

Business Quality User Guide

Foresters
Financial



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505213 US 12/23

Agenda

1. Importance of business quality
2. Available reports to manage business quality
3. How to access business quality reports
4. Producer best practices

Importance of business quality

- The quality of business for a producer has a direct impact on their future earnings potential
- It's important that producers:
 - Continuously monitor their business persistency and placement
 - Address areas of concern in their business quality and implement action plans to improve quality
 - Understand that if poor quality of business continues, their Foresters Financial™ contract may be in jeopardy

Available reports to manage business quality

- Foresters offers the following reports to help manage business quality:
 - Persistency Report
 - Placement Report
 - Pending & Recent Lapse Report
 - Advance Notice 2nd Year Renewal Report

- These reports will help better manage persistency and placement, take action to preserve commissions and strengthen business
 - Persistency and Placement Reports will display the Rate % or Placed % in 1 of 3 colors:
 - Green: Threshold is either on or above target and is acceptable
 - Orange: Threshold is a cause for concern and an action plan should be created
 - Red: Threshold is unacceptable, and an action plan should be created

Key persistency and placement thresholds

Green	3-month persistency rate is 91.4% or greater 6-month persistency rate is 88.8% or greater 9-month persistency rate is 84.5% or greater 13-month persistency rate is 79% or greater Placement rate is 70% or greater	On or above target (Acceptable)
Orange	3-month persistency rate is less than 91.4% 6-month persistency rate is less than 88.8% 9-month persistency rate is less than 84.5% 13-month persistency rate is less than 79% Placement rate is less than 70%	Cause for Concern
Red	3-month persistency rate is less than 81.0% 6-month persistency rate is less than 78.6% 9-month persistency rate is less than 74.9% 13-month persistency rate is less than 65.0% Placement rate is less than 65%	Unacceptable

Persistency Report

- This report provides insight into how long clients are choosing to retain their certificates with Foresters, which impacts a producer's persistency
 - Persistency measures the ratio of issued certificates that are still active, which means premiums are being paid, during 4 different intervals (months 3, 6, 9, and 13)
 - Monitoring the 3rd and 6th month persistency provides a producer an early cautionary measure of the quality of business being written

Foresters Persistency Report



Channel:

Apr 30, 2022

Date Generated: 31-May-2022 10:27:15 AM

3-MTH Persistency
Nov 21 - Jan 22

6-MTH Persistency
May 21 - Oct 21

9-MTH Persistency
Nov 20 - Jul 21

13-MTH Persistency
May 20 - Apr 21

Target rate: 91.4%

Target rate: 88.8%

Target rate: 84.5%

Target rate: 79.0%

1	2	3	4
Placed	Lapsed	Active	Rate

NAME	3-MTH Re-Inst Needed	6-MTH Re-Inst Needed	9-MTH Re-Inst Needed	13-MTH Re-Inst Needed	3-MTH Persistency				6-MTH Persistency				9-MTH Persistency				13-MTH Persistency			
					Placed	Lapsed	Active	Rate	Placed	Lapsed	Active	Rate	Placed	Lapsed	Active	Rate	Placed	Lapsed	Active	Rate
Valued Producer	0	1	8	6	4	0	4	100%	16	3	13	81%	39	14	25	64%	36	14	22	61%

Agent Name	Agent Number	Hire Date	Agent Status	3-MTH Persistency				6-MTH Persistency				9-MTH Persistency				13-MTH Persistency			
				Placed	Lapsed	Active	Rate	Placed	Lapsed	Active	Rate	Placed	Lapsed	Active	Rate	Placed	Lapsed	Active	Rate
Valued Producer	000000	18-Jun-2018	A	2	0	2	100%	14	2	12	86%	38	13	25	66%	36	14	22	61%
Valued Producer	000000	05-Apr-2019	A	2	0	2	100%	2	1	1	50%	1	1	0	0%	0	0	0	0%

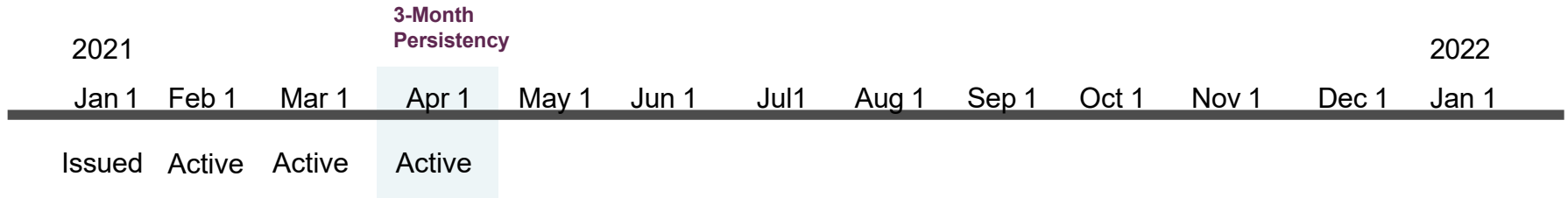
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1. Placed: The "placed" totals are the number of certificates where the initial premium was paid and not refunded that are currently in (1) some kind of active status, (2) lapsed, or (3) surrendered
2. Lapsed: The "lapsed" totals are the number of certificates that are in a lapsed or surrendered status that did not pay for the specified number of months
3. Active: The "active" totals are (1) the number of certificates that are currently in some kind of active status plus (2) number of certificates that are currently lapsed or surrendered that paid for the specified number of months
4. Rate: The "persistency rate" is calculated by dividing the "active" totals described above by the total number of active, lapsed, and surrendered certificates in the issue date block of business we are studying for any particular persistency measure

How persistency is measured

- Example of a lapsed certificate: The certificate is issued on Jan 1, 2021. For the purpose of persistency, the key milestone premiums are indicated and will show what happens if the certificate goes into lapse status



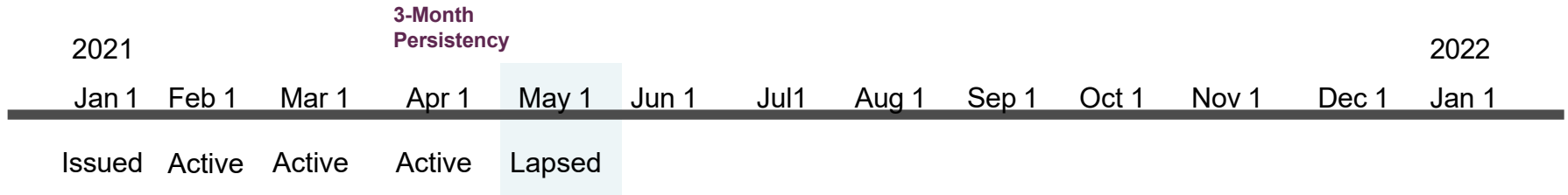
Key milestone:
paid 4th premium



This certificate counts as active for 3-month persistency

How persistency is measured

- Example of a lapsed certificate: The certificate is issued on Jan 1, 2021. For the purpose of persistency, the key milestone premiums are indicated and will show what happens if the certificate goes into lapse status



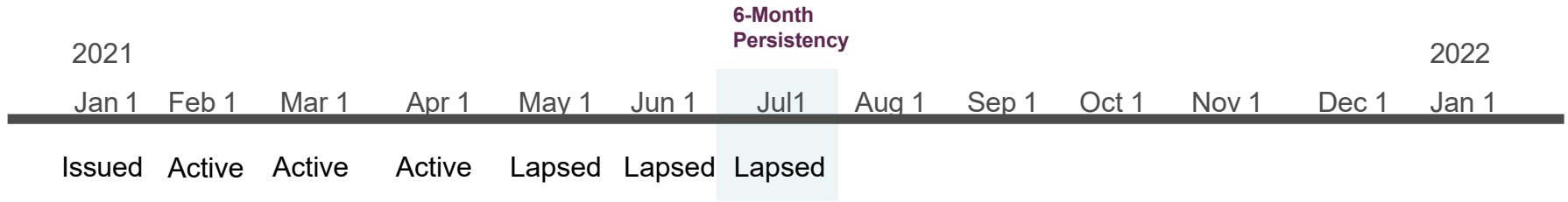
**Key milestone:
paid 4th premium**



This certificate continues to count as active for 3-month persistency because the 4th premium has been paid

How persistency is measured

- Example of a lapsed certificate: The certificate is issued on Jan 1, 2021. For the purpose of persistency, the key milestone premiums are indicated and will show what happens if the certificate goes into lapse status

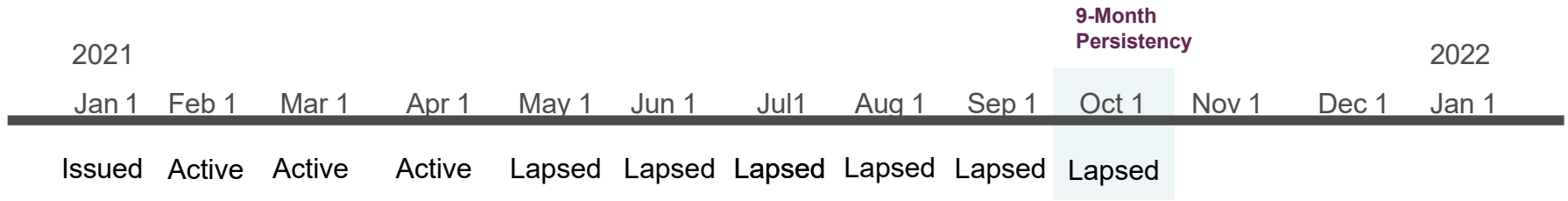


**Key milestone:
paid 7th premium**

This certificate is no longer in the 3-month persistency range. It's now considered lapsed because the 7th premium was not paid and does not count as active for purposes of measuring 6-month persistency

How persistency is measured

- Example of a lapsed certificate: The certificate is issued on Jan 1, 2021. For the purpose of persistency, the key milestone premiums are indicated and will show what happens if the certificate goes into lapse status



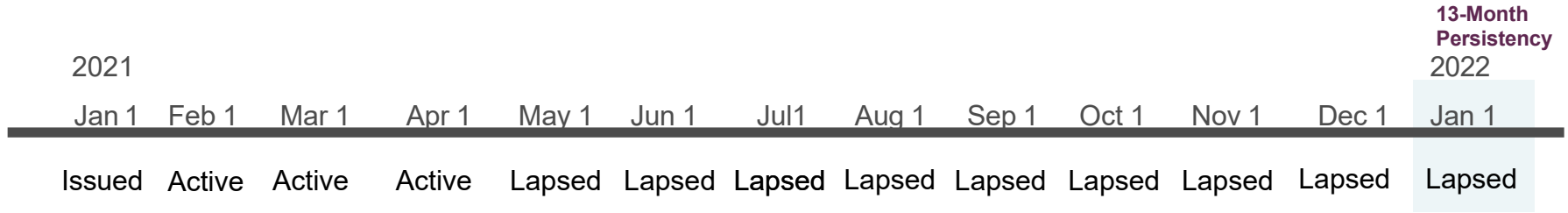
This certificate is no longer in the 6-month persistency range and is considered lapsed in the 9-month range because the 10th premium was not paid

**Key milestone:
paid 10th premium**



How persistency is measured

- Example of a lapsed certificate: The certificate is issued on Jan 1, 2021. For the purpose of persistency, the key milestone premiums are indicated and will show what happens if the certificate goes into lapse status



This certificate is no longer in the 9-month persistency range and is considered lapsed in the 13-month range because the 13th premium was not paid

Key milestone:
paid 13th premium



Placement Report

- This report provides a producer with the quality of their business from a placement perspective over a rolling 12-month period
 - It measures the percentage of cases that have been:
 - Issued and placed in-force,
 - Declined,
 - Not taken, or
 - Not proceeded with (NPW) prior to issue during this period of time (Cases that Foresters didn't receive outstanding requirements and case file closed)



Foresters Rolling 12 Month Placement Report

Channel:

Feb 29, 2020

Date Generated: 19-Mar-2020 10:01:00 AM

		1	2	3	4	5	6	7	8	9
		Placed	Declined	Not Taken	NPW	Total	Placed %	Declined %	Not Taken %	NPW %
Name										
Valued Producer		29	2	2	6	39	74%	5%	5%	15%
Agent Name	Agent Status	Placed	Declined	Not Taken	NPW	Total	Placed %	Declined %	Not Taken %	NPW %
Valued Producer	A	25	1	2	5	33	76%	3%	6%	15%
Valued Producer	A	4	1	0	1	6	67%	17%	0%	17%

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1. Placed: Number of certificates where the initial premium was processed and not refunded from the previous 12 months of submitted business
2. Declined: Number of certificates that were declined from the previous 12 months of submitted business
3. Not Taken: Number of certificates that were not taken after underwriting approval or fully refunded after the initial premium payment was processed from the previous 12 months of submitted business
4. NPW: Number of certificates that were cancelled before issue from the previous 12 months of submitted business
5. Total: Number of placed, declined, not taken and NPW certificates from the previous 12 months of submitted business
6. Placed %: Percentage of placed applications, calculated by dividing the number of placed certificates over the total number of certificates
7. Declined %: Percentage of declined applications, calculated by dividing the number of declined certificates over the total number of certificates
8. Not Taken %: Percentage of not taken applications, calculated by dividing the number of not taken certificates over the total number of certificates
9. NPW %: Percentage of applications that were not proceed with prior to issue, calculated by dividing the number of NPW certificates over the total number of certificates

Action plans for persistency & placement

- Persistency and Placement results appearing **green** are either on or above target, so no action is required at this point
- Persistency and Placement results appearing **orange** are a cause for concern:
 - Refer to the tools section within the Persistency & Placement page of ezbiz for education on the value of good persistency and placement
- Persistency and Placement results appearing **red** are unacceptable:
 - Producers need to improve their results and reach the orange level, at a minimum
 - Refer to the tools section within the Persistency & Placement page of ezbiz for education on the value of good persistency and placement
 - Failure to improve these results may jeopardize a producer's Foresters contract

Pending & Recent Lapse Report



- This report provides a producer with a listing of certificates that:
 - Are in pending lapse status, which provides producers the potential to save these certificates from lapsing by working with their client
 - Have already lapsed, but may be eligible for the Reinstate with Re-date program:
 - This program helps boost persistency. Foresters knows how hard producers work to get clients. Keeping them “on the books” can sometimes present a challenge. That’s why we’ve designed a special program to help increase persistency by reinstating term and whole life (including PlanRight and Advantage Plus II) clients who lapse within the first year

Foresters Pending and Recent Lapse Report										
Foresters			Feb 29, 2020				Channel:			
For: Valued Producer							Date Generated: 19-Mar-2020 10:55:13 AM			
Certificate Status	Certificate Number	Plan Type	Member Name	Phone Number	Issue Date	Paid to Date	Lapse Date	Payment Method	Payment Mode	Modal Premium
Agent Name:										
LAPSED	0000000	YT30	Valued Client		20-Nov-2019	20-Jan-2020	20-Feb-2020	PAC	Monthly	\$15.41000
PENDING LAPSE	0000000	YT30	Valued Client		26-Apr-2019	26-Dec-2019	09-Mar-2020	Regular Bill	Quarterly	\$24.78000

Opportunity to leverage the Lapse & Pending Report



- Pending Lapse Certificates:
 - These certificates can be brought up to date by submitting all premiums in arrears, prior to the approximate lapse date. Some products may allow adjustments to the certificate, like face decreases, to help a client with affordability

 - Lapsed certificates within the first 12 months of the issue date:
 - These certificates may be eligible for the Reinstatement with Re-date program. The completed reinstatement paperwork must be received within 12 months of the paid to date
- What does this mean:
 - A certificate can be reinstated without the Certificate Owner paying any premiums in arrears
 - For the Certificate Owner, it means the contestability period, and any other eligibility periods, begin again¹
 - For producers, it means Foresters will chargeback all previous commissions paid and then pay full first year commissions based on the new issue date and new premium amount, if different
 - Refer to the tools section within the Persistency & Placement page of ezbiz for more details on the Reinstatement with Re-date program

1. State variations do apply

Advance Notice 2nd Year Renewal Report



- This report provides a producer with advance notice of active paid certificates that are approaching an inforce period of 13 months

Foresters Advance Notice 2nd Year Renewal Report									
Active paid 10, 11 & 12 Months									
Channel:									
Feb 29, 2020									
Date Generated: 19-Mar-2020 11:49:58 AM									
For: Valued Producer									
Certificate Number	Months Paid	Plan Type	Member Name	Phone Number	Issue Date	Paid to Date	Payment Method	Payment Mode	Modal Premium
Agent Name:									
0000000	10	USGV18	Valued Client		16-May-2019	16-Mar-2020	PAC	Monthly	\$22.86000
0000000	12	USGV18	Valued Client		05-Apr-2019	05-Apr-2020	PAC	Monthly	\$56.41000

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Opportunity to leverage the Advance Notice 2nd Year Renewal Report



- Provides producers with an opportunity to proactively contact their clients to:
 - Discuss life events that occurred over this period that may impact their insurance needs
 - Remind them of the many opportunities to leverage their coverage today utilizing their member benefits
 - Reinforce why they should continue keeping their certificate active

How to access business quality reports

- To access the business quality reports, upon login to ezbiz, open the *My Biz* drawer found at the far right-hand side of the top navigation toolbar
- Under Reports, select the desired report by clicking on the report name to launch:

The screenshot shows the top navigation bar of the Foresters Financial ezbiz website. The navigation bar is dark purple with the Foresters Financial logo on the left and the ezbiz logo in the center. On the right side of the navigation bar, there are links for 'Sales Support: 1 (866) 466-7166', 'New Agents', and a search icon. Below the navigation bar, a dropdown menu is open, showing three main categories: 'New Business', 'Current Business', and 'Reports'. The 'Reports' category is highlighted with a red box, and it contains a sub-section titled 'BUSINESS QUALITY' with four report options: 'Persistency Report', 'Placement Report', 'Pending and Recent Lapse Report', and 'Advance Notice: 2nd Year Renewal Report'. The 'My Biz' link in the navigation bar is circled in red.

Foresters Financial | ezbiz

Sales Support: 1 (866) 466-7166 New Agents

My Products Foresters Difference Knowledge Zone My Biz

New Business

- SUBMIT AN APPLICATION
- e-App
- ILLUSTRATE A CASE
- Foresight 6.0 for Advantage Plus II, SMART UL and Term
- PlanRight Final Expense
- Mobile Quotes
- Foresight 4.0
- GET MATERIALS
- Forms, Apps, & Brochures

Current Business

- PMACS PORTAL
- Contract, Compensation, & Debt
- CASE MANAGEMENT
- Certificate Details
- Submitted Cases
- Pending Issue
- Decisioned Business
- Outstanding Delivery
- Cases Issued
- Issued Paid

Reports

BUSINESS QUALITY

- Persistency Report
- Placement Report
- Pending and Recent Lapse Report
- Advance Notice: 2nd Year Renewal Report

Producer best practices

- Leverage the recommended action plans within this training
- Leverage the client approved product brochures:
 - These brochures will help prospective clients understand the comprehensive value Foresters offer their members, which can be very compelling for client retention
- Promote the Foresters difference:
 - Highlight the value and benefits that are offered as a member of Foresters
- Conducting budget reviews at the time of sale:
 - Budget reviews help understand what a prospective client can afford in accordance with their needs, which may help keep certificates active
- Set-up an annual review:
 - One of the best ways to ensure client retention is to conduct annual client reviews. This helps make sure a client's coverage is adequate to meet their insurance needs and generates referral opportunities

Disclaimer

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Thank you

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