

FIRST INVESTORS MANAGEMENT COMPANY, INC.
110 WALL STREET
NEW YORK, NY 10005-3830
SHAREHOLDER SERVICES (800) 423-4026



November 23, 2009

Dear Shareholder:

Effective February 1, 2010, the policy of investing in insured securities will be eliminated for First Investors Insured Tax Exempt Fund, Insured Tax Exempt Fund II, and the California Insured and New York Insured Single State Tax Exempt Funds (the "Funds"). This policy currently provides that, under normal circumstances, each Fund will invest at least 80% of its net assets in municipal securities that are insured by independent insurance companies that have investment grade ratings. The word "insured" will also be removed from each Fund's name.

This policy change is necessary because the credit ratings of municipal bond insurers have declined precipitously as a result of decisions made by them several years ago to insure residential mortgage-backed securities, collateralized debt obligations and other non-municipal bond securities. Indeed, many of them now have "junk" or near "junk" ratings. As a result, there are now relatively few viable insurance companies that insure the types of municipal securities in which the Funds invest. In addition, both issuers and investors have become skeptical of the value of municipal bond insurance. This is an industry-wide issue that affects all insured tax exempt funds, not one that is limited to the First Investors Funds.

Due to the abnormal circumstances that now exist with respect to insurance, the Funds may be forced to invest more than 20% of their net assets in uninsured municipal securities even before the termination of their policy on February 1, 2010. We want to assure you that the Funds will nevertheless continue to be managed as high quality municipal bond funds and will generally invest only in municipal securities that are rated as investment grade, at the time of purchase, or, if unrated, are determined by the Funds' adviser to be of investment grade quality.

For more information about these important changes, please read the Supplement to the Tax Exempt Funds prospectus dated November 23, 2009, which is printed on the reverse side of this letter, and contact your representative if you have any questions. Thank you for placing your trust in First Investors. We look forward to continuing to serve your investment needs.

Sincerely,

Kathryn S. Head
President

“IMPORTANT NOTICE REGARDING CHANGE IN INVESTMENT POLICY”

SUPPLEMENT DATED NOVEMBER 23, 2009

TO THE FIRST INVESTORS TAX EXEMPT FUNDS PROSPECTUS

Dated May 1, 2009

Supplemented as of May 26, 2009

Effective February 1, 2010, the policy of investing in insured securities will be eliminated for the First Investors Insured Tax Exempt Fund, Insured Tax Exempt Fund II, California Insured Tax Exempt Fund and New York Insured Tax Exempt Fund (each, a “Fund”). This policy requires each Fund to invest, under normal circumstances, at least 80% of its net assets in securities insured as to the timely payment of principal and interest by investment-grade rated independent insurance companies. The name of each Fund also will be changed to remove the word “Insured.” The policy change is necessary because there are now relatively few investment-grade rated insurance companies that insure the types of municipal securities in which the Funds invest. As a result, issuers of municipal securities are increasingly selling these securities without insurance coverage and it has become difficult for the Funds to purchase securities that are insured by qualified insurers.

The Funds will continue to be managed as high quality tax-exempt bond funds. Each Fund generally will attempt to purchase high quality municipal securities that: (a) are rated as investment grade, at the time of purchase, by at least one nationally recognized statistical rating organization (“NRSRO”), such as Moody’s Investor Services Inc., Standard & Poor’s Rating Services, or Fitch Ratings; or (b) if unrated, are determined by the Funds’ adviser to be of investment grade quality.

Due to the unusual circumstances that now exist with respect to the availability and quality of insurance, the Funds will invest more than 20% of their net assets in uninsured municipal securities before February 1, 2010.

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