account. We bear the entire risk that the investments in our General Account may not achieve the minimum guaranteed or declared rates of return.

The Fixed Account is not registered under the Securities Act of 1933. Moreover, neither the Fixed Account nor the General Account is registered as an investment company under the Investment Company Act of 1940. The staff of the SEC has therefore not reviewed the disclosures in this prospectus that relate to the Fixed Account assets. Disclosures regarding the Fixed Account, however, may be subject to certain generally applicable provisions of the federal securities laws relating to the accuracy and completeness of statements made in the prospectus.

### **Life Series Funds**

Each of the Subaccounts available under the Policy invests in a corresponding Fund of the Life Series Funds. Each Fund is an open-end management investment company registered with the SEC under the 1940 Act. The Life Series Funds consists of 10 separate Funds, 9 (nine) of which are available to Policyowners of Separate Account B. Each of the Funds offers its shares only through the purchase of a Policy or another variable life or variable annuity contract issued by First Investors Life. The Funds reserves the right to offer shares to other separate accounts or directly to us.

Our affiliate, First Investors Management Company, Inc. (“FIMCO”) is the investment

adviser of the Life Series Funds. FIMCO is a New York corporation located at 110 Wall Street, New York, New York 10005. FIMCO and the Life Series Funds have retained Smith Asset Management Group, L.P., 100 Crescent Court-Suite 1150, Dallas, Texas 75201 to serve as subadviser of the Select Growth Fund, Paradigm Capital Management, Inc., Nine Elk Street, Albany, New York 12207 to serve as the subadviser of the Discovery Fund, Vontobel Asset Management Inc., 1540 Broadway, New York, NY 10036 to serve as the subadviser of the International Fund and Muzinich & Co., Inc., 450 Park Avenue, New York, NY 10022 to serve as subadviser for the High Yield Fund. See the Life Series Funds prospectus for more information about the investment adviser and subadvisers.

Although some of the Funds have similar names, the same portfolio manager and the same investment objectives as other publicly available mutual funds, they are separate and distinct from these mutual funds. The Funds will have different portfolio holdings and fees so their performances will vary from the other mutual funds.

The following table includes the investment objective for each Fund that is available under the Policy. There is no assurance that any of the Funds will achieve its stated objective. There is a Subaccount with the same name as its corresponding underlying Fund. You bear the entire investment risks of the Funds you select. The degree of investment risk you assume will depend on the Subaccounts you select. You should consider your allocations carefully. The investment objectives, principal investment strategies, principal risks and management of the Funds are described in the attached Life Series Funds prospectus.

Fund	Investment Objective
Cash Management Fund	High rate of current income consistent with the preservation of capital and maintenance of liquidity.
Discovery Fund	Long-term growth of capital.
Government Fund	A significant level of current income which is consistent with security and liquidity of principal.
Growth & Income Fund	Long-term growth of capital and current income.
High Yield Fund	High current income.
International Fund	Long-term growth of capital.
Investment Grade Fund	A maximum level of income consistent with investment in investment grade debt securities.
Select Growth Fund	Long-term growth of capital.
Value Fund	Total return.

## HOW THE POLICY WORKS

The Policy is described as "variable" because the amount of your death benefit, Cash Value and loan value (the amount you can borrow) may increase or decrease depending on, among other things, the investment performance of the Subaccount(s) you select. You bear the entire investment risk with respect to a Policy's Cash Value, which is allocated to the Separate Account B Subaccounts. We bear the investment risk with respect to that portion of the Policy's Cash Value, which is allocated to the Fixed Account. We also guarantee that the death benefit will never be less than the Face Amount (adjusted for Policy loans, accrued loan interest and any partial surrenders), if you pay all of your premiums.

The following discussion describes how the Policy works. It generally assumes that premiums have been duly paid and there have been no Policy Loans. The death benefit and Cash Value are affected if premiums are not duly paid or if a Policy loan is made.

## POLICY APPLICATION PROCESS

To purchase a Policy, you must submit a completed life insurance application to us and provide us with evidence of insurability that is satisfactory to us. Before issuing a Policy, we conduct underwriting to determine the proposed Insured's insurability. If your application is accepted, we will credit your Policy with the initial net premium on the date that the Policy is

issued. Until such time, your initial premium is held in the General Account. If a Policy is not issued, we will return your premium without interest. We reserve the right to reject any application for any reason, including but not limited to failure to meet our underwriting criteria. The Insured will be covered under the Policy as of the Policy's issue date.

## PREMIUMS

### Premium Payment Period Choice

The Policy premiums are "level" because you pay the same amount each year for the premium payment period. The premium payment period is 10 years for ISPC-10, 20 years for ISPC-20, through your attained age 64 for ISPC-65 and through your attained age 99 for ISPC-Whole Life. Once you select your premium payment period (i.e., the number of years that premiums must be paid), the period is fixed. It cannot be changed by you or us. Nor can the amount of the premium be changed (except as noted below under "The Frequency of Your Payments" and "Optional Insurance Riders"). After you have made the scheduled payments for the premium payment period, the Policy will stay in force for the life of the Insured unless you decide to surrender it or you borrow against it to the extent that it lapses.

In determining which payment period option to select, 10 years, 20 years, until 65, or Whole Life, you should consider a number of

factors, including the amount of coverage that you want. For any single insured, the amount of coverage available will increase with the length of the payment period. For example, an ISPC-Whole Life Policy will produce a larger guaranteed minimum death benefit per dollar of premium than an ISPC-

10 Policy. Of course, the payment period is longer.

The following example demonstrates premium amount and amount of insurance for the four payment options where the Insured is a standard issue, 35 year old non-smoking male.

Male – Standard Issue Non-smoker Age 35	ISP CHOICE-10	ISP CHOICE-20	ISP CHOICE-65	ISP CHOICE-WL
\$50,000 Face Amount will cost	\$1,540.50 Annual Premium	\$944.50 Annual Premium	\$766.50 Annual Premium	\$632.00 Annual Premium
\$1,000 Annual Premium will buy	\$31,929 Face Amount	\$53,229 Face Amount	\$67,132 Face Amount	\$82,452 Face Amount

**The Amount of Your Premiums**

The premium you pay is determined by the premium payment period you choose (ISPC-10, ISPC-20, ISPC-65, or ISPC-Whole Life), the amount of guaranteed insurance, the underwriting classification of the Insured and the frequency of the premium payments. We cannot increase this premium amount. However, there is an additional premium charge if you ask us to accept your premiums on other than an annual basis.

For ISPC-10, there is a \$600 minimum annual premium payment requirement for all issue ages (which does not include additional premiums for any riders that you may select). For ISPC-20, ISPC-65 and ISPC-Whole Life, there is a \$25,000 minimum Face Amount requirement. In setting premium rates, we took into consideration actuarial estimates of projected death and surrender benefit payments, lapses, expenses, investment returns, and a contribution to our surplus.

**The Frequency of Your Payments**

You pay premiums under a Policy for the premium payment period. Premium payments are due on or before the due dates at our Administrative Office. If you pay early, we will place your premium payment in our General Account and, on the day that it is due, we will allocate the premium to the Subaccount(s) that you have selected. You may choose to pay your premiums on a

semi-annual, quarterly or monthly basis. If you do so, you will be subject to an additional charge. As a result, your premium amounts will be higher, but the net amount allocated to Subaccounts will not increase by the entire amount the premium increases.

You may only pay premiums monthly if you authorize us to electronically deduct premiums from your bank account (“Lifeline”). We are not liable for any bank charges you may incur if you fail to maintain a sufficient balance in your bank account to pay the premiums. To change the frequency of your premium payment, you must notify us prior to your next premium due date, which coincides with the new frequency premium due date. We will then recompute your premium amount and bill you accordingly.

**AUTOMATIC PREMIUM LOANS TO PAY Premiums**

You may elect in the application or in a written request to our Administrative Office to have the premium paid by an automatic loan against the Policy. Under the automatic premium loan provision, any premium not paid before the end of the grace period is paid by an automatic loan against the Policy.

You may elect the automatic loan provision only if your premium is not in default and the resulting Policy Loan and loan interest to the next premium due date does not exceed

the maximum loan value of your Policy (see "Policy Loans"). If you do not resume paying premiums, the loans will continue to be used to pay your premiums as they become due. This could eventually cause your Policy to lapse, which could have adverse tax and other consequences. You may revoke the automatic premium loan provision at any time by written request. The revocation is effective when we receive it at our Administrative Office.

### **Allocation of Net Premiums to Investment Options**

When you purchase a Policy, you select the percentage allocation of your premium to the Subaccounts of Separate Account B and/or the Fixed Account.

Your allocations are subject to the following constraints:

1. Allocation percentages must be in whole numbers;
2. Allocation percentages must add to 100%; and
3. The allocation percentage for the Fixed Account may not exceed 50%.

On the Policy's issue date, the proportion of the initial net premium you designated for the Fixed Account will be allocated to the Fixed Account. The remainder of the initial net premium you designated for the Subaccounts will be allocated to the Cash Management Subaccount for a period of 20 days. On the 21st day, the Benefit Base in the Cash Management Subaccount will be reallocated to the Subaccounts you designated on the application. This reallocation will occur as of the end of the 20th day following the issue date. If that day is not a Business Day, then the reallocation will occur as of the end of the next Business Day. Subsequent premiums will be allocated according to your allocation percentages on file, unless you request a change in your allocation percentages. A change in the allocation percentages for future premiums will affect reallocations occurring under the Automated Subaccount Reallocation Option.

See "Automated Subaccount Reallocation Option" for additional information.

The net premium is credited to your Policy on the Policy's issue date and on each premium due date thereafter, whether or not you have paid a premium by its due date. Your net premiums buy units of the Subaccounts and not shares of the Funds in which the Subaccounts invest.

### **Reallocating Your Policy Assets**

Subject to the restrictions discussed below, you may change the allocation of your Net Benefit Base among the Subaccounts, or among the Subaccounts and the Fixed Account, through a Transfer of Net Benefit Base by written Notice, participation in our Systematic Transfer Option or participation in our Automated Subaccount Reallocation option. We will only accept transfer requests that are in writing and delivered by mail or hand (i.e. we will not accept telephone, facsimiled or e-mail instructions). Only the Automated Subaccount Reallocation Option or the Systematic Transfer Option, but not both, may be in effect at the same time.

### **Transfer of Net Benefit Base**

You may transfer all or a portion of the Net Benefit Base between any two or more of the Subaccounts, or between one or more Subaccounts and the Fixed Account by providing us with written Notice. The "Net Benefit Base" is the value of the Subaccounts plus the Fixed Account. There is a limit of six transfers between two or more Subaccounts in any 12-month period. Only one transfer of the Net Benefit Base either to or from the Fixed Account is allowed in any 12-month period. The minimum transfer amount is \$100. Each transfer from the Fixed Account is limited to the greater of \$1,000 or 25% of the Fixed Account Benefit Base. Each transfer to the Fixed Account may not be more than the amount that would cause the ratio of the Fixed Account Benefit Base to the Net Benefit Base to exceed 50%.

We charge a \$10 fee for transfers in excess of four per Policy Year including those involving the Fixed Account. A transfer of Net

Benefit Base made while the Automated Subaccount Reallocation Option is in effect automatically terminates the Automated Subaccount Reallocation Option. Requests for transfers are processed as of the Business Day we receive them, as described in "Processing Transactions". We may defer transfers under the conditions described under "Payment and Deferment".

**Systematic Transfer Option**

You may request that a specified dollar amount be transferred from any one or more Subaccounts (the "originating Account(s)") to any one or more other Subaccounts (the "receiving Account(s)") at monthly or quarterly intervals, as selected. The first such systematic transfer occurs on the first Business Day of the Policy Month or Policy Quarter that next follows the date we receive your request. Transfers under this option may not be designated either to or from the Fixed Account. The minimum amount that may be transferred either from or to any one Account is \$100. All transferred amounts must be specified in whole dollars.

The Systematic Transfer Option will terminate as to an originating Account if and when that Account is depleted. Such termination as to one originating Account will not have the effect of increasing any amounts thereafter transferred from other originating Accounts under the Systematic Transfer Option. Currently, transfers made under this option are not subject to any fee and are not included in the yearly transfer count for purposes of determining whether a transfer fee applies, see "Transfer of Net Benefit Base" above. However, we reserve the right to impose a charge in the future for this option. The Systematic Transfer Option terminates if and when the Benefit Base remaining in all of the originating accounts is depleted. We may terminate this option or modify our rules governing this option at our discretion by giving you 31 days written notice.

**Automated Subaccount Reallocation Option**

If you request, we will automatically reallocate the Subaccount Benefit Bases at quarterly intervals according to the most recent Premium Allocation on file with us. The first such reallocation will occur on the first Business Day of the Policy Quarter that next follows the date on which we receive your request.

Upon reallocation, the amount of Net Benefit Base allocated to each Subaccount is equal to (a) multiplied by (b), where:

(a) Is equal to:

1. The allocation percentage you have specified for that Subaccount; divided by
2. The sum of the allocation percentages for all such Subaccounts; and,

(b) Is equal to the sum of the Benefit Bases in all of the Subaccounts at the time of the reallocation.

Any requested changes in your Premium Allocation percentages are reflected in the next quarterly reallocation following the change. The reallocation will only affect the allocation of Benefit Bases among the Subaccounts. It will not affect the Fixed Account Benefit Base. Reallocation transfers of Benefit Base made under this option are not subject to the minimum transfer amount described under "Transfer of Net Benefit Base". Currently, transfers made under this option are not subject to any fee and are not included in the yearly transfer count for purposes of determining whether a transfer fee applies. However, we reserve the right to impose a charge for this option in the future.

A transfer of Benefit Base made while this Automated Subaccount Reallocation Option is in effect automatically terminates the option. You may subsequently re-elect this option by providing us with Notice. We may terminate or modify our rules governing this option by giving you 31 days written notice.

## **Our Policies on Frequent Reallocations Among Subaccounts**

The Policy is designed for long-term insurance/investment purposes. It is not intended to provide a vehicle for frequent trading or market timing. We therefore limit reallocations to six per Policy Year (not counting systematic and automated reallocations). We apply this limitation uniformly to all Policies.

We monitor Subaccount reallocations in an effort to prevent Policyowners from exceeding the annual limit on reallocations. We cannot guarantee that our monitoring efforts will be effective in identifying or preventing all market timing or frequent trading activity in the Subaccounts.

We will only accept a transaction request that is in writing. We will not accept transaction requests by any electronic means including, but not limited to, telephonic, facsimile or e-mail requests. As described in the Life Series Funds prospectus, the Board of Trustees of the Funds has adopted policies and procedures to reject, without any prior notice, any purchase or exchange transaction if the Funds believe that the transaction is part of a market timing strategy. In order to protect Policyowners and to comply with the underlying Funds' policies, it is our policy to reject any reallocation request, without any prior notice, that appears to be part of a market timing strategy based upon the holding period of the investment, the amount of the investment being exchanged, and the Subaccounts involved.

## **The Risks to Policyowners of Frequent Reallocations**

To the extent that our policies are not successful in detecting and preventing frequent trading in the Subaccounts, frequent trading may: (a) interfere with the efficient management of the underlying Funds by, among other things, causing the underlying Funds to hold extra cash or to sell securities to meet redemptions; (b) increase portfolio turnover, brokerage

expenses, and administrative costs; and (c) harm the performance of the Funds, particularly for long-term shareholders who do not engage in frequent trading. These risks may in turn adversely affect Policyowners who invest in the Funds through our Subaccounts.

In the case of the Subaccounts that invest indirectly in high yield bonds and small cap stocks, the risk of frequent trading includes the risk that investors may attempt to take advantage of the fact that these securities may trade infrequently and therefore their prices may be slow to react to information. This could cause dilution in the value of the shares held by other shareholders.

In the case of the Subaccounts that invest indirectly in foreign securities, the risks of frequent trading include the risk of time zone arbitrage. Time zone arbitrage occurs when shareholders attempt to take advantage of the fact that the valuation of foreign securities held by a Fund may not reflect information or events that have occurred after the close of the foreign markets on which such securities principally trade but before the close of the NYSE. This could cause dilution in the value of the shares held by other shareholders.

## **The Death Benefit**

The death benefit is the amount we pay to the named Beneficiary at the death of the Insured. It is the sum of the guaranteed insurance amount plus, if positive, a variable insurance amount that is based upon the performance of the Subaccounts selected and the amount credited to our Fixed Account. We increase the death benefit to reflect (1) any insurance on the life of the Insured added by rider and (2) any premium paid that applies to a period of time after the Insured's death. We reduce the death benefit to reflect (1) any outstanding Policy loan and loan interest, (2) any unpaid premium that applies to a period before the Insured's death and (3) partial surrenders. The death benefit is reduced pro rata for partial surrenders, as discussed later.

Generally, we pay the death benefit within seven days after we receive all claim requirements in a form satisfactory to us at our Administrative Office. If no settlement option is elected, we pay interest on death benefit proceeds from the date of death until we pay the death benefit.

There are several settlement options available, as discussed later. The Policyowner may reserve the right to change any selected settlement option prior to the Insured's death. Thereafter, if the Policyowner did not make an election, the Beneficiary may apply the proceeds to one of the settlement options. We must receive an election of, or a change to, a settlement option in writing at our Administrative Office in a form acceptable to us.

**The Guaranteed Insurance Amount (Face Amount)**

We guarantee that the death benefit on your Policy will never be less than the Policy's Face Amount, which is the guaranteed insurance amount (reduced for loans and partial surrenders). During the first Policy Year, the death benefit is equal to the guaranteed insurance amount. Thereafter, we determine the death benefit on each Policy anniversary for the next Policy Year by adjusting the death benefit by the change in the variable insurance amount on the Policy anniversary. This is the death benefit payable if the Insured dies during the following Policy Year.

We allocate assets to our General Account to accumulate as a reserve for the contingency that the Insured will die when the guaranteed insurance amount exceeds the death benefit payable without such guarantee.

**The Variable Insurance Amount**

The Variable Insurance Amount is based upon the investment results of the Subaccounts that you have selected and the interest credited to the Fixed and Loan Accounts, if selected or applicable. We set the Variable Insurance Amount on each Policy anniversary and do not change it until the next Policy anniversary.

During the first Policy Year, the variable insurance amount is zero. On the first Policy anniversary, and on each anniversary thereafter, we determine your variable insurance amount by comparing the net investment return of your Subaccounts plus the interest credited to the Fixed and Loan Accounts with an assumed investment return of 4% which we call "the Assumed Interest Rate." The "net investment return" of your Subaccounts is the gross rate of return on the underlying investments less Fund expenses and mortality and expense risk charges.

Your Variable Insurance Amount does not change if the actual net investment return on all of your Subaccounts is exactly equal to the Assumed Interest Rate. Your Variable Insurance Amount increases if the actual net investment return is greater than the Assumed Interest Rate and decreases if the net actual investment return is less than the Assumed Interest Rate.

The amount by which your Variable Insurance Amount will increase or decrease during any Policy Year is determined by dividing the Excess Investment Return for a Policy Year by the applicable net single premium rate that is specified in your Policy.

The Excess Investment Return for a Policy Year is equal to the Total Benefit Base on the anniversary (the sum of all values in your Subaccounts, Fixed Account and loan account) less the Assumed Benefit Base on the anniversary (the Total Benefit Base at the beginning of the Policy Year increased by any net premiums received and increased by interest at the Assumed Interest Rate to the end of the Policy Year).

Your Policy includes a table of the applicable net single premium rates per \$1.00 from ages 0 through 120. The net single premium increases as the Insured grows older, meaning that the Insured will receive less variable insurance per dollar of Excess Investment Return. Net single premiums also vary by the sex and underwriting

classification (tobacco or non-tobacco) of the Insured.

The variable insurance amount is calculated on a cumulative basis. This means that the amount reflects the accumulation of increases and decreases from past Policy Years. The cumulative amount may be positive or negative, depending on the investment performance of the Subaccounts selected. If the variable insurance amount is negative, the death benefit is the guaranteed insurance amount. In other words, the death benefit is never less than the guaranteed insurance amount.

## **CASH VALUE**

### **Determining Your Cash Value**

There is no minimum guaranteed Cash Value. The Cash Value varies daily and on any day within the Policy Year equals the Cash Value as of the end of the prior Policy Year, plus the net premiums that you have paid since that date, plus the actual net investment return of the Subaccounts you have selected, plus the interest credited on the Fixed Account if selected, plus the interest credited to the Loan Account if you have any outstanding loans, adjusted for the cost of insurance protection and surrenders.

The Policy offers the possibility of increased Cash Value due to good investment performance and decreased Cash Value due to poor investment performance. You bear all of the investment risks.

### **Cost of Insurance Protection**

Your Cash Value reflects a charge for the cost of insurance protection. We issue variable life insurance policies to (1) persons with standard mortality risks and (2) persons with higher mortality risks, as our underwriting rules permit. We charge a higher gross premium for the person with the higher mortality risk. In all cases, we base the cost of insurance protection on the net amount at risk (NAR) (the Policy's guaranteed insurance amount, plus the variable insurance amount, minus the Cash Value) and the person's sex and attained

age. (See "Periodic Charges Deducted from the Subaccount Value – Cost of Insurance Protection.")

### **Policy Surrenders**

You may fully surrender the Policy for its Cash Value less any outstanding Policy Loans and loan interest ("surrender value") at any time while the Insured is living. The amount payable will be the Cash Value that we next compute after we receive the surrender request at our Administrative Office. A full surrender will be effective on the date that we receive both the Policy and a written request in a form acceptable to us.

You may partially surrender your Policy on any Policy anniversary. We permit a partial surrender only if you (1) have no outstanding Policy Loan and (2) have paid the premium due on that Policy anniversary. In addition, your premiums and/or Face Amount after the partial surrender must still meet the Policy's minimum requirements. A partial surrender will be effective only if we receive all requirements for a partial surrender at our Administrative Office on or before the Policy anniversary. The partial surrender will be effective on the Policy anniversary.

When you make a partial surrender, the guaranteed insurance amount, death benefit, and Cash Value for the Policy will be reduced proportionally. The premium will also be reduced. We will pay the portion of the Cash Value of the original Policy that exceeds the Cash Value of the reduced Policy to you as a partial surrender. We will allocate the Cash Value of the reduced Policy among the Subaccounts in the same proportion as the allocation of the Cash Value of the original Policy. We will usually pay the surrender value within seven days if we have received all necessary forms. However, we may delay payment for the following reasons:

- A recent payment that you made by check has not yet cleared the bank,
- We are not able to determine the amount of the payment because the New

York Stock Exchange is closed for trading or the SEC determines that a state of emergency exists, or

■ For such other periods as the SEC may by order permit for the protection of security holders.

We will pay interest if we delay payment of the surrender value beyond 30 days from the effective date of the surrender.

While we do not assess a charge for full or partial surrenders, you should be aware that any surrender will have tax consequences and that a partial surrender within the first seven years may have adverse tax consequences, see "Tax Information". We may deduct withholding taxes from the surrender value.

### **Policy Loans**

You may borrow up to 75% of the Loan Value during the first three Policy Years and 90% of the Loan Value after the first three Policy Years, if you assign your Policy to us as sole security. We charge daily interest on the outstanding loan amount at an effective annual rate of 6% compounded on each Policy anniversary. In general if we approve the loan, we send the loan amount within seven days of receipt of the request. We will not permit a new loan unless it is at least \$100 or you use it to pay premiums. You may repay all or a portion of any loan and accrued interest at any time while the Insured is living and the Policy is in force.

When you take a loan, we transfer a portion of the Cash Value equal to the loan amount from the Subaccount(s) and/or the Fixed Account that you have selected to our General Account. We charge the loan amount to each Subaccount and/or the Fixed Account if applicable in the proportion which the value of each Subaccount and/or the Fixed Account bears to the net investment base of the Policy as of the date of the loan. A Policy loan does not affect the amount of the premiums due but does reduce the death benefit and Cash Value by the amount of the loan. A Policy loan may also permanently

affect the variable insurance amount and the Cash Value, whether or not you repay the loan in whole or in part. This occurs because we credit the amount in the Loan Account at the assumed interest rate of 4%, in accordance with the tabular Cash Value calculations that we have filed with the state insurance departments. Thus, even if it is repaid, a Policy loan will have a negative impact on the variable insurance amount and the Cash Value if the actual net investment returns of the Subaccounts you have selected exceed the assumed interest rate of 4%. The longer the loan is outstanding, the greater the impact is likely to be.

If you do not pay the loan and interest when it is due on each Policy anniversary, we will increase your loan by the amount of any unpaid interest, and we will transfer an equivalent amount of Cash Value from the Subaccount(s) to the General Account. We will credit loan repayments to each Subaccount in proportion to your allocation to each Subaccount.

We subtract the amount of any outstanding loan plus interest from any death benefit or any surrender value that we pay. If your outstanding loan with accrued interest ever equals or exceeds the Cash Value, we will mail notice of such event to you and any assignee at the assignee's last known address. The Policy will terminate 31 days after we mail such notice. A termination of the Policy may be a taxable event. The Policy does not terminate if you make the required repayment within that 31-day period.

While a Policy loan is generally not taxable, it may be taxable if the loan is outstanding when the Policy is surrendered, exchanged, lapsed or converted to continued insurance, or the Policy has been converted into a MEC. A Policy loan may also cause a Policy to terminate if the Cash Value of the Policy falls below the total amount borrowed due to fluctuation in the values of the Subaccounts selected or other factors. In such case, the entire amount of the loan is immediately

taxable to the extent it exceeds your cost basis in the Policy. You should, therefore, consult with a qualified tax adviser before taking Policy loans.

### **SETTLEMENT OPTIONS**

You or your Beneficiary may elect to apply all or a portion of the proceeds of a surrender or death benefit payment, as applicable, under any one of the following fixed benefit settlement options rather than receive a single payment of Policy proceeds. The Policy proceeds must be at least \$1,000 and the settlement option chosen must be a minimum of \$50 per payment received. The amount of the payment under life income options will depend on the age and sex of the person whose life determines the duration of payments. Tax consequences may vary depending on the settlement option chosen. The options are as follows:

Proceeds Left at Interest - Proceeds left with us to accumulate, with interest payable at a rate of 2½% per year, which may be increased by additional interest.

Payment of a Designated Amount - Payments in installments until proceeds applied under the option and interest on unpaid balance at a rate of 2½% per year and any additional interest are exhausted.

Payment for a Designated Number of Years - Payments in installments for up to 25 years, including interest at a rate of 2½% per year. Payments may increase by additional interest, which we would pay at the end of each installment year.

Life Income, Guaranteed Period - Payments guaranteed for 10 or 20 years, as you elect, and for life thereafter. During the guaranteed period of 10 or 20 years, the payments may be increased by additional interest, which we would pay at the end of each installment year.

Life Income, Guaranteed Return - The sum of the payments made and any payments due at the death of the person on whose life the

payments are based, never to be less than the proceeds applied.

Life Income Only - Payments made only while the person on whose life the payments are based is alive.

### **OPTIONAL INSURANCE RIDERS**

Currently, the following riders may be included in a Policy at issue but not added thereafter, in states where available, subject to the payment of an additional premium, certain age and insurance underwriting requirements, and the restrictions and limitations that apply to the Policy, as described above. The summaries below are not complete. Additional terms and conditions are set out in the form of each rider. You may obtain additional information in this regard from your representative.

#### **Accidental Death Benefit**

You may elect to obtain an accidental death benefit rider if the Insured's age is 0 to 60. The rider provides for an additional fixed amount of death benefit in the event the Insured dies from accidental bodily injury while the Policy is in force and before the Policy anniversary when the Insured attains age 70. The amount of the benefit is equal to the face amount of the Policy, but cannot exceed an amount equal to \$200,000 minus the sum of the Insured's accidental death benefit coverage in all companies.

#### **Waiver of Premium**

You can choose to obtain a waiver of premium rider where the Insured is age 15 to 55. Under the rider, the Company will waive all premiums falling due after the date of commencement of the disability and for as long as the disability continues. Disability, for this purpose, means a total disability (as defined in the rider) of the Insured, which continues for at least six months. The waiver of premium only applies to disabilities that commence before the Policy anniversary when the Insured reaches age 60.

#### **Children's Term Life Insurance Rider**

(Not available on ISPC-10, Limited availability on ISPC-20)

You may purchase life insurance on children who are qualified under the terms of the Rider. The Children's Term Insurance Rider allows you to purchase between \$5,000 and \$15,000 of coverage on qualified children. The premium is the same regardless of number of children covered. Children born, adopted, or who become a stepchild after the Issue Date of the Policy are automatically insured as long as they are qualified under the terms of the Rider. The Rider coverage is convertible, without evidence of insurability to an individual policy in the name of the Insured Child at the earlier of when they reach 25 years of age or the Insured attains age 65. If the Insured dies during the premium payment period, the Insured Child's coverage continues as paid up term insurance.

### **Spouse's Term Life Insurance Rider**

(Not available on ISPC-10)

You may purchase term life insurance on your spouse in the form of a Rider to the Policy. The Spouse Term Insurance Rider provides a death benefit of \$25,000 and is offered on simplified issue underwriting basis. The spouse to be insured may not be 10 years older or younger than the Insured individual under the Policy. The Rider coverage is convertible without evidence of insurability at attained age within 60 days prior to either a premium increase, the expiration of coverage under the Rider or when the Insured attains age 65. Premiums for this rider are level for an initial 20-year period then increase for subsequent level 20-year periods or to the termination date of the rider if earlier.

### **Level Term Insurance Rider**

You may elect to obtain term insurance protection in addition to the death benefit provided by the Policy. The additional coverage is purchased in the form of a Rider to the Policy. The Rider is available for a 10-year coverage period or a 20-year coverage period. The 10-year rider can be added to any of the ISP Choice options. The 20-year rider is available on any ISP Choice option with a premium payment period of 20 years

or more. The rider may be added in an amount up to 5 times the Face Amount of the ISP Choice policy subject to a \$25,000 minimum amount. The Rider coverage is convertible, without evidence of insurability to a new permanent plan of insurance. The amount of insurance under the new policy may be any amount up to the face amount of the Rider. The conversion may occur at any time during the premium payment period, but not later than the Policy Anniversary when the Insured reaches age 65.

The guaranteed maximum premiums for this rider are level throughout the coverage period. We currently charge premiums less than the guaranteed maximum premiums.

We reserve the right to change current premiums for this rider but any change will be on a uniform basis by premium class and based upon future investment earnings, mortality, persistency and expenses. We cannot change current premiums on account of a deterioration of the Insured's health or a change in occupation.

## **OTHER PROVISIONS**

### **Age and Sex**

If you have misstated the age or sex of the Insured, the benefits available under the Policy are those that the premiums paid would have purchased for the correct age and sex.

### **Assignment**

You may assign the benefits under a Policy to someone else. However, the assignment is not binding on us, unless it is in writing and received at our Administrative Office. We assume no responsibility for the validity or sufficiency of any assignment. Unless otherwise provided in the assignment, the interest of any revocable beneficiary is subordinate to the interest of any assignee, regardless of when you made the assignment. The assignee receives any sum payable to the extent of his or her interest.

### **Beneficiary**

This is the person(s) you designate in the application to receive death benefits under

the Policy upon the death of the Insured. You may change this designation, during the Insured's lifetime, by filing a written request with our Administrative Office in a form acceptable to us.

### **Right to Examine**

You have a period of time to review your Policy and cancel it for a refund of premiums paid. The duration and terms of the "right to examine" period vary by state, and are stated on the cover of your Policy. At a minimum you can cancel your Policy within 10 days after receipt. You must return your Policy along with a written request for cancellation.

### **Default and Options on Default**

A Policy is in default if you do not pay any premium (after the first premium) when it is due. There is a grace period of 31 days during which the Policy continues in force. If the Insured dies during the grace period, we deduct from the death benefit the portion of the premium applicable to the period from the premium due date to the end of the Policy month in which death occurs.

If you have elected the automatic premium loan provision, and you do not pay a premium within the grace period, the premium will automatically be borrowed from the Cash Value of the Policy. If you do not resume paying premiums, this process will continue until the Cash Value in your Policy is exhausted. This will result in a termination of your Policy or conversion of the remaining Cash Value into a continued insurance option. The total amount of all loans then outstanding will be considered a taxable distribution to the extent you have any gains in your Policy.

If you have not elected the automatic premium loan provision and you do not surrender a Policy within 60 days after the date of default, we apply the Policy's Cash Value minus any loan and interest to purchase continued insurance. If the Insured is rated as standard class, you automatically have the extended term insurance option if you make no other choice.

If we rated the Policy for extra mortality risks, you automatically receive the reduced paid-up whole life insurance option. Both options are for fixed life insurance, and neither option requires the further payment of premiums. The extended term insurance option provides a fixed and level amount of term insurance equal to the death benefit (minus any indebtedness) as of the date the option becomes effective. The insurance coverage under this option continues for as long a period as the surrender value on such date purchases.

The reduced paid-up whole life insurance option provides a guaranteed level amount of paid-up whole life insurance. The guaranteed amount of coverage is the amount that the Surrender Value purchases on the date the option becomes effective. The cash value of the reduced paid-up whole life insurance is entirely invested in the Fixed Account and cannot be transferred or reallocated to any of the Subaccounts. Any excess interest declared by the company on the Fixed Account will purchase additional paid-up whole life insurance in the manner previously described under Variable Insurance Amount.

You may Surrender a Policy continued under either option for its cash value while the Insured is living. You may make a loan under the reduced paid-up whole life insurance option, but not under the extended term insurance option.

### **Right to Exchange Options**

The exchange options allow you to exchange this Policy for a permanent fixed benefit life insurance policy.

#### **Exchange Option 1**

Within the first 18 months after the Policy's issue date, if you have duly paid all premiums, you may exchange this Policy for a permanent fixed life insurance policy that we issue on the Insured's life.

You do not need to provide evidence of insurability to exercise this option. The new policy will have a level face amount equal to

the face amount of this Policy. The new Policy will have the same issue date, issue age and premium class as this Policy and the same optional insurance riders if such riders are available. We base premiums for the new policy on the premium rates for the new policy that were in effect on this Policy's issue date.

In some cases, we may adjust the Cash Value on exchange. The adjustment equals the Policy's surrender value minus the new policy's tabular cash value. If the result is positive, we pay that amount to you. If the result is negative, you pay that amount to us. We will determine the amount of a cash adjustment as of the date we receive the Policy and written request at our Administrative Office.

#### Exchange Option 2

If any Fund changes its investment adviser or makes a material change in its investment objectives or restrictions, you may exchange this Policy for a permanent fixed benefit life insurance policy that we issue on the Insured's life. We will notify you if there is any such change. You will be able to exchange this Policy within 60 days after our Notice or the effective date of the change, whichever comes later. No evidence of insurability is required for this exchange.

The new policy will be issued at your attained age at the time of the exchange on a substantially comparable General Account plan of insurance. The face amount of the new policy will be for an amount not exceeding the excess of the Death Benefit of this Policy on the date of exchange or:

1. The Cash Value of this policy on the date of exchange if you elect to surrender this policy; or
2. The death benefit payable under the Paid-Up Insurance Surrender Value Option if you choose to elect that option.

#### **Grace Period**

With the exception of the first premium, we allow a grace period of 31 days for payment of each premium after it is due. The Policy

continues in force during the grace period unless you surrender it.

#### **Incontestability**

Except for fraud or nonpayment of premiums, we do not contest the validity of the Policy and its riders after it has been in force during the lifetime of the Insured for two years from the date of issue.

#### **Changes to the Policy**

We have the right to change the terms of the Policy without your consent where necessary to comply with applicable law. We may, at our discretion, replace or supplement the Separate Account with a different separate account (which may have its own subaccounts) or add additional Subaccounts as available options under the Policy. We may discontinue any existing Subaccounts as available options under the Policy. We reserve the right to combine the Separate Account with any other separate account or to combine Subaccounts. We may at our discretion invest the assets of any Subaccount in the shares of another investment company or any other investment permitted by law. Such substitution would be made in compliance with any applicable provisions of the 1940 Act.

#### **State Variations**

Where required by state law, there may be variations in the Policy which are covered by a special form of the Policy for your state. Your Policy, as a result, may differ from those described in this prospectus. Your actual Policy, with any endorsements, amendments and riders, is the controlling document.

We offer the Policy in most states. Check with your representative regarding availability in your state. The Policy is offered continuously. Although we do not anticipate discontinuing the offer of the Policy, we reserve the right to do so at any time.

#### **Payment and Deferment**

We will usually pay the death benefit, surrender value, or loan proceeds within seven days after we receive all documents

required for such payments. However, we may delay payment if (1) a recent payment by check has not yet cleared the bank, (2) we cannot determine the amount because the New York Stock Exchange is closed for trading, or (3) the SEC determines that a state of emergency exists.

Under a Policy continued as paid-up or extended term insurance, we may defer the payment of the surrender value or loan proceeds for up to six months. If we postpone the payment more than 30 days, we will pay interest. We will pay the interest from the date of surrender to the date we make payment.

### **Payment of Dividends**

The Policy does not provide for dividend payments. Therefore, it is "non-participating" in the earnings of First Investors Life.

### **Policy Years and Anniversaries**

We measure Policy Years and anniversaries from the date of issue of the Policy, which will generally be the date on which we approve the application. Each Policy Year will commence on the anniversary of the date of issue.

### **Reinstatement**

If the Policy terminates, you may reinstate it within three years of termination. A Policy surrendered for cash or for which the extended term insurance option was in effect may not be reinstated. To reinstate, you must present evidence of insurability acceptable to us, and you must pay to us the greater of:

- (1) All premiums from the date of default with interest to the date of reinstatement, plus any Policy debt (plus interest to the date of reinstatement) in effect when you continued the Policy as reduced paid-up insurance or extended term insurance; or
- (2) 110% of the increase in Cash Value resulting from reinstatement.

To reinstate, you must also pay us any Policy debt that arose after the continuation of the Policy as reduced paid-up insurance. We

calculate interest on any such debt at the rate of 6% per year compounded annually.

### **Suicide**

If the Insured commits suicide within two years from the Policy's date of issue, our liability under the Policy is limited to all premiums paid less any indebtedness.

### **Valuation of Assets**

We determine the unit value for each Subaccount at the close of business of the New York Stock Exchange ("NYSE"), on each day the NYSE is open for regular trading ("Business Day"). The NYSE is closed on most national holidays and Good Friday. We value shares of each Fund at the net asset value per share as determined by the Fund. Each Fund determines the net asset value of its shares as described in the Life Series Funds prospectus.

### **Processing Transactions**

Generally, transaction requests (such as loan repayments or reallocation requests) will be processed as of the Business Day we receive them, if we receive them before the close of business on that day (generally, 4:00 P.M., Eastern Time) in a manner meeting our requirements. Otherwise, they will be processed as of the next Business Day. To meet our requirements for processing transactions, we may require that you use our forms.

### **Fees, Charges and Expenses**

We describe below the fees and charges that you are required to pay to purchase and maintain the Policy. We guarantee that once you have purchased your Policy, we will not increase the amount of your premium payments except as described under "Optional Insurance Riders" or the charges that we deduct from your premiums. The charges that we deduct from your Subaccount(s) for mortality and expense risks are also guaranteed not to increase (except as described in "The Frequency of Your Payments").

**Transaction Fees**

We deduct the fees, charges and expenses listed below from your premiums. The resulting net premium amount is allocated among the Subaccount(s) and the Fixed Account as you have selected.

**Premium Charge**

We impose a premium charge on each premium payment. The premium charge is a percentage of the premium amount less the policy charge and decreases by policy year as shown in the following schedule:

Years	Maximum Premium Charge Percentages			
	ISPC-10	ISPC-20	ISPC-65	ISPC-WL
1	33.5% of premium	33.5% of premium	33.5% of premium	33.5% of premium
2-5	11.5% of premium	11.5% of premium	11.5% of premium	10.5% of premium
6 and later	8.5% of premium	8.5% of premium	8.5% of premium	7.5% of premium

The premium charge is intended to cover our sales expenses, premium taxes and other costs and risk associated with the Policy. The premium charge does not correspond to our actual costs in any particular year.

The Policy is distributed exclusively through our general agent, First Investors Corporation (“FIC”). FIC pays its representatives a percentage of the premium on Policies that they sell. FIC representatives generally receive a higher percentage of the first-year premium for selling ISPC-65 than they would receive for selling ISPC-10 or ISPC-20. They also generally receive a higher percentage of the first-year premium for selling ISPC-WL than they do for ISPC-65. On a premium-dollar basis, FIC representatives generally receive a higher first-year commission for selling the ISP Choice options that have a longer premium payment period than they would receive for selling ISP Choice options with shorter premium payment periods.

**First Year Charge**

We impose a charge in the first Policy Year (which is in addition to other applicable fees

and charges) at the maximum rate of \$5 per \$1,000 of the guaranteed insurance amount for our administrative expenses in issuing the Policy.

**Annual Policy Charge**

We impose a maximum annual charge for our administrative expenses of \$85 on ISPC-10, ISPC-20 and ISPC-65 and \$65 on ISPC-Whole Life.

**Premium Payment Mode**

When you pay premiums on other than an annual basis, the premium amount, the annual Policy charge and the first year charge will increase to compensate for our loss of interest and additional billing and collection expenses. A portion of this increase is credited under your Policy to your selected Subaccounts so that we can match our assumptions about your premiums to provide the guaranteed insurance amount of your death benefit.

Increase for Installment Payment of Premiums (as a percentage of an annual payment/charge):

Payment Frequency	% Increase
Annual	0%
Semi-annual	2%
Quarterly	4%
Monthly	5.96%

**Transfer Fees**

We charge a \$10 fee for transfers of the Net Benefit Base in excess of four per Policy Year, including those involving the Fixed Account. See “Transfer of Net Benefit Base” for more information.

**Optional Insurance Rider Premiums**

We charge an additional premium for each optional insurance rider that you select for your Policy. See the table entitled “Transaction Fees and Other Charges and Expenses” in the “Fee Tables” section of this Prospectus and your Policy for more

information on the additional premiums for each optional insurance rider.

## **PERIODIC CHARGES DEDUCTED FROM THE SUBACCOUNT VALUE**

### **Cost of Insurance Protection**

We deduct a charge from the Subaccount assets attributable to your Policy for the cost of insurance protection. This amount is determined by the insurance rates applicable to your Policy based upon your age, sex and the net amount of insurance that is at risk. (See "Cash Value -- Cost of Insurance Protection").

Your premium will also reflect your mortality rating. In short, your premium will be higher if you are rated as having a higher than average mortality risk.

We also deduct a cost of insurance charge from your Cash Value on an annual basis. We guarantee that the cost of insurance rates will not be higher than rates based on the 2001 Commissioners' Standard Ordinary Mortality Table for the Insured's sex and tobacco use classification, which we use to compute the cost of insurance protection for each Policy. Our current minimum and maximum cost of insurance rates, as well as the rate for our representative Policyowner, based on the net amount at risk are:

- minimum: \$.18 per \$1,000;
- maximum (first year): \$17.41 per \$1,000 for ISPC-10 and ISPC-20, \$10.10 per \$1,000 for ISPC-65; and \$17.41 per \$1,000 for ISPC-Whole Life.
- maximum (life of the Policy): \$1000 per \$1000 for ISPC-10, ISPC-20, ISPC-65 and ISPC-Whole Life at age 120.
- standard non-tobacco case: \$1.12 per \$1,000.

The cost of insurance protection generally increases each year because the probability of death increases as a person's age increases. The net amount at risk may decrease or increase each year depending on the investment experience of the

Subaccount(s) and/or the Fixed Account selected.

### **Mortality and Expense Risk Charge**

We deduct from the Subaccount assets attributable to your Policy a daily charge for the mortality and expense risks that we assume. We compute the charge at an effective annual rate of 0.5% of the Subaccount assets attributable to your Policy. The mortality risk that we assume is that the Insured will live for a shorter time than we estimated or the guaranteed minimum death benefit will be payable.

### **Policy Loan Interest**

If you have an outstanding Policy loan, we charge interest that accrues daily at an effective annual rate of 6% compounding on each Policy anniversary. The loan and loan interest are due on each Policy anniversary. If you do not pay the interest when it is due, it will be added to the loan amount and we will transfer an equivalent amount from the Subaccounts to the General Account.

### **Income Tax Charge**

We do not expect to incur any federal income taxes as the result of the earnings or realized capital gains of Separate Account B. However, in the event that we were to incur such taxes, we reserve the right to charge the Separate Account for the taxes. We may also impose charges for other applicable taxes attributable to the Separate Account.

### **Deductions from the Funds**

Each Fund makes daily deductions from its assets to cover management fees and other expenses. Because this impacts the Subaccount assets attributable to your Policy, you bear these charges indirectly. Annual Fund expenses for all Funds are fully described in the attached Life Series Funds prospectus.

We begin to accrue and deduct all of the above charges and premiums on a Policy's Issue Date.

This section provides an overview of federal tax law as it pertains to the Policy. It assumes that the Policyowner is a natural person who is a U.S. citizen and U.S. resident. The tax law applicable to corporate taxpayers, non-U.S. citizens, and non-U.S. residents may be different. We do not discuss state or local taxes, except as noted. The tax laws described herein could change, possibly retroactively. The discussion is general in nature and is not tax advice, for which you should consult a qualified tax adviser.

### **Policy Proceeds**

We believe that the Policy qualifies as a life insurance contract for federal income tax purposes because the Policy meets the definition of life insurance in Section 7702 of the Internal Revenue Code of 1986, as amended, and the investments of the Subaccounts satisfy the investment diversification requirements of Section 817(h) of the Code. Consequently:

- The death benefit will, if and when paid, be excluded from the gross income of the Beneficiary for federal income tax purposes;
- The growth of the Cash Value of the Policy, if any, that is attributable to the investments in the Subaccounts will not be subject to federal income tax, unless and until there is a full or partial surrender of the Policy; and
- Transfers among Subaccounts are not taxable events for purposes of federal income tax.

### **Surrenders and Loans**

The federal tax treatment of surrenders and loans depends upon whether a Policy is a MEC under Section 7702A of the Code. A MEC is a policy that meets the definition of life insurance but fails to meet the "seven-pay" test of Section 7702A. Under the seven-pay test, the total premiums paid cannot, at any time during the first seven years of a policy, exceed the premiums that would have

been paid by that time under a similar fixed-benefit life insurance policy designed to provide for paid-up future benefits after the payment of seven equal annual premiums.

The Policy offered by this prospectus has been designed so that it will not be a MEC at the time it is issued. However, under the MEC rules, a Policy may become a MEC after it has been issued if the Policyowner decreases the face amount, takes a partial surrender, terminates a rider, allows the Policy to lapse into extended term or reduced paid-up insurance, or makes any other material change to the Policy. If a Policy becomes a MEC, any Policy that is issued in exchange for it will also be a MEC. Furthermore, all MECs that are issued by us to an owner in any calendar year will be treated as one Policy under the MEC rules. Because MECs are taxed differently, you should consult with a qualified tax expert before making any change to your policy that might cause it to be treated as a MEC.

### **Policies that are not MECs**

If your Policy is not a MEC, a total surrender of the Policy will subject you to federal income tax on the amount (if any) by which the cash surrender value exceeds your basis in the Policy (premiums paid less previous distributions that were not taxable). If you elect to receive your payment in installments, depending upon the option selected, you may be taxed: on all or a portion of each installment until the income in the Policy has been paid; only after all your basis in the Policy has been paid; or on a portion of each payment.

If you make a partial surrender after the first 15 Policy Years, the distribution will not be subject to federal income tax unless the amount of the partial surrender exceeds your basis in the Policy. In other words, partial surrenders after 15 years will be treated as from "basis first" and "income second." During the first 15 Policy Years, the portion of the partial surrender that is subject to federal income tax will depend

upon the ratio of your death benefit to the Cash Value and the age of the Insured at the time of the surrender.

If your Policy is not a MEC, Policy Loans are not considered distributions and are not subject to current federal income tax as long as a Policy remains in force, nor is the interest paid on such loans deductible for federal income tax purposes.

If you surrender or exchange your Policy while a loan is outstanding, the amount of the loan will be treated as a distribution and may be taxable. Moreover, under certain circumstances, if you exchange your policy while a loan is outstanding, the amount of the loan may be taxed on an "income first" basis.

If the Cash Value of your Policy falls below the aggregate amount of the loan balance as the result of the fluctuation in the value of the underlying Funds or for any other reason, the Policy may terminate (see "Cash Value"). In that case, all outstanding loans will be immediately taxable to the extent they exceed premiums paid. You should consult with a qualified tax expert before taking a Policy Loan.

### **Policies that are MECs**

A Policy that is classified as a MEC continues to be a life insurance policy for purposes of the tax treatment of the death benefit and inside build-up. However, distributions are treated differently. Distributions from a policy that is classified as a MEC are taxed on an "income first" basis. If a policy is a MEC, distributions include not only partial and full surrenders but also Policy Loans. Thus, Policy Loans from a MEC may be taxable. Furthermore, if a policy becomes a MEC, distributions that occur prior to the date on which it became a MEC may also be subject to the MEC rules. Finally, subject to certain exceptions, taxable withdrawals that are made from a MEC prior to age 59 ½ are subject to an additional 10% penalty.

### **Tax Withholding**

Regardless of whether or not a Policy is a MEC, whenever there is a taxable distribution from a Policy, the amount of the gain is subject to federal income tax withholding and reporting. We will not withhold income tax, if you so request in writing, before the payment date. However, in such event, you are subject to any potential tax penalties that may result from our failure to withhold taxes.

### **Estate and Generation Skipping Taxes**

Because of the complex and changing nature of these laws, we recommend that you consult with a qualified tax adviser about the estate tax implications associated with purchasing a Policy. The Tax Relief Unemployment Insurance Reauthorization and Job Creation Act of 2010 (the "Act"), which was enacted on December 17, 2010, provides an exemption to the estate tax of \$5 million and a top estate tax rate of 35 percent for deaths that occur through December 31, 2010. Absent legislation that provides otherwise, as of January 1, 2013, the exemption amount will be reduced to \$1 million and the top estate tax rate will be 55 percent. Also, prior to January 1, 2013, if one spouse does not fully utilize his or her entire \$5 million exemption amount, the unused portion can be used by the surviving spouse's estate. In addition, an unlimited marital deduction may be available for assets left to a spouse. The marital deduction defers estate and gift taxes until the death of the surviving spouse.

When the Insured dies, the death benefit payable under a Policy will generally be included in the Insured's estate for purposes of the federal estate tax if (1) the Insured and the Policyowner are the same or (2) the Insured held any "incident of ownership" in the Policy at death or at any time within three years of death. An incident of ownership is, in general, any right that may be exercised by the Policyowner, such as the right to borrow from the Policy or to name a new Beneficiary.

If the Policyowner (whether or not he or she is the Insured) transfers ownership of the Policy to another person, such transfer may be subject to a federal gift tax. In addition, if the Policyowner transfers the Policy to someone two or more generations younger than the Policyowner, the transfer may be subject to the federal generation-skipping transfer tax ("GSTT"). Similarly, if the beneficiary is two or more generations younger than the Insured, the payment of the death benefit to the Beneficiary may be subject to the GSTT. The Act provides an exemption to the GSTT of \$5 million and a GSTT tax rate of 35 percent for transfers made through December 31, 2012. Absent legislation that provides otherwise, as of January 1, 2013, the exemption amount will be reduced to \$1 million and the GSTT tax rate will be 55 percent.

### **Other Tax Issues**

We are taxed as a "life insurance company" under the Internal Revenue Code. We do not expect to incur any federal income tax as a result of the earnings or realized capital gains attributable to Separate Account B and no charge is currently assessed against the Separate Account for such taxes. If we incur such taxes in the future, we may assess a charge for such taxes against the Separate Account. We may incur state and local taxes (in addition to premium taxes) attributable to the Separate Account in several states. At present, these taxes are not significant and we do not impose any charge for such taxes against the Separate Account. We may assess the Separate Account for such taxes in the future. If any charges for federal, state or local taxes are assessed against the Separate Account in the future, they could reduce the net investment performances of the Subaccounts.

In order for the Policies to be treated as life insurance for federal income tax purposes, the investments of the Subaccounts of the Separate Account must be "adequately diversified" in accordance with Treasury Department regulations. The investment adviser of the underlying Funds monitors the

portfolios to ensure that the diversification requirements are met. If the Subaccounts failed to satisfy these requirements, the Policy would not receive tax treatment as a life insurance contract for the period of the failure and any subsequent period. As a result, you could be taxed on the earnings of the Subaccount(s) in which you were invested. This is a risk that is common to all variable life insurance policies.

Each of the Funds available under the Policy sell its shares not only to Separate Account B but also to other separate accounts which fund variable life and annuity contracts. We do not anticipate any disadvantage resulting from this arrangement. However, it is possible that a material conflict of interest could arise between the interests of Policyowners and Contractowners which invested in the same Fund. If such a conflict were to arise, we would take whatever steps were necessary to protect the interests of Policyowners and Contractowners, including potentially substituting a different Fund for the Fund. It is also possible that the failure of one separate account to comply with the tax laws could cause all of the separate accounts to lose their tax-deferred status. This is a risk that is common to many variable life insurance policies and variable annuities.

Under certain circumstances, a Policyowner's control of the investments of the Separate Account may cause the Policyowner, rather than us, to be treated as the owner of the assets in the Separate Account for tax purposes, which would result in the current taxation of the income on those assets to the Policyowner. Based upon current IRS guidance, we do not believe that the ownership rights of a Policyowner under a Policy would result in the Policyowner's being treated as the owner of the assets of the Policy. However, we do not know whether additional guidance will be provided by the IRS on this issue and what standards may be contained in such guidance. Therefore, we reserve the right to modify the Policy as necessary to attempt to prevent a Policyowner from being considered the owner of a pro rata share of the assets of the policy.

**VOTING RIGHTS**

Because the Funds of the Life Series Funds are not required to have annual shareholder meetings, Policyowners generally will not have an occasion to vote on matters that pertain to the Funds. In certain circumstances, one or more of the Funds may be required to hold a shareholders meeting or may choose to hold one voluntarily. For example, a Fund may not change fundamental investment policies without the approval of a majority vote of that Fund's shareholders in accordance with the 1940 Act.

If a Fund holds a meeting at which shareholders are entitled to vote, Policyowners will have the opportunity to provide voting instructions for shares of the Fund held by a Subaccount in which their Policy invests. We will vote the shares at any such meeting as follows:

- Shares attributable to Policyowners for which we have received instructions, in accordance with the instructions;
- Shares attributable to Policyowners for which we have not received instructions, in the same proportion that we voted shares held in the Subaccount for which we received instructions; and
- Shares not attributable to Policyowners, in the same proportion that we have voted shares held in the Subaccount attributable to Policyowners for which we have received instructions.

We will vote Fund shares that we hold directly in the same proportion that we vote shares held in any corresponding Subaccounts that are attributable to Policyowners and for which we receive instructions. However, we will vote our own shares as we deem appropriate where there are no shares held in any Subaccount. We will present all the shares of any Fund that we hold through a Subaccount or directly at any Fund shareholders meeting for purposes

of determining a quorum. As a result of proportional voting, the votes cast by a small number of policyowners may determine the outcome of a vote.

We will determine the number of Fund shares held in a corresponding Subaccount that is attributable to each Policyowner by dividing the value of the Subaccount by the net asset value of one Fund share. We will determine the number of votes that a Policyowner has the right to cast as of the record date established by the Funds.

We will solicit instructions by written communication before the date of the meeting at which votes will be cast. We will send meeting and other materials relating to the Fund to each Policyowner having a voting interest in a Subaccount.

The voting rights that we describe in this prospectus are created under applicable laws. If the laws eliminate the necessity to submit such matters for approval by persons having voting rights in separate accounts of insurance companies or restrict such voting rights, we reserve the right to proceed in accordance with any such changed laws or regulations. We specifically reserve the right to vote shares of any Fund in our own right, to the extent permitted by law.

**REPORTS**

At least twice each year, we will send a report to you that contains financial information about the Funds, as required by applicable law. In addition, at least once each year, we will send a statement that gives you financial information about your Policy.

If several members of the same household each own a Policy, we may send only one such report or prospectus to that address, unless you instruct us otherwise. You may receive additional copies by calling or writing us.

**FINANCIAL STATEMENTS**

The financial statements of First Investors Life and Separate Account B are in the Statement of Additional Information.

Please read this prospectus and keep it for future reference. It contains important information that you should know before buying a Policy. We filed a Statement of Additional Information (“SAI”), dated May 1, 2012 with the Securities and Exchange Commission. We incorporate the SAI by reference into this prospectus. You can get a free SAI, request other information about the Policy or make other inquiries by contacting us at First Investors Life Insurance Company, Raritan Plaza 1, P.O. Box 7836, Edison, New Jersey 08818-7836, calling us toll free at (800) 832-7783 or by visiting our website [www.firstinvestors.com](http://www.firstinvestors.com). You can review and copy our documents (including reports and SAIs) at the Public Reference Room of the SEC in Washington, D.C. You can also obtain copies of our documents after paying a duplicating fee (i) by writing to the Public Reference Section of the SEC, 100 F Street, NE, Washington, D.C. 20549-0102 or (ii) by electronic request at [publicinfo@sec.gov](mailto:publicinfo@sec.gov). You can obtain information on the operation of the Public Reference Room, including information about duplicating fee charges, by calling (202) 942-8090. Documents can be viewed online or downloaded from the EDGAR database on the SEC’s Internet website at <http://www.sec.gov>.

SEC file number: 811-04328



# Life Series Funds

## TICKER SYMBOLS

Cash Management	--
Discovery	--
Government	--
Growth & Income	--
High Yield	--
International	--
Investment Grade	--
Select Growth	--
Target Maturity 2015	--
Value	--

*The Securities and Exchange Commission has not approved or disapproved these securities or passed upon the accuracy or adequacy of this prospectus. Any representation to the contrary is a criminal offense.*

THE DATE OF THIS PROSPECTUS IS MAY 1, 2012



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Cash Management Fund  
Discovery Fund  
Government Fund  
Growth & Income Fund  
High Yield Fund

International Fund  
Investment Grade Fund  
Select Growth Fund  
Target Maturity 2015 Fund  
Value Fund

## THE FUNDS SUMMARY SECTION

### CASH MANAGEMENT FUND

**Investment Objective:** The Fund seeks to earn a high rate of current income consistent with the preservation of capital and maintenance of liquidity.

**Fees and Expenses of the Fund:** This table describes the fees and expenses that you may pay if you buy and hold shares of the Fund. Investments in the Fund can only be made through a variable annuity contract or life insurance policy offered by First Investors Life Insurance Company (“FIL”). This table does not reflect expenses incurred from investing through a variable annuity contract or life insurance policy offered by FIL. If they were included, the expenses shown in the table would be higher.

<b>Shareholder Fees</b> ( <i>fees paid directly from your investment</i> )	
Maximum sales charge (load) imposed on purchases (as a percentage of offering price)	N/A
Maximum deferred sales charge (load) (as a percentage of the lower of purchase price or redemption price)	N/A
<b>Annual Fund Operating Expenses</b> ( <i>expenses that you pay each year as a percentage of the value of your investment</i> )	
Management Fees	0.75%
Distribution and Service (12b-1) Fees	0.00%
Other Expenses	0.24%
<b>Total Annual Fund Operating Expenses</b>	<b>0.99%</b>

#### Example

The Example is intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds. The Example assumes that you invest \$10,000 in the Fund for the time periods indicated and then redeem all of your shares at the end of those periods. The Example also assumes that your investment has a 5% return each year and that the Fund’s operating expenses remain the same. Investments in the Fund can only be made through a variable annuity contract or life insurance policy offered by FIL. The table below does not include the expenses you would incur in purchasing such a variable annuity contract or life insurance policy. If they were included, the expenses shown in the table below would be higher. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

	<b>1 year</b>	<b>3 years</b>	<b>5 years</b>	<b>10 years</b>
Cash Management Fund	\$101	\$315	\$547	\$1,213

**Principal Investment Strategies:** The Fund invests primarily in high-quality money market instruments that are determined by the Fund's Adviser to present minimal credit risk, including but not limited to commercial paper, short-term corporate bonds and notes, floating and variable rate notes, U.S. Treasury securities and short-term obligations of U.S. Government-sponsored enterprises (some of which are not backed by the full faith and credit of the U.S. Government).

The Fund's portfolio is managed to meet regulatory requirements that permit the Fund to maintain a stable net asset value ("NAV") of \$1.00 per share. These include requirements relating to the credit quality, maturity, liquidity and diversification of the Fund's investments.

In buying and selling securities, the Fund will consider its own credit analysis as well as ratings assigned by ratings services.

**Principal Risks:** Although the Fund tries to maintain a \$1.00 share price, it may not be able to do so. It is therefore possible to lose money by investing in the Fund. Here are the principal risks of investing in the Cash Management Fund:

*Credit Risk.* There is a risk that the value of a money market instrument will decline if there is a default by or a deterioration in the credit quality of the issuer or a provider of a credit enhancement or demand feature. This could cause the Fund's NAV to decline below \$1.00 per share.

Credit risk also applies to securities issued by U.S. Government-sponsored enterprises that are not backed by the full faith and credit of the U.S. Government. These securities are supported by the credit of the issuing agency, instrumentality or corporation.

*Interest Rate Risk.* Like the values of other debt instruments, the market values of money market instruments are affected by changes in interest rates. When interest rates rise, the market values of money market instruments

decline. This could cause the Fund's NAV to decline below \$1.00 per share.

*Liquidity Risk.* The Fund may be unable to sell a security promptly and at an acceptable price, which could have the effect of decreasing the overall level of the Fund's liquidity. Market developments may cause the Fund's investments to become less liquid and subject to erratic price movements, which may have an adverse effect on the Fund's ability to maintain a \$1.00 share price.

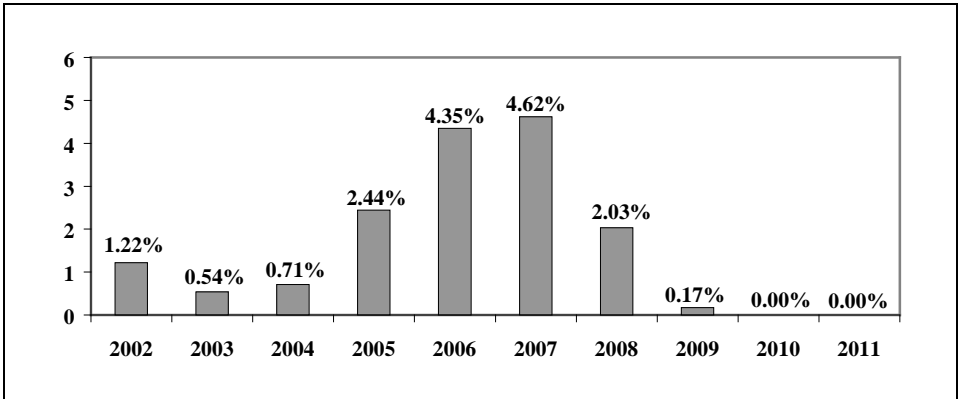
*Yield Risk.* The yields received by the Fund on its investments will decline as interest rates decline.

*An investment in the Fund is not a bank deposit and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although the Fund seeks to preserve the value of your investment at \$1.00 per share, it is possible to lose money by investing in the Fund.*

**Performance:** The following bar chart and table provide some indication of the risks of investing in the Fund. The bar chart shows changes in the Fund's performance from year to year. The table shows the Fund's average annual returns for 1, 5, and 10 years. The Fund's past performance is not necessarily an indication of how the Fund will perform in the future.

The bar chart and table do not reflect fees and expenses that may be deducted by the variable annuity contract or variable life insurance policy through which you invest. If they were included, the returns would be less than those shown.

## Total Annual Returns For Calendar Years Ended December 31



During the periods shown, the highest quarterly return was 1.16% (for the quarter ended September 30, 2006) and the lowest quarterly return was 0.00% (for the quarter ended December 31, 2009 and for each quarter ended since 2010).

### Average Annual Total Returns For Periods Ended December 31, 2011

	1 Year	5 Years	10 Years
Cash Management Fund	0.00%	1.35%	1.59%

**Investment Adviser:** First Investors Management Company, Inc. is the Fund's investment adviser.

**Other Important Information About The Fund:** For important information about the Purchase and Sale of Fund Shares and Tax Information, please refer to the section "Other Important Information" on page 35 of this prospectus.

## DISCOVERY FUND

**Investment Objective:** The Fund seeks long-term growth of capital.

**Fees and Expenses of the Fund:** This table describes the fees and expenses that you may pay if you buy and hold shares of the Fund. Investments in the Fund can only be made through a variable annuity contract or life insurance policy offered by First Investors Life Insurance Company (“FIL”). This table does not reflect expenses incurred from investing through a variable annuity contract or life insurance policy offered by FIL. If they were included, the expenses shown in the table would be higher.

<b>Shareholder Fees</b> ( <i>fees paid directly from your investment</i> )	
Maximum sales charge (load) imposed on purchases (as a percentage of offering price)	N/A
Maximum deferred sales charge (load) (as a percentage of the lower of purchase price or redemption price)	N/A

<b>Annual Fund Operating Expenses</b> ( <i>expenses that you pay each year as a percentage of the value of your investment</i> )	
Management Fees	0.75%
Distribution and Service (12b-1) Fees	0.00%
Other Expenses	0.06%
<b>Total Annual Fund Operating Expenses</b>	<b>0.81%</b>

### Example

The Example is intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds. The Example assumes that you invest \$10,000 in the Fund for the time periods indicated and then redeem all of your shares at the end of those periods. The Example also assumes that your investment has a 5% return each year and that the Fund’s operating expenses remain the same. Investments in the Fund can only be made through a variable annuity contract or life insurance policy offered by FIL. The table below does not include the expenses you would incur in purchasing such a variable annuity contract or life insurance policy. If they were included, the expenses shown in the table below would be higher. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

	<b>1 year</b>	<b>3 years</b>	<b>5 years</b>	<b>10 years</b>
Discovery Fund	\$83	\$259	\$450	\$1,002

**Portfolio Turnover:** The Fund pays transaction costs, such as commissions, when it buys and sells securities (or “turns over” its portfolio). A higher portfolio turnover may indicate higher transaction costs. These costs, which are not reflected in annual fund operating expenses or in the example, affect the Fund’s performance. During the most recent fiscal year, the Fund’s portfolio turnover rate was 59% of the average value of its whole portfolio.

**Principal Investment Strategies:** The Fund primarily invests in common stocks of smaller size companies that have a new product or service, are in a position to benefit from some change in the economy, industry transformation, new law, new regulation or new technology, or are experiencing some other “special situation” that makes them undervalued relative to their long-term potential. The Fund may also invest in stocks of mid-size or large companies.

In selecting stocks, the Fund relies on fundamental and quantitative analysis. It screens potential investments to identify companies that have strong financial and managerial characteristics, including healthy balance sheets, a strong management team, solid market share positions and improving business fundamentals. The Fund then attempts to identify those companies that are undervalued by the market or are undergoing some special situation that creates a short-term dislocation between their stock price and underlying value. The Fund may emphasize certain industry sectors based on economic and market conditions.

The Fund may sell a stock if it becomes fully valued, it appreciates in value to the point that it is no longer a small-size company stock, its fundamentals have deteriorated or alternative investments become more attractive.

**Principal Risks:** You can lose money by investing in the Fund. The likelihood of a loss is greater if you invest for a short period of time. Here are the principal risks of investing in the Discovery Fund:

*Market Risk.* Stock prices may decline over short or even extended periods not only because of company-specific developments, but also due to an economic downturn, adverse political or regulatory developments, a change in interest rates or a change in investor sentiment.

*Small-Size and Mid-Size Company Risk.* The market risk associated with stocks of small- and mid-size companies is generally greater than that associated with stocks of larger, more established companies because stocks of small- and mid-size companies tend to experience sharper price fluctuations. At times, it may be difficult for the Fund to sell small-to-mid-size company stocks at reasonable prices.

*Undervalued Security Risk.* The Fund seeks to invest in stocks that are undervalued and that will rise in value due to anticipated events or changes in investor perceptions. If these events do not occur, or investor perceptions about the securities do not improve, the market price of these securities may not rise as expected or may fall.

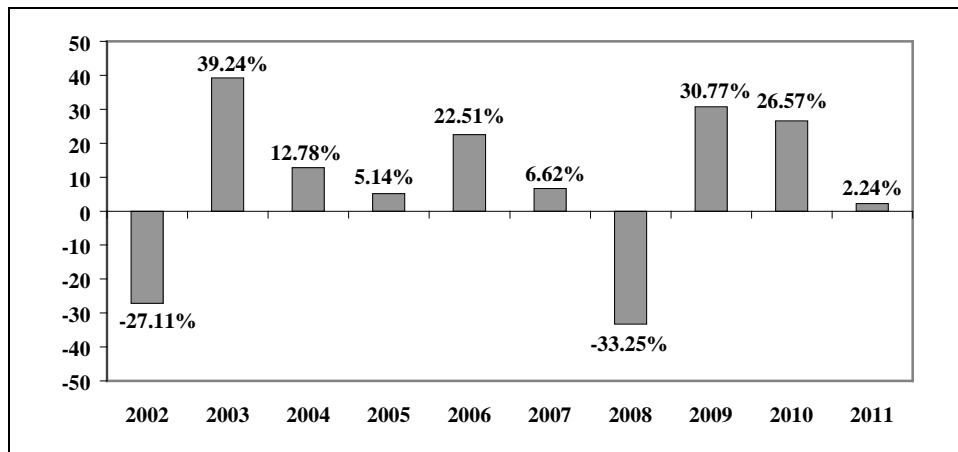
*Sector Risk.* The Fund will face a greater risk of loss due to factors affecting a single sector or industry than if the Fund always maintained wide diversity among the sectors and industries in which it invests.

*Security Selection Risk.* Securities selected by the portfolio manager may perform differently than the overall market or may not meet the portfolio manager’s expectations.

**Performance:** The following bar chart and table provide some indication of the risks of investing in the Fund. The bar chart shows changes in the Fund’s performance from year to year. The table shows how the Fund’s average annual returns for 1, 5, and 10 years compare to those of a broad measure of market performance. The Fund’s past performance is not necessarily an indication of how the Fund will perform in the future.

The bar chart and table do not reflect fees and expenses that may be deducted by the variable annuity contract or variable life insurance policy through which you invest. If they were included, the returns would be less than those shown.

### Total Annual Returns For Calendar Years Ended December 31



During the periods shown, the highest quarterly return was 19.55% (for the quarter ended June 30, 2003) and the lowest quarterly return was -24.00% (for the quarter ended December 31, 2008).

### Average Annual Total Returns For Periods Ended December 31, 2011

	1 Year	5 Years	10 Years
Discovery Fund	2.24%	3.79%	5.91%
Russell 2000 Index (reflects no deduction for fees, expenses or taxes)	-4.18%	0.15%	5.62%

**Investment Adviser:** First Investors Management Company, Inc. is the Fund's investment adviser and Paradigm Capital Management, Inc. ("Paradigm Capital Management") serves as subadviser of the Fund.

**Portfolio Manager:** Jonathan S. Vyorst, Senior Vice President, and Jason V. Ronovech, CFA and Senior Vice President, of Paradigm Capital Management, have served as Co-Portfolio Managers of the Fund since 2007.

**Other Important Information About The Fund:** For important information about the Purchase and Sale of Fund Shares and Tax Information, please refer to the section "Other Important Information" on page 35 of this prospectus.

## GOVERNMENT FUND

**Investment Objective:** The Fund seeks to achieve a significant level of current income which is consistent with security and liquidity of principal.

**Fees and Expenses of the Fund:** This table describes the fees and expenses that you may pay if you buy and hold shares of the Fund. Investments in the Fund can only be made through a variable annuity contract or life insurance policy offered by First Investors Life Insurance Company (“FIL”). This table does not reflect expenses incurred from investing through a variable annuity contract or life insurance policy offered by FIL. If they were included, the expenses shown in the table would be higher.

<b>Shareholder Fees</b> ( <i>fees paid directly from your investment</i> )	
Maximum sales charge (load) imposed on purchases (as a percentage of offering price)	N/A
Maximum deferred sales charge (load) (as a percentage of the lower of purchase price or redemption price)	N/A
<b>Annual Fund Operating Expenses</b> ( <i>expenses that you pay each year as a percentage of the value of your investment</i> )	
Management Fees	0.75%
Distribution and Service (12b-1) Fees	0.00%
Other Expenses	0.21%
<b>Total Annual Fund Operating Expenses</b>	<b>0.96%</b>

### Example

The Example is intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds. The Example assumes that you invest \$10,000 in the Fund for the time periods indicated and then redeem all of your shares at the end of those periods. The Example also assumes that your investment has a 5% return each year and that the Fund’s operating expenses remain the same. Investments in the Fund can only be made through a variable annuity contract or life insurance policy offered by FIL. The table below does not include the expenses you would incur in purchasing such a variable annuity contract or life insurance policy. If they were included, the expenses shown in the table below would be higher. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

	<b>1 year</b>	<b>3 years</b>	<b>5 years</b>	<b>10 years</b>
Government Fund	\$98	\$306	\$531	\$1,178

**Portfolio Turnover:** The Fund pays transaction costs, such as commissions, when it buys and sells securities (or “turns over” its portfolio). A higher portfolio turnover may indicate higher transaction costs. These costs, which are not reflected in annual fund operating expenses or in the example, affect the Fund’s performance. During the most recent fiscal year, the Fund’s portfolio turnover rate was 33% of the average value of its whole portfolio.

**Principal Investment Strategies:** Under normal circumstances, the Fund invests at least 80% of its net assets in securities issued or guaranteed as to payment of principal and interest by the U.S. Government, its agencies or instrumentalities (“U.S. Government Securities”).

The Fund invests in all types of U.S. Government Securities, which may include (a) U.S. Treasury obligations, (b) securities that are issued or guaranteed by U.S. Government agencies or instrumentalities that are backed by the full faith and credit of the U.S. Government (such as securities that are guaranteed by the Government National Mortgage Association (“GNMA”), and (c) securities that are issued or guaranteed by agencies or instrumentalities that are sponsored by Congress but whose securities are not guaranteed by the U.S. Government and are backed solely by the credit of the issuing agency or instrumentality and the right to borrow from the U.S. Treasury (such as the securities issued by the Federal National Mortgage Association (“Fannie Mae”) and Federal Home Loan Mortgage Corporation (“Freddie Mac”).

The Fund uses a “top down” approach in making investment decisions based on its assessment of interest rates, economic and market conditions, and the relative values of different types of U.S. Government securities. In selecting investments, the Fund considers, among other factors, maturity, yield, relative value and, in the case of mortgage-backed securities, coupon and weighted average maturity. The Fund will usually sell an

investment when there are changes in the interest rate environment that are adverse to the investment.

**Principal Risks:** You can lose money by investing in the Fund. The likelihood of a loss is greater if you invest for a short period of time. While the Fund invests in securities that are issued or guaranteed by the U.S. Government, its agencies or instrumentalities, your investment in the Fund is not insured or guaranteed by the U.S. Government. Here are the principal risks of investing in the Government Fund:

*Interest Rate Risk.* In general, when interest rates rise, the market value of a debt security declines, and when interest rates decline, the market value of a debt security increases. Securities with longer maturities are generally more sensitive to interest rate changes.

*Prepayment and Extension Risk.* The Fund is subject to prepayment and extension risk since it invests in mortgage-backed securities. When interest rates decline, borrowers tend to refinance their mortgages. When this occurs, the mortgages that back these securities suffer a higher rate of prepayment. This could cause a decrease in the Fund’s income and share price. When interest rates rise, the Fund’s average maturity may lengthen due to a drop in prepayments. This will increase both the Fund’s sensitivity to interest rates and its potential for price declines.

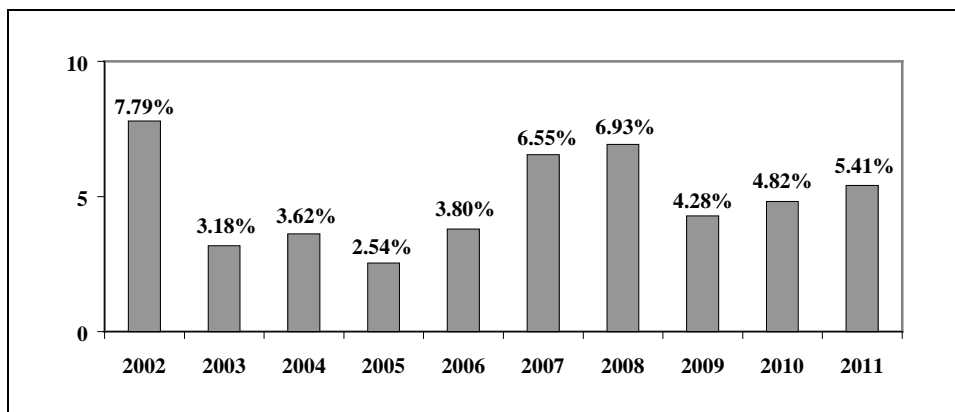
*Credit Risk.* This is the risk that an issuer of bonds will be unable to pay interest or principal when due. The prices of bonds are affected by the credit quality of the issuer and, in the case of mortgage-backed securities, the credit quality of the underlying mortgages. Credit risk applies to securities issued by U.S. Government-sponsored enterprises (such as Fannie Mae and Freddie Mac mortgage-backed securities) that are not backed by the full faith and credit of the U.S. Government.

**Security Selection Risk.** Securities selected by the portfolio manager may perform differently than the overall market or may not meet the portfolio manager's expectations.

**Performance:** The following bar chart and table provide some indication of the risks of investing in the Fund. The bar chart shows changes in the Fund's performance from year to year. The table shows how the Fund's average annual returns for 1, 5, and 10 years compare to those of a broad measure of market performance. The Fund's past performance is not necessarily an indication of how the Fund will perform in the future.

The bar chart and table do not reflect fees and expenses that may be deducted by the variable annuity contract or variable life insurance policy through which you invest. If they were included, the returns would be less than those shown.

### Total Annual Returns For Calendar Years Ended December 31



During the periods shown, the highest quarterly return was 3.83% (for the quarter ended December 31, 2008) and the lowest quarterly return was -0.91% (for the quarter ended June 30, 2008).

### Average Annual Total Returns For Periods Ended December 31, 2011

	1 Year	5 Years	10 Years
Government Fund	5.41%	5.59%	4.88%
Citigroup Government/Mortgage Index (reflects no deduction for fees, expenses or taxes)	7.81%	6.65%	5.71%

**Investment Adviser:** First Investors Management Company, Inc. is the Fund's investment adviser.

**Portfolio Manager:** Clark D. Wagner, Director of Fixed Income, has served as the Portfolio Manager of the Fund since 1995.

**Other Important Information About The Fund:** For important information about the Purchase and Sale of Fund Shares and Tax Information, please refer to the section "Other Important Information" on page 35 of this prospectus.

## GROWTH & INCOME FUND

**Investment Objective:** The Fund seeks long-term growth of capital and current income.

**Fees and Expenses of the Fund:** This table describes the fees and expenses that you may pay if you buy and hold shares of the Fund. Investments in the Fund can only be made through a variable annuity contract or life insurance policy offered by First Investors Life Insurance Company (“FIL”). This table does not reflect expenses incurred from investing through a variable annuity contract or life insurance policy offered by FIL. If they were included, the expenses shown in the table would be higher.

<b>Shareholder Fees</b> ( <i>fees paid directly from your investment</i> )	
Maximum sales charge (load) imposed on purchases (as a percentage of offering price)	N/A
Maximum deferred sales charge (load) (as a percentage of the lower of purchase price or redemption price)	N/A

<b>Annual Fund Operating Expenses</b> ( <i>expenses that you pay each year as a percentage of the value of your investment</i> )	
Management Fees	0.75%
Distribution and Service (12b-1) Fees	0.00%
Other Expenses	0.06%
<b>Total Annual Fund Operating Expenses</b>	<b>0.81%</b>

### Example

The Example is intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds. The Example assumes that you invest \$10,000 in the Fund for the time periods indicated and then redeem all of your shares at the end of those periods. The Example also assumes that your investment has a 5% return each year and that the Fund’s operating expenses remain the same. Investments in the Fund can only be made through a variable annuity contract or life insurance policy offered by FIL. The table below does not include the expenses you would incur in purchasing such a variable annuity contract or life insurance policy. If they were included, the expenses shown in the table below would be higher. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

	<b>1 year</b>	<b>3 years</b>	<b>5 years</b>	<b>10 years</b>
Growth & Income Fund	\$83	\$259	\$450	\$1,002

**Portfolio Turnover:** The Fund pays transaction costs, such as commissions, when it buys and sells securities (or “turns over” its portfolio). A higher portfolio turnover may indicate higher transaction costs. These costs, which are not reflected in annual fund operating expenses or in the example, affect the Fund’s performance. During the most recent fiscal year, the Fund’s portfolio turnover rate was 26% of the average value of its whole portfolio.

**Principal Investment Strategies:** The Fund primarily invests in common stocks that offer the potential for capital growth, current income or both. The Fund primarily seeks to invest in common stocks of large-, mid-, and small-size companies that have a history of paying dividends. When the Fund cannot identify dividend-paying stocks that it finds attractive, it may invest in non-dividend-paying stocks.

The Fund generally uses a “bottom-up” approach to selecting investments. This means that the Fund generally identifies potential investments through fundamental research and analysis and thereafter focuses on other issues, such as economic trends, interest rates, industry diversification and market capitalization. In deciding whether to buy or sell securities, the Fund considers, among other things, the issuer’s financial strength, management, earnings growth or potential earnings growth and history (if any) of paying dividends.

The Fund may sell a security if it becomes fully valued, its fundamentals have deteriorated or alternative investments become more attractive.

**Principal Risks:** You can lose money by investing in the Fund. The likelihood of a loss is greater if you invest for a short period of time. Here are the principal risks of investing in the Growth & Income Fund:

*Market Risk.* Stock prices may decline over short or even extended periods not only because of company-specific developments, but also due to an economic downturn, adverse political or regulatory developments, a change in interest rates or a change in investor sentiment. While dividend-paying stocks are generally considered less volatile than other stocks, there can be no guarantee that the Fund’s overall portfolio will be less volatile than the general stock market.

*Mid-Size and Small-Size Company Risk.* The market risk associated with stocks of mid- and small-size companies is generally greater than that associated with stocks of larger, more established companies because stocks of mid- and small-size companies tend to experience sharper price fluctuations. At times, it may be difficult for the Fund to sell mid-to-small-size company stocks at reasonable prices.

*Dividend Risk.* At times, the Fund may not be able to identify dividend-paying stocks that are attractive investments. The income received by the Fund will also fluctuate due to the amount of dividends that companies elect to pay. The Fund may not have sufficient income to pay its shareholders regular dividends.

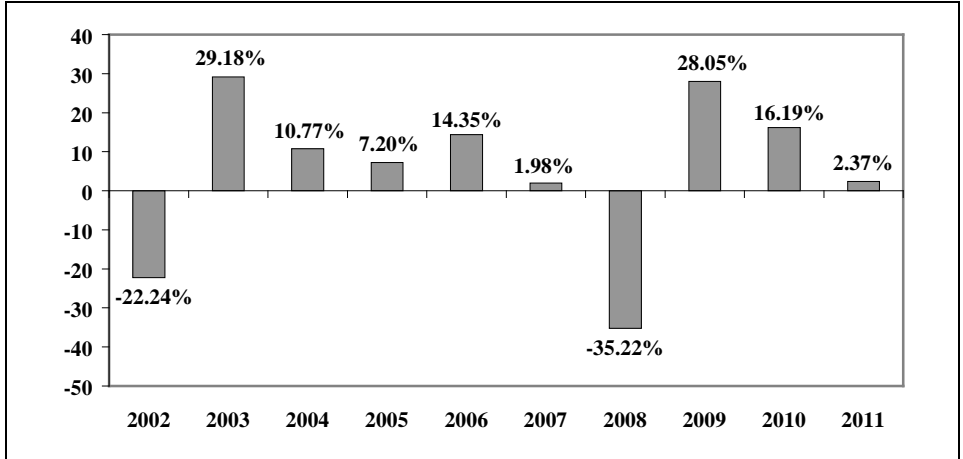
*Security Selection Risk.* Securities selected by the portfolio manager may perform differently than the overall market or may not meet the portfolio manager’s expectations.

**Performance:** The following bar chart and table provide some indication of the risks of investing in the Fund. The bar chart shows changes in the Fund’s performance from year to year. The table shows how the Fund’s average annual returns for 1, 5, and 10 years compare to those of a broad measure of market performance. The Fund’s past performance is not necessarily an indication of how the Fund will perform in the future.

The bar chart and table do not reflect fees and expenses that may be deducted by the variable annuity contract or variable life insurance policy through which you invest. If they were included, the returns would be less than those shown.

Prior to October 18, 2006, the Fund was known as the Growth Fund and was managed pursuant to a different strategy. The Fund's performance likely would have been different had it been following its current investment policies and investment strategies.

### Total Annual Returns For Calendar Years Ended December 31



During the periods shown, the highest quarterly return was 17.42% (for the quarter ended June 30, 2009) and the lowest quarterly return was -22.33% (for the quarter ended December 31, 2008).

### Average Annual Total Returns For Periods Ended December 31, 2011

	1 Year	5 Years	10 Years
Growth & Income Fund	2.37%	0.12%	3.22%
S&P 500 Index (reflects no deduction for fees, expenses or taxes)	2.11%	-0.25%	2.92%

**Investment Adviser:** First Investors Management Company, Inc. is the Fund's investment adviser.

**Portfolio Manager:** Edwin D. Miska, Director of Equities, has served as Portfolio Manager of the Fund since 2006.

Sean Reidy has served as Assistant Portfolio Manager of the Fund since 2010.

**Other Important Information About The Fund:** For important information about the Purchase and Sale of Fund Shares and Tax Information, please refer to the section "Other Important Information" on page 35 of this prospectus.

## HIGH YIELD FUND

**Investment Objective:** The Fund seeks high current income.

**Fees and Expenses of the Fund:** This table describes the fees and expenses that you may pay if you buy and hold shares of the Fund. Investments in the Fund can only be made through a variable annuity contract or life insurance policy offered by First Investors Life Insurance Company (“FIL”). This table does not reflect expenses incurred from investing through a variable annuity contract or life insurance policy offered by FIL. If they were included, the expenses shown in the table would be higher.

<b>Shareholder Fees</b> ( <i>fees paid directly from your investment</i> )	
Maximum sales charge (load) imposed on purchases (as a percentage of offering price)	N/A
Maximum deferred sales charge (load) (as a percentage of the lower of purchase price or redemption price)	N/A

<b>Annual Fund Operating Expenses</b> ( <i>expenses that you pay each year as a percentage of the value of your investment</i> )	
Management Fees	0.75%
Distribution and Service (12b-1) Fees	0.00%
Other Expenses	0.13%
<b>Total Annual Fund Operating Expenses</b>	<b>0.88%</b>

### Example

The Example is intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds. The Example assumes that you invest \$10,000 in the Fund for the time periods indicated and then redeem all of your shares at the end of those periods. The Example also assumes that your investment has a 5% return each year and that the Fund’s operating expenses remain the same. Investments in the Fund can only be made through a variable annuity contract or life insurance policy offered by FIL. The table below does not include the expenses you would incur in purchasing such a variable annuity contract or life insurance policy. If they were included, the expenses shown in the table below would be higher. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

	<b>1 year</b>	<b>3 years</b>	<b>5 years</b>	<b>10 years</b>
High Yield Fund	\$90	\$281	\$488	\$1,084

**Portfolio Turnover:** The Fund pays transaction costs, such as commissions, when it buys and sells securities (or “turns over” its portfolio). A higher portfolio turnover may indicate higher transaction costs. These costs, which are not reflected in annual fund operating expenses or in the example, affect the Fund’s performance. During the most recent fiscal year, the Fund’s portfolio turnover rate was 63% of the average value of its whole portfolio.

**Principal Investment Strategies:** The Fund primarily invests in high yield, below investment grade corporate bonds (commonly known as “high yield” or “junk bonds”). High yield bonds include both bonds that are rated below Baa by Moody’s Investors Service, Inc. or below BBB by Standard & Poor’s Ratings Services as well as unrated bonds that are determined by the Fund to be of equivalent quality. High yield bonds generally provide higher income than investment grade bonds to compensate investors for their higher risk of default (i.e., failure to make required interest or principal payments). The Fund may also invest in other high yield debt securities, such as assignments of syndicated bank loans.

Although the Fund will consider ratings assigned by ratings agencies in selecting high yield bonds, it relies principally on its own research and investment analysis. The Fund may sell a bond when it shows deteriorating fundamentals or it falls short of the portfolio manager’s expectations. It may also decide to continue to hold a bond (or related securities) after its issuer defaults or is subject to a bankruptcy.

**Principal Risks:** You can lose money by investing in the Fund. The likelihood of a loss is greater if you invest for a short period of time. Here are the principal risks of investing in the High Yield Fund:

*Credit Risk.* This is the risk that an issuer of bonds and other debt securities, including syndicated bank loans, will be unable to pay interest or principal when due. High yield bonds and other types of high yield debt

securities have greater credit risk than higher quality debt securities because the companies that issue them are not as financially strong as companies with investment grade ratings. During times of economic downturn, issuers of high yield debt securities may not have the ability to access the credit markets to refinance their bonds or meet other credit obligations.

*Market Risk.* The entire high yield bond market can experience sharp price swings due to a variety of factors, including changes in economic forecasts, stock market volatility, large sustained sales of high yield bonds by major investors, high-profile defaults or the market’s psychology. This degree of volatility in the high yield market is usually associated more with stocks than bonds.

*Interest Rate Risk.* In general, when interest rates rise, the market value of a debt security declines, and when interest rates decline, the market value of a debt security increases. Securities with longer maturities are generally more sensitive to interest rate changes as are securities with higher credit ratings.

*Liquidity Risk.* High yield debt securities tend to be less liquid than higher quality debt securities, meaning that it may be difficult to sell high yield debt securities at a reasonable price or at a particular time. Assignments of syndicated bank loans may be less liquid at times, because of potential delays in the settlement process or restrictions on resale.

*Other Syndicated Bank Loans Risk.* Syndicated bank loans are also subject to the risk that the value of the collateral, if any, securing a loan may decline, be insufficient to meet the obligations of the borrower, or be difficult to liquidate. In the event of a default, the Fund may have difficulty collecting on any collateral.

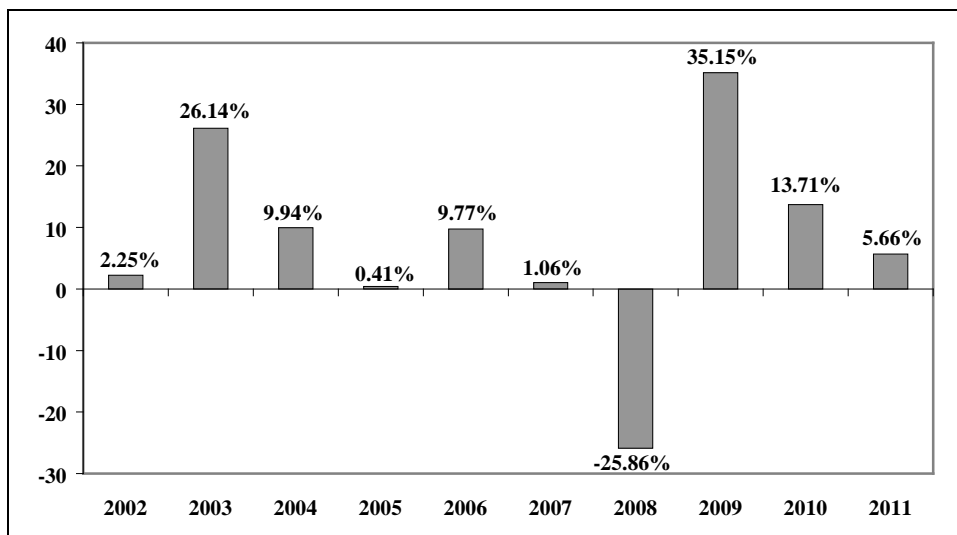
*Security Selection Risk.* Securities selected by the portfolio manager may perform differently than the overall market or may not meet the portfolio manager’s expectations.

**Performance:** The following bar chart and table provide some indication of the risks of investing in the Fund. The bar chart shows changes in the Fund's performance from year to year. The table shows how the Fund's average annual returns for 1, 5, and 10 years compare to those of a broad measure of market performance. The Fund's past performance is not necessarily an indication of how the Fund will perform in the future.

The bar chart and table do not reflect fees and expenses that may be deducted by the variable annuity contract or variable life insurance policy through which you invest. If they were included, the returns would be less than those shown.

On April 24, 2009, Muzinich & Co., Inc. ("Muzinich") became the Fund's subadviser. Therefore, the performance shown for the Fund is not necessarily reflective of how the Fund will perform in the future.

### Total Annual Returns For Calendar Years Ended December 31



During the periods shown, the highest quarterly return was 15.22% (for the quarter ended June 30, 2009) and the lowest quarterly return was -19.03% (for the quarter ended December 31, 2008).

### Average Annual Total Returns For Periods Ended December 31, 2011

	1 Year	5 Years	10 Years
High Yield Fund	5.66%	4.00%	6.64%
BofA Merrill Lynch BB-B US Cash Pay High Yield Constrained Index (reflects no deduction for fees, expenses or taxes)	5.43%	6.85%	7.96%

**Investment Adviser:** First Investors Management Company, Inc. is the Fund's investment adviser and Muzinich serves as the Fund's subadviser.

**Portfolio Manager:** The Fund has been managed by Muzinich since 2009 by a team of investment professionals who have active roles in managing the Fund. Dennis V. Dowden and Clinton Comeaux have served as Portfolio Managers of the Fund since 2009 and Bryan Petermann has served as Portfolio Manager of the Fund since 2010.

**Other Important Information About The Fund:** For important information about the Purchase and Sale of Fund Shares and Tax Information, please refer to the section "Other Important Information" on page 35 of this prospectus.

## INTERNATIONAL FUND

**Investment Objective:** The Fund primarily seeks long-term capital growth.

**Fees and Expenses of the Fund:** This table describes the fees and expenses that you may pay if you buy and hold shares of the Fund. Investments in the Fund can only be made through a variable annuity contract or life insurance policy offered by First Investors Life Insurance Company (“FIL”). This table does not reflect expenses incurred from investing through a variable annuity contract or life insurance policy offered by FIL. If they were included, the expenses shown in the table would be higher.

<b>Shareholder Fees</b> ( <i>fees paid directly from your investment</i> )	
Maximum sales charge (load) imposed on purchases (as a percentage of offering price)	N/A
Maximum deferred sales charge (load) (as a percentage of the lower of purchase price or redemption price)	N/A

<b>Annual Fund Operating Expenses</b> ( <i>expenses that you pay each year as a percentage of the value of your investment</i> )	
Management Fees	0.75%
Distribution and Service (12b-1) Fees	0.00%
Other Expenses	0.21%
<b>Total Annual Fund Operating Expenses</b>	<b>0.96%</b>

### Example

The Example is intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds. The Example assumes that you invest \$10,000 in the Fund for the time periods indicated and then redeem all of your shares at the end of those periods. The Example also assumes that your investment has a 5% return each year and that the Fund’s operating expenses remain the same. Investments in the Fund can only be made through a variable annuity contract or life insurance policy offered by FIL. The table below does not include the expenses you would incur in purchasing such a variable annuity contract or life insurance policy. If they were included, the expenses shown in the table below would be higher. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

	<b>1 year</b>	<b>3 years</b>	<b>5 years</b>	<b>10 years</b>
International Fund	\$98	\$306	\$531	\$1,178

**Portfolio Turnover:** The Fund pays transaction costs, such as commissions, when it buys and sells securities (or “turns over” its portfolio). A higher portfolio turnover may indicate higher transaction costs. These costs, which are not reflected in annual fund operating expenses or in the example, affect the Fund’s performance. During the most recent fiscal year, the Fund’s portfolio turnover rate was 32% of the average value of its whole portfolio.

**Principal Investment Strategies:** The Fund invests in a portfolio of common stocks and other equity securities of companies that are located outside of the United States. To a limited degree, the Fund may also invest in companies based in the United States.

The Fund typically invests in the securities of medium to large size companies, but will also invest in smaller companies. The Fund’s holdings may be limited to the securities of 40 to 60 different issuers and may focus its investments in companies located in or tied economically to particular countries or regions.

The Fund generally invests in securities that are traded in the foreign securities markets, though it may invest significantly in emerging or developing markets. The Fund may also invest in forward currency contracts or foreign exchange contracts to minimize currency fluctuation during the settlement period of transactions in foreign securities. Such contracts are considered derivatives.

The subadviser selects investments by screening a universe of stocks that meet its “quality growth” criteria, which include high return on equity and low to moderate leverage, among others. It then further narrows that universe by using a bottom-up stock and business analysis approach to identify companies whose businesses are highly profitable, have consistent operating histories and financial performance and enjoy possible long-term economic prospects. The subadviser also seeks to generate greater

returns by investing in securities at a price below the company’s intrinsic worth.

In making sell decisions, the subadviser considers, among other things, whether a security’s price target has been met, whether there has been an overvaluation of the issuer by the market, whether there has been a clear deterioration of future earnings power and whether, in the subadviser’s opinion, there has been a loss of long-term competitive advantage.

**Principal Risks:** You can lose money by investing in the Fund. The likelihood of a loss is greater if you invest for a short period of time. Here are the principal risks of investing in the International Fund:

*Market Risk.* Stock prices may decline over short or even extended periods not only because of company-specific developments, but also due to an economic downturn, adverse political or regulatory developments, a change in interest rates or a change in investor sentiment.

*Foreign Securities Risk.* There are special risk factors associated with investing in foreign securities, including the risks of fluctuations in the exchange rates between the U.S. dollar and foreign currencies, potential political and economic instability, differing accounting and financial reporting standards or inability to obtain reliable financial information regarding a company’s financial condition, less stringent regulation and supervision of foreign securities markets, custodians and securities depositories, and potential restrictions in the flow of capital. To the extent the Fund invests a significant portion of its assets in securities of a single country or region, it is more likely to be affected by events or conditions of that country or region. As a result, it may be more volatile than a more geographically diversified fund.

*Emerging Markets Risk.* The risks of investing in foreign securities are heightened when investing in emerging or developing markets. The economies and political

environments of emerging or developing countries tend to be more unstable than those of developed countries, resulting in more volatile rates of returns than the developed markets and substantially greater risk to investors.

**Liquidity Risk.** The Fund is also susceptible to the risk that certain securities may be difficult or impossible to sell at the time and the price that the Fund would like. This risk is particularly acute in the case of foreign securities that are traded in smaller, less-developed or emerging markets.

**Mid-Size and Small-Size Company Risk.** The market risk associated with the securities of mid- and small-size companies is generally greater than that associated with securities of larger companies because such securities tend to experience sharper price fluctuations than those of larger companies. At times, it may be difficult for the Fund to sell mid-to-small-size company stocks at reasonable prices.

**Limited Holdings Risk.** The Fund's assets may be invested in a limited number of issuers. This means that the Fund's performance may be substantially impacted by the change in value of even a single holding.

**Security Selection Risk.** Securities selected by the portfolio manager may perform differently than the overall market or may not meet the portfolio manager's expectations.

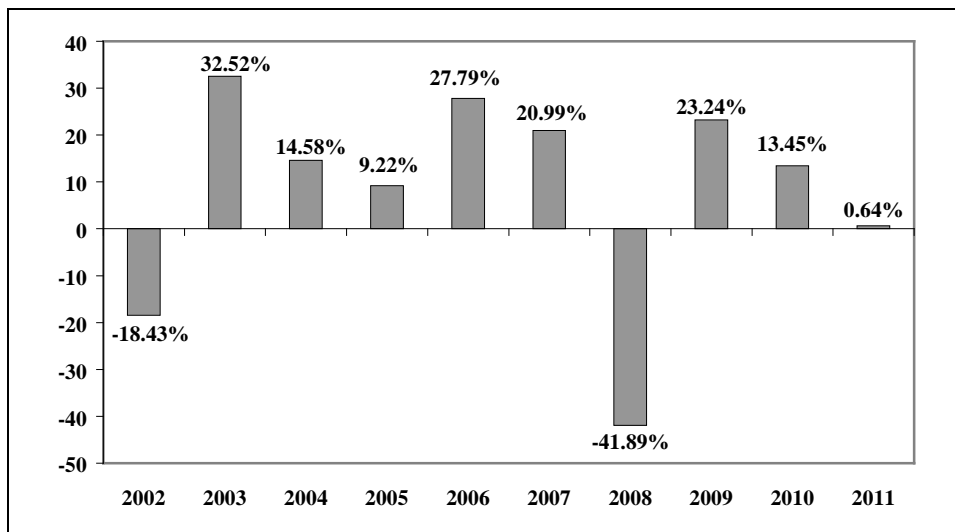
**Derivatives Risk.** Forward currency contracts and foreign exchange contracts involve a number of risks, such as possible default by the counterparty to the transaction, incorrect judgment by the portfolio manager as to certain market movements and the potential of greater losses than if these techniques had not been used by the Fund. They may also limit any potential gain that might result from an increase in the value of a hedged position. These investments can also increase the volatility of the Fund's share price and expose the Fund to significant additional costs.

**Performance:** The following bar chart and table provide some indication of the risks of investing in the Fund. The bar chart shows changes in the Fund's performance from year to year. The table shows how the Fund's average annual returns for 1, 5, and 10 years compare to those of a broad measure of market performance. The Fund's past performance is not necessarily an indication of how the Fund will perform in the future.

The bar chart and table do not reflect fees and expenses that may be deducted by the variable annuity contract or variable life insurance policy through which you invest. If they were included, the returns would be less than those shown.

On June 27, 2006, the Fund changed subadvisers and its investment objectives and strategies. The Fund's past performance likely would have been different had it been following its current investment policies and investment strategies.

## Total Annual Returns For Calendar Years Ended December 31



During the periods shown, the highest quarterly return was 19.05% (for the quarter ended June 30, 2009) and the lowest quarterly return was -19.85% (for the quarter ended September 30, 2002).

### Average Annual Total Returns For Periods Ended December 31, 2011

	1 Year	5 Years	10 Years
International Fund	0.64%	-0.21%	5.51%
Morgan Stanley Capital International EAFE Index (Gross) (reflects no deduction for fees, expenses or taxes)	-11.73%	-4.26%	5.12%
Morgan Stanley Capital International EAFE Index (Net) (reflects the deduction of foreign withholding taxes on dividends)	-12.14%	-4.72%	4.67%

**Investment Adviser:** First Investors Management Company, Inc. is the Fund's investment adviser and Vontobel Asset Management, Inc. ("Vontobel") serves as the subadviser of the Fund.

**Portfolio Manager:** Rajiv Jain, Managing Director and Portfolio Manager – International Equities for Vontobel, has served as Portfolio Manager of the Fund since 2006.

**Other Important Information About The Fund:** For important information about the Purchase and Sale of Fund Shares and Tax Information, please refer to the section "Other Important Information" on page 35 of this prospectus.

## INVESTMENT GRADE FUND

**Investment Objective:** The Fund seeks to generate a maximum level of income consistent with investment in investment grade debt securities.

**Fees and Expenses of the Fund:** This table describes the fees and expenses that you may pay if you buy and hold shares of the Fund. Investments in the Fund can only be made through a variable annuity contract or life insurance policy offered by First Investors Life Insurance Company (“FIL”). This table does not reflect expenses incurred from investing through a variable annuity contract or life insurance policy offered by FIL. If they were included, the expenses shown in the table would be higher.

<b>Shareholder Fees</b> ( <i>fees paid directly from your investment</i> )	
Maximum sales charge (load) imposed on purchases (as a percentage of offering price)	N/A
Maximum deferred sales charge (load) (as a percentage of the lower of purchase price or redemption price)	N/A
<b>Annual Fund Operating Expenses</b> ( <i>expenses that you pay each year as a percentage of the value of your investment</i> )	
Management Fees	0.75%
Distribution and Service (12b-1) Fees	0.00%
Other Expenses	0.11%
<b>Total Annual Fund Operating Expenses</b>	<b>0.86%</b>

### Example

The Example is intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds. The Example assumes that you invest \$10,000 in the Fund for the time periods indicated and then redeem all of your shares at the end of those periods. The Example also assumes that your investment has a 5% return each year and that the Fund’s operating expenses remain the same. Investments in the Fund can only be made through a variable annuity contract or life insurance policy offered by FIL. The table below does not include the expenses you would incur in purchasing such a variable annuity contract or life insurance policy. If they were included, the expenses shown in the table below would be higher. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

	<b>1 year</b>	<b>3 years</b>	<b>5 years</b>	<b>10 years</b>
Investment Grade Fund	\$88	\$274	\$477	\$1,061

**Portfolio Turnover:** The Fund pays transaction costs, such as commissions, when it buys and sells securities (or “turns over” its portfolio). A higher portfolio turnover may indicate higher transaction costs. These costs, which are not reflected in annual fund operating expenses or in the example, affect the Fund’s performance. During the most recent fiscal year, the Fund’s portfolio turnover rate was 29% of the average value of its whole portfolio.

**Principal Investment Strategies:** Under normal circumstances, the Fund will invest at least 80% of its net assets in investment grade debt securities.

The Fund may invest in a variety of different types of investment grade securities, including corporate bonds, securities issued or guaranteed by the U.S. Government or U.S. Government-sponsored enterprises (some of which are not backed by the full faith and credit of the U.S. Government), and mortgage-backed and other asset-backed securities.

In making investment decisions, the Fund considers the outlook for interest rates, economic forecasts and market conditions, credit ratings, and its own analysis of an issuer’s financial condition. The Fund will not necessarily sell an investment if its rating is reduced and it may hold securities that have been downgraded below investment grade (commonly known as “high yield” or “junk” bonds).

**Principal Risks:** You can lose money by investing in the Fund. The likelihood of a loss is greater if you invest for a short period of time. Here are the principal risks of investing in the Investment Grade Fund:

**Interest Rate Risk.** In general, when interest rates rise, the market value of a debt security declines, and when interest rates decline, the market value of a debt security increases. Securities with longer maturities are generally more sensitive to interest rate changes.

**Credit Risk.** This is the risk that an issuer of bonds and other debt securities will be unable to pay interest or principal when due. The prices of bonds and other debt securities are affected by the credit quality of the issuer and, in the case of asset-backed securities, the credit quality of the underlying loans. Credit risk also applies to securities issued or guaranteed by U.S. Government-sponsored enterprises that are not backed by the full faith and credit of the U.S. Government.

**Prepayment and Extension Risk.** The Fund is subject to prepayment and extension risk since it invests in mortgage-backed and other asset-backed securities. When interest rates decline, borrowers tend to refinance their loans. When this occurs, the loans that back these securities suffer a higher rate of prepayment. This could cause a decrease in the Fund’s income and share price. When interest rates rise, the Fund’s average maturity may lengthen due to a drop in prepayments. This will increase both the Fund’s sensitivity to interest rates and its potential for price declines.

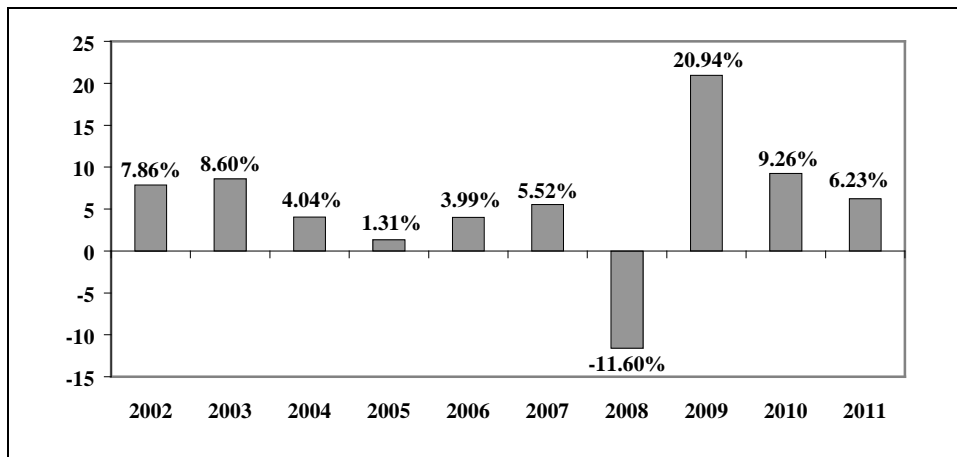
**Liquidity Risk.** High yield debt securities tend to be less liquid than higher quality debt securities, meaning that it may be difficult to sell high yield debt securities at reasonable prices.

**Security Selection Risk.** Securities selected by the portfolio manager may perform differently than the overall market or may not meet the portfolio manager’s expectations.

**Performance:** The following bar chart and table provide some indication of the risks of investing in the Fund. The bar chart shows changes in the Fund’s performance from year to year. The table shows how the Fund’s average annual returns for 1, 5, and 10 years compare to those of a broad measure of market performance. The Fund’s past performance is not necessarily an indication of how the Fund will perform in the future.

The bar chart and table do not reflect fees and expenses that may be deducted by the variable annuity contract or variable life insurance policy through which you invest. If they were included, the returns would be less than those shown.

### Total Annual Returns For Calendar Years Ended December 31



During the periods shown, the highest quarterly return was 10.24% (for the quarter ended June 30, 2009) and the lowest quarterly return was -9.82% (for the quarter ended September 30, 2008).

### Average Annual Total Returns For Periods Ended December 31, 2011

	1 Year	5 Years	10 Years
Investment Grade Fund	6.23%	5.54%	5.33%
BofA Merrill Lynch U.S. Corporate Master Index (reflects no deduction for fees, expenses or taxes)	7.51%	6.57%	6.29%

**Investment Adviser:** First Investors Management Company, Inc. is the Fund's investment adviser.

**Portfolio Manager:** Clark D. Wagner, Director of Fixed Income, serves as Co-Portfolio Manager of the Fund and has served as Portfolio Manager or Co-Portfolio Manager of the Fund since 2007.

Rajeev Sharma has served as Co-Portfolio Manager of the Fund since 2009.

**Other Important Information About The Fund:** For important information about the Purchase and Sale of Fund Shares and Tax Information, please refer to the section "Other Important Information" on page 35 of this prospectus.

## SELECT GROWTH FUND

**Investment Objective:** The Fund seeks long-term growth of capital.

**Fees and Expenses of the Fund:** This table describes the fees and expenses that you may pay if you buy and hold shares of the Fund. Investments in the Fund can only be made through a variable annuity contract or life insurance policy offered by First Investors Life Insurance Company (“FIL”). This table does not reflect expenses incurred from investing through a variable annuity contract or life insurance policy offered by FIL. If they were included, the expenses shown in the table would be higher.

<b>Shareholder Fees</b> ( <i>fees paid directly from your investment</i> )	
Maximum sales charge (load) imposed on purchases (as a percentage of offering price)	N/A
Maximum deferred sales charge (load) (as a percentage of the lower of purchase price or redemption price)	N/A
<b>Annual Fund Operating Expenses</b> ( <i>expenses that you pay each year as a percentage of the value of your investment</i> )	
Management Fees	0.75%
Distribution and Service (12b-1) Fees	0.00%
Other Expenses	0.15%
<b>Total Annual Fund Operating Expenses</b>	<b>0.90%</b>

### Example

The Example is intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds. The Example assumes that you invest \$10,000 in the Fund for the time periods indicated and then redeem all of your shares at the end of those periods. The Example also assumes that your investment has a 5% return each year and that the Fund’s operating expenses remain the same. Investments in the Fund can only be made through a variable annuity contract or life insurance policy offered by FIL. The table below does not include the expenses you would incur in purchasing such a variable annuity contract or life insurance policy. If they were included, the expenses shown in the table below would be higher. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

	<b>1 year</b>	<b>3 years</b>	<b>5 years</b>	<b>10 years</b>
Select Growth Fund	\$92	\$287	\$498	\$1,108

**Portfolio Turnover:** The Fund pays transaction costs, such as commissions, when it buys and sells securities (or “turns over” its portfolio). A higher portfolio turnover may indicate higher transaction costs. These costs, which are not reflected in annual fund operating expenses or in the example, affect the Fund’s performance. During the most recent fiscal year, the Fund’s portfolio turnover rate was 61% of the average value of its whole portfolio.

**Principal Investment Strategies:** The Fund invests in a portfolio of approximately 40-45 common stocks that the Fund’s subadviser, Smith Asset Management Group, L.P. (“Smith”), believes offers the best potential for earnings growth with the lowest risk of negative earnings surprises.

Smith employs quantitative and qualitative analysis to identify high quality companies that it believes have the ability to accelerate earnings growth and exceed investor expectations. Beginning with a universe of stocks that includes large-, mid- and small-size companies, Smith’s investment team uses risk control and valuation screens primarily based on valuation, financial quality, stock volatility and corporate governance, to eliminate stocks that are highly volatile or are more likely to underperform the market.

Stocks that pass the initial screens are then evaluated using a proprietary methodology and fundamental analysis to produce a list of 80-100 eligible companies with a high probability of earnings growth that exceeds investor expectations. The analysis includes an evaluation of changes in Wall Street opinions, individual analysts’ historical accuracy, earnings quality analysis and corporate governance practices. Smith then constructs the Fund’s portfolio based on a traditional fundamental analysis of the companies identified on the list to understand their business prospects, earnings potential, strength of management and competitive positioning.

Stocks may be sold if they exhibit negative investment or performance characteristics, including: a negative earnings forecast or report, valuation concerns, company officials’ downward guidance on company performance or earnings or announcement of a buyout.

**Principal Risks:** You can lose money by investing in the Fund. The likelihood of a loss is greater if you invest for a short period of time. Here are the principal risks of investing in the Select Growth Fund:

*Market Risk.* Stock prices may decline over short or even extended periods not only because of company-specific developments, but also due to an economic downturn, adverse political or regulatory developments, a change in interest rates or a change in investor sentiment.

*Mid-Size and Small-Size Company Risk.* The market risk associated with stocks of mid- and small-size companies is generally greater than that associated with stocks of larger, more established companies because stocks of mid- and small-size companies tend to experience sharper price fluctuations. At times, it may be difficult for the Fund to sell mid-to-small-size company stocks at reasonable prices.

*Growth Stock Risk.* The Fund’s focus on growth stocks increases the potential volatility of its share price. If expectations are not met, the prices of these stocks may decline significantly.

*Limited Holdings Risk.* Because the Fund generally invests in a limited portfolio of only 40 to 45 stocks, it may be more volatile than other funds whose portfolios are more broadly diversified.

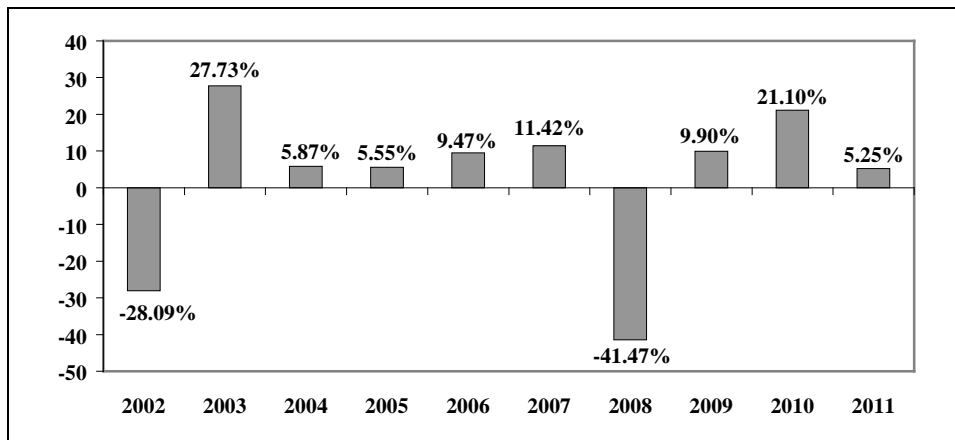
*Security Selection Risk.* Securities selected by the portfolio manager may perform differently than the overall market or may not meet the portfolio manager’s expectations.

**Performance:** The following bar chart and table provide some indication of the risks of investing in the Fund. The bar chart shows changes in the Fund's performance from year to year. The table shows how the Fund's average annual returns for 1, 5, and 10 years compare to those of a broad measure of market performance. The Fund's past performance is not necessarily an indication of how the Fund will perform in the future.

The bar chart and table do not reflect fees and expenses that may be deducted by the variable annuity contract or variable life insurance policy through which you invest. If they were included, the returns would be less than those shown.

Prior to July 26, 2007, the Fund was known as the Focused Equity Fund, was managed by a different subadviser, and employed different strategies in seeking to invest in growth stocks. Therefore, the performance shown below is not necessarily reflective of how the Fund will perform in the future.

### Total Annual Returns For Calendar Years Ended December 31



During the periods shown, the highest quarterly return was 17.37% (for the quarter ended June 30, 2003) and the lowest quarterly return was -24.25% (for the quarter ended December 31, 2008).

### Average Annual Total Returns For Periods Ended December 31, 2011

	1 Year	5 Years	10 Years
Select Growth Fund	5.25%	-1.79%	0.26%
Russell 3000 Growth Index (reflects no deduction for fees, expenses or taxes)	2.18%	2.46%	2.74%

**Investment Adviser:** First Investors Management Company, Inc. is the Fund's investment adviser and Smith Asset Management Group, L.P. ("Smith") serves as subadviser of the Fund.

**Portfolio Manager:** The Fund is managed by Smith by a team of investment professionals who have an equal role in managing the Fund, which includes the following: Stephen S. Smith, CFA, Chief Executive Officer and Chief Investment Officer; John D. Brim, CFA, Portfolio Manager; and Eivind Olsen, CFA, Portfolio Manager. Each investment professional has served as a Portfolio Manager of the Fund since 2007, except for Mr. Olsen, who has served as a Portfolio Manager since 2009.

**Other Important Information About The Fund:** For important information about the Purchase and Sale of Fund Shares and Tax Information, please refer to the section "Other Important Information" on page 35 of this prospectus.

## TARGET MATURITY 2015

**Investment Objective:** The Fund seeks a predictable compounded investment return for investors who hold their Fund shares until the Fund's maturity, consistent with preservation of capital.

**Fees and Expenses of the Fund:** This table describes the fees and expenses that you may pay if you buy and hold shares of the Fund. Investments in the Fund can only be made through a variable annuity contract or life insurance policy offered by First Investors Life Insurance Company ("FIL"). This table does not reflect expenses incurred from investing through a variable annuity contract or life insurance policy offered by FIL. If they were included, the expenses shown in the table would be higher.

<b>Shareholder Fees</b> ( <i>fees paid directly from your investment</i> )	
Maximum sales charge (load) imposed on purchases (as a percentage of offering price)	N/A
Maximum deferred sales charge (load) (as a percentage of the lower of purchase price or redemption price)	N/A
<b>Annual Fund Operating Expenses</b> ( <i>expenses that you pay each year as a percentage of the value of your investment</i> )	
Management Fees	0.75%
Distribution and Service (12b-1) Fees	0.00%
Other Expenses	0.12%
Total Annual Fund Operating Expenses	0.87%

### Example

The Example is intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds. The Example assumes that you invest \$10,000 in the Fund for the time periods indicated and then redeem all of your shares at the end of those periods. The Example also assumes that your investment has a 5% return each year and that the Fund's operating expenses remain the same. Investments in the Fund can only be made through a variable annuity contract or life insurance policy offered by FIL. The table below does not include the expenses you would incur in purchasing such a variable annuity contract or life insurance policy. If they were included, the expenses shown in the table below would be higher. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

	<b>1 year</b>	<b>3 years</b>	<b>5 years</b>	<b>10 years</b>
Target Maturity Fund 2015	\$89	\$278	\$482	\$1,073

**Portfolio Turnover:** The Fund pays transaction costs, such as commissions, when it buys and sells securities (or “turns over” its portfolio). A higher portfolio turnover may indicate higher transaction costs. These costs, which are not reflected in annual fund operating expenses or in the example, affect the Fund’s performance. During the most recent fiscal year, the Fund’s portfolio turnover rate was 0% of the average value of its whole portfolio.

**Principal Investment Strategies:** The Fund invests at least 65% of its total assets in zero coupon securities. The vast majority of the Fund’s investments consist of non-callable zero coupon bonds issued by the U.S. Government, its agencies or instrumentalities, that mature on or around the maturity date of the Fund (December 31, 2015). Zero coupon securities are debt obligations that do not entitle holders to any periodic payments of interest prior to maturity and therefore are issued and traded at discounts from their face values.

The Fund may also invest in securities issued by U.S. Government-sponsored enterprises such as Federal National Mortgage Association (“Fannie Mae”) and the Federal Home Loan Mortgage Corporation (“Freddie Mac”). Although such U.S. Government-sponsored enterprises are chartered and sponsored by Acts of Congress, their securities are not backed by the full faith and credit of the U.S. Government.

The Fund seeks zero coupon bonds that will mature on or about the Fund’s maturity date. As the Fund’s zero coupon bonds mature, the proceeds will be invested in short term U.S. government securities. On the Fund’s maturity date, the Fund’s assets will be converted to cash and distributed, and the Fund will be liquidated.

Although the Fund generally follows a buy and hold strategy, the Fund may sell an investment when the Fund identifies an opportunity to increase its yield or it needs cash to meet redemptions.

**Principal Risks:** You can lose money by investing in the Fund. The likelihood of a loss is greater if you invest for a short period of time or liquidate your investment in the Fund prior to the Fund’s maturity. Here are the principal risks of investing in the Target Maturity 2015 Fund:

*Interest Rate Risk.* In general, when interest rates rise, the market value of a bond declines, and when interest rates decline, the market value of a bond increases. The market prices of zero coupon securities are generally more volatile than the market prices of securities paying interest periodically and, accordingly, will fluctuate far more in response to changes in interest rates than those of non-zero coupon securities having similar maturities and yields. Securities with longer maturities are generally more sensitive to interest rate changes.

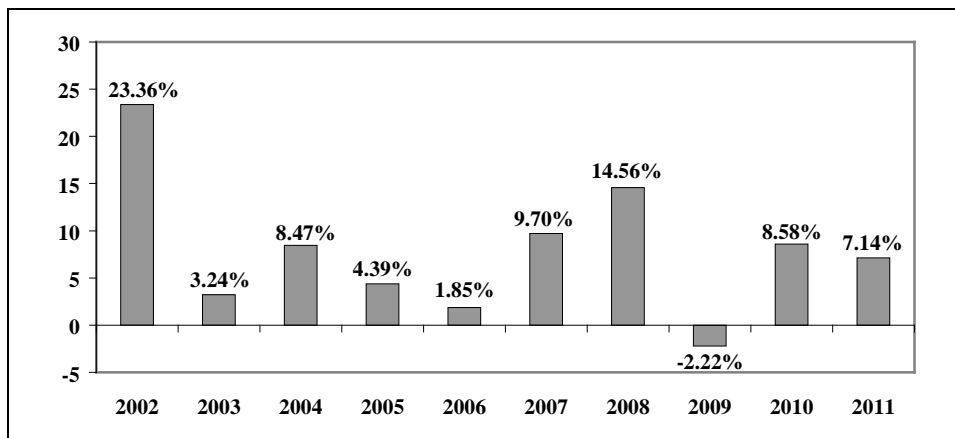
*Credit Risk.* This is the risk that an issuer of bonds will be unable to pay interest or principal when due. The prices of bonds are affected by the credit quality of the issuer. Credit risk applies to securities issued by U.S. Government-sponsored enterprises (such as Fannie Mae and Freddie Mac securities), which are not supported by the full faith and credit of the U.S. Government.

*Security Selection Risk.* Securities selected by the portfolio manager may perform differently than the overall market or may not meet the portfolio manager’s expectations.

**Performance:** The following bar chart and table provide some indication of the risks of investing in the Fund. The bar chart shows changes in the Fund’s performance from year to year. The table shows how the Fund’s average annual returns for 1, 5, and 10 years compare to those of a broad measure of market performance. The Fund’s past performance is not necessarily an indication of how the Fund will perform in the future.

The bar chart and table do not reflect fees and expenses that may be deducted by the variable annuity contract or variable life insurance policy through which you invest. If they were included, the returns would be less than those shown.

### Total Annual Returns For Calendar Years Ended December 31



During the periods shown, the highest quarterly return was 15.59% (for the quarter ended September 30, 2002) and the lowest quarterly return was -6.24% (for the quarter ended June 30, 2004).

### Average Annual Total Returns For Periods Ended December 31, 2011

	1 Year	5 Years	10 Years
Target Maturity Fund 2015	7.14%	7.41%	7.70%
Citigroup Treasury/Government Sponsored Index (reflects no deduction for fees, expenses or taxes)	8.95%	6.62%	5.65%

**Investment Adviser:** First Investors Management Company, Inc. is the Fund's investment adviser.

**Portfolio Manager:** Clark D. Wagner, Director of Fixed Income, has served as Portfolio Manager of the Fund since 1999.

**Other Important Information About The Fund:** For important information about the Purchase and Sale of Fund Shares and Tax Information, please refer to the section "Other Important Information" on page 35 of this prospectus.

## VALUE FUND

**Investment Objective:** The Fund seeks total return.

**Fees and Expenses of the Fund:** This table describes the fees and expenses that you may pay if you buy and hold shares of the Fund. Investments in the Fund can only be made through a variable annuity contract or life insurance policy offered by First Investors Life Insurance Company (“FIL”). This table does not reflect expenses incurred from investing through a variable annuity contract or life insurance policy offered by FIL. If they were included, the expenses shown in the table would be higher.

<b>Shareholder Fees</b> ( <i>fees paid directly from your investment</i> )	
Maximum sales charge (load) imposed on purchases (as a percentage of offering price)	N/A
Maximum deferred sales charge (load) (as a percentage of the lower of purchase price or redemption price)	N/A

<b>Annual Fund Operating Expenses</b> ( <i>expenses that you pay each year as a percentage of the value of your investment</i> )	
Management Fees	0.75%
Distribution and Service (12b-1) Fees	0.00%
Other Expenses	0.12%
<b>Total Annual Fund Operating Expenses</b>	<b>0.87%</b>

### Example

The Example is intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds. The Example assumes that you invest \$10,000 in the Fund for the time periods indicated and then redeem all of your shares at the end of those periods. The Example also assumes that your investment has a 5% return each year and that the Fund’s operating expenses remain the same. Investments in the Fund can only be made through a variable annuity contract or life insurance policy offered by FIL. The table below does not include the expenses you would incur in purchasing such a variable annuity contract or life insurance policy. If they were included, the expenses shown in the table below would be higher. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

	<b>1 year</b>	<b>3 years</b>	<b>5 years</b>	<b>10 years</b>
Value Fund	\$89	\$278	\$482	\$1,073

**Portfolio Turnover:** The Fund pays transaction costs, such as commissions, when it buys and sells securities (or “turns over” its portfolio). A higher portfolio turnover may indicate higher transaction costs. These costs, which are not reflected in annual fund operating expenses or in the example, affect the Fund’s performance. During the most recent fiscal year, the Fund’s portfolio turnover rate was 32% of the average value of its whole portfolio.

**Principal Investment Strategies:** The Fund invests, under normal market conditions, primarily in dividend-paying stocks of companies that the Fund believes are undervalued in the market relative to their long term potential. The Fund normally will diversify its assets among dividend-paying stocks of large-, mid- and small-size companies. The Fund may also invest in stocks of companies of any size that do not pay dividends, but have the potential of paying dividends in the future if they appear to be undervalued.

The Fund generally uses a “bottom-up” approach in attempting to identify stocks that are undervalued. This means that the Fund generally identifies potential investments through fundamental research and analysis which includes, among other things, analyzing a company’s balance sheet, cash flow statements and competition within a company’s industry. The Fund also assesses a company’s corporate strategy and whether the company is operating in the interests of shareholders, as well as, analyzing economic trends, interest rates, and industry diversification.

The Fund may sell a security if it becomes fully valued, its fundamentals have deteriorated or alternative investment opportunities become more attractive.

**Principal Risks:** You can lose money by investing in the Fund. The likelihood of a loss is greater if you invest for a short period of time. Here are the principal risks of investing in the Value Fund:

*Market Risk.* Stock prices may decline over short or even extended periods not only because of company-specific developments, but also due to an economic downturn, adverse political or regulatory developments, a change in interest rates or a change in investor sentiment. While dividend-paying stocks are generally considered less volatile than other stocks, there can be no guarantee that the Fund’s overall portfolio will be less volatile than the general stock market.

*Undervalued Securities Risk.* The Fund seeks to invest in stocks that are undervalued and that will rise in value due to anticipated events or changes in investor perceptions. If these events do not occur or investor perceptions about the securities do not improve, the market price of these securities may not rise as expected or may fall.

*Mid-Size and Small-Size Company Risk.* The market risk associated with stocks of mid- and small-size companies is generally greater than that associated with stocks of larger, more established companies because stocks of mid- and small-size companies tend to experience sharper price fluctuations. At times, it may be difficult for the Fund to sell mid-to-small-size company stocks at reasonable prices.

*Dividend Risk.* At times, the Fund may not be able to identify dividend-paying stocks that are attractive investments. The income received by the Fund will also fluctuate due to the amount of dividends that companies elect to pay. The Fund may not have sufficient income to pay its shareholders regular dividends.

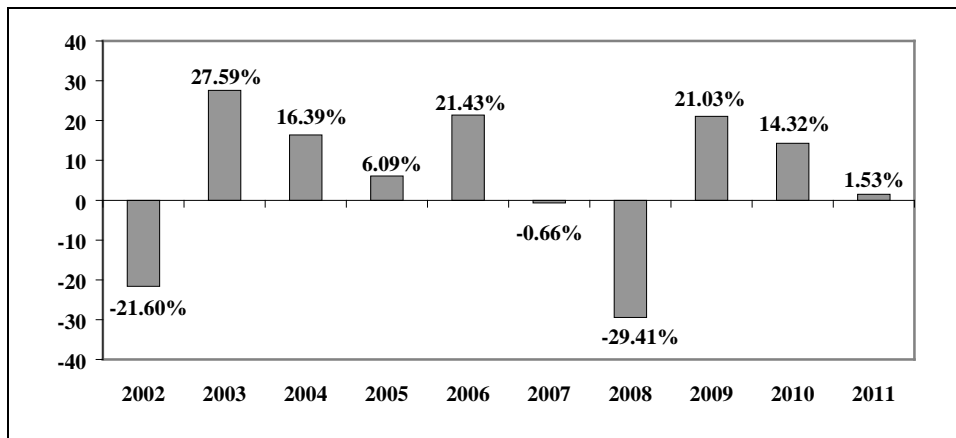
*Security Selection Risk.* Securities selected by the portfolio manager may perform differently than the overall market or may not meet the portfolio manager’s expectations.

**Performance:** The following bar chart and table provide some indication of the risks of investing in the Fund. The bar chart shows changes in the Fund’s performance from year to year. The table shows how the Fund’s average annual returns for 1, 5, and 10 years compare to those of a broad measure of

market performance. The Fund's past performance is not necessarily an indication of how the Fund will perform in the future.

The bar chart and table do not reflect fees and expenses that may be deducted by the variable annuity contract or variable life insurance policy through which you invest. If they were included, the returns would be less than those shown.

### Total Annual Returns For Calendar Years Ended December 31



During the periods shown, the highest quarterly return was 14.89% (for the quarter ended June 30, 2003) and the lowest quarterly return was -19.03% (for the quarter ended December 31, 2008).

### Average Annual Total Returns For Periods Ended December 31, 2011

	1 Year	5 Years	10 Years
Value Fund	1.53%	-0.30%	3.98%
S&P 500 Index (reflects no deduction for fees, expenses or taxes)	2.11%	-0.25%	2.92%

**Investment Adviser:** First Investors Management Company, Inc. is the Fund's investment adviser.

**Portfolio Manager:** Sean Reidy has served as Portfolio Manager of the Fund since November 2011.

**Other Important Information About The Fund:** For important information about the Purchase and Sale of Fund Shares and Tax Information, please refer to the section "Other Important Information" on page 35 of this prospectus.

## Other Important Information

### **Purchase and Sale of Fund Shares:**

Investments in a Fund can only be made through a purchase of a variable annuity contract or life insurance policy offered by FIL. For information about purchasing or selling a variable annuity contract or life insurance policy, see the Separate Account prospectus. Subject to the terms of the contract or policy you purchased, you may purchase or redeem shares of a Fund on any business day by contacting your financial intermediary in accordance with its policies; by writing to First Investors Life Insurance Company at the following address: Raritan Plaza I, P.O. Box 7836, Edison, NJ 08818 or by calling 1(800) 832-7783.

**Tax Information:** You will not be subject to federal income tax as the result of purchases or sales of Fund shares by the Separate Accounts, or Fund dividends, or other distributions to the Separate Accounts. There are tax consequences associated with investing in the variable annuity contracts and variable life insurance policies. These are discussed in the Separate Account prospectus.

## THE FUNDS IN GREATER DETAIL

This section describes the First Investors Life Series Funds in more detail. Each individual Fund description in this section provides more information about the Fund's objective, principal investment strategies and risks. These Funds are used solely as the underlying investment options for variable annuity contracts or variable life insurance policies offered by First Investors Life Insurance Company ("FIL"). This means that you cannot purchase shares of the Funds directly, but only through such a contract or policy offered by FIL. The Fund or Funds that are available to you depend upon which contract or policy you have purchased.

The investment objective of each Fund is non-fundamental, which means that the Board of Trustees may change the investment objective of each Fund without shareholder approval. The Board may take such action when it believes that a change in the objective is necessary or appropriate in light of market circumstances or other events.

What are the Cash Management Fund's objective, principal investment strategies and principal risks?

### Objective:

The Fund seeks to earn a high rate of current income consistent with the preservation of capital and maintenance of liquidity.

### Principal Investment Strategies:

The Fund invests primarily in high-quality money market instruments that are determined by the Fund's Adviser to present minimal credit risk. The Fund's investments may include prime commercial paper; short-term corporate bonds and notes, including floating and variable rate notes; U.S. Treasury securities; short-term obligations of U.S. Government-sponsored enterprises (some of which are not backed by the full faith and credit of the U.S. Government); bankers' acceptances, which are credit instruments guaranteed by a bank; and negotiable certificates of deposit, which are issued by banks in large denominations.

The Fund's portfolio is managed to meet regulatory requirements that permit the Fund to maintain a stable net asset value ("NAV") of \$1.00 per share. These include requirements relating to the credit quality, maturity, liquidity and diversification of the Fund's investments.

In buying and selling securities, the Fund will consider its own credit analysis as well as ratings assigned by ratings services. The Fund considers, among other things, the issuer's earnings and cash flow generating capabilities, the security's yield and relative value, and the outlook for interest rates and the economy. In the case of instruments with demand features or credit enhancements, the Fund may also consider the financial strength of the party providing the demand feature or credit enhancement, including any ratings assigned to such party.

Information on the Fund's recent strategies and holdings can be found in the most recent annual report, and information concerning the Fund's policies and procedures with respect to disclosure of the Fund's portfolio holdings is available in the Fund's Statement of Additional Information (see back cover).

The Statement of Additional Information also describes non-principal investment strategies that the Fund may use, including investing in other types of securities that are not described in this prospectus.

### Principal Risks:

While money market funds are designed to be relatively low-risk investments, they are not entirely free of risk. Any investment carries with it some level of risk. Although the Fund tries to maintain a \$1.00 share price, it may not be able to do so. It is therefore possible to lose money by investing in the Fund. Here are the principal risks of investing in the Cash Management Fund:

#### Credit Risk:

The value of a money market instrument will decline if there is a default by or a deterioration in the credit quality of the issuer or a provider of a credit enhancement or demand feature. This could cause the Fund's NAV to decline below \$1.00 per share.

Credit risk also applies to securities issued by U.S. Government-sponsored enterprises that are not backed by the full faith and credit of the U.S. Government. These securities are supported by the credit of the issuing agency, instrumentality or corporation. For example, securities issued by the Federal National Mortgage Association (“Fannie Mae”) and the Federal Home Loan Mortgage Corporation (“Freddie Mac”) are not backed by the full faith and credit of the U.S. Government.

In September 2008, the U.S. Treasury placed Fannie Mae and Freddie Mac under conservatorship and appointed the Federal Housing Finance Agency (“FHFA”) to manage their daily operations. While the U.S. Treasury also entered into arrangements to support Fannie Mae and Freddie Mac, there is no guarantee that these arrangements will ensure that these entities will be able to honor their obligations. Moreover, these arrangements do not alter the fact that the securities issued by Fannie Mae and Freddie Mac are not guaranteed by the U.S. Treasury and are not backed by the full faith and credit of the U.S. Government.

#### Interest Rate Risk:

The Fund’s NAV could decline below \$1.00 per share because of a change in interest rates. Like the values of other debt instruments, the market values of money market instruments are affected by changes in interest rates. When interest rates rise, the market values of money market instruments decline; and when interest rates decline, the market values of money market instruments increase. The price volatility of money market instruments also depends on their maturities and durations. Generally, the shorter the maturity and duration of a money market instrument, the lesser its sensitivity to interest rates.

#### Liquidity Risk:

The Fund may be unable to sell a security promptly and at an acceptable price, which could have the effect of decreasing the overall level of the Fund’s liquidity. Market

developments may cause the Fund’s investments to become less liquid and subject to erratic price movements, which may have an adverse effect on the Fund’s ability to maintain a \$1.00 share price. The Fund could lose money if it cannot sell a security at the time and price that would be beneficial to the Fund.

#### Yield Risk:

The yields received by the Fund on its investments will decline as interest rates decline.

*An investment in the Fund is not a bank deposit and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although the Fund seeks to preserve the value of your investment at \$1.00 per share, it is possible to lose money by investing in the Fund.*

What are the Discovery Fund's objective, principal investment strategies and principal risks?

### Objective:

The Fund seeks long-term growth of capital.

### Principal Investment Strategies:

The Fund primarily invests in common stocks of smaller size companies that have a new product or service, are in a position to benefit from some change in the economy, industry transformation, new law, new regulation or new technology, or are experiencing some other "special situation" that makes them undervalued relative to their long-term potential. Although the Fund normally invests in stocks of smaller size companies, the Fund may also invest in stocks of mid-size or large companies.

In selecting stocks, the Fund relies on fundamental and quantitative analysis. It screens potential investments to identify companies that have strong financial and managerial characteristics, including healthy balance sheets, a strong management team, solid market share positions and improving business fundamentals. The Fund then attempts to identify companies that are undervalued by the market or are undergoing some special situation (such as reorganization or divestiture of a business unit) that creates a short-term dislocation between their stock price and underlying value. The Fund may emphasize certain industry sectors based on economic and market conditions.

The Fund may sell a stock if it becomes fully valued, it appreciates in value to the point that it is no longer a small-size company stock, its fundamentals have deteriorated or alternative investments become more attractive.

The Fund reserves the right to take temporary defensive positions that are inconsistent with the Fund's principal investment strategies in

attempting to respond to adverse market, economic, political or other conditions. If it does so, it may not achieve its investment objective. The Fund may also choose not to take defensive positions. The Fund may, at times, engage in short-term trading, which could produce higher transaction costs and may result in a lower total return for the Fund.

Information on the Fund's recent strategies and holdings can be found in the most recent annual report, and information concerning the Fund's policies and procedures with respect to disclosure of the Fund's portfolio holdings is available in the Fund's Statement of Additional Information (see back cover).

The Statement of Additional Information also describes non-principal investment strategies that the Fund may use, including investing in other types of securities that are not described in this prospectus.

### Principal Risks:

You can lose money by investing in the Fund. The likelihood of a loss is greater if you invest for a short period of time. Any investment carries with it some level of risk. Here are the principal risks of investing in the Discovery Fund:

#### Market Risk:

Because the Fund primarily invests in common stocks, it is subject to market risk. Stock prices may decline over short or even extended periods not only because of company-specific developments, but also due to an economic downturn, adverse political or

regulatory developments, a change in interest rates or a change in investor sentiment. Stock markets tend to run in cycles with periods when prices generally go up, known as “bull” markets, and periods when stock prices generally go down, referred to as “bear” markets.

#### Small-Size and Mid-Size Company Risk:

The market risk associated with stocks of small- and mid-size companies is generally greater than that associated with stocks of larger, more established companies because stocks of small- and mid-size companies tend to experience sharper price fluctuations. The additional volatility associated with small-to-mid-size company stocks is attributable to a number of factors, including the fact that the earnings of such companies tend to be less predictable than those of larger, more established companies. Small-to-mid-size company stocks are also not as broadly traded as stocks of larger companies. At times, it may be difficult for the Fund to sell small-to-mid-size company stocks at reasonable prices.

#### Undervalued Security Risk:

The Fund seeks to invest in stocks that are undervalued and that will rise in value due to anticipated events or changes in investor perceptions. If these events do not occur, are delayed or investor perceptions about the securities do not improve, the market price of these securities may not rise as expected or may fall. Moreover, value stocks may fall out of favor with investors and decline in price as a class.

#### Sector Risk:

To the extent the Fund invests a significant portion of its assets in one or more sectors or industries at any time, the Fund will face a greater risk of loss due to factors affecting a single sector or industry than if the Fund always maintained wide diversity among the sectors and industries in which it invests.

#### Security Selection Risk:

Securities selected by the portfolio manager may perform differently than the overall market or may not meet the portfolio manager’s expectations. This may be a result of specific factors relating to the issuer’s financial condition or operations or changes in the economy, governmental actions or inactions, or changes in investor perceptions regarding the issuer.

What are the Government Fund's objective, principal investment strategies and principal risks?

### Objective:

The Fund seeks to achieve a significant level of current income which is consistent with security and liquidity of principal.

### Principal Investment Strategies:

Under normal circumstances, the Fund invests at least 80% of its net assets in securities issued or guaranteed as to payment of principal and interest by the U.S. Government, its agencies or instrumentalities ("U.S. Government Securities"). The Fund will notify shareholders at least 60 days before making any change to this 80% policy.

The Fund invests in all types of U.S. Government Securities, which may include (a) U.S. Treasury obligations, (b) securities issued or guaranteed by U.S. Government agencies or instrumentalities that are backed by the full faith and credit of the U.S. Government, and (c) securities issued or guaranteed by agencies or instrumentalities that are sponsored or chartered by the U.S. Government but whose securities are backed solely by the credit of the issuing agency or instrumentality or the right of the issuer to borrow from the U.S. Treasury. U.S. Government Securities may include mortgage-backed securities that are guaranteed by the Government National Mortgage Association ("GNMA"), commonly known as Ginnie Maes, which are backed by the full faith and credit of the U.S. Government and mortgage-backed securities issued or guaranteed by U.S. Government-sponsored enterprises, such as the Federal National Mortgage Association ("Fannie Mae") and Federal Home Loan Mortgage Corporation ("Freddie Mac"), which are not backed by the full faith and credit of the U.S. Government.

The Fund uses a "top-down" approach in making investment decisions based on its assessment of interest rates, economic and market conditions, and the relative values of different types of U.S. Government Securities. In selecting investments, the Fund considers, among other factors, maturity, yield, relative value and, in the case of mortgaged-backed securities, coupon and weighted average maturity. The Fund will usually sell an investment when there are changes in the interest rate environment that are adverse to the investment.

The Fund reserves the right to take temporary defensive positions that are inconsistent with the Fund's principal investment strategies in attempting to respond to adverse market, economic, political or other conditions. If it does so, it may not achieve its investment objective. The Fund may also choose not to take defensive positions.

Information on the Fund's recent strategies and holdings can be found in the most recent annual report, and information concerning the Fund's policies and procedures with respect to disclosure of the Fund's portfolio holdings is available in the Fund's Statement of Additional Information (see back cover).

The Statement of Additional Information also describes non-principal investment strategies that the Fund may use, including investing in other types of securities that are not described in this prospectus.

#### Principal Risks:

You can lose money by investing in the Fund. The likelihood of a loss is greater if you invest for a short period of time. Any investment carries with it some level of risk. While the Fund invests in securities that are issued or guaranteed by the U.S. Government, its agencies or instrumentalities, your investment in the Fund is not insured or guaranteed by the U.S. Government. Here are the principal risks of investing in the Government Fund:

##### Interest Rate Risk:

Because the Fund invests in fixed income securities, it is subject to interest rate risk. In general, the market prices of these securities rise when interest rates decline and fall when interest rates rise. Securities with longer maturities and lower coupons tend to be more sensitive to interest rate changes than those with shorter maturities and higher coupons.

##### Prepayment and Extension Risk:

The Fund is subject to prepayment and extension risk since it invests in mortgage-backed securities. When interest rates decline, borrowers tend to refinance their mortgages. When this occurs, the mortgages that back these securities suffer a higher rate of prepayment. This could cause a decrease in the Fund's income and share price. When interest rates rise, the Fund's average maturity may lengthen due to a drop in prepayments. This will increase both the Fund's sensitivity to interest rates and its potential for price declines.

##### Credit Risk:

This is the risk that an issuer of bonds will be unable to pay interest or principal when due. The prices of bonds are affected by the credit quality of the issuer. Credit risk applies to

securities issued by U.S. Government-sponsored enterprises (such as Fannie Mae and Freddie Mac mortgage-backed securities) that are not backed by the full faith and credit of the U.S. Government. In the case of mortgage-backed securities, if an issuer was to default on its obligations, the Fund would be forced to rely on the underlying mortgage backing the security.

In September 2008, the U.S. Treasury placed Fannie Mae and Freddie Mac under conservatorship and appointed the Federal Housing Finance Agency ("FHFA") to manage their daily operations. While the U.S. Treasury also entered into arrangements to support Fannie Mae and Freddie Mac, there is no guarantee that these arrangements will ensure that these entities will be able to honor their obligations. Moreover, these arrangements do not alter the fact that the securities issued by Fannie Mae and Freddie Mac are not guaranteed by the U.S. Treasury and are not backed by the full faith and credit of the U.S. Government.

##### Security Selection Risk:

Securities selected by the portfolio manager may perform differently than the overall market or may not meet the portfolio manager's expectations. This may be a result of specific factors relating to the issuer's financial condition or operations or changes in the economy, governmental actions or inactions, or changes in investor perceptions regarding the issuer.

What are the Growth & Income Fund's objectives, principal investment strategies and principal risks?

### Objectives:

The Fund seeks long-term growth of capital and current income.

### Principal Investment Strategies:

The Fund primarily invests in common stocks that offer the potential for capital growth, current income or both. The Fund primarily seeks to invest in common stocks of companies that have a history of paying dividends. When the Fund cannot identify dividend-paying stocks that it finds attractive, it may invest in non-dividend paying stocks. The Fund will normally diversify its stock holdings among stocks of large-, mid-, and small-size companies.

The Fund generally uses a "bottom-up" approach to selecting investments. This means that the Fund generally identifies potential investments through fundamental research and analysis and thereafter focuses on other issues, such as economic trends, interest rates, industry diversification and market capitalization. In deciding whether to buy or sell securities, the Fund considers, among other things, the issuer's financial strength, management, earnings growth or potential earnings growth and history (if any) of paying dividends.

The Fund may sell a security if it becomes fully valued, its fundamentals have deteriorated or alternative investments become more attractive.

The Fund reserves the right to take temporary defensive positions that are inconsistent with the Fund's principal investment strategies in attempting to respond to adverse market, economic, political or other conditions. If it does so, it may not achieve its investment objectives. The Fund may also choose not to take defensive positions.

Information on the Fund's recent strategies and holdings can be found in the most recent annual report, and information concerning the Fund's policies and procedures with respect to disclosure of the Fund's portfolio holdings is available in the Fund's Statement of Additional Information (see back cover).

The Statement of Additional Information also describes non-principal investment strategies that the Fund may use, including investing in other types of securities that are not described in this prospectus.

### Principal Risks:

You can lose money by investing in the Fund. The likelihood of a loss is greater if you invest for a short period of time. Any investment carries with it some level of risk. Here are the principal risks of investing in the Growth & Income Fund:

#### Market Risk:

Because the Fund primarily invests in common stocks, it is subject to market risk. Stock prices may decline over short or even extended periods not only because of company-specific developments, but also due to an economic downturn, adverse political or regulatory developments, a change in interest rates or a change in investor sentiment. Stock markets tend to run in cycles with periods when prices generally go up, known as "bull" markets, and periods when stock prices generally go down, referred to as "bear" markets.

While dividend-paying stocks are generally considered less volatile than other stocks, there can be no guarantee that the Fund's overall portfolio will be less volatile than the general stock market. Depending upon market conditions, the income from dividend-paying stocks and other investments may not be sufficient to provide a cushion against general market downturns. Moreover, if the Fund cannot identify dividend-paying stocks that it believes have sufficient growth potential, it may have a substantial portion of its portfolio in non-dividend paying stocks.

#### Mid-Size and Small-Size Company Risk:

The market risk associated with stocks of mid- and small-size companies is generally greater than that associated with stocks of larger, more established companies because stocks of mid- and small-size companies tend to experience sharper price fluctuations. The additional volatility associated with mid-to-small-size company stocks is attributable to a number of factors, including the fact that the earnings of such companies tend to be less predictable than those of larger, more established companies. Mid-to-small-size company stocks are also not as broadly traded as stocks of larger companies. At times, it may be difficult for the Fund to sell mid-to-small size company stocks at reasonable prices.

#### Dividend Risk:

At times, the Fund may not be able to identify dividend-paying stocks that are attractive investments. The income received by the Fund will also fluctuate due to the amount of dividends that companies elect to pay. Depending upon market conditions, the Fund may not have sufficient income to pay its shareholders regular dividends.

#### Security Selection Risk:

Securities selected by the portfolio manager may perform differently than the overall market or may not meet the portfolio manager's expectations. This may be a result of specific factors relating to the issuer's financial condition or operations or changes in the economy, governmental actions or inactions, or changes in investor perceptions regarding the issuer.

What are the High Yield Fund's objective, principal investment strategies and principal risks?

**Objective:**

The Fund seeks high current income.

**Principal Investment Strategies:**

The Fund primarily invests in high yield, below investment grade corporate bonds (commonly known as "high yield" or "junk bonds"). High yield bonds include both bonds that are rated below Baa by Moody's Investors Service, Inc. or below BBB by Standard & Poor's Ratings Services as well as unrated bonds that are determined by the Fund to be of equivalent quality. High yield bonds generally provide higher income than investment grade bonds to compensate investors for their higher risk of default (i.e., failure to make required interest or principal payments). High yield bond issuers include small or relatively new companies lacking the history or capital to merit investment grade status, former blue chip companies downgraded because of financial problems, special purpose entities that are used to finance capital investment, sales or leases of equipment, loans or other programs and firms with heavy debt loads. High yield securities may be backed by receivables or other assets. The Fund may also invest in other high yield debt securities, such as assignments of syndicated bank loans.

The Fund seeks to reduce the risk of a default by selecting bonds through careful credit research and analysis. The Fund seeks to reduce the impact of a potential default by diversifying its investments among bonds of many different companies and industries. The Fund attempts to invest in bonds that have stable to improving credit quality and potential for capital appreciation because of a credit rating upgrade or an improvement in the outlook for a particular company, industry or the economy as a whole.

Although the Fund will consider ratings assigned by ratings agencies in selecting high yield bonds, it relies principally on its own research and investment analysis. The Fund considers a variety of factors, including the overall economic outlook, the issuer's competitive position, the outlook of its industry, its managerial strength, anticipated cash flow, debt maturity schedules, borrowing requirements, interest or dividend coverage, asset coverage and earnings prospects. The Fund may sell a bond when it shows deteriorating fundamentals or it falls short of the portfolio manager's expectations. It may also decide to continue to hold a bond (or related securities, such as stocks or warrants) after its issuer defaults or is subject to a bankruptcy.

The Fund reserves the right to take temporary defensive positions that are inconsistent with the Fund's principal investment strategies in attempting to respond to adverse market, economic, political or other conditions. If it does so, it may not achieve its investment objective. The Fund may also choose not to take defensive positions.

Information on the Fund's recent strategies and holdings can be found in the most recent annual report, and information concerning the Fund's policies and procedures with respect to disclosure of the Fund's portfolio holdings is available in the Fund's Statement of Additional Information (see back cover).

The Statement of Additional Information also describes non-principal investment strategies that the Fund may use, including investing in other types of securities that are not described in this prospectus.

### Principal Risks:

You can lose money by investing in the Fund. The likelihood of a loss is greater if you invest for a short period of time. Any investment carries with it some level of risk. Here are the principal risks of investing in the High Yield Fund:

#### Credit Risk:

This is the risk that an issuer of bonds and other debt securities will be unable to pay interest or principal when due. The prices of bonds and other debt securities are affected by the credit quality of the issuer. High yield bonds and other types of high yield debt securities have greater credit risk than higher quality debt securities because the companies that issue them are not as financially strong as companies with investment grade ratings. Changes in the financial condition of an issuer, general economic conditions and specific economic conditions that affect a particular type of issuer can impact the credit quality of an issuer. Such changes may weaken an issuer's ability to make payments of principal or interest or cause an issuer to fail to make timely payments of interest or principal. Lower quality debt securities generally tend to be more sensitive to these changes than higher quality debt securities. While credit ratings may be available to assist in evaluating an issuer's credit quality, they may not accurately predict an issuer's ability to make timely payments of principal and interest. During times of economic downturn, issuers of high yield debt securities may not have the ability to access the credit markets to refinance their bonds or meet other credit obligations. The same risks of default apply to borrowers of assignments of syndicated bank loans.

#### Market Risk:

The entire high yield bond market can experience sharp price swings due to a variety of factors, including changes in economic forecasts, stock market volatility, large sustained sales of high yield bonds by major investors, high-profile defaults or the market's psychology. This degree of volatility in the high yield market is usually associated more with stocks than bonds. The prices of high yield bonds and other high yield debt securities held by the Fund could decline not only due to a deterioration in the financial condition of the issuers of such bonds, but also due to overall movements in the high yield market. Markets tend to run in cycles with periods when prices generally go up, known as "bull" markets, and periods when prices generally go down, referred to as "bear" markets.

#### Interest Rate Risk:

The market values of high yield bonds and other debt securities are affected by changes in interest rates. In general, when interest rates rise, the market value of a debt security declines, and when interest rates decline, the market value of a debt security increases. Generally, the longer the maturity and duration of a debt security, and the higher its credit rating, the greater its sensitivity to interest rates.

#### Liquidity Risk:

High yield debt securities tend to be less liquid than higher quality debt securities, meaning that it may be difficult to sell high yield debt securities at a reasonable price or at a particular time, particularly if there is a deterioration in the economy or in the financial prospects of their issuers. Assignments of syndicated bank loans may be less liquid at times, because of potential delays in the settlement process or restrictions on resale. As a result, the prices of high yield debt securities may be subject to wide price fluctuations due to liquidity concerns.

#### Other Syndicated Bank Loans Risk:

Syndicated bank loans are also subject to the risk that the value of the collateral, if any, securing a loan may decline, be insufficient to meet the obligations of the borrower, or be difficult to liquidate. In the event of a default, the Fund may have difficulty collecting on any collateral and would not have the ability to collect on any collateral for an uncollateralized loan.

#### Security Selection Risk:

Securities selected by the portfolio manager may perform differently than the overall market or may not meet the portfolio manager's expectations. This may be a result of specific factors relating to the issuer's financial condition or operations or changes in the economy, governmental actions or inactions, or changes in investor perceptions regarding the issuer.

What are the International Fund's objective, principal investment strategies and principal risks?

### Objective:

The Fund primarily seeks long-term capital growth.

### Principal Investment Strategies:

The Fund invests in a portfolio of common stocks and other equity securities of companies that are located outside of the United States. To a limited degree, the Fund may also invest in companies based in the United States.

The Fund typically invests in the securities of medium to large size companies, but will also invest in smaller companies. The Fund's holdings may be limited to the securities of 40 to 60 different issuers. The Fund may invest significantly in emerging or developing markets such as India and Brazil and may focus its investments in companies located in or tied economically to particular countries or regions.

The Fund may also invest in forward currency contracts or foreign exchange contracts to minimize currency fluctuation during the settlement period of transactions in foreign securities. Such contracts are considered derivatives.

The subadviser selects investments for the Fund generally by screening a universe of stocks that meet its "quality growth" criteria, which include high return on equity and low to moderate leverage, among others. The subadviser then further narrows that universe by using a bottom-up stock and business analysis approach. The subadviser makes its assessments by examining companies one at a time, regardless of size, country of organization, place of principal business activity or other similar selection criteria.

The subadviser seeks to invest in companies whose businesses are highly profitable, have consistent operating histories and financial performance and enjoy possible long-term economic prospects. The subadviser's investment process also considers a company's intrinsic value relative to its earnings power and market price. The subadviser believes that investing in these securities at a price that is below their intrinsic worth may generate greater returns for the Fund than those obtained by paying premium prices for companies currently in market favor.

In determining which portfolio securities to sell, the subadviser focuses on the operating results of the companies, and not price quotations, to measure the potential success of an investment. In making sell decisions, the subadviser considers, among other things, whether a security's price target has been met, whether there has been an overvaluation of the issuer by the market, whether there has been a clear deterioration of future earnings power and whether, in the subadviser's opinion, there has been a loss of long-term competitive advantage.

The Fund reserves the right to take temporary defensive positions that are inconsistent with its principal investment strategies in attempting to respond to adverse market, economic, political or other conditions. If it does so, it may not achieve its investment objective. The Fund may also choose not to take defensive positions.

Information on the Fund's recent strategies and holdings can be found in the most recent annual report, and information concerning the Fund's policies and procedures with respect to disclosure of the Fund's portfolio holdings is available in the Fund's Statement of Additional Information (see back cover).

The Statement of Additional Information also describes non-principal investment strategies that the Fund may use, including investing in other types of securities that are not described in this prospectus.

### Principal Risks:

You can lose money by investing in the Fund. The likelihood of a loss is greater if you invest for a short period of time. Any investment carries with it some level of risk. Here are the principal risks of investing in the International Fund:

#### Market Risk:

Because the Fund primarily invests in common stocks, it is subject to market risk. Stock prices may decline over short or even extended periods not only because of company-specific developments, but also due to an economic downturn, adverse political or regulatory developments, a change in interest rates or a change in investor sentiment. Stock markets tend to run in cycles with periods when prices generally go up, known as "bull" markets, and periods when stock prices generally go down, referred to as "bear" markets.

#### Foreign Securities Risk:

There are special risk factors associated with investing in foreign securities. Some of these factors are also present when investing in the United States but are heightened when investing in non-U.S. markets, especially in smaller, less-developed or emerging markets. For example, fluctuations in the exchange rates between the U.S. dollar and foreign currencies may have a negative impact on investments denominated in foreign currencies by eroding or reversing gains or widening

losses from those investments. The risks of investing in foreign securities also include potential political and economic instability, differing accounting and financial reporting standards or inability to obtain reliable financial information regarding a company's balance sheet and operations and less stringent regulation and supervision of foreign securities markets, custodians and securities depositories. Funds that invest in foreign securities are also subject to higher commission rates on portfolio transactions, potentially adverse changes in tax and exchange control regulations and potential restrictions on the flow of international capital. Many foreign countries impose withholding taxes on income and gains from investments in such countries, which the Fund may not recover. To the extent the Fund invests a significant portion of its assets in securities of a single country or region at any time, it is more likely to be affected by events or conditions of that country or region. As a result, it may be more volatile than a more geographically diversified fund.

#### Emerging Markets Risk:

The risks of investing in foreign securities are heightened when the securities are traded in emerging or developing markets. The economies and political environments of emerging or developing countries tend to be more unstable than those of developed countries, resulting in more volatile rates of returns than the developed markets and substantially greater risk to investors.

#### Liquidity Risk:

The Fund is also susceptible to the risk that certain securities may be difficult or impossible to sell at the time and the price that the Fund would like. As a result, the Fund may have to lower the price on certain securities that it is trying to sell, sell other securities instead or forego an investment opportunity, any of which could have a negative effect on Fund management or performance. This risk is particularly acute in the case of foreign

securities that are traded in smaller, less-developed or emerging markets.

#### Mid-Size and Small-Size Company Risk:

The market risk associated with stocks of mid- and small-size companies is generally greater than that associated with stocks of larger, more established companies because stocks of mid- and small-size companies tend to experience sharper price fluctuations. The additional volatility associated with mid-to-small-size company stocks is attributable to a number of factors, including the fact that the earnings of such companies tend to be less predictable than those of larger, more established companies. Mid-to-small-size company stocks are also not as broadly traded as stocks of larger companies. At times, it may be difficult for the Fund to sell mid-to-small-size company stocks at reasonable prices.

#### Limited Holdings Risk:

The Fund's assets may be invested in a limited number of issuers. This means that the Fund's performance may be substantially impacted by the change in value of even a single holding. The price of a share of the Fund can therefore be expected to fluctuate more than a fund that invests in substantially more companies. Moreover, the Fund's share price may decline even when the overall market is increasing. Accordingly, an investment in the Fund may therefore entail greater risks.

#### Security Selection Risk:

Securities selected by the portfolio manager may perform differently than the overall market or may not meet the portfolio manager's expectations. This may be a result of specific factors relating to the issuer's financial condition or operations or changes in the economy, governmental actions or inactions, or changes in investor perceptions regarding the issuer.

#### Derivatives Risk:

Forward currency contracts and foreign exchange contracts involve a number of risks, including the possibility of default by the counterparty to the transaction and, to the extent the portfolio manager's judgment as to certain market movements is incorrect, the risk of potential losses are greater than if the investment technique had not been used. For example, there may be an imperfect correlation between the Fund's portfolio holdings of securities denominated in a particular currency and the forward contracts entered into by the Fund. An imperfect correlation of this type may prevent the Fund from achieving the intended hedge or expose the Fund to the risk of currency exchange loss. These investment techniques may limit any potential gain that might result from an increase in the value of the hedged position. These investments can also increase the volatility of the Fund's share price and expose the Fund to significant additional costs. At times, it may be difficult to sell or value derivative securities due to the lack of an available trading market.

What are the Investment Grade Fund's objective, principal investment strategies and principal risks?

### Objective:

The Fund seeks to generate a maximum level of income consistent with investment in investment grade debt securities.

### Principal Investment Strategies:

The Fund primarily invests in investment grade securities. Under normal circumstances, the Fund will invest at least 80% of its net assets in investment grade debt securities. The Fund will provide shareholders with at least 60 days notice before changing this 80% policy. The Fund defines investment grade debt securities as those that are rated within the four highest ratings categories by Moody's Investors Service, Inc. ("Moody's") or Standard & Poor's Ratings Services ("S&P") or that are unrated but determined by the Fund's Adviser to be of quality equivalent to those within the four highest ratings of Moody's or S&P.

The Fund may invest in a variety of different types of investment grade securities, including corporate bonds, securities issued or guaranteed by the U.S. Government or U.S. Government-sponsored enterprises (some of which are not backed by the full faith and credit of the U.S. Government) and mortgage-backed and other asset-backed securities.

The Fund attempts to stay broadly diversified, but it may emphasize certain industries based on the outlook for interest rates, economic forecasts and market conditions. In selecting investments, the Fund considers, among other things, the issuer's earnings and cash flow generating capabilities, asset quality, debt levels, industry characteristics and management strength. The Fund also considers ratings assigned by ratings services in addition to its own research and investment analysis.

The Fund may adjust the average weighted maturity of the securities in its portfolio based on its interest rate outlook. If it believes that interest rates are likely to fall, it may attempt to buy securities with longer maturities. By contrast, if it believes interest rates are likely to rise, it may attempt to buy securities with shorter maturities or sell securities with longer maturities.

The Fund will not necessarily sell an investment if its rating is reduced. The Fund usually will sell a security when it shows deteriorating fundamentals, it falls short of the portfolio manager's expectations, or a more attractive investment is available. However, it may hold securities that have been downgraded below investment grade (commonly known as "high yield" or "junk" bonds).

The Fund reserves the right to take temporary defensive positions that are inconsistent with the Fund's principal investment strategies in attempting to respond to adverse market, economic, political or other conditions. If it does so, it may not achieve its investment objective. The Fund may also choose not to take defensive positions.

Information on the Fund's recent strategies and holdings can be found in the most recent annual report, and information concerning the Fund's policies and procedures with respect to disclosure of the Fund's portfolio holdings is available in the Fund's Statement of Additional Information (see back cover).

The Statement of Additional Information also describes non-principal investment strategies that the Fund may use, including investing in other types of securities that are not described in this prospectus.

### Principal Risks:

You can lose money by investing in the Fund. The likelihood of a loss is greater if you invest for a short period of time. Any investment carries with it some level of risk. Here are the principal risks of investing in the Investment Grade Fund:

#### Interest Rate Risk:

The market values of bonds and other debt securities are affected by changes in interest rates. In general, when interest rates rise, the market value of a debt security declines, and when interest rates decline, the market value of a debt security increases. Generally, the longer the maturity and duration of a debt security, the greater its sensitivity to interest rates.

#### Credit Risk:

This is the risk that an issuer of bonds and other debt securities will be unable to pay interest or principal when due. The prices of bonds and other debt securities are affected by the credit quality of the issuer and in the case of asset-backed securities, the credit quality of the underlying loans. High yield debt securities have greater credit risk than higher quality debt securities because the companies that issue them are not as financially strong as companies with investment grade ratings. Changes in the financial condition of an issuer, general economic conditions and specific economic conditions that affect a particular type of issuer can impact the credit quality of an issuer. Such changes may weaken an issuer's ability to make payments of principal or interest, or cause an issuer to fail to make timely payments of interest or principal. Lower quality debt securities generally tend to be more sensitive to these changes than higher quality debt securities, but the lowest rating

category of investment grade securities may have speculative characteristics as well. While credit ratings may be available to assist in evaluating an issuer's credit quality, they may not accurately predict an issuer's ability to make timely payment of principal and interest. During times of economic downturn, issuers of high yield debt securities may not have the ability to access the credit markets to refinance their bonds or meet other credit obligations.

Credit risk also applies to securities issued by U.S. Government-sponsored enterprises that are not backed by the full faith and credit of the U.S. Government. These securities are supported by the credit of the issuing agency, instrumentality or corporation. For example, securities issued by the Federal National Mortgage Association ("Fannie Mae") and the Federal Home Loan Mortgage Corporation ("Freddie Mac") are not backed by the full faith and credit of the U.S. Government.

In September 2008, the U.S. Treasury placed Fannie Mae and Freddie Mac under conservatorship and appointed the Federal Housing Finance Agency ("FHFA") to manage their daily operations. While the U.S. Treasury also entered into arrangements to support Fannie Mae and Freddie Mac, there is no guarantee that these arrangements will ensure that these entities will be able to honor their obligations. Moreover, these arrangements do not alter the fact that the securities issued by Fannie Mae and Freddie Mac are not guaranteed by the U.S. Treasury and are not backed by the full faith and credit of the U.S. Government.

#### Prepayment and Extension Risk:

The Fund is subject to prepayment and extension risk since it invests in mortgage-backed and other asset-backed securities. When interest rates decline, borrowers tend to refinance their loans. When this occurs, the loans that back these securities suffer a higher rate of prepayment. This could cause a decrease in the Fund's income and share price. When interest rates rise, the Fund's

average maturity may lengthen due to a drop in prepayments. This will increase both the Fund's sensitivity to interest rates and its potential for price declines.

#### Liquidity Risk:

High yield debt securities tend to be less liquid than higher quality debt securities, meaning that it may be difficult to sell high yield debt securities at reasonable prices, particularly if there is a deterioration in the economy or in the financial prospects of their issuers. As a result, the prices of high yield debt securities may be subject to wide price fluctuations due to liquidity concerns.

#### Security Selection Risk:

Securities selected by the portfolio manager may perform differently than the overall market or may not meet the portfolio manager's expectations. This may be a result of specific factors relating to the issuer's financial condition or operations or changes in the economy, governmental actions or inactions, or changes in investor perceptions regarding the issuer.

What are the Select Growth Fund's objective, principal investment strategies and principal risks?

### Objective:

The Fund seeks long-term growth of capital.

### Principal Investment Strategies:

The Fund invests in a portfolio of approximately 40-45 common stocks that the Fund's subadviser, Smith Asset Management Group, L.P. ("Smith"), believes offers the best potential for earnings growth with the lowest risk of negative earnings surprises. The Fund is managed by an investment team.

When selecting investments for the Fund, Smith employs quantitative and qualitative analysis to identify high quality companies that it believes have the ability to accelerate earnings growth and exceed investor expectations. The security selection process consists of three steps. Beginning with a universe of stocks that includes large-, mid- and small-size companies, Smith's investment team first conducts a series of risk control and valuation screens designed to eliminate those stocks that are highly volatile or are more likely to underperform the market. Smith considers four primary factors when conducting the risk control and valuation screens. Those factors are: valuation, financial quality, stock volatility and corporate governance.

Stocks that pass the initial screens are then evaluated using a proprietary methodology that attempts to identify stocks with the highest probability of producing an earnings growth rate that exceeds investor expectations. In other words, the investment team seeks to identify stocks that are well positioned to benefit from a positive earnings surprise. The process incorporates the following considerations: changes in Wall Street opinions, individual analysts' historical

accuracy, earnings quality analysis and corporate governance practices.

The screening steps produce a list of approximately 80-100 eligible companies that are subjected to traditional fundamental analysis to further understand each company's business prospects, earnings potential, strength of management and competitive positioning. The investment team uses the results of this analysis to construct a portfolio of approximately 40-45 stocks that are believed to have the best growth and risk characteristics.

Holdings in the portfolio become candidates for sale if the investment team identifies what they believe to be negative investment or performance characteristics. Reasons to sell a stock may include: a negative earnings forecast or report, valuation concerns, company officials' downward guidance on company performance or earnings or announcement of a buyout. When a stock is eliminated from the portfolio, it is generally replaced with the stock that the investment team considers to be the next best stock that has been identified by Smith's screening process.

The Fund reserves the right to take temporary defensive positions that are inconsistent with the Fund's principal investment strategies in attempting to respond to adverse market, economic, political or other conditions. If it does so, it may not achieve its investment objective. The Fund may also choose not to take defensive positions.

Information on the Fund's recent strategies and holdings can be found in the most recent annual report, and information concerning the Fund's policies and procedures with respect to disclosure of the Fund's portfolio holdings is available in the Fund's Statement of Additional Information (see back cover).

The Statement of Additional Information also describes non-principal investment strategies that the Fund may use, including investing in other types of securities that are not described in this prospectus.

### Principal Risks:

You can lose money by investing in the Fund. The likelihood of a loss is greater if you invest for a short period of time. Any investment carries with it some level of risk. Here are the principal risks of investing in the Select Growth Fund:

#### Market Risk:

Because the Fund primarily invests in common stocks, it is subject to market risk. Stock prices may decline over short or even extended periods not only because of company-specific developments, but also due to an economic downturn, adverse political or regulatory developments, a change in interest rates or a change in investor sentiment. Stock markets tend to run in cycles, with periods when prices generally go up, known as "bull" markets, and periods when stock prices generally go down, referred to as "bear" markets.

#### Mid-Size and Small-Size Company Risk:

The market risk associated with stocks of mid- and small-size companies is generally greater than that associated with stocks of larger, more established companies because stocks of mid- and small-size companies tend to experience sharper price fluctuations. The additional volatility associated with mid-to-small-size company stocks is attributable to a number of factors, including the fact that the earnings of such companies tend to be less

predictable than those of larger, more established companies. Mid-to-small-size company stocks are also not as broadly traded as stocks of larger companies. At times, it may be difficult for the Fund to sell mid-to-small-size company stocks at reasonable prices.

#### Growth Stock Risk:

The Fund's focus on growth stocks increases the potential volatility of its share price. Growth stocks are stocks of companies which are expected to increase their revenues or earnings at above average rates. If expectations are not met, the prices of these stocks may decline significantly.

#### Limited Holdings Risk:

Because the Fund generally invests in a limited portfolio of only 40 to 45 stocks, it may be more volatile than other funds whose portfolios are more broadly diversified. The performance of any one of the Fund's stocks could significantly impact the Fund's performance.

#### Security Selection Risk:

Securities selected by the portfolio manager may perform differently than the overall market or may not meet the portfolio manager's expectations. This may be a result of specific factors relating to the issuer's financial condition or operations or changes in the economy, governmental actions or inactions, or changes in investor perceptions regarding the issuer.

What are the Target Maturity 2015 Fund's objective, principal investment strategies and principal risks?

### Objective:

The Fund seeks a predictable compounded investment return for investors who hold their Fund shares until the Fund's maturity, consistent with the preservation of capital.

### Principal Investment Strategies:

The Fund invests at least 65% of its total assets in zero coupon securities. The vast majority of the Fund's investments consist of non-callable zero coupon bonds issued by the U.S.

Government, its agencies or instrumentalities, that mature on or around the maturity date of the Fund (December 31, 2015). Zero coupon securities are debt obligations that do not entitle holders to any periodic payments of interest prior to maturity and therefore are issued and traded at discounts from their face values.

The Fund may also invest in securities issued by U.S. Government-sponsored enterprises such as Federal National Mortgage Association ("Fannie Mae") and the Federal Home Loan Mortgage Corporation ("Freddie Mac"). Although such U.S. Government-sponsored enterprises are chartered and sponsored by Acts of Congress, their securities are not backed by the full faith and credit of the U.S. Government.

The Fund seeks zero coupon bonds that will mature on or about the Fund's maturity date. As the Fund's zero coupon bonds mature, the proceeds will be invested in short term U.S. government securities. The Fund generally follows a buy and hold strategy consistent with attempting to provide a predictable compounded investment return for investors who hold their Fund shares until the Fund's maturity. On the Fund's maturity date, the Fund's assets will be converted to cash and distributed, and the Fund will be liquidated.

Although the Fund generally follows a buy and hold strategy, the Fund may sell an investment when the Fund identifies an opportunity to increase its yield or it needs cash to meet redemptions.

The Fund reserves the right to take temporary defensive positions that are inconsistent with the Fund's principal investment strategies in attempting to respond to adverse market, economic, political or other conditions. If it does so, it may not achieve its investment objective. The Fund may also choose not to take defensive positions.

Information on the Fund's recent strategies and holdings can be found in the most recent annual report, and information concerning the Fund's policies and procedures with respect to disclosure of the Fund's portfolio holdings is available in the Fund's Statement of Additional Information (see back cover).

The Statement of Additional Information also describes non-principal investment strategies that the Fund may use, including investing in other types of securities that are not described in this prospectus.

### Principal Risks:

You can lose money by investing in the Fund. The likelihood of a loss is greater if you invest for a short period of time or liquidate your investment in the Fund prior to the Fund's maturity. Any investment carries with it some

level of risk. Here are the principal risks of investing in the Target Maturity 2015 Fund:

#### Interest Rate Risk:

The market value of a bond is affected by changes in interest rates. When interest rates rise, the market value of a bond declines, and when interest rates decline, the market value of a bond increases. The price volatility of a bond also depends on its maturity and duration. Generally, the longer the maturity and duration of a bond, the greater its sensitivity to interest rates.

The market prices of zero coupon securities are generally more volatile than the market prices of securities paying interest periodically and, accordingly, will fluctuate far more in response to changes in interest rates than those of non-zero coupon securities having similar maturities and yields. As a result, the net asset value of shares of the Fund may fluctuate over a greater range than shares of other funds that invest in securities that have similar maturities and yields but that make current distributions of interest.

#### Credit Risk:

This is the risk that an issuer of bonds will be unable to pay interest or principal when due. The prices of bonds are affected by the credit quality of the issuer. Credit risk also applies to securities issued by U.S. Government-sponsored enterprises (such as Fannie Mae and Freddie Mac securities), which are not supported by the full faith and credit of the U.S. Government.

In September 2008, the U.S. Treasury placed Fannie Mae and Freddie Mac under conservatorship and appointed the Federal Housing Finance Agency (“FHFA”) to manage their daily operations. While the U.S. Treasury also entered into arrangements to support Fannie Mae and Freddie Mac, there is no guarantee that these arrangements will ensure that these entities will be able to honor their obligations. Moreover, these arrangements do not alter the fact that the securities issued by

Fannie Mae and Freddie Mac are not guaranteed by the U.S. Treasury and are not backed by the full faith and credit of the U.S. Government.

#### Security Selection Risk:

Securities selected by the portfolio manager may perform differently than the overall market or may not meet the portfolio manager’s expectations. This may be a result of specific factors relating to the issuer’s financial condition or operations or changes in the economy, governmental actions or inactions, or changes in investor perceptions regarding the issuer.

What are the Value Fund's objective, principal investment strategies and principal risks?

### Objective:

The Fund seeks total return.

### Principal Investment Strategies:

The Fund invests, under normal market conditions, primarily in dividend-paying stocks of companies that the Fund believes are undervalued in the market relative to their long term potential. The Fund may also invest in stocks of companies of any size that do not pay dividends, but have the potential of paying dividends in the future if they appear to be undervalued.

In selecting stocks, the Fund typically begins by identifying companies that pay dividends. The Fund then analyzes companies that appear to be undervalued. The Fund generally uses a "bottom-up" approach to selecting investments. This means that the Fund generally identifies potential investments through fundamental research and analysis which includes, among other things, analyzing a company's balance sheet, cash flow statements and competition within a company's industry.

The Fund assesses whether management is implementing a reasonable corporate strategy and is operating in the interests of shareholders. Other considerations include analysis of economic trends, interest rates and industry diversification.

The Fund normally will diversify its assets among dividend-paying stocks of large-, mid- and small-size companies. Market capitalization is not an initial factor during the security selection process, but it is considered in assembling the total portfolio.

The Fund may sell a security if it becomes fully valued, its fundamentals have deteriorated or

alternative investment opportunities become more attractive. The Fund reserves the right to take temporary defensive positions that are inconsistent with the Fund's principal investment strategies in attempting to respond to adverse market, economic, political or other conditions. If it does so, it may not achieve its investment objective. The Fund may also choose not to take defensive positions.

Information on the Fund's recent strategies and holdings can be found in the most recent annual report, and information concerning the Fund's policies and procedures with respect to disclosure of the Fund's portfolio holdings is available in the Fund's Statement of Additional Information (see back cover).

The Statement of Additional Information also describes non-principal investment strategies that the Fund may use, including investing in other types of securities that are not described in this prospectus.

### Principal Risks:

You can lose money by investing in the Fund. The likelihood of a loss is greater if you invest for a short period of time. Any investment carries with it some level of risk. Here are the principal risks of investing in the Value Fund:

#### Market Risk:

Because the Fund primarily invests in common stocks, it is subject to market risk. Stock prices may decline over short or even extended periods not only because of company-specific developments, but also due

to an economic downturn, adverse political or regulatory developments, a change in interest rates or a change in investor sentiment. Stock markets tend to run in cycles with periods when prices generally go up, known as “bull” markets, and periods when stock prices generally go down, referred to as “bear” markets.

While dividend-paying stocks are generally considered less volatile than other stocks, there can be no guarantee that the Fund’s overall portfolio will be less volatile than the general stock market. Depending upon market conditions, the income from dividend-paying stocks and other investments may not be sufficient to provide a cushion against general market downturns.

#### Undervalued Securities Risk:

The Fund seeks to invest in stocks that are undervalued and that will rise in value due to anticipated events or changes in investor perceptions. If these events do not occur, are delayed or investor perceptions about the securities do not improve, the market price of these securities may not rise as expected or may fall. Moreover, value stocks may fall out of favor with investors and decline in price as a class.

#### Mid-Size and Small-Size Company Risk:

The market risk associated with stocks of mid- and small-size companies is generally greater than that associated with stocks of larger, more established companies because stocks of mid- and small-size companies tend to experience sharper price fluctuations. The additional volatility associated with mid-to-small-size company stocks is attributable to a number of factors, including the fact that the earnings of such companies tend to be less predictable than those of larger, more established companies. Mid-to-small-size company stocks are also not as broadly traded as stocks of larger companies. At times, it may be difficult for the Fund to sell mid-to-small-size company stocks at reasonable prices.

#### Dividend Risk:

At times, the Fund may not be able to identify dividend-paying stocks that are attractive investments. The income received by the Fund will also fluctuate due to the amount of dividends that companies elect to pay. Depending upon market conditions, the Fund may not have sufficient income to pay its shareholders regular dividends.

#### Security Selection Risk:

Securities selected by the portfolio manager may perform differently than the overall market or may not meet the portfolio manager’s expectations. This may be a result of specific factors relating to the issuer’s financial condition or operations or changes in the economy, governmental actions or inactions, or changes in investor perceptions regarding the issuer.

## FUND MANAGEMENT IN GREATER DETAIL

### The Adviser.

First Investors Management Company, Inc. ("FIMCO" or "Adviser") is the investment adviser to each Fund. FIMCO has been the investment adviser to the First Investors Family of Funds since 1965. Its address is 110 Wall Street, New York, NY 10005. As of December 31, 2011, FIMCO served as investment adviser to 36 mutual funds or series of funds with total net assets of approximately \$7.2 billion. FIMCO supervises all aspects of each Fund's operations.

For the fiscal year ended December 31, 2011, FIMCO received advisory fees, net of waiver (if any), as follows: 0.75% of average daily net assets for Discovery Fund; 0.60% of average daily net assets for Government Fund; 0.75% of average daily net assets for Growth & Income Fund; 0.75% of average daily net assets for High Yield Fund; 0.75% of average daily net assets for International Fund; 0.60% of average daily net assets for Investment Grade Fund; 0.75% of average daily net assets for Select Growth Fund; 0.60% of average daily net assets for Target Maturity 2015 Fund; and 0.75% of average daily net assets for Value Fund. FIMCO did not receive any advisory fees from the Cash Management Fund. The gross advisory fees (fees before any applicable waivers) are set forth in the Separate Account prospectus.

During the fiscal year ended December 31, 2011, the Adviser waived advisory fees for the: Cash Management Fund in the amount of 0.75%; Government Fund in the amount of 0.15%; Investment Grade Fund in the amount of 0.15%; and Target Maturity Fund 2015 in the amount of 0.15%. These waivers are not reflected in the Annual Fund Operating Expenses tables, which are located in the "The Funds Summary Section" of this prospectus. During the fiscal year ended December 31, 2011, the Adviser also reimbursed other expenses for the Cash Management Fund to prevent a negative yield on the Fund's shares. There is no guarantee that the Cash

Management Fund will maintain a positive net yield. The above fee waivers and/or expense reimbursement are voluntary and may be discontinued at anytime without notice.

Clark D. Wagner has served as Director of Fixed Income since 2001 and has served as Portfolio Manager of the Government Fund since 1995 and Target Maturity 2015 Fund since 1999. He also serves as Co-Portfolio Manager of the Investment Grade Fund and has served as Portfolio Manager or Co-Portfolio Manager of the Investment Grade Fund since 2007. Mr. Wagner also serves as a Portfolio Manager and Co-Portfolio Manager for other First Investors Funds and has been a Portfolio Manager with FIMCO since 1991.

Edwin D. Miska has served as Director of Equities since 2001 and has served as Portfolio Manager of the Growth & Income Fund since 2006. He also serves as a Portfolio Manager and Co-Portfolio Manager for other First Investors Funds, and joined FIMCO in 2002 as a Portfolio Manager.

Rajeev Sharma has served as the Co-Portfolio Manager of the Investment Grade Fund since 2009 and also serves as a Co-Portfolio Manager of another First Investors Fund. Mr. Sharma joined FIMCO in July 2009 and prior to joining FIMCO, Mr. Sharma was a Vice-President and Senior Corporate Credit Analyst at Lazard Asset Management, LLC (2005-2009) and Associate Director, Corporate Ratings at Standard & Poor's Ratings Services (2002-2005).

Sean Reidy has served as Portfolio Manager of the Value Fund since November 2011 and has worked with Mr. Miska as the Assistant Portfolio Manager of the Growth & Income Fund since 2010. He also serves as Portfolio Manager and Assistant Portfolio Manager of other First Investors Funds. Prior to joining FIMCO in 2010, Mr. Reidy was a proprietary trader at First New York Securities (2008-2010) and served as Co-Portfolio Manager and

Research Director at Olstein Capital Management (1996-2007).

### The Subadvisers.

Paradigm Capital Management, Inc. (“Paradigm Capital Management”) serves as subadviser of the Discovery Fund. Paradigm Capital Management has discretionary trading authority over all of the Fund’s assets, subject to continuing oversight and supervision by FIMCO and the Fund’s Board of Trustees. Paradigm Capital Management is located at Nine Elk Street, Albany, NY 12207.

Paradigm Capital Management is an investment management firm that provides investment services to high net worth individuals, pension and profit sharing plans, investment companies, and other institutions. As of December 31, 2011, Paradigm Capital Management held investment management authority with respect to approximately \$2 billion in assets. Of that amount, Paradigm Capital Management acted as investment adviser or subadviser to 6 registered investment companies or series of such companies with net assets of approximately \$734.7 million.

Jonathan S. Vyorst, Senior Vice President, and Jason V. Ronovech, CFA and Senior Vice President, of Paradigm Capital Management, have served as Co-Portfolio Managers of the Discovery Fund since 2007. Messrs. Vyorst and Ronovech also serve as Co-Portfolio Managers for another First Investors Fund. Mr. Vyorst joined Paradigm Capital Management in 2007 as a Portfolio Manager. He previously served as Managing Director and Portfolio Manager at William D. Witter Inc., LLC (2006–2007) and as Vice President at Allianz Private Client Services (2001–2005). Mr. Ronovech joined Paradigm Capital Management in 2000 as an equity analyst and has served as Portfolio Manager for Paradigm Funds Advisor LLC (affiliate of Paradigm Capital Management) since 2005.

Vontobel Asset Management, Inc. (“Vontobel”) serves as the investment

subadviser of the International Fund. Vontobel has discretionary trading authority over all of the Fund’s assets, subject to continuing oversight and supervision by FIMCO and the Fund’s Board of Trustees. Vontobel is located at 1540 Broadway, New York, NY 10036. Vontobel is a wholly-owned and controlled subsidiary of Vontobel Holding AG, a Swiss bank holding company, having its registered offices in Zurich, Switzerland. Vontobel acts as the subadviser to five series of a Luxembourg investment fund that accepts investments from non-U.S. investors only and that was organized by an affiliate of Vontobel. Vontobel has provided investment advisory services to mutual fund clients since 1990. As of December 31, 2011, Vontobel managed approximately \$20 billion in assets. Of that amount, Vontobel acted as investment adviser or subadviser to 8 registered investment companies or series of such companies with net assets of approximately \$4.3 billion.

Rajiv Jain, Managing Director and Portfolio Manager – International Equities for Vontobel, has served as Portfolio Manager of the International Fund since 2006 and also serves as a Portfolio Manager for another First Investors Fund. Mr. Jain joined Vontobel in 1994 as an equity analyst and associate manager of its international equity portfolios.

Smith Asset Management Group, L.P. (“Smith”) serves as the investment subadviser of the Select Growth Fund. Smith has discretionary trading authority over all of the Fund’s assets, subject to continuing oversight and supervision by FIMCO and the Fund’s Board of Trustees. Smith is located at 100 Crescent Court, Suite 1150, Dallas, TX 75201. Smith is an investment management firm that provides investment services to a diverse list of clients including public funds, endowments, foundations, corporate pension and multi-employer plans. As of December 31, 2011, Smith held investment management authority with respect to approximately \$2 billion in assets. Of that amount, Smith acted as investment adviser or subadviser to 4 registered investment companies or series of

such companies, with net assets of approximately \$348.5 million.

The Select Growth Fund is managed by a team of investment professionals who have an equal role in managing the Fund, including the following: Stephen S. Smith, CFA, Chief Executive Officer and Chief Investment Officer of Smith (1995 to present); John D. Brim, CFA, a Portfolio Manager of Smith (1998 to present); and Eivind Olsen, CFA, a Portfolio Manager of Smith, who joined Smith in 2008 and prior thereto served as a Portfolio Manager with Brazos Capital Management/John McStay Investment Counsel (1998-2008). Each investment professional has served as a Portfolio Manager of the Fund since 2007, except for Mr. Olsen, who has served as a Portfolio Manager of the Fund since 2009. The same team of investment professionals also manage another First Investors Fund.

Muzinich & Co., Inc. (“Muzinich”) serves as the investment subadviser of the High Yield Fund. Muzinich has discretionary trading authority over all of the Fund’s assets, subject to continuing oversight and supervision by FIMCO and the Fund’s Board of Trustees. Muzinich is located at 450 Park Avenue, New York, NY 10022. Muzinich is an institutional asset manager specializing in high yield bond portfolio and other credit-oriented strategies. As of December 31, 2011, Muzinich managed approximately \$13.8 billion in assets.

The High Yield Fund is managed by a team of investment professionals who have active roles in managing the Fund, including the following: Dennis V. Dowden, Portfolio Manager, who joined Muzinich in 2001; Clinton Comeaux, Portfolio Manager, who joined Muzinich in 2006 and prior thereto was a research analyst at WR Huff Asset Management (2004-2006); and Bryan Petermann, Portfolio Manager, who joined Muzinich in 2010 and prior thereto served as Managing Director, Head of High Yield, at Pinebridge Investments (f/k/a AIG Investments), for the last 5 years of his tenure (2000-2010). Each investment professional has been a Portfolio Manager of the Fund

since 2009, except for Mr. Petermann who has served as Portfolio Manager of the Fund since 2010. The same team of investment professionals also manages another First Investors Fund.

#### Other Information.

Except for the Cash Management Fund, the Statement of Additional Information provides additional information about the portfolio manager’s compensation, other accounts managed by the portfolio manager, and the portfolio manager’s ownership of securities in a Fund.

Descriptions of the factors considered by the Board of Trustees in considering the approval of the Advisory and Subadvisory Agreements are available in the Fund’s Annual Report for the fiscal year ending December 31, 2010.

The Funds have received an exemptive order from the Securities and Exchange Commission (“SEC”), which permits FIMCO to enter into new or modified subadvisory agreements with existing or new subadvisers without approval of the Funds’ shareholders but subject to the approval of the Funds’ Board of Trustees. FIMCO has ultimate responsibility, subject to oversight by the Funds’ Board of Trustees, to oversee the subadvisers and recommend their hiring, termination and replacement. In addition, there is a rule pending at the SEC, which, if adopted, would permit the Funds to act in such manner without seeking an exemptive order. In the event that a subadviser is added or modified, the prospectus will be supplemented.

The following is information about the indices that are used by the Funds in the Average Annual Total Returns tables which are located in the “The Funds Summary Section” of this prospectus:

■ The Citigroup Government/Mortgage Index is an unmanaged index that is a combination of the Citigroup U.S. Government Index and the Citigroup Mortgage Index. The Government Index tracks the performance of

the U.S. Treasury and U.S. Government-sponsored indices within the Citigroup U.S. Broad Investment Grade Bond Index. The Mortgage Index tracks the performance of the mortgage component of the Citigroup U.S. Broad Investment Grade Bond Index, comprising 30- and -15 year GNMA, FNMA and FHLMC pass-throughs and FNMA and FHLMC balloon mortgages.

■ The BofA Merrill Lynch U.S. Corporate Master Index includes publicly-issued, fixed-rate, nonconvertible investment grade dollar-denominated, SEC-registered corporate debt having at least one year to maturity and an outstanding par value of at least \$250 million.

■ The BofA Merrill Lynch BB-B US Cash Pay High Yield Constrained Index contains all securities in the BofA Merrill Lynch US Cash Pay High Yield Index rated BB1 through B3, based on an average of Moody's Investment Service, Inc., Standard & Poor's Ratings Services and Fitch Ratings, but caps issuer exposure at 2%.

■ The S&P 500 Index is an unmanaged capitalization-weighted index of 500 stocks designed to measure the performance of the broad domestic economy through changes in the aggregate market value of such stocks, which represent all major industries.

■ The Russell 3000 Growth Index is an unmanaged index that measures the performance of those Russell 3000 Index companies with higher price-to-book ratios and higher forecasted growth values. (The Russell 3000 Index is an unmanaged index that measures the performance of the 3,000 largest U.S. companies based on total market capitalization).

■ The Russell 2000 Index consists of the smallest 2,000 companies in the Russell 3000 Index (which represents approximately 98% of the investable U.S. equity market).

■ The Morgan Stanley Capital International EAFE Index (Gross) and the Morgan Stanley Capital International EAFE Index (Net) are free

float-adjusted market capitalization indices that measure developed foreign market equity performance, excluding the U.S. and Canada. The Morgan Stanley Capital International EAFE Index (Gross) is calculated on a total-return basis with maximum possible dividend reinvestment (before taxes). The Morgan Stanley Capital International EAFE Index (Net) is calculated on a total-return basis with net dividends reinvested after deduction of foreign withholding taxes. These indices are unmanaged and not available for direct investment.

■ The Citigroup Treasury/Government Sponsored Index is a market capitalization-weighted index that consists of debt issued by the U.S. Treasury and U.S. Government sponsored agencies.

### How and when do the Funds price their shares?

The share price (which is called “net asset value” or “NAV” per share) for each Fund is calculated as of the close of regular trading on the New York Stock Exchange (“NYSE”) (normally 4:00 p.m. Eastern Time) each day that the NYSE is open (“Business Day”). Shares of each Fund will not be priced on the days on which the NYSE is closed for trading, such as most national holidays and Good Friday. In the event that the NYSE closes early, the share price will be determined as of the time of the closing. To calculate the NAV, each Fund first values its assets, subtracts its liabilities, and then divides the balance, called net assets, by the number of shares outstanding. Each Fund, except for the Cash Management Fund, generally values its investments based upon their last reported sale prices, market quotations, or estimates of value provided by a pricing service as of the close of trading on the NYSE (collectively, “current market values”). Debt obligations with maturities of 60 days or less are valued at amortized cost.

If current market values for investments are not readily available, are deemed to be unreliable, or do not appear to reflect significant events that have occurred prior to the close of trading on the NYSE, the investments may be valued at fair value prices as determined by the investment adviser of the Funds under procedures that have been approved by the Board of Trustees of the Funds. The Funds may fair value a security due to, among other things, the fact that: (a) a pricing service does not offer a current market value for the security; (b) a current market value furnished by a pricing service is believed to be stale; (c) the security does not open for trading or stops trading and does not resume trading before the close of trading on the NYSE, pending some corporate announcement or development; or (d) the security is illiquid or trades infrequently and its market value is

therefore slow to react to information. In such cases, the Fund’s investment adviser will price the security based upon its estimate of the security’s market value using some or all of the following factors: the information that is available as of the close of trading on the NYSE, including issuer-specific news; general market movements; sector movements; or movements of similar securities.

Foreign securities are generally priced based upon their market values as of the close of foreign markets in which they principally trade (“closing foreign market prices”). Foreign securities may be priced based upon fair value estimates (rather than closing foreign market prices) provided by a pricing service when price movements in the U.S. subsequent to the closing of foreign markets have exceeded a pre-determined threshold, when foreign markets are closed regardless of movements in the U.S. markets, or when a particular security is not trading at the close of the applicable foreign market. The pricing service, its methodology or threshold may change from time to time. Foreign securities may also be valued at fair value prices as determined by the investment adviser in the event that current market values or fair value estimates from a pricing service are not available.

In the event that a security, domestic or foreign, is priced using fair value pricing, a Fund’s value for that security is likely to be different than the security’s last reported market sale price or quotation. Moreover, fair value pricing is based upon opinions or predictions on how events or information may affect market prices. Thus, different investment advisers may, in good faith and using reasonable procedures, conclude that the same security has a different fair value. Finally, the use of fair value pricing for one or more securities held by a Fund could cause a

Fund's net asset value to be materially different than if the Fund had employed market values in pricing its securities.

Because foreign markets may be open for trading on days that the U.S. markets are closed, the values of securities held by the Funds that trade in markets outside the United States may fluctuate on days that Funds are not open for business.

The Cash Management Fund values its assets using the amortized cost method which is intended to permit the Fund to maintain a stable \$1.00 per share. The NAV of the Cash Management Fund could nevertheless decline below \$1.00 per share. The Cash Management Fund may also suspend redemptions to facilitate orderly liquidation of the Fund as permitted by applicable law.

### How do I buy and sell shares?

You cannot invest directly in the Funds. Investments in each of the Funds may only be made through a purchase of a variable annuity contract ("contract") or variable life insurance policy ("policy") offered by FIL. The payments received by FIL from the sale of these contracts and policies, less applicable charges and expenses, are invested in Separate Accounts, that in turn invest in the Life Series Funds.

The Fund or Funds that are available to you depend upon which contract or policy you have purchased. For information about how to buy or sell a contract and/or policy and the Funds that are available for the contract or policy you own or are considering, see the Separate Account prospectus.

### Can I exchange my shares for the shares of other First Investors Funds?

Shares of First Investors Funds may only be exchanged between Funds that are available to the contract or policy you have purchased.

Subject to the restrictions on frequent trading discussed below, for information about how to exchange shares of a Fund for shares of other First Investors Funds, see the Separate Account prospectus.

### What are the Funds' policies on frequent trading in the shares of the Funds?

With the exception of the Cash Management Fund, each Fund is designed for long-term investment purposes and it is not intended to provide a vehicle for frequent trading. The Board of Trustees of the Funds has adopted policies and procedures to detect and prevent frequent trading in the shares of each of the Funds, other than the Cash Management Fund. These policies and procedures apply uniformly to all accounts. However, the ability of the Funds to detect and prevent frequent trading in certain accounts, such as omnibus accounts, is limited.

It is the policy of each Fund to decline to accept any new account that the Fund has reason to believe will be used for market timing purposes, based upon the amount invested, the Fund or Funds involved, and the background of the shareholder or broker-dealer involved. Alternatively, a Fund may allow such an account to be opened if it is provided with written assurances that the account will not be used for market timing.

It is the policy of the Funds to monitor activity in existing accounts to detect market-timing activity. The criteria used for monitoring differ depending upon the type of account involved. It is the policy of the Funds to reject, without any prior notice, any purchase or exchange transaction if the Funds believe that the transaction is part of a market timing strategy. The Funds also reserve the right to reject exchanges that in the Funds' view are excessive, even if the activity does not constitute market timing.

If the Funds reject an exchange because it is believed to be part of a market timing strategy

or otherwise, neither the redemption nor the purchase side of the exchange will be processed. Alternatively, the Funds may restrict exchange activity that is believed to be part of a market timing strategy or refuse to accept exchange requests via telephone, or any other electronic means.

In the case of all the Funds, to the extent that the policies of the Funds are not successful in detecting and preventing frequent trading in the shares of the Funds, frequent trading may: (a) interfere with the efficient management of the Funds by, among other things, causing the Funds to hold extra cash or to sell securities to meet redemptions; (b) increase portfolio turnover, brokerage expenses, and administrative costs; and (c) harm the performance of the Funds, particularly for long-term shareholders who do not engage in frequent trading.

In the case of the Funds that invest in high yield bonds, the risk of frequent trading includes the risk that investors may attempt to take advantage of the fact that high yield bonds generally trade infrequently and therefore their prices are slow to react to information. To the extent that these policies are not successful in preventing a shareholder from engaging in market timing, it may cause dilution in the value of the shares held by other shareholders.

In the case of the Funds that invest in stocks of small-size and/or mid-size companies, the risk of frequent trading includes the risk that investors may attempt to take advantage of the fact that stocks of small-size and/or mid-size companies may trade infrequently and thus their prices may be slow to react to information. To the extent that these policies are not successful in preventing a shareholder from engaging in market timing, it may cause dilution in the value of the shares held by other shareholders.

In the case of the Funds that invest in foreign securities, the risks of frequent trading include the risk of time zone arbitrage. Time zone arbitrage occurs when shareholders attempt to take advantage of the fact that the valuation of

foreign securities held by a Fund may not reflect information or events that have occurred after the close of the foreign markets on which such securities principally trade but before the close of the NYSE. To the extent that these policies are not successful in preventing a shareholder from engaging in time zone arbitrage, it may cause dilution in the value of the shares held by other shareholders.

## What about dividends and capital gain distributions?

The Separate Accounts, which own the shares of the Funds, will receive all dividends and other distributions. As described in the Separate Account prospectus, all dividends and other distributions are reinvested by the appropriate Separate Account in additional shares of the distributing Fund.

Except for the Cash Management Fund, to the extent that a Fund has net investment income, it will declare and pay, on an annual basis, dividends from net investment income. To the extent that the Cash Management Fund has net investment income, it will declare daily and pay monthly dividends from net investment income. Each Fund will declare and distribute any net realized capital gains on an annual basis, usually after the end of each Fund's fiscal year. The Cash Management Fund does not expect to realize any long-term capital gains.

## What about taxes?

You will not be subject to federal income tax as the result of purchases or sales of Fund shares by the Separate Accounts, or Fund dividends, or other distributions to the Separate Accounts. There are tax consequences associated with investing in the variable annuity contracts and variable life insurance policies. These are discussed in the Separate Account prospectus.

## FINANCIAL HIGHLIGHTS

The financial highlights tables are intended to help you understand the financial performance of each Fund for the years indicated. The following tables set forth the per share data for each fiscal year ended December 31, except as otherwise indicated. Certain information reflects financial results for a single Fund share. The total returns in the tables represent the rates that an investor would have earned (or lost) on an investment in each Fund (assuming reinvestment of all dividends and other distributions). The information has been audited by Tait, Weller & Baker LLP, an independent registered public accounting firm, whose report, along with the Funds' financial statements, is included in the Funds' Statement of Additional Information, which is available for free upon request and on our website at [www.firstinvestors.com](http://www.firstinvestors.com).

Per Share Data

	Net Asset Value at Beginning of Year	Income from Investment Operations			Less Distributions from		
		Net Investment Income	Net Realized and Unrealized Gain (Loss) on Investments	Total from Investment Operations	Net Investment Income	Net Realized Gains	Total Distributions
<b>Cash Management</b>							
2007	\$1.00	\$.045	—	\$.045	\$.045	—	\$.045
2008	1.00	.020	—	.020	.020	—	.020
2009	1.00	.002	—	.002	.002	—	.002
2010	1.00	—	—	—	—	—	—
2011	1.00	—	—	—	—	—	—
<b>Discovery</b>							
2007	\$31.55	\$.11	\$1.86	\$1.97	\$.06	\$2.66	\$2.72
2008	30.80	.30	(10.11)	(9.81)	.11	1.44	1.55
2009	19.44	.22	5.63	5.85	.27	—	.27
2010	25.02	.16	6.43	6.59	.22	—	.22
2011	31.39	.20	.51	.71	.16	—	.16

† The effect of fees and charges incurred at the separate account level are not reflected in these performance figures. If they were included, the performance figures would be less than shown.

†† Net of expenses waived or assumed by the Adviser.

a The ratios do not include a reduction of expenses from cash balances that may be maintained with the Bank of New York Mellon or from brokerage service arrangements.

b For each of the years shown, the expense ratio after fee credits was .70%. The Adviser has voluntarily waived advisory fees to limit the Cash Management Fund's overall expense to .70%.

c For the period January 1, 2009 to December 31, 2009, the expense ratio after fee credits was .56%. The Adviser has voluntarily waived advisory fees to limit the Cash Management Fund's overall expense to .70% for the period January 1, 2009 to January 31, 2009 and .60% for the period February 1, 2009 to December 31, 2009. In addition, the Adviser waived additional advisory fees to prevent a negative yield on the Fund's shares.

	Total Return	Ratios/Supplemental Data					
Net Asset Value at End of Year	Total Return† (%)	Net Assets at End of Year (in Millions)	Ratio to Average Net Assets††		Ratio to Average Net Assets Before Expenses Waived or Assumed		Portfolio Turnover Rate (%)
			Expenses Before Fee Credits <sup>a</sup> (%)	Net Investment Income (%)	Expenses (%)	Net Investment Income (Loss) (%)	
<b>Cash Management</b>							
\$1.00	4.62	\$15	.72 <sup>b</sup>	4.49	1.04	4.14	N/A
1.00	2.03	13	.71 <sup>b</sup>	2.02	.96	1.77	N/A
1.00	.17	11	.56 <sup>c</sup>	.18	.98	(.24)	N/A
1.00	.00	12	.23 <sup>d</sup>	.00	1.04	(.81)	N/A
1.00	.00	12	.13 <sup>e</sup>	.00	.99	(.86)	N/A
<b>Discovery</b>							
\$30.80	6.62	\$161	.82	.35	N/A	N/A	55
19.44	(33.25)	101	.83	1.15	N/A	N/A	52
25.02	30.77	127	.84	1.03	N/A	N/A	66
31.39	26.57	152	.83	.59	N/A	N/A	64
31.94	2.24	150	.81	.61	N/A	N/A	59

*d For the period January 1, 2010 to December 31, 2010, the expense ratio after fee credits was .23%. The Adviser has voluntarily waived advisory fees to limit the Cash Management Fund's overall expense to .60%. In addition, the Adviser waived additional advisory fees to prevent a negative yield on the Fund's shares.*

*e For the period January 1, 2011 to December 31, 2011, the expense ratio after fee credits was .13%. The Adviser has voluntarily waived advisory fees to limit the Cash Management Fund's overall expense to .60%. In addition, the Adviser waived additional advisory fees to prevent a negative yield on the Fund's shares.*

# FIRST INVESTORS LIFE SERIES FUNDS

## Per Share Data

	Net Asset Value at Beginning of Year	Income from Investment Operations			Less Distributions from		
		Net Investment Income	Net Realized and Unrealized Gain (Loss) on Investments	Total from Investment Operations	Net Investment Income	Net Realized Gains	Total Distributions
<b>Government</b>							
2007	\$9.96	\$.48	\$.15	\$.63	\$.52	—	\$.52
2008	10.07	.44	.24	.68	.45	—	.45
2009	10.30	.42	—	.42	.43	—	.43
2010	10.29	.32	.16	.48	.42	—	.42
2011	10.35	.28	.26	.54	.36	—	.36
<b>Growth &amp; Income</b>							
2007	\$38.36	\$.41	\$.25	\$.66	\$.20	\$5.43	\$5.63
2008	33.39	.40	(11.38)	(10.98)	.41	2.24	2.65
2009	19.76	.27	5.06	5.33	.40	—	.40
2010	24.69	.50	3.45	3.95	.27	—	.27
2011	28.37	.44	.25	.69	.50	—	.50

† The effect of fees and charges incurred at the separate account level are not reflected in these performance figures. If they were included, the performance figures would be less than shown.

†† Net of expenses waived or assumed by the Adviser.

a The ratios do not include a reduction of expenses from cash balances that may be maintained with the Bank of New York Mellon or from brokerage service arrangements.

	Total Return	Ratios/Supplemental Data					
Net Asset Value at End of Year	Total Return† (%)	Net Assets at End of Year (in Millions)	Ratio to Average Net Assets††		Ratio to Average Net Assets Before Expenses Waived or Assumed		Portfolio Turnover Rate (%)
			Expenses Before Fee Credits <sup>a</sup> (%)	Net Investment Income (%)	Expenses (%)	Net Investment Income (%)	
<b>Government</b>							
\$10.07	6.55	\$21	.80	4.94	.95	4.75	24
10.30	6.93	24	.79	4.56	.94	4.41	39
10.29	4.28	26	.80	3.87	.95	3.72	51
10.35	4.82	28	.78	3.11	.93	2.96	54
10.53	5.41	29	.81	2.70	.96	2.55	33
<b>Growth &amp; Income</b>							
\$33.39	1.98	\$258	.81	1.14	N/A	N/A	38
19.76	(35.22)	155	.83	1.48	N/A	N/A	28
24.69	28.05	187	.84	1.27	N/A	N/A	25
28.37	16.19	207	.82	1.91	N/A	N/A	27
28.56	2.37	321	.81	1.51	N/A	N/A	26

# FIRST INVESTORS LIFE SERIES FUNDS

## Per Share Data

	Net Asset Value at Beginning of Year	Income from Investment Operations			Less Distributions from		
		Net Investment Income	Net Realized and Unrealized Gain (Loss) on Investments	Total from Investment Operations	Net Investment Income	Net Realized Gains	Total Distributions
<b>High Yield</b>							
2007	\$8.14	\$.57	\$(.47)	\$.10	\$.63	—	\$.63
2008	7.61	.56	(2.39)	(1.83)	.59	—	.59
2009	5.19	.51	1.12	1.63	.58	—	.58
2010	6.24	.48	.31	.79	.49	—	.49
2011	6.54	.43	(.07)	.36	.48	—	.48
<b>International</b>							
2007	\$24.59	\$.04	\$4.26	\$4.30	\$.83	\$3.36	\$4.19
2008	24.70	.30	(9.68)	(9.38)	.04	2.65	2.69
2009	12.63	.65	2.03	2.68	.59	—	.59
2010	14.72	.34	1.64	1.98	—	—	—
2011	16.70	.39	(.29)	.10	.36	—	.36

† The effect of fees and charges incurred at the separate account level are not reflected in these performance figures. If they were included, the performance figures would be less than shown.

†† Net of expenses waived or assumed by the Adviser.

a The ratios do not include a reduction of expenses from cash balances that may be maintained with the Bank of New York Mellon or from brokerage service arrangements.

	Total Return	Ratios/Supplemental Data					
Net Asset Value at End of Year	Total Return† (%)	Net Assets at End of Year (in Millions)	Ratio to Average Net Assets††		Ratio to Average Net Assets Before Expenses Waived or Assumed		Portfolio Turnover Rate (%)
			Expenses Before Fee Credits <sup>a</sup> (%)	Net Investment Income (%)	Expenses (%)	Net Investment Income (%)	
<b>High Yield</b>							
\$7.61	1.06	\$79	.86	7.19	N/A	N/A	28
5.19	(25.86)	52	.86	8.27	N/A	N/A	17
6.24	35.15	66	.90	8.66	N/A	N/A	102
6.54	13.71	71	.87	7.43	N/A	N/A	71
6.42	5.66	74	.88	6.68	N/A	N/A	63
<b>International</b>							
\$24.70	20.99	\$154	.90	1.30	N/A	N/A	97
12.63	(41.89)	85	.94	1.41	N/A	N/A	128
14.72	23.24	101	1.01	2.30	N/A	N/A	53
16.70	13.45	109	.99	2.15	N/A	N/A	35
16.44	.64	106	.96	2.26	N/A	N/A	32

# FIRST INVESTORS LIFE SERIES FUNDS

## Per Share Data

	Net Asset Value at Beginning of Year	Income from Investment Operations			Less Distributions from		
		Net Investment Income	Net Realized and Unrealized Gain (Loss) on Investments	Total from Investment Operations	Net Investment Income	Net Realized Gains	Total Distributions
Investment Grade							
2007	\$10.94	\$.43	\$.15	\$.58	\$.60	—	\$.60
2008	10.92	.41	(1.60)	(1.19)	.57	—	.57
2009	9.16	.69	1.10	1.79	.60	—	.60
2010	10.35	.51	.41	.92	.53	—	.53
2011	10.74	.47	.17	.64	.52	—	.52
Select Growth*							
2007	\$9.47	\$.01	\$1.06	\$1.07	\$.07	\$—	\$.07
2008	10.47	—	(4.31)	(4.31)	.01	.09	.10
2009	6.06	.01	.59	.60	—	—	—
2010	6.66	.01	1.39	1.40	.01	—	.01
2011	8.05	.01	.41	.42	.01	—	.01

\* Prior to July 26, 2007, the Fund was known as the Focused Equity Fund.

† The effect of fees and charges incurred at the separate account level are not reflected in these performance figures. If they were included, the performance figures would be less than shown.

†† Net of expenses waived or assumed by the Adviser.

a The ratios do not include a reduction of expenses from cash balances that may be maintained with the Bank of New York Mellon or from brokerage service arrangements.

	Total Return	Ratios/Supplemental Data					
Net Asset Value at End of Year	Total Return† (%)	Net Assets at End of Year (in Millions)	Ratio to Average Net Assets††		Ratio to Average Net Assets Before Expenses Waived or Assumed		Portfolio Turnover Rate (%)
			Expenses Before Fee Credits <sup>a</sup> (%)	Net Investment Income (%)	Expenses (%)	Net Investment Income (%)	
<b>Investment Grade</b>							
\$10.92	5.52	\$39	.73	4.97	.88	4.81	38
9.16	(11.60)	32	.74	5.30	.89	5.15	133
10.35	20.94	39	.76	5.38	.91	5.23	79
10.74	9.26	43	.73	4.62	.88	4.47	55
10.86	6.23	47	.71	4.17	.86	4.02	29
<b>Select Growth</b>							
\$10.47	11.42	\$13	1.14	.15	N/A	N/A	161
6.06	(41.47)	9	.99	(.05)	N/A	N/A	107
6.66	9.90	10	1.00	.22	N/A	N/A	102
8.05	21.10	14	.98	.20	N/A	N/A	87
8.46	5.25	18	.90	.07	N/A	N/A	61

Per Share Data

	Net Asset Value at Beginning of Year	Income from Investment Operations			Less Distributions from		
		Net Investment Income	Net Realized and Unrealized Gain (Loss) on Investments	Total from Investment Operations	Net Investment Income	Net Realized Gains	Total Distributions
Target Maturity 2015							
2007	\$14.19	\$.59	\$.74	\$1.33	\$.58	\$__	\$.58
2008	14.94	.63	1.49	2.12	.58	__	.58
2009	16.48	.62	(1.00)	(.38)	.63	.02	.65
2010	15.45	.63	.66	1.29	.64	.08	.72
2011	16.02	.65	.44	1.09	.62	.22	.84
Value							
2007	\$17.08	\$.31	\$(.42)	\$(.11)	\$.27	__	\$.27
2008	16.70	.40	(5.24)	(4.84)	.29	__	.29
2009	11.57	.29	1.96	2.25	.36	__	.36
2010	13.46	.31	1.58	1.89	.29	__	.29
2011	15.06	.30	(.06)	.24	.31	__	.31

† The effect of fees and charges incurred at the separate account level are not reflected in these performance figures. If they were included, the performance figures would be less than shown.

†† Net of expenses waived or assumed by the Adviser.

a The ratios do not include a reduction of expenses from cash balances that may be maintained with the Bank of New York Mellon or from brokerage service arrangements.

	Total Return	Ratios/Supplemental Data					
Net Asset Value at End of Year	Total Return† (%)	Net Assets at End of Year (in Millions)	Ratio to Average Net Assets††		Ratio to Average Net Assets Before Expenses Waived or Assumed		Portfolio Turnover Rate (%)
			Expenses Before Fee Credits <sup>a</sup> (%)	Net Investment Income (Loss) (%)	Expenses (%)	Net Investment Income (%)	
Target Maturity 2015							
\$14.94	9.70	\$27	.70	4.32	.85	4.16	3
16.48	14.56	29	.69	4.01	.84	3.86	0
15.45	(2.22)	27	.71	3.91	.86	3.76	0
16.02	8.58	28	.71	3.87	.86	3.72	4
16.27	7.14	26	.72	3.87	.87	3.72	0
Value							
\$16.70	(.66)	\$91	.83	1.75	N/A	N/A	17
11.57	(29.41)	58	.85	2.47	N/A	N/A	15
13.46	21.03	66	.88	2.45	N/A	N/A	11
15.06	14.32	71	.86	2.25	N/A	N/A	21
14.99	1.53	69	.87	1.94	N/A	N/A	32

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## LIFE SERIES FUNDS

Cash Management

Discovery

Government

Growth & Income

High Yield

International

Investment Grade

Select Growth

Target Maturity 2015

Value

For more information about the Funds, the following documents are available for free upon request:

### **Annual/Semi-Annual Reports (Reports):**

Additional information about each Fund's investments is available in the Fund's annual and semi-annual reports to shareholders.

In each Fund's annual report, you will find a discussion of the market conditions and investment strategies that significantly affected the Fund's performance during its last fiscal year.

### **Statement of Additional Information (SAI):**

The SAI provides more detailed information about the Funds and is incorporated by reference into this prospectus.

To obtain free copies of the Reports and the SAI or to obtain other information, you may visit our website at: [www.firstinvestors.com](http://www.firstinvestors.com) or contact the Funds at:

**Administrative Data Management Corp.**  
**Raritan Plaza I**  
**Edison, NJ 08837-3620**  
**Telephone: 1 (800) 423-4026**

You can review and copy Fund documents (including the Reports and the SAI) at the Public Reference Room of the SEC in Washington, D.C. You can also obtain copies of Fund documents after paying a duplicating fee (i) by writing to the Public Reference Section of the SEC, Washington, D.C. 20549-1520 or (ii) by electronic request at [publicinfo@sec.gov](mailto:publicinfo@sec.gov). To find out more, call the SEC at 1 (202) 551-8090. Text-only versions of Fund documents can be viewed online or downloaded from the EDGAR database on the SEC's Internet website at <http://www.sec.gov>.

*(Investment Company Act File No. 811-04325)*





First Investors Life

FIRST INVESTORS LIFE INSURANCE COMPANY

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