

Advantage Plus II

Participating Whole Life Insurance¹

Flexible Payment Paid-up Additions Rider

Product Availability

Foresters Advantage Plus II Participating Whole Life
(medically underwritten)

Description

The Flexible Payment Paid-up Additions Rider (FPUAR) provides the Owner the opportunity to purchase paid-up additional insurance, also known as "Paid-up Additions" or "PUAs", on the life of the Insured. PUAs are permanent, participating life insurance, with guaranteed death benefit amount and cash values, which endow at age 121. PUAs are eligible to receive dividends.¹

Issue Ages

Medical: 18–75

Payment Amounts

Minimum Payment: \$50

Maximum Payment (as follows):

The maximum annual payment is the amount approved for at the time of underwriting, subject to a maximum of \$200,000 and inclusive of all Paid-up Additions Riders (PUAR) on the Insured. The maximum lifetime payment is \$2,000,000, inclusive of all payments made under any PUAR on the Insured.

Expense Charge

A payment expense charge of 6.0% is deducted from each payment made under the rider. The net payment is used to purchase the paid-up insurance.

Death Benefit

The amount of paid-up insurance purchased by each net payment will vary based upon the Insured's age, gender, and insurance class (i.e. non-tobacco or tobacco) at the time the payment is made.

Payment Modes and Billing

Payments under the FPUAR can be made at any time. However, at certificate issue, rider billing must be in

the same mode as the premium payments for the base certificate. After issue, the billing mode for the rider can be changed to any other mode.

Effective Date

The rider effective date is the same as the issue date of the base certificate.

Expiry date

For issue ages 18–73, the rider will expire the earlier of age 80 or 25 years after issue.

For issue ages 74–75, the rider will expire the earlier of age 82 or 7 years after issue.

For all issue ages, the rider will expire if the base premium is either not paid or is paid by automatic premium loan (APL), or if the certificate becomes reduced paid-up insurance.

Dividends¹

PUAs are eligible to receive dividends. Dividends, if any, paid on the PUAs will be applied using the same dividend option in effect for the base certificate. Dividends are non-direct recognition.

Cash Value

PUAs have guaranteed cash value. On the date they are purchased, the cash value of the PUAs is the net single payment, i.e. the single payment less the 6.0% payment expense charge. On any date after they are purchased the cash value of PUAs is the amount of the PUA death benefit divided by the net single premium rate in effect on that date. The cash value grows each year.

The cash value of PUAs adds to the cash surrender value of the certificate.

Loans²

Loans can be taken out against the cash value of the PUAs provided that the certificate is in effect and has a positive cash surrender value. Interest is charged daily at the current Foresters U.S. variable loan rate.

Surrenders

PUAs may be surrendered for their cash value. Full and partial surrenders are allowed. Partial surrenders are subject to the following restrictions:

- A maximum of 4 partial surrenders per certificate year are allowed.
- A minimum of \$500 of cash value must be surrendered.
- Any cash value that has been borrowed against may not be surrendered.

The surrender of PUAs could result in the recalculation of the Modified Endowment Contract (MEC) limit if the death benefit amount purchased from the initial payment towards the PUAR, effective the issue date of the contract, is reduced.

Underwriting

Medical

The PUAR cannot be rated, however it may be added to a rated case based on the following:

- If the insured is rated Table F (+150%) the PUAR is issued standard.
- If insured is rated higher than Table F (+150%), the PUAR will be declined.
- If the insured is rated with a flat extra (occupational/vocational or temporary) less than or equal to \$5 per \$1,000 of face amount on an annualized basis, the PUAR will be issued standard.
- If the insured is rated with a flat extra (occupational/vocational or temporary) higher than \$5 per \$1,000 of face amount on an annualized basis, the PUAR will be declined.

See the Foresters Underwriting Guide for age and amount requirements.

Payment Reset Provision

If the maximum annual payment amount is not made each year, then the maximum annual payment amount

may be reduced at year five, year ten, and annually thereafter. If payments haven't been maximized then the reset rules are:

- 5th anniversary: the maximum annual payment amount will be reduced to equal the average annual payment (including catch-up payments) made in the first five years.
- 10th anniversary: the maximum annual payment amount will be reduced to equal the average annual payment (including catch-up payments) made in years six through ten.
- 11th anniversary and thereafter: the maximum annual payment amount will be reduced to equal the total payment made in the previous year

Payment Catch-up Rules

If one or more actual FPUAR payments are less than the FPUAR approved maximum annual payment, the Owner may be allowed to catch-up on payments by making additional payments over and above the regular flexible payment schedule.

The catch-up amount is the cumulative flexible payments, which is the approved maximum annual payment less the actual payments made. The catch-up payment can include missed flexible payments from the prior 10 certificate years.

The maximum catch-up payment is \$25,000 per year for the first 10 years. Catch-up payments are in addition to the annual payment amount, but are subject to the maximum annual and lifetime PUAR limits. Amounts surrendered are not added to the existing Catch-up room to increase it. The Catch-up amount does not carry forward after the first 10-years.

The Payment Catch-up Rules are the current business rules for the FPUAR. They are non-contractual and subject to change at any time and without notification.

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¹Dividends are not guaranteed. Past dividends are not an indicator of future dividend performance.

²Death benefit amount 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.

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