

PLANRight

Quick Underwriting

Quick Issue

Quick Pay

Topics

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What is PlanRight?

A series of whole life insurance products designed to help cover final expenses

Examples of Final Expenses

- ✓ Burial and funeral expenses
- ✓ Probate fees
- ✓ Outstanding debt
- ✓ Unpaid medical bills

PlanRight Series

Three types:

- ✓ **Level**: Death benefit is 100% of the face amount
- ✓ **Graded**: Death benefit is based on a percentage of the face amount in the first two years, then 100% of the face amount
- ✓ **Modified**: Death benefit is based on a return of premium plus 10% interest* in the first two years, then 100% of the face amount

Any outstanding loans will be deducted from the death benefit.

** Interest is compounded and accrued on a daily basis.*

PlanRight Series - Level

Death Benefit _{Year 1+} = 100% of the Face Amount

PlanRight Series - Graded

Death Benefit _{Year 1} = 30% of the Face Amount

Death Benefit _{Year 2} = 70% of the Face Amount

Death Benefit _{Year 3+} = 100% of the Face Amount

During the first two years, the death benefit is 100% of the face amount in the event of accidental death.

PlanRight Series - Modified

Death Benefit Year 1 = ROP + 10% interest

Death Benefit Year 2 = ROP + 10% interest

Death Benefit Year 3+ = 100% of the Face Amount

Interest is compounded and is accrued on a daily basis.

During the first two years, the death benefit is 100% of the face amount in the event of accidental death.

Death Benefit Examples

With Face Amount of \$15,000

Level	1. If cause of death is non-accidental		2. If cause of death is accidental and CCADR does not apply (with ADR at an additional cost)
	Yr 1+	\$15K	\$15K + \$15K (ADR) = \$30K
	3. If cause of death is accidental and CCADR applies (without ADR)		4. If cause of death is accidental and CCADR applies (with ADR at an additional cost)
	Yr 1+	\$15K + 2 X \$15K (CCADR) = \$45K	\$15K + \$15K (ADR) + 2 X \$15K (CCADR) = \$60K

Common Carrier Accidental Death Rider (CCADR) is subject to a maximum of \$300,000 from all carriers

Death Benefit Examples

With Face Amount of \$15,000

Graded	1. If cause of death is non-accidental		2. If cause of death is accidental and CCADR does not apply	
	Yr 1	$\$15K \times 30\% = \$4.5K$		\$15K*
	Yr 2	$\$15K \times 70\% = \$10.5K$		\$15K*
	Yr 3+	\$15K		\$15K
3. If cause of death is accidental and CCADR applies				
Yr 1	$\$15K^* + 2 \times \$15K \text{ (CCADR)} = \$45K$			
Yr 2	$\$15K^* + 2 \times \$15K \text{ (CCADR)} = \$45K$			
Yr 3+	$\$15K + 2 \times \$15K \text{ (CCADR)} = \$45K$			

*The death benefit is 100% of the face amount in years 1 and 2 in the event of accidental death

CCADR is subject to a maximum of \$300,000 from all carriers

Death Benefit Examples

With Face Amount of \$15,000

Modified (with annual premium of \$700)	1. If cause of death is non-accidental		2. If cause of death is accidental and CCADR does not apply	
	Yr 1	$1.10^1 \times \$700 = \770	\$15K*	
	Yr 2	$1.10 \times (\$770 + 700) = \$1,617$	\$15K*	
	Yr 3+	\$15K	\$15K	
	3. If cause of death is accidental and CCADR applies			
	Yr 1	$\$15K^* + 2 \times \$15K \text{ (CCADR)} = \$45K$		
	Yr 2	$\$15K^* + 2 \times \$15K \text{ (CCADR)} = \$45K$		
Yr 3+	$\$15K + 2 \times \$15K \text{ (CCADR)} = \$45K$			
*The death benefit is 100% of the face amount in years 1 and 2 in the event of accidental death				

Assume that death occurs at the end of the year.

¹ Interest is compounded and is accrued on a daily basis.

CCADR is subject to a maximum of \$300,000 from all carriers

Why Sell PlanRight?

- ✔ Simple application process
- ✔ Quick underwriting process – certificate may be issued in 2 days when application is fully and accurately completed
- ✔ No medical exams
- ✔ Common Carrier Accidental Death Benefit (until age 121) at no additional cost

Why Sell PlanRight?

- ✔ Death Benefit top-up in years 1 and 2 if accidental death (Modified and Graded)
- ✔ Guaranteed level premiums
- ✔ Competitive rates
- ✔ Non-tobacco class defined as no tobacco for last 12 months

"Top-up" means that the Death Benefit is equal to 100% of the face Amount in years 1 and 2.

Target Market

- ✓ Clients who have previously been declined for coverage with another carrier may be considered
- ✓ Hard to place clients
- ✓ Clients who don't want to go through the hassles of full underwriting
- ✓ Clients looking for small face amounts
- ✓ Older age clients looking for simplified underwriting

Product Details

Issue Ages

Level	Graded	Modified
50-85	50-85	50-80

Based on Age Last Birthday

Product Details

Face Amount limits

	Level	Graded	Modified
Minimum	\$2,000		
Maximum	Ages 50-80 \$35,000	Ages 50-80 \$20,000	Ages 50-80 \$15,000
	Ages 81-85 \$15,000	Ages 81-85 \$10,000	Ages 81-85 N/A







**Member benefits are only available to members insured under a certificate with a face amount of \$10,000 or more and are subject to eligibility requirements and limitations.*

Product Details

	Level	Graded	Modified
Certificate fee	\$36 annually (commissionable)		
Modal factors	Monthly – 0.0875 Quarterly – 0.26 Semi-Annual – 0.51		
Underwriting	Non-Tobacco Tobacco Through Table 6 (250%)	Non-Tobacco Tobacco Through Table 12 (400%)	Non-Tobacco Tobacco Through Table 20 (600%)
	Ratings do not apply on any PlanRight plans		

Product Details

Riders & Benefits

	Level	Graded	Modified
Accidental Death Rider			
Accidental Death Provision (At no additional cost)			
Common Carrier Accidental Death Rider (At no additional cost)			

Product Details

Riders & Benefits

Definition	
Accidental Death Rider (Level only)	Provides an additional death benefit in the event of accidental death, caused by an accidental bodily injury, and death occurs within 365 days of that injury.
Accidental Death Provision (Graded & Modified only)	The death benefit will be 100% of the face amount in the first two years in the event of accidental death, caused by an accidental bodily injury, and death occurs within 90 days of that injury.
Common Carrier Accidental Death Rider	Provides an additional death benefit of up to two times the face amount if the insured dies within 90 days of, and due to, an accidental bodily injury that occurred while on a common carrier as a fare-paying passenger. ¹⁹

Product Details

Riders & Benefits

Important note	
Accidental Death Rider (Level only)	No expiry date: Rider can continue until the insured's age 121, which means that the benefits stay with the insured throughout the life of the certificate
Common Carrier Accidental Death Rider	

PlanRight Premiums

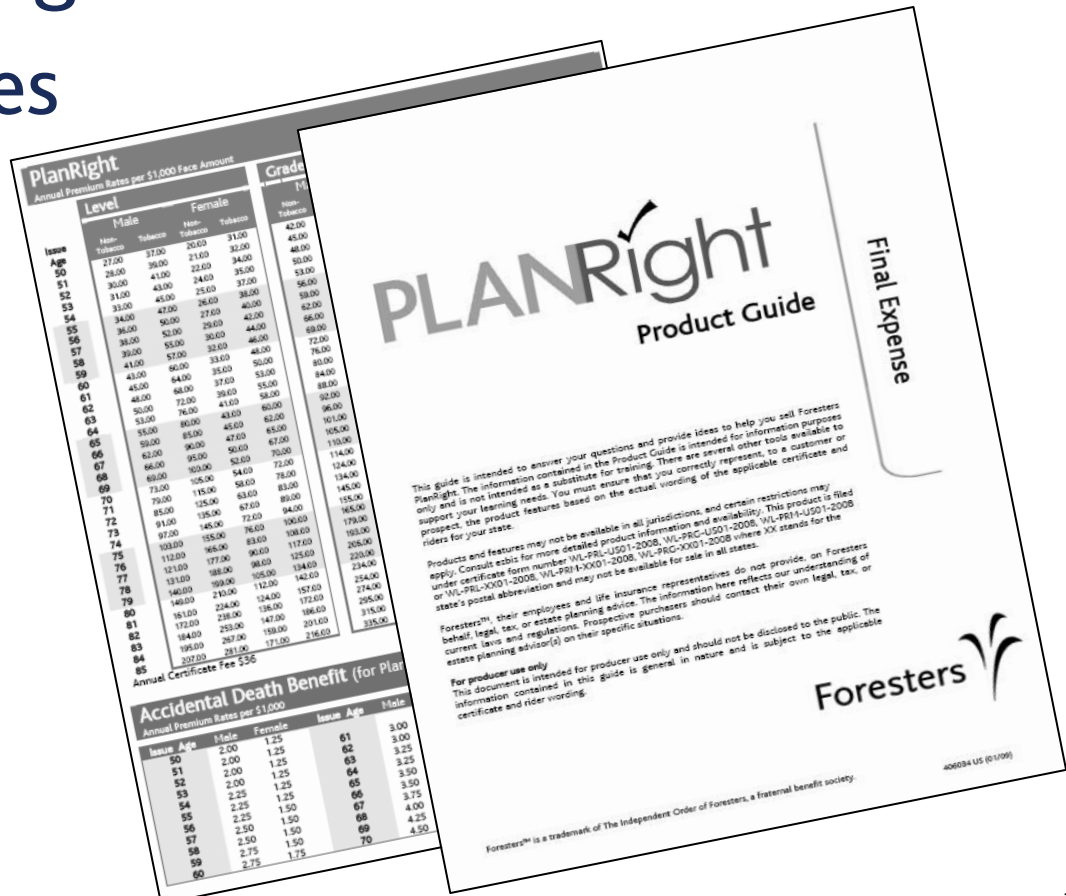
Formula:

1 Foresters PlanRight base premium calculation	
a) Find the rate per thousand in the premium rate table	\$
b) Multiply by the face amount per thousand	(x)
c) Add the annual certificate fee.	(+) 36.00
d) Multiply by the modal factor	(x)
Base modal premium amount ¹ = \$'	
2 Accidental Death Rider (ADR) premium calculation - Available on PlanRight Level Only	
a) Find the rate per thousand in the premium rate table	\$
b) Multiply by the benefit amount per thousand	(x)
c) Multiply by the modal factor	(x)
Rider modal premium amount ² = \$'	
3 Total modal premium	
a) Base modal premium amount ¹	
b) Add the ADR modal premium ²	(+)
Total modal premium = \$	
<p>Modal Factors Annual = 1.00 Semi-Annual = 0.51 Quarterly = 0.26 Monthly = 0.0875</p>	

¹ Rounded to the nearest penny.

PlanRight Premiums

Consult the PlanRight Product Guide or Rate Book for rates



Application Process

1. Pre-screening (“Yes” in Part A, then cancel & shred)
2. Complete and sign sections 1-10
3. PHI, MIB and script check
4. Plan selection confirmed
5. Complete, sign and/or distribute sections 11-13
6. Collection of premium
7. The Producer Report must also be completed and submitted.
8. Application submission to Foresters

Application Process

Pre-screening

Complete **Part A of section 2 (Medical Questions)** with the client for pre-screening purposes.

- If “**yes**” is answered to any of the questions, the client is not eligible for any PlanRight plans
- If “**no**” is answered to all the questions in part A, **sections 1-10 of the application must be completed and signed**. Plan selection is determined by the answers in parts B & C of section 2 of the application

Application Process Interview

- Call Apptical at **866-844-9276**
- A PHI Inspection Reference ID number will be provided and must be recorded on the Producer Report
- To verify that the information is consistent with the answers to the medical questions in the application, the proposed insured must complete the interview



Application Process

Interview results

If there are discrepancies between the application and the interview but the proposed insured **is eligible for another plan**:

- The original application form should be revised. Each change must be reviewed and initialed. Initials will be required by the proposed insured, owner and producer
- A new page 4 must be completed and signed to replace the original page 4
- Producer must confirm in the Producer Report that a new page 4 was completed



Application Process

Interview results

If there are discrepancies between the application and the interview and the proposed insured is **not eligible for any PlanRight plan OR**

If the owner/proposed insured **does not want to proceed** with the application

- The signed application and Producer Report must still be submitted to Foresters.

It should be indicated in the Remarks section of the Producer Report that the application is being submitted as **"withdrawn"**.



Application Process

Collection of premium

- Cash is not permitted for the payment of premiums.
- Payments by check or money order must be payable to Foresters.
- If first premium payment is being made by check or money order, it must be dated no later than the date the application was signed by the owner.
- Minimum Plan Premiums:
 - PAC: \$10
 - Direct Quarterly: \$30
 - Direct Semi-Annually: \$50
 - Direct Annually: \$100



Application Process Submission to Foresters

Completed and signed applications can be sent by:

- **Fax:** 1-866-300-3830 (include a photocopy of a void check)
- **Mail:** Foresters, Attn New Business, PO box 179, Buffalo NY, 14201-0179
- **Courier:** Foresters, Attn New Business c/o Frontier Distributing 1000 Young St Suite 160, Tonawanda NY 14150

The Producer Report must also be submitted to Foresters



Application Process

Additional Notes

- The Producer Report must be completed, as applicable and submitted to Foresters
- If the face amount is more or less than applied for, based on the premium submitted, the producer will be allowed 1 business day to advise Foresters not to proceed with the adjusted face amount
- The Apptical # is 1-866-844-9276
 - M-F, 8:30 am to Midnight ET
 - Sat-Sun 10 am to 4 pm ET



Application Process

More information

For more information, consult:

-  The Guide on How to Fill out the PlanRight Application
-  Instructions Checklist for Application

Both can be found on ezbiz.

Underwriting

A client may qualify for PlanRight-Level if:

- ✓ All medical questions on the application are answered “no” (Parts A, B and C)

Underwriting

A client may qualify for PlanRight-Graded if:

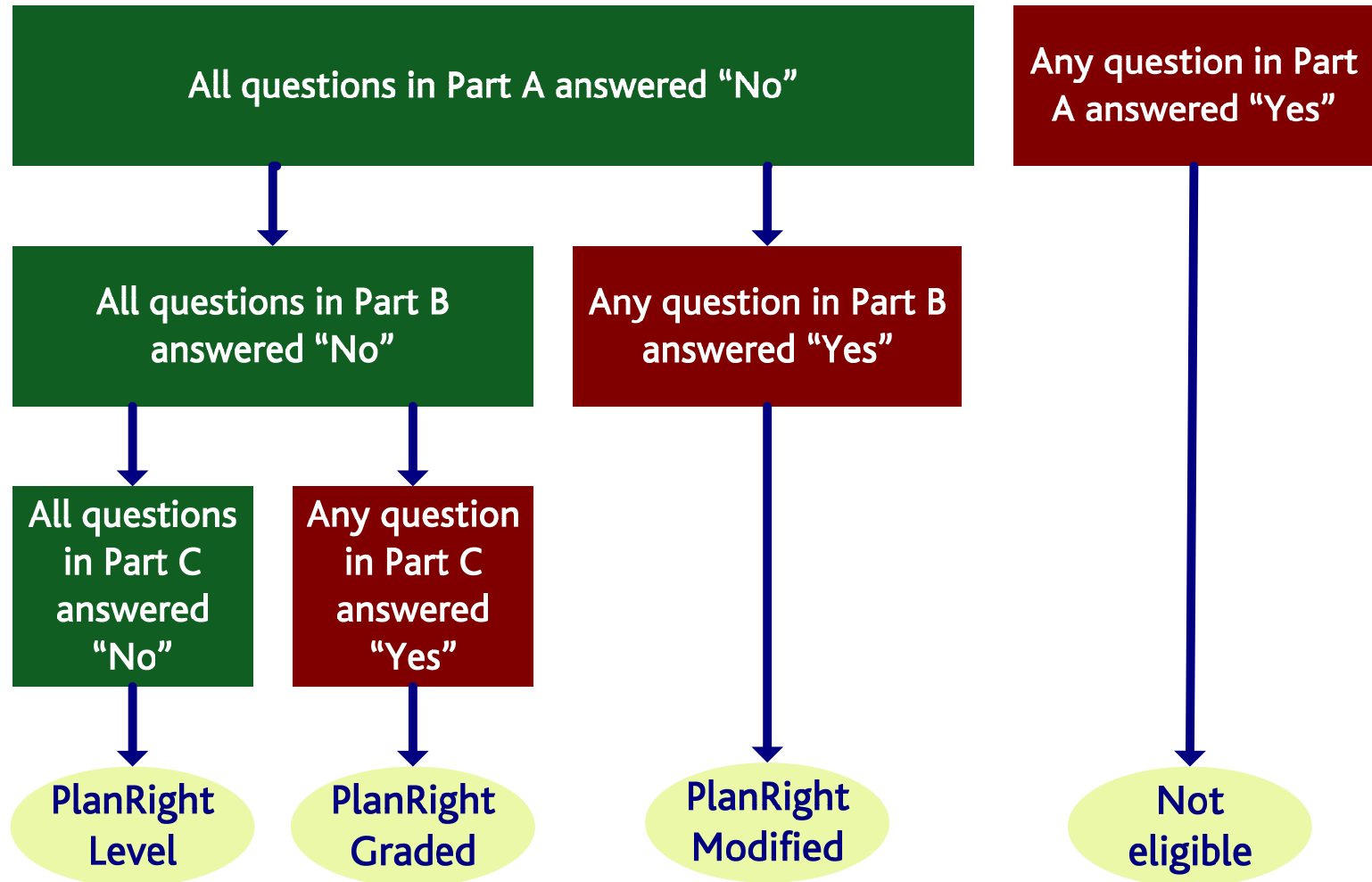
- ✓ The client answers “No” to all questions in Part A, “No” to all questions in Part B but “Yes” to one or more questions in Part C.

Underwriting

A client may qualify for PlanRight-Modified if:

- ✓ The client answers “No” to all questions in Part A, but “Yes” to one or more questions in Part B.

Underwriting



Foresters Difference

- Fraternal benefit society
- Member-based organization
- 135-year tradition of caring and giving
- **\$1.4 billion surplus**
- “A” (Excellent) rating by A.M. Best

All Figures are as at Dec. 31, 2009 and in Canadian dollars

Foresters Difference

Benefits of Membership

- Insured customers are members
- Help members to achieve financial security
- Beyond traditional insurance products
- Benefits of membership

Certain member benefits are only available to members insured under a certificate with a face amount of \$10,000 or more and are subject to eligibility requirements and limitations.

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Foresters Difference

Fraternal Benefits

- Opportunities to attend special events for members, their families and friends
- Opportunities for community involvement
 - Members can give back to causes close to their heart
 - Get involved with charity or create local partnership, with support from Foresters
- Opportunities to participate in governance through local member network (Branch system)

Foresters Difference

Member Benefits

- Complimentary, available at no extra cost
- Additional benefits beyond life insurance or annuities
- Non-contractual
- Non-guaranteed, may change
- At issue, do not need to be underwritten

Member benefits are only available to members insured under a certificate with a face amount of \$10,000 or more and are subject to eligibility requirements and limitations.

Foresters Difference

Member Benefits

- Available to all eligible Foresters members¹ and immediate family
- Subject to eligibility requirements and limitations (described in materials, website)
- Provide financial value
- Assistance during times of need
- Value-added benefits
- *Get more* from membership

¹ Member benefits are only available to members insured under a certificate with a face amount of \$10,000 or more and are subject to eligibility requirements and limitations.



Foresters Difference

Member Benefits

- Critical Illness member benefit
- Terminal Illness member benefit*
- Foresters Competitive Scholarships
- Orphan member benefits
- Everyday Money and Legal Link member benefits

**Not available in NY and IL.*

Certain member benefits are only available to members insured under a certificate with a face amount of \$10,000 or more and are subject to eligibility requirements and limitations.

These non-contractual member benefits are subject to change or cancellation anytime.



Foresters Difference

Value of Member Benefits

\$6.0 Million Grants Paid in 2007

\$2.4 million for 1,200 education grants

- \$2.2 million for Competitive Scholarships

\$1.7 million for 1,500 medical grants

- \$1.6 million for cancer claims

\$1.9 million for 130 other grants

- Terminal Illness loans, monthly payments for care of orphans

Marketing Materials

- ✓ Product guide
- ✓ Consumer brochure
- ✓ How to fill out the application/sample application
- ✓ Rate book
- ✓ Key highlights
- ✓ E-recruitment material

Sales Support

Foresters Sales Desk

1-866-466-7166 (option 1)

Monday-Friday: 8:30 am to 7:00 pm ET