

SMART Universal Life



Foresters 
Financial

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What does SMART UL offer your clients?

- A current assumption universal life certificate that offers:
 - Permanent life insurance protection to age 121
 - Premium payment flexibility
 - Two death benefit options (Level & Increasing)
 - Tax-deferred cash value accumulation¹
 - Tax-advantaged distributions¹
 - Charity Benefit Provision
 - Optional riders for added flexibility

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Non-Medical

SMART UL non-medical² specifics

- Foresters Financial™ relies on the applicants' answers to health and lifestyle questions to offer up to \$400,000 in death benefit protection

Yes

- MIB
- Prescription history
- Build chart

No

- Medical or paramedical exam
- Blood or urinalysis
- Saliva swab test
- APS
- Routine personal health interviews
- No life events or mortgage requirements

SMART UL non-medical specifics

- Underwriting classes:
 - Juvenile (0-17)
 - Non-Tobacco: No use of products with nicotine within past 12 months
 - Tobacco: Used any product with nicotine within past 12 months
- Age (age nearest birthday) & death benefit limits:

Ages	Minimum D.B.	Maximum D.B.
0-15	\$10,000	\$150,000
16-55	\$25,000	\$400,000
56-75	\$25,000	\$150,000

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Medically Underwritten

SMART UL medically underwritten specifics

- Underwriting classes:
 - Non-Tobacco options:
 - Preferred Plus Non-Tobacco: No nicotine use within past 5 years
 - Preferred Non-Tobacco: No nicotine use within past 3 years
 - Non-Tobacco Plus: No nicotine use within past 12 months
 - Non-Tobacco: No nicotine use within past 12 months
 - Juvenile (age 0-17)
 - Tobacco options (nicotine use within past 12 months):
 - Tobacco Plus
 - Tobacco
 - Substandard medical ratings available:
 - Table rating available up to table P
 - Permanent flat extra or temporary flat extra up to \$9.99
 - For issue ages 71-85:
 - Preferred Plus, Preferred, Non-Tobacco Plus, and Tobacco Plus are only available with a minimum face amount of \$100,000

SMART UL medically underwritten specifics

- Age (age nearest birthday) & death benefit limits:

- Band 1:

Ages	Minimum D.B.	Maximum D.B.
0-15	\$50,000	\$499,999
16-70	\$100,000	\$499,999
71-75	\$50,000	\$499,999
76-85	\$25,000	\$499,999

- Band 2:

Minimum D.B.	Maximum D.B.
\$500,000	No maximum (subject to underwriting approval)

- Note: Illustration maximum of \$10m; anything over this amount is subject to home office approval

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Product Features

SMART UL product features

- Death benefit:
 - Death benefit options:
 - Level death benefit
 - Increasing death benefit
 - Death benefit amount changes:
 - Increases and decreases to the death benefit are available:
 - After the 1st certificate anniversary
 - Subject to certain restrictions
 - Increases in death benefit requires evidence of insurability
- Death benefit payable at death:
 - Provides for a death benefit reduced by any debt (exclusive of all other riders) and by any amounts accelerated under the Accelerated Death Benefit Rider³
3. The Accelerated Death Benefit Rider provides an option to accelerate a portion of the eligible death benefit and receive a payment. The payment, due to diagnosis of an eligible illness, may be less than the acceleration amount which may be subject to a fee, an actuarial discount amount and other applicable deductions. Payment will decrease certificate values and benefits and may affect eligibility for public assistance programs. Receipt of an accelerated death benefit payment under the rider is intended to qualify for favorable tax treatment under section 101(g) of the Internal Revenue Code (IRC). Specific situations may result in a taxable event. For New York certificates: **This is a life insurance certificate that accelerates the death benefit on account of chronic illness and is not a health insurance certificate providing long term care insurance subject to the minimum requirements of New York Law, does not qualify for the New York State Long Term Care Partnership Program and is not a Medicare supplement certificate** (The Accelerated Death Benefit Rider (For Terminal Illness) does not include acceleration for a chronic illness). For California certificates: **This is a life insurance certificate with a rider that also gives you the option to accelerate some or all of the death benefit in the event that you meet the criteria for a qualifying event described in the rider. This certificate does not provide long-term care insurance subject to California long-term care insurance law. This certificate is not a California Partnership for Long-Term Care program policy. This certificate is not a Medicare supplement policy.**

SMART UL product features

- Definition of Life Insurance:
 - Guideline premium test (GPT): Limits premiums paid relative to death benefit
 - Cash value accumulation test (CVAT): Limits cash values relative to death benefit
- Modified Endowment Contract (MEC):
 - Limits premiums paid relative to the death benefit in the initial 7-years of a contract or 7-years after certain material changes
- Refer to 504621 US Putting the spotlight on GLP, GSP, CVAT and MEC for additional information

SMART UL product features

- Premium payments:
 - Payable to age 100 with premium flexibility
 - 10-year minimum premium no-lapse guarantee⁴
- Minimum premiums requirements:

Premium Mode	Minimum Premium
Monthly PAC	\$25 (\$17 ages 0-15)
Quarterly	\$75 (\$51 ages 0-15)
Semi-Annual	\$150 (\$102 ages 0-15)
Annual	\$300 (\$204 ages 0-15)

- Interest Rates:
 - Current interest rate of 4.30%
 - Guaranteed minimum interest rate: 2.00%

4. The certificate will not lapse if, on each monthly anniversary during the 10-year period, the sum of the premiums paid is at least equal to the sum of the minimum premium on the issue date plus the minimum premium on each monthly anniversary from the issue date, including the current monthly anniversary, plus the total of all withdrawals as of the current monthly anniversary. Changes to the face amount, insurance class, rating class, rider benefit amount(s) or the addition or deletion of a rider will change the minimum premium. A loan may terminate this certificate notwithstanding the payment of premium described above.

SMART UL product features

- Expenses:
 - Surrender Charge:
 - Decreasing for 15 years
 - Death benefit increases will receive a new charge for 15-years on the increased portion
 - Premium expense charge:
 - 6% of premiums for first 20-years
 - 0% years 21+
 - Monthly Administration charge of \$12 per month
- Face amount deduction:
 - Charge in first 10 years based on face amount
 - Face amount increases will receive a charge for 10 years on the increased portion
- Cost of insurance (COI):
 - Charge for the cost of insurance based on the amount at risk
- Monthly rider deduction

SMART UL product features

- Certificate Loans:
 - Available if there is cash value within the certificate
 - Maximum Loan amount equals the account value **minus**:
 - Applicable surrender charges
 - 3 months deduction
 - Existing loan
 - The certificate is used as collateral
 - If death occurs with an outstanding loan, the Death benefit payable will be reduced by the loan amount, which includes any accrued interest
- Loan interest rate:
 - 4% in years 1-7
 - Preferred loans: 2% after the 7th certificate anniversary
 - Interest on the loan amount is charged daily
- Loan collateral:
 - Credited at 2%
- Certificate terminates if the loan amount and accrued loan interest exceeds the account value

SMART UL product features

- Certificate withdrawals:
 - Minimum withdrawal amount: \$500.00
 - Maximum withdrawal amount equals the account value **minus**:
 - Applicable surrender charges
 - 3 months deduction
 - Existing loan
 - Change fee
 - Available after the 1st certificate anniversary
- What you need to know about withdrawals:
 - Decreases the account value
 - May be subject to surrender charge
 - Decreases face amount on level death benefit
 - Remaining face amount must meet minimum face amount limit requirements
 - Withdrawals may be taxable when the cost basis is exceeded

SMART UL product features

- Certificate lapse:
 - Monthly anniversary in which the cash value is less than the monthly deductions
 - During the minimum premium payment period (10-year NLG) if the premium requirements are not met
- Grace period:
 - 61 days from the due date of the defaulted monthly deduction
- Reinstatements:
 - Within 3 years of the date of lapse subject to evidence of insurability and premium payments required to keep the certificate in force during the grace period plus enough premiums to keep the certificate from going into the grace period for 3 months after reinstatement

SMART UL product features

- A change fee of \$25 per transaction for:
 - Withdrawals
 - In-force illustrations in excess of 1 per year
 - Face amount decrease
 - Rider cancellations or decreases
 - Change in tobacco status

- Illustration:
 - Require for certificate issue
 - Require client signature on either:
 - Illustration certification form
 - Signed illustration matching the product as applied for

SMART UL Charity Benefit Provision

- Contractual provision is automatically included, for no additional monthly deductions
- When a claim is paid to the beneficiaries, Foresters will pay 1% of the face value to an eligible designated registered charitable organization:
 - Maximum payment under provision: \$100,000
 - Not reduced by any ABR claims
 - Benefit is paid in the name of the insured's life
- Beneficiaries:
 - Must be classified with the IRS as a charity under section 501(c)(3) of the Internal Revenue Code and eligible to receive charitable contributions as defined in section 170(c) of the Code
 - Multiple beneficiaries may be named and they can be changed at any time prior to the death of the insured
 - Must be named prior to the death of the insured

SMART UL offers e-App⁵

- Ability to improve efficiency and productivity by eliminating errors and increasing your chance of submitting an “In Good Order” application:
 - Built-in point-of-sale forms - so you can submit the application In Good Order (iGO) and don't have to return to your clients because of missing information
 - Allow replacements (except in NY)
 - Ease of signing with Touch to Sign for the Apple iPad. One signature completes all signature fields in the application package
 - Electronic submission and ability to track e-App the same way as tracking paper applications
 - For medically underwritten cases you have the ability to attach an illustration and have it e-Signed and sent to Foresters along with the e-App package
 - For non-medical applications, point-of-Sale eligibility decisions in under 10 minutes

5. e-App is available in all states through the iPipeline iGO e-App platform using Internet Explorer (desktop/laptop) or Safari (Apple iPad only) for Foresters non-medical and medical products (excluding Foresters PlanRight). Touch to Sign is available on Apple iPad only. POS decision will be unavailable Monday to Saturday from 2:00 a.m. to 6:00 a.m. and from Saturday 10:00 p.m. to Sunday 10:00 a.m. (EST). Some e-App features are not available in NY (refer to ezbiz for more details).

Customizing the coverage with riders⁶

- Value added riders (automatically included for no additional monthly deduction):
 - Accelerated Death Benefit Rider
 - Family Health Benefit Rider
 - Common Carrier Accidental Death Rider
- Optional riders (requires additional monthly deduction):
 - Waiver of Monthly Deductions Rider
 - Accidental Death Rider
 - Children’s Term Rider
 - Guaranteed Purchase Option Rider

6. Foresters products and their riders may not be available or approved in all states and are subject to underwriting approval, limitations, contract terms and conditions, and state variations. Refer to the Foresters SMART UL Plus Producer Guide and the insurance contract for your state for these terms and conditions. Products underwritten by The Independent Order of Foresters.

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Thank you

Any questions?

- Our Foresters Financial Sales Support team is only a call away, 866-466-7166, option 1.
- If you're looking for a deeper dive on a particular module please let us know at USLearning@foresters.com

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