

Sales illustration best practices

For some life insurance products, customers are required to receive an illustration conforming to the product being sold. To help clients understand what they're purchasing, the best practice is to utilize a sales illustration when selling Foresters SMART UL¹ or Advantage Plus II Whole Life¹.

Why utilize a sales illustration generated from Foresters Financial™ Foresight or WinFlex?

- Factors in certificate key details; including the client's age, gender, underwriting class and coverages selected
- Provides a useful sales tool in promoting and explaining a complex product in a compelling way to highlight what clients may expect from their life insurance coverage
- Provides projections of current and assumed future performances within a life insurance certificate based on the desired design objectives; ability to illustrate the impact of future changes towards these objectives
- Provides more powerful solve options and flexibility versus utilizing Foresters Mobile Quote app

As a producer, what do you need to know?

- The sales illustration is not a binding contract and doesn't guarantee what the certificate will be worth in a specific year, except where values are guaranteed
 - Illustration assumes premium and payments are paid at issue and each subsequent due date, as applicable
- Use of Foresters Mobile Quote app alone is not considered an illustration
 - In these situations,, an illustration certificate form or a conforming illustration will be required along with the application
- When designing the sales illustration, the following should be considered:
 - Be suitable to the intended target market based on the desired objectives
 - Distinguish clearly the conditions of the premiums and death benefits that are payable
 - Non-guaranteed projections should never be positioned as offering guarantees
- If Advantage Plus II is illustrated:
 - If the Reduced Paid-Up (RPU) option is illustrated happening in a specific year, it does not automatically happen. The client needs to contact Foresters to request RPU be applied
 - Term Rider is a renewable Rider. The client is given the option to continue renewing this Rider, as long as it is renewable based on their attained age. If the Term Rider was illustrated to end prior to maturity or it is not renewed, the client needs to contact Foresters to drop the Term Rider from the coverage
 - Flexible Paid-up Additions Rider and Single Paid-up Additions Rider are Non-Contractual Riders. These are funding based riders. If a sales illustration is projecting a certain amount going into these Riders, but the client changes the payment amount at the time of issue or during the life of the certificate, the actual cash values will differ from the sales illustration
- If a Single Payment has been illustrated for the Flexible Paid up Additions Rider, then this payment should be received within 60 days from the initial premiums paid. It will maintain the MEC limit as quoted. Single payments will still be allowed in Flexible Paid-up Additions Rider, after 60 days but the MEC limit may not be the same as quoted
- If a Single Paid-Up Additions Rider has been quoted on a fully medical product the client has 60 days from the initial premiums paid, to make this payment. After the expiry date, this rider cannot be funded
- If SMART UL is illustrated:
 - If future changes are illustrated, these changes are not automatically applied. The client needs to contact Foresters at the appropriate time to request these changes be applied to their certificate
- Never alter, modify, mark on, or remove pages from the sales illustration. If any of these events occur, the illustration is incomplete and would be considered out of compliance and may lead to other consequences with your appointment with Foresters
- At time of application:
 - If a sales illustration is utilized to solicit the sale, Foresters must receive a signed copy of the conforming sales illustration and a copy needs to remain with the client. By submitting the illustration, it's one factor that helps improve your iGo (in good order) processing times
 - If a conforming sales illustration is not utilized or signed, the Illustration Certificate form must be completed
- At the time of application approval:
 - If the certificate is issued as applied for and a signed conforming illustration was received, nothing will be required
 - If the certificate is issued other than applied for (amended) a new conforming illustration must be delivered with the certificate and the new signed illustration returned to Foresters as part of the delivery process
- What is a conforming illustration?
 - An illustration used in a sale of a life insurance product must match what is being applied for to satisfy the applicable requirements based on the NAIC or state-specific life insurance model regulations. The illustration will include correct insured's name, gender, age, state, underwriting classifications, initial death benefit, rider coverage information, dividend option election (whole life only) or tax compliance test (GPT/ CVAT) and death benefit option (universal life- only)
- Though it's not required, consider keeping a copy of the signed illustration in your client records

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