

# Foresters Your Legacy Producer Guide

## Single Premium Whole Life Insurance

This guide is for information purposes only and is intended to answer your questions and provide ideas to help you sell Your Legacy single premium whole life insurance. Check Foresters™ Producer Portal for other tools to support your learning needs. You must ensure that you correctly represent, to a customer or prospect, the product features based on the actual wording of the applicable certificate and riders for your state. Products and features may not be available in all jurisdictions, availability may be modified from time to time and certain restrictions may apply. Consult Foresters Producer Portal for more detailed product information and up to date availability.

Foresters, its employees and life insurance representatives do not provide, on Foresters behalf, legal, tax, or estate planning advice. The information here reflects our understanding of current laws and regulations. Prospective purchasers should contact their own legal, tax, or estate planning advisors on their specific situations.

This document is intended for producer use only and should not be disclosed to the public. The information contained in this guide is general in nature and is subject to the applicable certificate and rider wording.

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## FAST FACTS

<b>Product Type</b>	Participating Whole Life	<b>Issue Ages</b> (age nearest birthday)	0-85 (non-medical)
<b>Premium Period</b>	Single Pay		
<b>Underwriting Classification (Non-Medical)<sup>1</sup></b>	Juvenile (issue ages 0-15) Non-Tobacco (issue ages 16-85) Tobacco (issue ages 16-85) Substandard (issue ages 16-80)	<b>Minimum Premium</b>	Issue Age 0 - 15: \$1,500 Issue Age 16 - 29: \$5,000 Issue Age 30 - 85: \$10,000
<b>Loans</b>	Can be taken if the certificate is in effect and has positive cash surrender values. Interest is charged daily at current Foresters US variable loan rates. Death benefit payable is net of the outstanding certificate loan amount(s) (including accrued interest).		<b>Maximum Premium</b>
<b>Loan Rate</b>	Variable	<b>Maximum Net Amount at Risk</b>	Issue Age 0 - 15: \$150,000 Issue Age 16 - 55: \$250,000 Issue Age 56 - 75: \$175,000 Issue Age 76 - 85: \$150,000
<b>Dividend Options</b>	Paid-up Additions (PUA) On deposit with interest Paid in cash	<b>Minimum/Maximum Face Amounts</b>	The minimum face amount is the amount that the minimum single premium will purchase based on issue age, gender, underwriting classification, and rating (if applicable). The maximum face amount is the initial face amount less the single premium, subject to the maximum net amount at risk (per the chart above).
<b>Illustrations</b>	Required for certificate issue	<b>Insurer</b>	The Independent Order of Foresters (Foresters)

Product and benefit information provided in this document is for producer reference purposes only. It is based on our current product rules which are subject to change, and is also subject to state availability and variations and to the terms, including definitions and limitations, set out in the state specific product.

1. In some situations, substandard underwriting classification may require an Attending Physician's Statement (APS)

## PRODUCT SPECIFICATIONS

### DESCRIPTION

Foresters Your Legacy Single Premium Whole Life Insurance (Foresters Your Legacy) is a non-medical participating whole life product which provides lifetime death benefit protection, guaranteed cash values, and potential dividends. It is designed and priced based on the 2001 Commissioners Standard Ordinary (CSO) mortality tables.

### PREMIUM MODE

- Single premium payment only

### ISSUE AGES

0-85 (age nearest birthday)

Backdating to save age is not allowed on Your Legacy.

*When we refer to an age after the issue date, age is defined as the issue age plus the number of completed certificate years.*

### UNDERWRITING CLASSIFICATIONS

Foresters Your Legacy is issued based on standard underwriting, tables 1-4 (+25% to +100) with the following classes:

- Juvenile (issue ages 0-15)
- Non-Tobacco (issue ages 16-85)
- Tobacco (issue ages 16-85)

### RATINGS

Substandard underwriting is available on issue ages 16 to 80. Rating classes are based on tables 5 to 8 (+125 to +200) and will be determined by Underwriting.

### ILLUSTRATIONS

At the Point-of-Sale (POS) of Foresters Your Legacy, the producer must do the following:

- Complete an Illustration Certification form; or
- Provide to the prospective Owner an illustration matching the product as applied for in the application. A copy of the illustration must be signed by the producer and the prospective Owner and submitted with the application to Foresters.

### TARGET MARKET

- Seeking guarantees and lifetime life insurance protection
- Wealth transfer and preservation

### MINIMUM PREMIUM

Issue Age 0 - 15: \$1,500

Issue Age 16 - 29: \$5,000

Issue Age 30 - 85: \$10,000

### MAXIMUM PREMIUM

Maximum single premium is \$500,000 across all issue ages, subject to the maximum net amount at risk.

### MINIMUM AND MAXIMUM FACE AMOUNTS

The minimum face amount is the amount that the minimum single premium will purchase based on issue age, gender, underwriting classification, and rating (if applicable). The maximum face amount is the initial face amount less the single premium, subject to the maximum net amount at risk (see "Net Amount at Risk").

### NET AMOUNT AT RISK

Net amount at risk is defined as the initial face amount minus the single premium. The following is the maximum net amount at risk based on age:

Issue Age 0 - 15: \$150,000

Issue Age 16 - 55: \$250,000

Issue Age 56 - 75: \$175,000

Issue Age 76 - 85: \$150,000

### CERTIFICATE FEE

There is no certificate fee.

### CONVERSIONS

Conversion from a Foresters term certificate to Foresters Your Legacy is not allowed.

### 1035 EXCHANGES

1035 exchanges are allowed, provided that monies from the 1035 exchange are applied towards the single premium at the time of issue.

## CASH VALUE AND DIVIDENDS

### CASH VALUES

Cash values are guaranteed and vary based only on gender and insurance class.

### DIVIDENDS

Dividends are not guaranteed and vary by factors such as issue age, duration, gender, and insurance class. Available dividend options are:

- Paid-up Additions (PUA)
- On deposit with interest
- Paid in cash

The default dividend option is Paid-up Additions (PUA).

## SURRENDERS AND LOANS

### Modified Endowment Contract

Due to the single premium and seven-pay limits, most certificates will be issued as a Modified Endowment Contract (MEC). Cash distributions from a certificate that is a MEC may have tax implications. The Certificate Owner should consult a tax advisor for any potential tax implications.

### SURRENDERS

The certificate may be partially or fully surrendered for its cash surrender value at any time.

#### Full Surrender

A certificate can be fully surrendered for its guaranteed cash value, plus the value of any Paid-up Additions (PUA) and/or accumulated dividends on deposit, less any outstanding debt.

#### Partial Surrender

A certificate can be partially surrendered by surrendering Paid-up Additions (PUAs), if any. The death benefit supported by the PUAs will be reduced accordingly. Each partial surrender must be for at least \$500.00.

### LOANS

Loan(s) may be obtained from Foresters using the certificate as collateral. The certificate must be in effect and have a positive cash surrender value at the time of the loan.

Interest is charged daily at the current Foresters US variable loan rate. The amount of the loan requested may be adjusted if the cash surrender value at that time is insufficient.

Loan repayment – All or part of a certificate loan may be repaid at any time prior to the death\* of the insured or the surrender of the certificate. Repayments will reduce the loan amount.

*\*The death proceeds payable are reduced by the outstanding amount of the loan (and accrued interest). If the loan amount exceeds the cash value plus the present value of PUAs and dividends on deposit amount the certificate will terminate. In addition, if the certificate terminates/lapses while there is a loan, the loan will be treated as a distribution from the certificate, and there may be tax consequences as a result.*

## REINSTATEMENT

Once a certificate has terminated or lapsed it cannot be reinstated.

## RIDERS

### COMMON CARRIER ACCIDENTAL DEATH RIDER

Available on	Life insured
Issue ages	0-85
Description	This rider, automatically included on all eligible certificates at no additional premium, provides a death benefit of up to two times the face amount to a maximum of \$300,000, if the insured dies within 180 days of an accidental bodily injury that occurred while riding on a common carrier as a fare-paying passenger.
Benefit amount	Up to two times the face amount (rider benefit is subject to a maximum of \$300,000 across all Foresters accidental death coverage)
Expiry date	The certificate anniversary on which the insured is age 100.

### FAMILY HEALTH BENEFIT RIDER

Available on	Life insured
Issue ages	0-85
Description	This rider, automatically included on all eligible certificates at no additional premium, provides benefits for qualified health situations for the insured and their immediate family of up to \$650 per person per incident with a lifetime family maximum of \$5,000, who have had to be transferred to a hospital in the Continental United States, Alaska or Hawaii by ambulance, visit the emergency room or stay in hospital as a result of the following: <ul style="list-style-type: none"> <li>• Earthquake</li> <li>• Typhoon</li> <li>• Hurricane</li> <li>• Struck by lightning</li> <li>• Tornado</li> <li>• Volcanic eruption</li> <li>• Tsunami</li> </ul>
Qualified event and amount	<ul style="list-style-type: none"> <li>• Ambulance Transportation: \$50</li> <li>• Hospital Emergency Room Examination: \$100</li> <li>• Hospital Stay: \$100/day (up to 5 days)</li> </ul>
Max benefit amount	\$650 per person, per incident with a lifetime family maximum of \$5,000.
Expiry date	The certificate anniversary on which the insured is age 100.

## ACCELERATED DEATH BENEFIT RIDER

Available on	Life insured
Description	This rider, included with eligible certificates at no additional premium, provides the owner an option of accelerating a portion of the eligible death benefit (face amount plus paid-up additional insurance) and receive an accelerated death benefit payment due to diagnosis of an eligible illness.
Eligible Illness	Subject to eligibility criteria and state variations, this rider can be issued with <u>one or more</u> of the following eligible illnesses: <ul style="list-style-type: none"> <li>• Chronic illness</li> <li>• Critical illness</li> <li>• Terminal illness</li> </ul>
Summary Definition of Illnesses	<p><b>Chronic Illness</b> means the insured:</p> <ul style="list-style-type: none"> <li>• Is unable to perform, without substantial assistance from another person, at least two of the activities of daily living for a period of at least 90 days, due to a loss of functional capacity; or</li> <li>• Requires substantial supervision by another person to protect the insured from threats to health and safety due to the insured's severe cognitive impairment</li> </ul> <p><b>Critical Illness</b> is the following illnesses:</p> <ul style="list-style-type: none"> <li>• Life Threatening (Invasive) Cancer</li> <li>• Myocardial Infarction</li> <li>• Stroke</li> <li>• Advanced Alzheimer's Disease (before the insured's 75<sup>th</sup> birthday)</li> <li>• End Stage Renal Failure</li> <li>• Major Organ Failure</li> <li>• ALS</li> </ul> <p><b>Terminal illness</b> means the insured has a non-correctable illness or physical condition which is reasonably expected to result in death within 12 months of diagnosis</p>

Eligibility Criteria	<p>Chronic and Critical Illnesses:</p> <ul style="list-style-type: none"> <li>• Issue face amount must be at least \$20,000;</li> <li>• Insured's issue age is 80 or younger; and</li> <li>• Standard rated cases</li> </ul> <p>Terminal Illness:</p> <ul style="list-style-type: none"> <li>• Issue face amount must be at least \$20,000;</li> <li>• All ages; and</li> <li>• Standard &amp; sub-standard rated cases</li> </ul>
Minimum Acceleration Amount	\$4,500
Maximum Acceleration Amount	<p><b>Chronic Illness</b></p> <ul style="list-style-type: none"> <li>• In any 12-month period, 24% of the eligible death benefit on the effective date of the first accelerated payment due to chronic illness</li> </ul> <p><b>Critical Illness</b></p> <ul style="list-style-type: none"> <li>• Lesser of a) 95% of the eligible death benefit on the effective date of the applicable each accelerated payment due to critical illness; and b) \$500,000</li> </ul> <p><b>Terminal Illness</b></p> <ul style="list-style-type: none"> <li>• Lesser of a) 95% of the eligible death benefit on the effective date of the accelerated payment due to terminal illness; and b) \$500,000</li> <li>• One terminal illness payment is allowed – the rider will terminate after an ABR terminal illness payment</li> </ul>
Lifetime Maximum Acceleration Amount	<ul style="list-style-type: none"> <li>• Lesser of a) 95% of the eligible death benefit at the time of the first acceleration; and b) \$500,000</li> </ul>
Minimum Residual Base Face Amount	\$10,000
Payment Amount	<p>The payment, due to diagnosis of eligible critical illness and chronic illness, will be less than the acceleration amount which will be <u>reduced</u> by the following:</p> <ul style="list-style-type: none"> <li>• Actuarial discount amount</li> <li>• Loan repayment, prorated based on the acceleration amount</li> <li>• Administration fee (current fee is \$300)</li> </ul>

	<p>The actuarial discount amount and administration fee will <b>not</b> be applied to a terminal illness claim.</p> <p>The payment amount is guaranteed not be less than the certificate cash surrender value minus the outstanding prorated loan amount (based on the acceleration amount), if any.</p>
Actuarial Discount Amount	<p>It is determined by Foresters:</p> <ul style="list-style-type: none"> <li>• Based on factors specific to the insured, such as age, gender and premium class ;</li> <li>• Based on future mortality of the insured using the mortality table determined by Foresters;</li> <li>• the accelerated death benefit interest rate Foresters applies;</li> <li>• will take into account the present value of: the acceleration amount and dividends in relation to that acceleration amount;</li> </ul>
Effect of Acceleration	<p>ABR claim payment will reduce the face amount and, if any, the paid-up additional insurance, cash value and loan amount. The reduction to the face amount could be by more than the payment amount. After acceleration, future dividends credited, if any, will be as if the certificate had been issued at the reduced face amount.</p> <p>Any outstanding certificate loan will be reduced by the loan repayment amount that was subtracted from the acceleration amount.</p> <p>Receipt of an accelerated death benefit payment is intended to qualify for favorable tax treatment under the IRC. However, depending on individual circumstances or changes to the IRC, the payment may be taxable, and may affect eligibility for public assistance or benefits. Your client should consult a qualified tax advisor and applicable government agency before receiving an accelerated death benefit payment.</p>

## SOFTWARE HELP

You can access/download Foresters Your Legacy software by logging onto the Foresters Producer Portal. Please check the state availability map for currently approved states.

## KEY CONTACT INFORMATION

### SALES SUPPORT

We answer your call...with a live voice. Foresters Sales Support Team is your first, direct, live point-of-contact for all of your pre-sales needs! Our informed professionals pick up when you call, and provide the friendly assistance you need.

Call us at 1-866-466-7166 Option #1, Monday to Friday from 8:30 am to 7:00 pm ET. Our knowledgeable Foresters sales team is standing by to support your business with:

- A "live voice" to answer all of your Foresters questions
- Sales ideas and solutions
- Foresters product training
- Illustration software and website support
- Advanced marketing concepts, materials and education
- A Single Point-of-Contact with Foresters

### OUR PRODUCER SERVICE CENTER

If you need to inquire about business you have recently submitted, or an existing inforce certificate, please contact our Producer Support Line at 1-866-466-7166 Option #2 between Monday to Friday 8:00 am to 8:00 pm ET.

### MARKETING SUPPLIES

Marketing supplies are available through the Foresters Producer Portal.