

Producer Presentation



Important note for Producers

This presentation is intended to answer your questions and provide ideas to help you sell Foresters SMART UL. The information contained in the presentation is intended for information purposes only and is not intended as a sole source for training. There are other tools available to support your learning needs. You must ensure that you correctly represent, to a customer or prospect, the product features based on the actual wording of the applicable certificate and riders.

Foresters, its employees and life insurance representatives, do not provide, on Foresters behalf, legal or tax advice.

Product and features may not be available in all jurisdictions and certain restrictions may apply. Consult ezbiz for more detailed product information and availability.



Topics

- SMART UL Introduction
- Product Overview
- Point of Sale
- Support





SMART UL Introduction



Topics

- What is SMART UL
- Why SMART UL
- Target Market
- Rider Offerings
- Supported Sales Concepts
- Competitive Highlights



What is SMART UL?

A flexible universal life insurance product that offers **insurance protection, non-medical underwriting** and potential for **cash value accumulation**



Why SMART UL?

- **No medical** exams (up to \$250,000)
- **Simple application** process
- Customized coverage with **valuable riders**
- **Flexible** coverage
- **Competitive rates**



Target Market

- Ages 30-50
- Middle Income Market
- Clients who don't want to go through the hassles of full underwriting (up to table 4)
- Looking for cash value accumulation potential



Rider Offering

Financial Protection

- Waiver of Monthly Deductions Rider
- Disability Income Rider (Accident Only)

Added Coverage

- Common Carrier Accidental Death Rider
- Guaranteed Purchase Option Rider
- Accidental Death Rider

Extended Protection

- Children's Term Rider
- Family Health Benefit Rider



Supported Sales Concepts

- Lifetime life insurance protection
- Added financial security
- Retirement Planning
- Maintenance of standard of living
- Estate Preservation
- Maintaining mortgage payments



Competitive Highlights

- Low minimum face amount of \$25,000
- No medical exam (up to \$250,000)
- Disability Income Rider (Accident only)
- Common Carrier Accidental Death Rider and Family Health Benefit Rider at no additional cost
- 1035s and dump-ins
- Flexible premium payment options
- Preferred loan rate after the 7th certificate anniversary



Product Overview



Foresters 

Topics

- At a Glance
- Definition of Life Insurance Tests
- Minimum Premium No-Lapse Guarantee Provision
- Account Value and Cash Value
- Changes to the Certificate
- Riders
- State Availability



At a Glance



At a Glance

Issue ages	0-70 (Age Nearest Birthday)
Face amount minimum	\$25,000
Underwriting classes (Non-Medical)	<ul style="list-style-type: none">▪ Non-Tobacco▪ Tobacco▪ Juvenile (Issue age 0-15)
Minimum guaranteed interest rate	3%
Premium payment options	Specified Amount (including CV solves) Minimum Premium 7-Pay GLP (for GPT only) GSP (for GPT only) CVAT max premium (for CVAT only)
Death benefit options	<ul style="list-style-type: none">▪ Level▪ Increasing



At a Glance

Face amount	<ul style="list-style-type: none"> • Issue Age 0-15: \$25K-\$150K • Issue Age 16-55: \$25K-\$250K • Issue Age 56-70: \$25K-\$150K
Minimum modal premium requirements	<ul style="list-style-type: none"> • \$25 Monthly • \$75 Quarterly • \$150 Semi-Annual • \$300 Annual
Surrender charges	Decreasing charge for 15 certificate years
Premium expense charge	6% of premiums paid in the first 20 certificate years
Monthly administration deduction	\$12



At a Glance

Definition of life insurance test options	<ul style="list-style-type: none">•Guideline Premium Test (GPT)•Cash Value Accumulation Test (CVAT)
Premium	May be payable to age 100
Grace period	61 days from the due date of the monthly deduction in default
Reinstatements	Can be reinstated within 3 years of the date of lapse, subject to conditions





Definition of Life Insurance Test

GPT or CVAT

These two tests are used to determine whether a product meets the definition of a life insurance contract at all times.

- CVAT is a maximum cash value test
- GPT is a maximum premium test

The client chooses between the two tests at issue and cannot be changed after issue.

Regardless of test chosen, the 7-Pay test will always be performed (MEC status)





Definition of Life Insurance Test

GPT or CVAT

CVAT (Cash Value Accumulation Test) guidelines:

- Sets a maximum cash value based on gender, insurance class, attained age and death benefit.
- Foresters will not accept premiums that would cause the certificate to exceed the CVAT maximum cash value at that point in time.
- Typically allows for larger premiums than GPT
 - Preferable for large first year dump-ins, 1035 exchanges, or quick pay scenarios that would exceed the Guideline Single Premium
- Maximize death benefit in the later years when over-funding (increasing death benefit)
- Client who wants to pay as much as premium possible without violating the 7 pay premium test (more likely with a level death benefit)





Definition of Life Insurance Test GPT or CVAT

GPT (Guideline Premium Test) guidelines:

- Limits the amount of premium that can be paid

Σ Premiums paid \leq Greater of:

- Guideline Single Premium

- Σ Guideline Level Premium at that time

- Also includes a minimum NAAR requirement (relative to certificate account value) which ensures that CV is never greater than the Death Benefit

- Preferable for lifetime cash accumulation and maximizing cash value in the later years

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Minimum Premium No-Lapse Guarantee

Foresters guarantees that the certificate will not lapse during the first ten certificate years, even if the cash value is not sufficient to cover monthly deductions as long as, on each monthly anniversary during that period, the sum of the premiums paid to that anniversary 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.

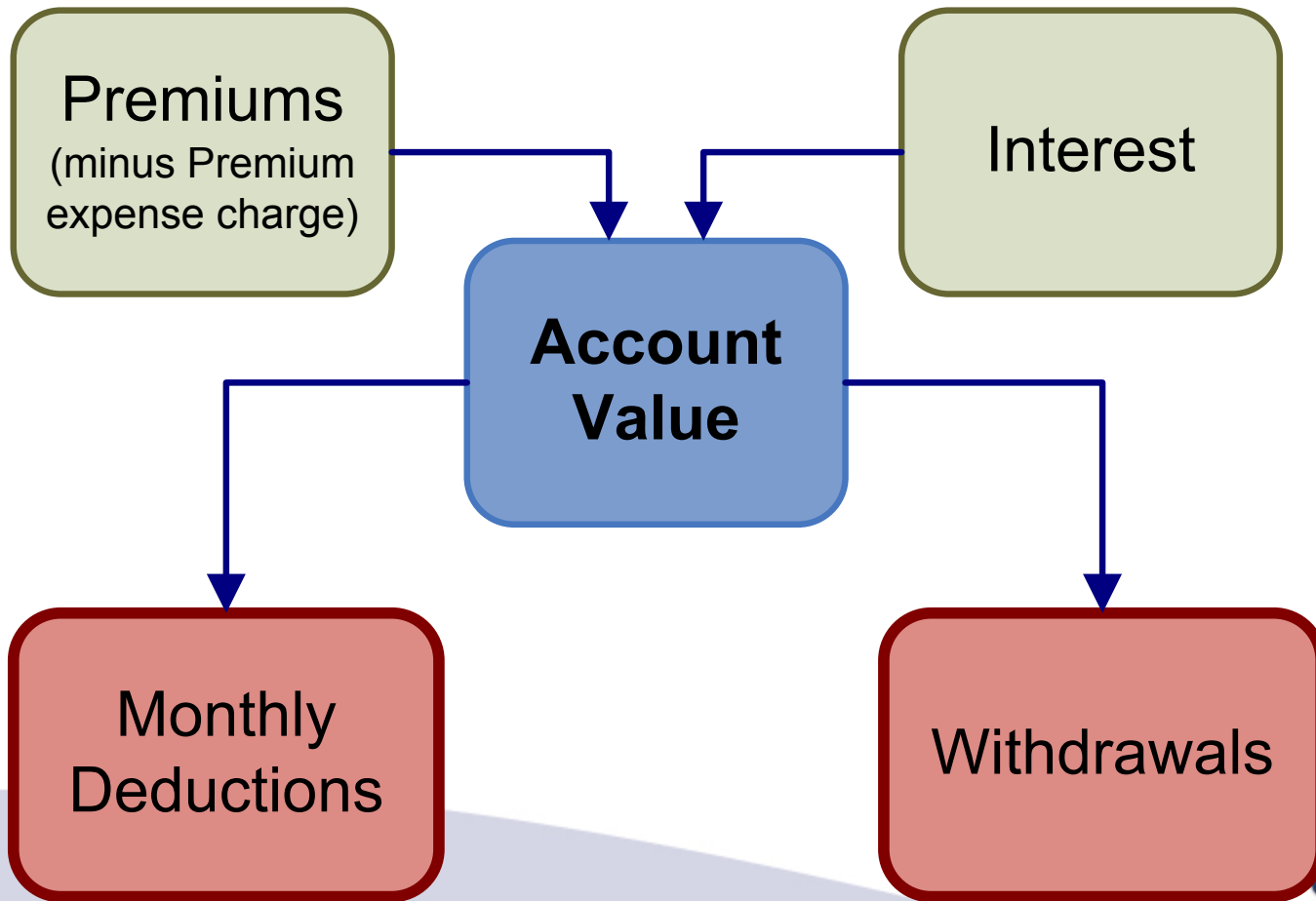




ACCOUNT VALUE & CASH VALUE



Factors Affecting the Account Value

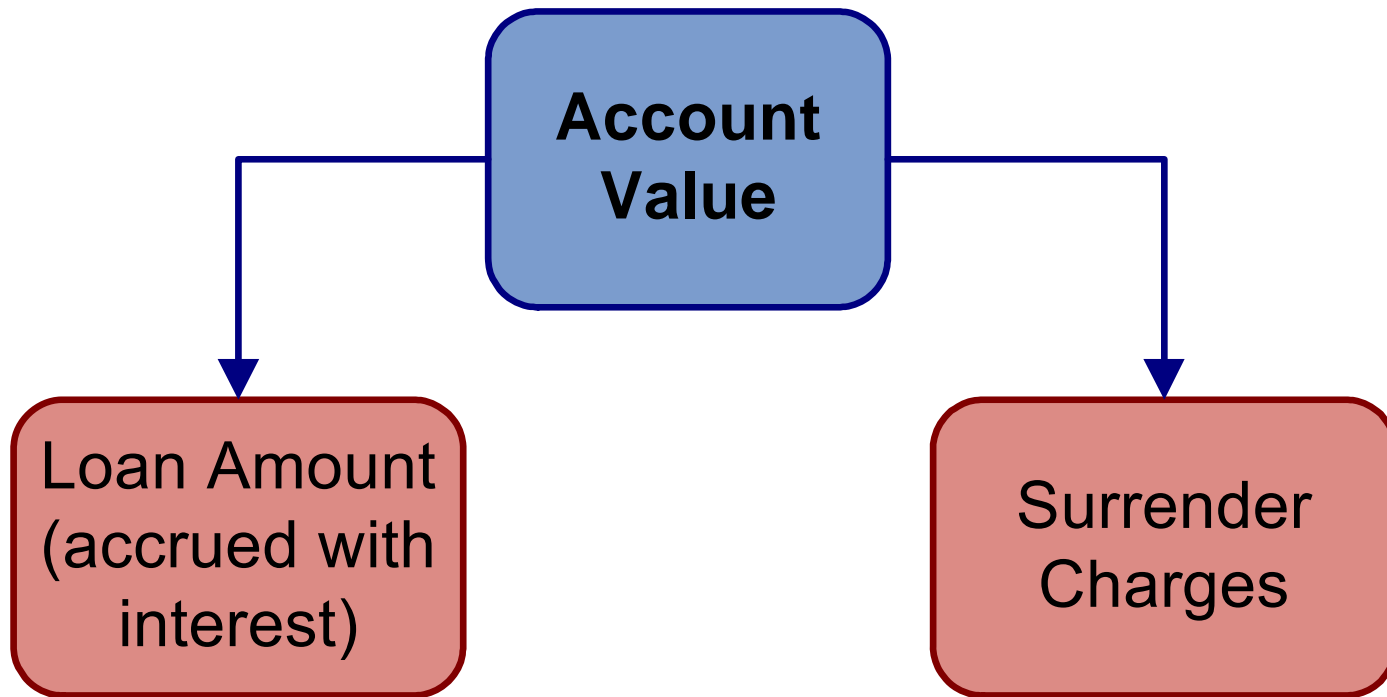


Monthly Deductions & Other Charges

Premium Expense Charge	<ul style="list-style-type: none">▪ 6% deducted from each premium paid for the first 20 certificate years
Monthly Deductions	<ul style="list-style-type: none">▪ Cost of Insurance (COI)▪ Face Amount Deduction▪ Rider Deductions▪ \$12 Administration Deduction

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Cash Value



Changes to the Certificate





Changes

- Withdrawals
- Available after the first certificate anniversary, as long as there is cash value
- Minimum Withdrawal = \$500
- Withdrawal subject to a Change Fee and may be subject to a Surrender Charge



Changes

- Loans
- Available as long as there is cash value
- The loan amount is charged daily at an interest rate of 5%/year
 - After the 7th certificate anniversary, the loan amount is charged daily at a preferred loan rate of 3%/year
- The loan collateral account will earn an interest rate of 3%/year



Changes

Other Changes

- An increase or decrease to the face amount
- The addition or termination of a rider
- An increase or decrease in a rider benefit amount
- Change in Tobacco use



Changes

- Change Fee
- A change fee will be charged for transactions such as:
 - Withdrawals
 - In-force Illustrations (in excess of one/certificate year)
 - Face amount decreases
 - Rider terminations or decreases





Riders



Rider Offerings

- Accidental Death Rider
- Children's Term Rider
- Disability Income Rider (Accident Only)
- Waiver of Monthly Deductions Rider
- Common Carrier Accidental Death Rider
- Family Health Benefit Rider
- Guaranteed Purchase Option Rider



Accidental Death Rider

What is it?

Provides additional coverage in the event of an accidental death (within 365 days of accidental bodily injury) of up to one times the face amount, to a maximum of \$300,000

Client Benefit

A relatively inexpensive method of increasing their insurance coverage

Producer Benefit

Commissionable

Issue Age

16-60, expiry date is the certificate anniversary on which the insured is age 70



Children's Term Rider

What is it?

Level term insurance for each child who is between 15 days and 18 years old at issue or when they become an insured child

Client Benefit

Coverage for their children today with an option for conversion for each child

Producer Benefit

Commissionable

Issue Age

16-55, expiry date is the certificate anniversary on which the insured is age 65



Disability Income Rider (Accident only)

What is it?

Provides a monthly benefit for up to 2 years (for up to 2 separate and independent injuries) in the event of total disability within 180 days of an accidental bodily injury

Client Benefit

Help offset income loss in the event of total disability

Producer Benefit

Commissionable

Issue Age

16-60, expiry date is the certificate anniversary on which the insured is age 65



Common Carrier Accidental Death Rider

What is it?

Provides a benefit of up to two times the face amount to a maximum of \$300,000, if the insured dies within 90 days of an accidental bodily injury that occurred on a common carrier as a fare-paying passenger.

Client Benefit

No cost (No monthly rider deductions)

Issue Age

0-70, expiry date is the certificate anniversary on which the insured is age 85



Family Health Benefit Rider

What is it?

Provides a benefit for qualified health situations due to certain types of natural disasters resulting in the insured or the insured's immediate family being in a U.S. hospital.

Client Benefit

No cost (No monthly rider deductions)

Issue Age

0-70, expiry date is the certificate anniversary on which the insured is age 85



Waiver of Monthly Deductions Rider

What is it?

Pays the monthly deduction to the account value in the event of total disability

Client Benefit

Can help pay the premium when the client is off work due to a total disability

Producer Benefit

Commissionable

Issue Age

16-55, expiry date is the certificate anniversary on which the insured is age 65

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Guaranteed Purchase Option

What is it?

Opportunity for the insured to increase the face amount on each option date without evidence of insurability

Client Benefit

Ability to increase coverage as income rises or as family grows

Producer Benefit

Increase is commissionable at FYC rate, provided the increase in coverage is accompanied by an appropriate increase in the premium payment

Issue Age

0-37, expiry date is the certificate anniversary on which the insured is age 40





State Availability



State Availability

Available in all states except for VT





Point of Sale



Topics

- Illustrations
- Other Point of Sale Forms





Illustrations

Along with application, send Foresters:

- Signed illustration

Must match exactly to what is being issued

OR

- Acknowledgement at Time of Certificate Delivery form:

Illustration will be included in Certificate Issue Package.
Compensation paid when Foresters receives signed illustration that matches what was issued



Illustrations

If premium or coverage changes during underwriting, an updated illustration must be signed.

Impact on compensation:

- If new illustration received prior to issue, matching the change, no delay in compensation
- If new illustration not signed until delivery, compensation will be paid when Foresters receives all delivery requirements



Other Point of Sale Forms

Riders

If applied for, the **Children's Term Rider** and **Disability Income Rider** supplemental forms must be completed, signed and submitted with the Application.

Other

- Disability Income (Accident only) disclosure form
- Notice to Active Duty Military Personnel of the U.S.
- Contingent owner
- Replacement forms
- Etc.





Support



Marketing Materials and Support Tools

- Product Guide
- Product Comparison
- Consumer Brochure
- E-recruitment material
- Sample Application/Guide on How to Complete the Application
- Illustration software
- And more!

Logon to ezbiz to access these tools



Sales Support

Foresters Sales Desk

1-866-466-7166 (option 1)

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

