

Foresters non-participating whole life insurance

Non-Par Whole Life Advisor Guide



Non-participating whole life insurance

This guide is intended to answer your questions and provide ideas to help you sell Foresters Financial™ non-participating whole life insurance.¹ It is for information purposes only and is not to be provided in whole or in part to any customers.

You must ensure that you correctly represent, to a customer or prospect, the product features based on the wording of the applicable policy and riders. You can view a sample policy at foresters.com/en-ca/for-advisors/sample-contracts.aspx, or contact your Regional Vice President or our Inside Sales Support Team at Sales@cpp.ca. This document is intended for advisor 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 policy and rider wording.

This guide includes some of our current administrative rules. These rules are not contractual and are subject to change.

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.

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Foresters non-participating whole life insurance at a glance

Foresters Non-Par Whole Life is a non-participating whole life insurance plan that provides lifetime protection with cash value accumulation and valuable built-in features. Premiums, values and coverage amounts are guaranteed provided the policy remains in effect and no material change is made to the policy. Guaranteed Cash Values and Reduced Paid-Up Values start by the 11th policy year.

Non-Par Whole Life is a fully underwritten product with preferred underwriting. In addition to offering lifetime protection, Non-Par Whole Life also offers a variety of features and riders that address a broad range of personal protection needs.

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|---|---|
| Issue ages (age nearest birthday) | Pay to 100 18 to 80 20-Pay 18 to 65 |
| Issue limits | – Minimum: \$50,000 – Maximum: \$5,000,000 |
| Preferred underwriting (Preferred Plus and Preferred classes are available at amounts of \$1,000,001 or more) | Non-Smokers: – Preferred Plus – Preferred – Standard Smokers: – Preferred – Standard |
| Premium payment frequency options | At policy issue date: – Monthly (PAD) - first premium on PAD available – Annual (Direct Bill) |
| | After policy has been issued: – Monthly, Quarterly, Semi-Annual, or Annual (PAC) – Quarterly, Semi-Annual, or Annual (Direct Bill) |
| Joint coverage (max two lives) | Joint First-to-Die Joint Last-to-Die |
| Nonforfeiture options | Automatic Premium Loans Reduced Paid-Up Insurance starting in year 11 |
| Guaranteed Cash Value | Starting in year 11 |

| | |
|---|--|
| Modal factors and policy fees | Frequency Monthly Quarterly Semi-Annual Annual |
| | Modal factor 0.09 0.26 0.52 1.00 |
| | Guaranteed Policy Fee \$4.50 \$13.00 \$26.00 \$50.00 |
| | Complimentary coverage – Bereavement Assistance – Survivor privilege (JFTD) |
| Living Benefits (non-contractual) | Teladoc Medical Experts ² |
| Term riders | – Term 10 / Spousal T10 – Term 20 / Spousal T20 – Term 30 / Spousal T30 |
| Other riders | – Children’s Term Rider – Accidental Death Benefit – Disability Waiver of Premium |
| Application | Application for life and critical illness insurance |

When coverage is issued

The illustration

The Non-Par Whole Life illustration you develop for the applicant at the point of sale must show the same premium and coverage amounts, as well as other plan features that would materially affect illustrated values.

Backdating

Non-Par Whole Life policies may be backdated up to six months from the date of underwriting approval, subject to plan issue age limits.

The initial premium

Insurance under the policy does not become effective until the initial premium is received. The initial premium will be accepted with the application that qualifies for Temporary Insurance coverage or after the policy is issued.

To bind Temporary Insurance, premiums submitted with an application for insurance should always be based on the Standard Class that corresponds to the smoking habit of the insured person. Alternatively, the applicant can request that we draw the initial premium from his or her bank account through Pre-authorized debit.

When insurance begins

Insurance coverage under a policy begins on the latest of:

- a. The Issue Date;
- b. The date the owner receives the policy or, if he or she resides in Quebec, the date we approve the application without modification;
- c. The date we receive all signed amendments, addendums and exclusions required to settle the policy; and
- d. The date the first premium is received and is honoured when presented for payment.



Bereavement Assistance

This benefit is built in to every Non-Par Whole Life policy and is offered at no additional charge. When a death benefit is payable under the base plan, we will reimburse up to \$1,000 in counselling expenses to the beneficiaries subject to the following conditions:

- a. The counsellor is licensed by an appropriate federal or provincial licensing authority or has a professional accreditation or certification we consider satisfactory.
- b. The beneficiaries submit receipts for counselling expenses to us within 12 months of the date the insured person died. If the death benefit under this policy is payable to an estate or trust, receipts for counselling expenses should be submitted by the executor, administrator or liquidator of the estate, or the trustee.
- c. Eligible counselling expenses will be reimbursed upon remittance of receipts up to a maximum of \$1,000, without regard to the number of beneficiaries. If we receive receipts from more than one beneficiary and the sum of the receipts exceeds \$1,000, we reserve the right to determine how the benefit will be divided among those beneficiaries at our sole discretion.

Teladoc Medical Experts

Teladoc Medical Experts provides personalized advice and recommendations on medical issues from leading experts.

The insured person may be eligible, at no additional cost, to access the Teladoc Medical Experts. The insured person's spouse or domestic partner and the insured's dependent children up to age 18 may also be eligible.

The insured accesses the service via the toll-free number listed in the Teladoc Medical Experts certificate included in the issue package. The insured person will be connected to a clinician who will listen to questions and concerns, then gather helpful information and resources.

Teladoc Medical Experts provides a range of services:

Expert Medical Opinion: Review of an existing diagnosis and treatment from a world-renowned expert to confirm or recommend a change.

Find a Doctor: Provides a list of local in-person experts who meet specific medical needs.

Personal Health Navigator: Provides a variety of information that's condition-specific from a registered healthcare professional including articles and community resources.

Care Finder: Helps locate specialists or facilities outside of Canada for treatment/condition needs.

This program is provided solely by Teladoc Health, Inc., subject to eligibility requirements and limitations and may be changed or cancelled at any time without notice. This program is not a policy benefit and accordingly Foresters is not responsible for this program and has no liability in relation to the expert medical opinion or any of the services provided, or functions performed, under the program.

Premium payments

Rate bands

Premiums are based on rate bands that may provide a rate reduction over the previous band. Insurance Amount premium rate bands are:

| | |
|-----------------------|-----------------------|
| \$50,000 - \$99,999 | \$500,000 - \$999,999 |
| \$100,000 - \$249,999 | \$1,000,000+ |
| \$250,000 - \$499,999 | |

Our premium guarantee

Premium amounts are guaranteed provided the policy remains in effect and the owner does not request a material change to the policy. We may offer different guaranteed rates if:

- The owner requests a change to the insurance class applicable to an insured person and we approve it.
- The insured person's insurance class is Smoker when the policy is issued, and the requirements to change the Insurance Class to Non-Smoker are not met.
- The owner requests a reduction to the policy's Insurance Amount that changes the applicable rate band as described above.

The premium includes a policy fee which is guaranteed not to change unless the owner requests a change to the premium payment frequency.

Grace period for paying premiums

Other than the first premium, we allow a grace period of 31 days after the premium due date for payment of each premium. If a premium remains unpaid at the end of a grace period and the surrender value of this policy is greater than zero, then an automatic premium loan will be initiated by us. If the premium remains unpaid at the end of the grace period and the surrender value equals zero, then the policy automatically ends and is no longer in effect.

If the insured person dies during the grace period and before the premium is paid, we will deduct the overdue premium from the death benefit payable.

Automatic premium loan

A premium that remains unpaid at the end of the 31st day of the grace period will automatically be paid through a loan against the policy if, on that day, the surrender value is greater than zero.

If the surrender value is less than the overdue premium then we will apply the remaining surrender value as premium. This premium will be prorated over the month to continue the policy for part of the month. If the premium is still unpaid after this period the policy ends and is no longer in effect.

If the premium payment frequency is not monthly, we will change it to monthly while the premium is paid through an automatic premium loan.



An automatic premium loan is subject to the same loan interest and repayment terms and conditions as a requested cash loan.

Reinstating a policy after it has ended

If a policy ends due to non-payment of premium, or ends due to insufficient surrender value, it can be reinstated by paying the overdue premiums within 30 days of the date the policy ends, if each insured person is still living when we receive this payment. Subsequently, the policy may be reinstated within two years after the policy ends. The owner must submit evidence of insurability for each insured person, and pay unpaid premiums to the reinstatement date, with interest at a rate we determine. We may also require the owner to repay some or all of the debt that was outstanding when the policy went into default.

A policy cannot be reinstated if it was surrendered.

Joint Lives

Non-Par Whole Life is available on a Joint First-to-Die or Joint Last-to-Die basis, on a maximum of two lives.

Based on the gender, age and insurance class of the two individual insureds, we will determine a Joint Equivalent Single Age for the joint policy.

Survivor privilege

On a Joint First-to-Die policy, the surviving insured person may purchase, without evidence of insurability, a new permanent policy on their life.

The privilege must be exercised prior to the insured person's 71st birthday and within 60 days of the death of the designated insured person.

Access to a policy's value

An owner can access the policy's value by requesting a policy loan. The surrender value also becomes available when the owner cancels the policy, but will be reduced by outstanding policy loans. Any of these transactions may add to the policy owner's taxable income for the year in which the funds are drawn.

Surrenders

A policy can be fully surrendered for its surrender value, which includes the guaranteed cash value, plus the unused premium minus outstanding debt.

Loans

A loan may be obtained using the policy as collateral. The policy must be in effect and have a positive cash surrender value at the time of the loan. The maximum loan available is 90% of the policy's surrender value reduced by outstanding debt.

We determine the applicable loan interest rate annually.

Taxation

Under current tax legislation, the cash accumulation in a non-participating whole life insurance policy is exempt from accrual taxation within the limits prescribed by the Income Tax Act, for so long as it remains in the policy. A policy owner may be required to pay income taxes if he or she cancels the policy or transfers its ownership to another person, reduces its face amount, withdraws or borrows money from its cash value, or changes its insurance class to Non-Smoker. Other transactions may also have tax consequences.

Policy changes

Quit Smoking Incentive Plan (Single Life basis only)

If the insured person is classified as a Smoker, we will charge Non-Smoker premiums for the first two policy years. Non-Smoker premiums will continue if at any time before the second policy anniversary the owner submits evidence we consider satisfactory as to the smoking habit of the insured person. The insured person must meet our definition of a non-smoker at the time of the request.

On a single-life basis only, subsequent Non-Smoker premiums will be based on the insured person's age on the policy's issue date and the rating class on the date the change is processed and may also require Foresters to make adjustments to maintain the policy's tax exempt status.

If these requirements are not met, Smoker premiums will be charged from the second policy anniversary.

Changing the insurance class

If the insured person's insurance class is smoker when the policy is issued, he or she may be eligible for a change to a non-smoker insurance class without evidence of insurability, as described under Quit Smoking Incentive Plan.

Otherwise, an owner can request at any time that we change an insured person's insurance class to a Non-Smoker class. The owner must submit evidence as to the smoking habit of the insured person and medical evidence we consider satisfactory. The insured person must meet our definition of a Non-Smoker at the time of the request.

A change of insurance class will result in a reduction of the policy's guaranteed values, and may also require Foresters to make adjustments to maintain the policy's tax exempt status.

For a term rider, an owner can also request that we change the insurance class to a Preferred or Preferred Plus class, subject to our administrative rules and the conditions listed above. We will consider such a request after the 1st policy anniversary and no more than once per year.



Reducing the insurance amount

An owner can request that we reduce the insurance amount at any time. The minimum decrease allowed is \$10,000, and the remaining insurance amount must not be less than the minimum specified in our administrative rules, which are currently \$50,000 for Non-Par Whole Life.

The premium rate is guaranteed based in part on the insurance class and the insurance amount applicable to each insured person under the policy. If the insurance amount is reduced at the owner's request, we may increase the applicable premium rate in accordance with Foresters administrative rules.

Reducing the insurance amount will result in a reduction of the guaranteed values. It may also require us to make adjustments to the policy to maintain the policy's tax exempt status.

Reduced Paid-up Insurance Privilege (RPU)

If a policy owner is no longer able or willing to pay premiums, he or she may request that we reduce the insurance amount to an amount that will not require further premium payments.

We will process this request if the surrender value is sufficient to purchase the minimum amount of Reduced Paid-up insurance permitted under our administrative rules.

Once this Reduced Paid-up Insurance Privilege has been exercised, it cannot be changed. Every rider included in the policy will end.

Riders

In addition to offering lifetime protection, non-participating whole life insurance also offers a variety of features and riders that address a broad range of personal protection needs.

Term 10, Term 20 or Term 30 Riders

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|--------------------------------|--|---|---|--|
| Available on | Insured and/or Insured person's spouse | | | |
| Availability | At issue | | | |
| Description | Provides renewable and convertible term insurance on the insured person and/or that person's spouse. Each insured will have the specified rider added upon underwriting approval. | | | |
| Issue limits | Issue limits Minimum face amount Maximum face amount | Term 10 18-75 \$100,000 \$5,000,000 | Term 20 18-65 \$100,000 \$5,000,000 | Term 30 18-55 \$50,000 \$5,000,000 |
| Preferred underwriting | <p>Preferred underwriting applies for amounts of \$1,000,001 or more. Based on our underwriting criteria related to factors such as health, lifestyle, tobacco usage, family history and personal history, we determine which of the following Insurance Classes applies to every insured person and use it to establish the premium:</p> | | | |
| | <ul style="list-style-type: none"> – Preferred Plus Non-Smoker – Preferred Non-Smoker – Standard Non-Smoker | | <ul style="list-style-type: none"> – Preferred Smoker – Standard Smoker | |
| Renewability and expiry | <p>Term rider renewal periods are the same as the initial period. The term rider expires at attained age 85, regardless of age at renewal, or the date the term rider is converted to a permanent plan. On a 20-Pay policy, only Term 10 and Term 20 term riders are available and will expire at the end of the base plan's premium paying period.</p> | | | |
| Conversion privilege | <p>Term insurance riders may be converted without evidence of insurability to any permanent insurance plan offered by Foresters for conversion at that time, prior to the anniversary nearest the insured person's seventy-first (71st) birthday.</p> <p>When a partial conversion is requested, the premium rates applicable to any remaining term coverage will be those of the applicable band. If the amount of the remaining coverage is below \$1,000,001, preferred rates will not be available.</p> | | | |
| Exchange privilege | <p>The Term insurance rider may be exchanged for a term insurance policy with a longer term if offered by Foresters at the time of exchange. This exchange privilege is available on or after the 2nd policy anniversary, without evidence of insurability. The new policy will be issued at attained age and then current rates.</p> <p>An exchange for a Term 20 policy must occur prior to the earlier of the 5th policy anniversary, and the policy anniversary nearest the insured person's 60th birthday (or the oldest insured person's 60th birthday if exchanging a Joint First-to-die policy).</p> <p>An exchange for a Term 30 policy must occur prior to the earlier of the 5th policy anniversary, and the policy anniversary nearest the insured person's 55th birthday (or the oldest insured person's 55th birthday if exchanging a Joint First-to-die policy).</p> | | | |
| Survivor privilege | <p>The insured spouse under spousal term rider may exercise the conversion privilege within 60 days of the date of death of insured person under the Non-Par Whole Life policy.</p> | | | |

Accidental Death Rider

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|---------------------|---|
| Description | Provides additional coverage in the event of accidental death. Death must arise solely as a direct result of an accident that occurs while this rider is in effect. |
| Available on | Life Insured |
| Availability | At issue |
| Issue ages | 18-60, Age Nearest Birthday (ANB) |
| Issue amount | \$50,000 minimum, up to 100% of the insurance amount. Maximum of \$300,000 with all carriers. |
| Expiry date | The policy anniversary nearest the insured's 70 th birthday. |

Disability Waiver of Premium Rider

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| Description | This benefit will automatically waive the monthly premium in the event of the total disability of the person insured under this rider. There is a 6 month waiting period before benefits begin, during which time the premium must be paid. Once the waiver of premium benefit is approved, premiums paid during the 6 month waiting period will be refunded. Premiums are payable to the policy anniversary nearest the insured person's 60 th birthday, at which time coverage under this rider ends. For 20-pay, premiums are payable to the earlier of the 20 th policy anniversary and the policy anniversary nearest the insured person's 60 th birthday. |
| Available on | Life Insured |
| Availability | At issue |
| Issue ages | 18 to 55 (ANB) |
| Expiry date | This protection continues until the policy anniversary nearest the insured person's 60 th birthday. If we are waiving the monthly premium at the policy anniversary nearest that insured person's 60 th birthday, we will continue to waive the premium under the terms of this rider while that insured person remains totally disabled and the policy remains in effect. |

Children's Term Life Insurance Rider

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|-----------------------|--|-----------------------------|
| Description | <p>This rider provides term insurance for each insured child.</p> <p>This rider provides term insurance protection for the insured person's children between the ages of 15 days and 25 years. The premium is guaranteed and payable for only 20 years. While this rider is in effect, coverage for an insured child remains in effect until that child's 25th birthday or until the coverage is converted.</p> | |
| Available on | Children of Life Insured | |
| Availability | Pay to 100: – At issue – After issue | 20-Pay – At issue |
| Issue amount | Minimum: \$10,000 | Maximum: \$30,000 |
| Convertibility | <p>This rider includes a valuable conversion privilege, allowing each insured child to convert their coverage to a new permanent insurance plan without evidence of insurability, for an amount up to 10 times the amount of term insurance in effect under this rider or \$250,000, whichever is less. The conversion privilege must be exercised:</p> <ul style="list-style-type: none"> – Any time after the insured child's 20th birthday but no later than the insured child's 25th birthday; – Within 60 days after the death of the insured person. | |
| Expiry date | <p>This rider ends on the earliest of the following dates:</p> <ul style="list-style-type: none"> – The date the last child dies – The date the last child converts – The policy anniversary nearest the last child's 25th birthday – The date RPU is exercised – The date the policy is cancelled – The date the policy ends | |

Advisor portal and software

Bluesky

[Bluesky](#) is Foresters easy-to-use advisor portal. It puts all the information you need about your Foresters business at your fingertips. Bluesky also gives you quick access to administrative applications, forms, updates and marketing materials.

Sky

Sky is Foresters easy-to-use illustration software. It allows you to easily run product illustrations and create personalized quotes that you can print and give to your clients. Sky gives you quick access to applications, forms and product information.

You can download Sky illustration software by logging onto Foresters advisor portal, [Bluesky](#). A link to the software can be found in the Reference section under the Illustrations tab.

Key contact information

Sales support

We answer your call... with a live voice. Our informed professionals pick up when you call and provide the friendly assistance you need.

We are here for you!

Call us toll free at 877-796-9090, Monday to Friday from 8:00 am to 5:00 pm EST. You may also fax us toll free at 866-271-6215 or email Sales@ccp.ca.

Our knowledgeable Foresters sales team is standing by to support your business with:

- A "live voice" to answer your questions
- Illustration software and website support
- Marketing concepts, materials and education
- A single point of contact

Marketing supplies

Visit our advisor portal, [Bluesky](#), for forms and marketing collateral. Here you will have the ability to download and/or order Foresters sales aids, which include: applications, product guides, consumer brochures and marketing guidelines.

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¹ Underwritten by Foresters Life Insurance Company.

² This Program is provided solely by Teladoc Health Inc., subject to eligibility requirements and limitations and may be changed or cancelled at any time without notice. This benefit is not part of the policy.

³ Foresters Financial member benefits are non-contractual, subject to benefit specific eligibility requirements, definitions and limitations and may be changed or cancelled without notice or are no longer available.

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