

Advantage Plus II

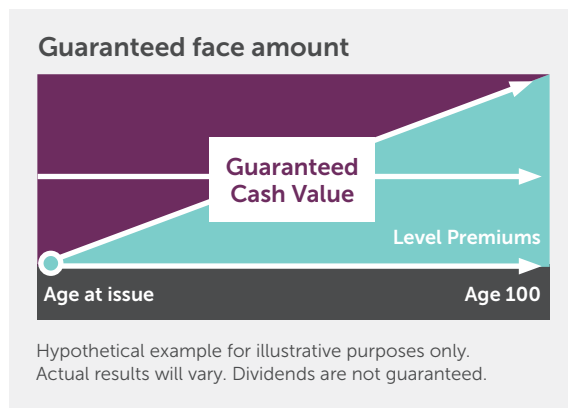
Whole Life Insurance

UNDERSTANDING WHOLE LIFE:
**Your life insurance
foundation and
the financial value
it delivers**

Foresters 
Financial

Families work hard to build financial stability with assets such as their home, saving accounts, investments and retirement portfolios. However, they often discount the importance of securing proper life insurance protection. Part of the reason for this is that we don't know when death will actually occur, so acquiring protections may not seem urgent. Regardless, timely end of life planning is still very important.

Whole life insurance can help families by providing level premiums, cash value growth, and a death benefit amount which can help provide financial security after the insured's death.



Life insurance features can also help families while the insured is still alive. For example, having access to a certificate's cash value may be useful if a financial emergency arises.

Consider whole life insurance as part of your overall financial strategy:

- Investments
- Real estate
- Retirement accounts
- Business interests
- Whole life insurance

Foresters Financial™ commitment to our members is not only to help protect their family in the event of the insured's death. Our products may also help meet financial obligations during the insured's lifetime. Plus our members may be eligible for valuable member benefits¹ their family can use today.

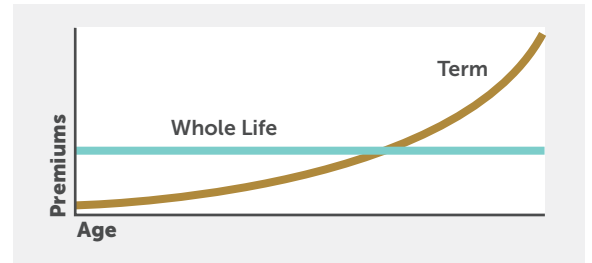
Whole life insurance may be the right solution if someone is:

- Interested in premium payments that are level.
- Interested in long-term protection.
- Looking for asset diversification and having guaranteed cash value growth.
- Looking for potential dividends², which may be used to increase the death benefit by purchasing paid-up additions and provide for additional growth in cash value.
- Looking for a versatile financial tool that allows for ongoing cash growth on a generally tax-favoured basis³ and the possibility to take out certificate loans.

Understanding premiums

The level premiums that whole life insurance can provide can be noticeably higher than term insurance when you first look at them. However, this premium can deliver important additional value to the insured.

If an insured lives long enough, the cost of term insurance can become prohibitive, or they may not even be able to purchase coverage due to future insurability requirements. The beauty of whole life is that it can spread the cost of insurance over the insured's lifetime, which allows for a guaranteed level premium. If the insured expects to live a long life and requires insurance protection for their lifetime, whole life may be a better option than term insurance.



There are two premium options available with Foresters Advantage Plus II Whole Life⁴: 20-pay option, or level pay to age 100. Additionally, clients may exercise the Reduced Paid Up Insurance Privilege so that no future premiums are required. They can also elect to take loans or surrender paid-up additions (if available) to cover future premiums, providing for even more flexibility.

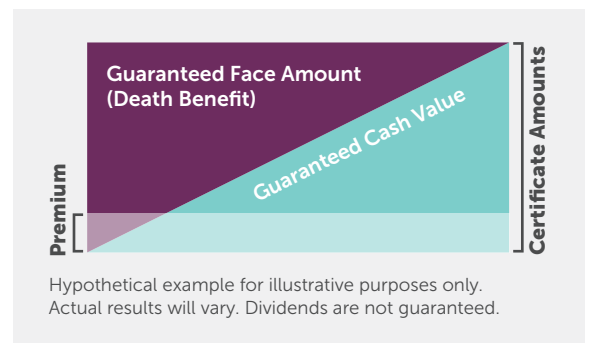
Understanding cash value growth

When premiums are paid, a portion goes to the cash value portion of the certificate. With whole life insurance, cash values are usually guaranteed. The insurance company typically has a calculation to determine this, using specific mortality tables and a nonforfeiture interest rate. Calculations generally take into account factors including the gender, age and smoking status of the insured. Guaranteed cash values are usually lower in the early years, but build over time. The guaranteed cash growth may also serve as an effective tool for other reasons, such as supplementing a family's overall savings strategy.

The certificate owner may access the cash value by taking a loan⁵ or surrendering any paid-up additions, which can be used for such situations as emergency expenses, children's college education, or supplemental retirement income. It is important to note that loans do not

affect the amount of declared dividends used under any dividend option currently available.

The guaranteed cash value that Advantage Plus II builds over the years is an important feature of the certificate. However, it is important to stress that the product is typically not an ideal solution for families looking to accumulate cash value to meet short-term obligations.



Understanding dividends

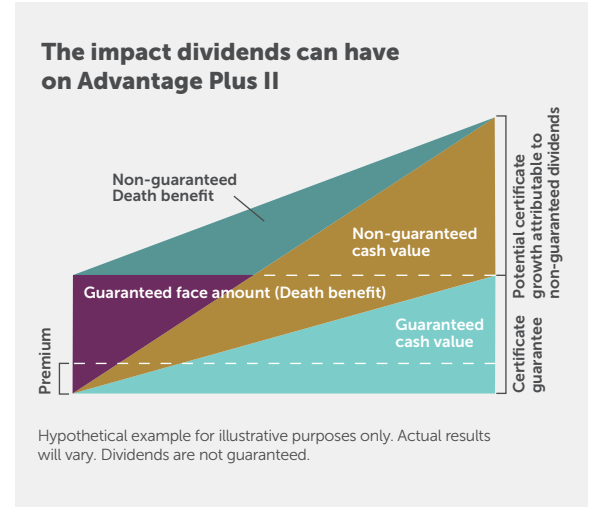
Advantage Plus II is a participating whole life certificate, which means it is eligible to receive annual dividends. When dividends are declared, they can enhance the certificate depending on the dividend option selected. This is a way for certificate owners to share in part of Foresters favorable results.

With Advantage Plus II, the following options can be leveraged to help meet changing needs:

- If more coverage is needed, dividends can be applied towards paid-up additions.
- If additional coverage is not necessary, dividends can be left on deposit within the certificate and may earn interest.
- If reducing future premiums becomes important, dividends can be applied towards premiums.
- If income is desired, dividends may be paid directly to the certificate owner.

Many Foresters certificate owners use their declared dividends to purchase paid-up additional whole life coverage. Paid-up

additions come with the added benefit of not requiring further medical underwriting. Each paid-up addition provides for guaranteed cash value, which grows each year and is eligible for future declared dividends. These additions may be fully or partially surrendered for their cash value at any time if distributions are required from the certificate.



The Plus

Advantage Plus II offers additional features to provide more value to our members.

The Charity Benefit provision allows the certificate owner an opportunity to donate to their favourite registered charity. This contractual provision is automatically included for no additional premium and does not impact the insured's death benefit amount. When a claim is paid to the beneficiaries, Foresters will pay⁶ an additional one percent of the basic insurance amount, up to a \$100,000 maximum, to a registered charitable organization as designated by the owner. The payment is made as a donation in the name of the insured.

Additionally, Foresters automatically includes up to three riders with the certificate owner's base coverage:

- * Accelerated Death Benefit Rider⁷: May allow the owner to accelerate a portion of the death benefit and receive a payment if the insured is diagnosed with a covered illness, which may include critical, chronic, and terminal illnesses.
- * Common Carrier Accidental Death Rider: May provide an additional benefit if death is due to an accident or accidental injury that happens while riding as a fare-paying passenger on a common carrier such as a plane, bus, or train.
- * Family Health Benefit Rider: May provide a payment to help cover some family health expenses (such as an ambulance ride) that occur as a result of certain natural disasters, which include hurricanes, tornados, and earthquakes.

Customizable coverage to add additional security

Adding a rider⁸ can provide living benefits and enhance your base coverage.

Term Insurance Rider: Provides the opportunity to extend the base protection with a 10-year or 20-year term rider. This rider also provides the opportunity to convert to a permanent Foresters plan without requiring any new or additional underwriting.

Flexible and Single Payment Paid-up Additions Riders: Provides the owner of the certificate the opportunity to purchase paid-up additional whole life insurance on the life of the insured. If selected at issue, this increases the insured's protection amount and helps with cash value growth over time without having to show evidence of insurability.

Waiver of Premium Rider: Waives the total required premium due on the certificate if the insured is deemed to be totally disabled from their occupation for 24 months and totally disabled from any occupation after that for a continuous period of 6 months.

Guaranteed Insurability Rider: Provides the right to purchase additional whole life protection on the insured on specified dates without evidence of insurability.

Accidental Death Rider: Provides an additional amount of protection on the insured should they die within 180 days of having an accident.

Children's Term Rider: Provides term insurance protection in amounts between \$10,000 and \$25,000 on each of the insured's children, step-children, legally adopted children, or children who are under the legal guardianship of the insured who are at least 15 days old and under the age of 18.



Leveraging the tax advantages⁴ life insurance provides

Advantage Plus II has tax-favorable attributes, including:

Income tax-free death benefit: The whole life insurance death benefit is generally received income tax-free by the beneficiary.

Tax-deferred cash value growth: The whole life insurance cash value, any paid-up additions cash value, and cash value earned from the paid-up additions rider grow on a tax-deferred basis.

Tax-favorable distributions: An owner of a whole life certificate will generally not pay taxes on dividends or any partial surrenders of the cash value until they exceed the total premiums paid into the certificate. If dividends are used for dividends on deposit with interest, the interest earned from any dividends on deposit will receive a 1099INT. Additionally, taking loans from the certificate will generally not be taxable income, as long as the loan is repaid with outside premiums while the certificate is in-force, or it is repaid from the death benefit at death. However, if the certificate were to lapse, the growth in the certificate will be taxable at that point.

A Package Deal: Covering both short-term and long-term needs

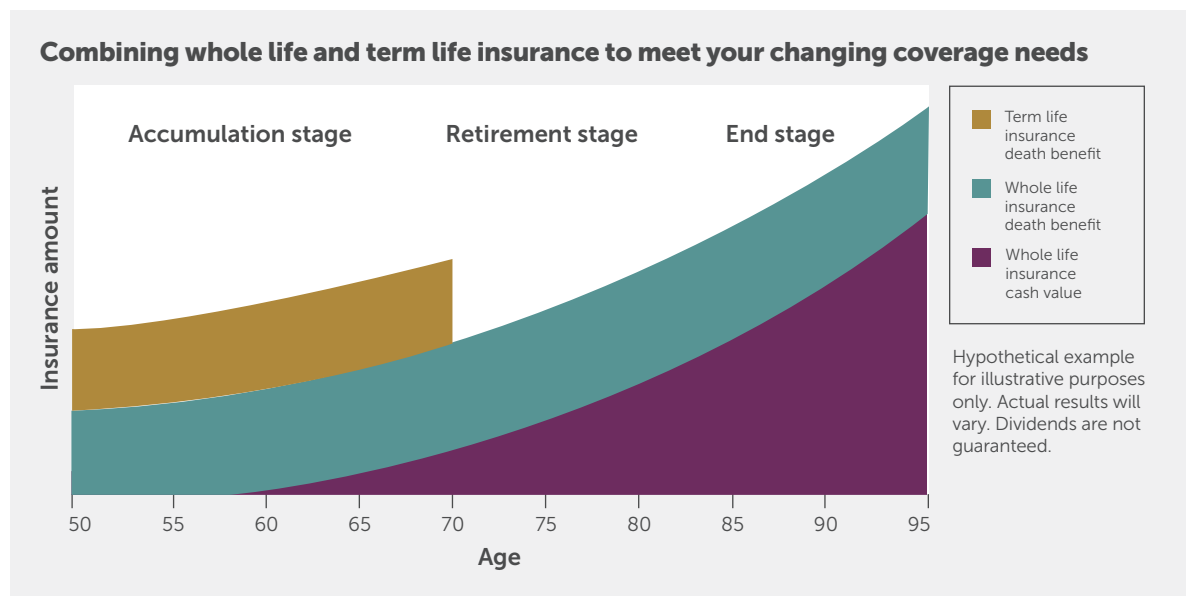
Having the right protection is extremely important because one cannot predict when death will occur. To protect against premature death, many families purchase term insurance as an affordable solution. However, this type of protection is designed to provide coverage for a limited period of time. The risk with choosing this option is that when coverage is needed most, it may be expired, cost-prohibitive, or unattainable due to health issues.

As a result, life insurance advisors often layer different types of coverages to protect both a family's short-term and long-term needs. When determining the amount of short-term and long-term insurance that may be needed, it is important to consider your immediate needs but remember the value that permanent insurance can provide towards meeting long-term needs.

Advantage Plus II can provide families a solid life insurance foundation to meet long-term needs. This foundation can provide a level premium, cash value and death benefit amount. Additionally, it provides an opportunity to have the death benefit grow as dividends are declared by purchasing paid-up insurance. By adding an optional term rider, families have flexibility towards tailoring the amount of coverage needed to meet their short-term needs while allowing the base coverage to be their foundation towards long-term protection.

The following is an example of how combining Advantage Plus II and a term rider could help meet a family's protection needs through their financial cycle:

- **Accumulation stage:** This is the period when the most protection typically is required to meet obligations. Having the combination in place can offer an affordable solution to meet the family's protection needs. As years pass, the insured has an opportunity to convert the term coverage to permanent (during the conversion period) if they feel their needs are longer-term in nature.
- **Retirement stage:** At this point in life, the need for insurance protection is typically lower and the term rider may have expired, or a decision could be made to terminate the rider. The remaining base whole life certificate death benefit amount can protect long-term insurance needs and the cash value could potentially be used to help in retirement.
- **End stage:** At this point, besides having enough coverage for final expense needs, the death benefit amount can help ensure a legacy is left to the next generation.



Advantage Plus II as a retirement asset

During retirement, couples typically rely on their Social Security, 401k plans, work pension plans, and other saving vehicles to live a comfortable lifestyle. However, they often overlook the impact a sudden death of one of the spouses may have on the survivor's overall retirement income stream.

To ease some of these uncertainties and to potentially provide an additional income stream, couples can consider whole life insurance. Here are some ways Advantage Plus II Whole Life may provide assistance during retirement:

- **Replacing lost income:** The generally tax-free death benefit amount may be used to replace lost retirement income from the death of a spouse.
- **Final expense costs:** The generally tax-free death benefit amount may also be used to

cover the cost of final expenses that may arise as a result of the spouse's death.

- **Vehicle for supplemental retirement income:** The guaranteed cash value growth, tax-deferred growth and distributions may make the whole life certificate an effective vehicle for accumulating assets to be used for supplemental retirement income. Advantage Plus II can be used to supplement retirement income in a few different ways: having any declared dividends paid in cash, taking partial surrenders of any paid-up additions, or taking certificate loans.

Advantage Plus II as a possible wealth transfer vehicle

Families work hard over their lifetime to build financial wealth and sometimes are in a position to leave a legacy. For these individuals, it is important to take time to create a sound strategy to transfer their wealth. The strategy should ensure that assets pass to heirs according to the individual's wishes. It should also aim to limit reductions in the value of the assets due to taxes or expenses incurred at death, and limit the delays due to assets that may be tied up in probate.

When creating a legacy strategy, it is important to understand how different assets will impact the transfer objectives being set within the plan. For example, certain assets like 401K retirement accounts, which grow tax-deferred, pass to heirs with income tax liabilities, reducing the value of these assets.

When considering wealth transfer at death, the death benefit amount provided by life insurance can be an effective transfer vehicle because the benefit is generally tax-free and paid directly to the beneficiary. In addition to a possible tax-free³ benefit to the heirs, the life insurance proceeds can help:

- Provide amounts that may be loaned or used to purchase assets from the estate to cover estate taxes.
- Avoid probate and associated costs.
- Provide the ability to easily divide values between heirs named as beneficiaries.
- Avoid inclusion in the insured's estate at death, if structured correctly.
- Provide a death benefit amount that is not impacted by fluctuating market conditions.



Interested in learning more?

For more information about Foresters and Advantage Plus II, please contact your producer or visit foresters.com.

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Foresters Advantage Plus II and its 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 Advantage Plus II Whole Life Insurance contract for your state for these terms and conditions. Foresters Advantage Plus II and its riders are filed under the following form numbers listed below, where "XX" represents either "US" or your state's postal abbreviation, as applicable. Foresters Advantage Plus II: ICC19-WL-US01 or WL-XX01-2019 or in NY, Whole Life: WL-NY01-2019

Term Rider: ICC19-WL-TR-US01 or WL-TR-XX01-2019

Accelerated Death Benefit Rider (for Chronic, Critical and Terminal Illness): ICC19-TRAD-ABRCHCRTI-US01 or TRAD-ABRCHCRTI-XX01-2019

Accelerated Death Benefit Rider (for Critical and Terminal Illness): ICC19-TRAD-ABRCRTI-US01 or TRAD-ABRCRTI-XX01-2019

Accelerated Death Benefit Rider (for Terminal Illness): ICC19-TRAD-ABRTI-US01 or TRAD-ABRTI-XX01-2019

Accidental Death Rider: ICC19-WL-ADR-US01 or WL-ADR-XX01-2019 Children's Term Rider: ICC19-WL-CTR-US01 or WL-CTR-XX01-2019

Common Carrier Accidental Death Rider: ICC19-WL-CCADR-US01 or WL-CCADR-XX01-2019

Family Health Benefit Rider: WL-FHB-XX01-2019

Flexible Paid-Up Additions Rider: ICC19-WL-FPUAR-US01 or WL-FPUAR-XX01-2019

Guaranteed Insurability Rider: ICC19-WL-GIR-US01 or WL-GIR-XX01-2019

Single Paid-Up Additions Rider: ICC19-WL-SPUAR-US01 or WL-SPUAR-XX01-2019

Waiver of Premium Rider: ICC19-WL-WPR-US01 or WL-WPR-XX01-2019

¹ Member benefits are non-contractual, subject to benefit specific eligibility requirements, definitions and limitations and may be changed or canceled without notice.

² Dividends are not guaranteed and vary by factors including gender, band, smoker, preferred/standard, and premium pay period.

³ Foresters, their employees and life insurance representatives, do not provide, on Foresters behalf, legal or tax advice. The information given here is merely a summary of our understanding of current laws and regulations. For questions around any tax or legal matter, individuals should consult their tax or legal advisors.

⁴ Foresters products and riders may not be available or approved in all states and are subject to eligibility requirements, underwriting approval, limitations, contract terms and conditions and state variations. Underwritten by The Independent Order of Foresters.

⁵ Loans can be taken if the certificate is in effect and has a positive cash surrender value. Loans will reduce the death benefit and cash values and may affect how long the certificate is in force. Interest is charged daily at the contractual loan rates. Death benefit payable is net of the outstanding certificate loan amount(s) (including 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.

⁶ The designated charitable organization must be an accredited 501(c) (3) organization under the Internal Revenue Code and eligible to receive charitable contributions as defined in section 170(c) of that code.

⁷ 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).

⁸ Each rider mentioned requires additional premium unless otherwise noted.

Not for use in CA.

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