

Upcoming changes to Foresters product portfolio

Please be advised that we are making changes to 3 of our products, which will take effect on Tuesday, May 1, 2012.

For the past several years, we have experienced a historically low interest rate environment. The expectation is that this will continue into 2014. Low interest rates have an adverse impact on profit, particularly those products with long-term guarantees.

After the completion of an annual strategic review, we have decided to implement a number of changes.

By taking action now, we can continue to build on our position as one of Canada's fastest growing insurance companies through superior service, competitive products and our ongoing commitment to community involvement.

With this in mind, our Term to 100¹ product will be withdrawn from our product portfolio effective May 1, 2012. Low interest rates have diminished the viability of this product. Rather than raise prices to unrealistic levels, we have decided to withdraw Term to 100.

All Term to 100 applications must be received at our offices, **no later than 3:00PM on April 30, 2012.**

Further, we will be changing the first-year commission rates of our Advantage Series Whole Life² and Passport Universal Life² products. Both these products were priced over a decade ago with interest rate and lapse assumptions that are no longer reflective of the current economic environment.

Please note, effective May 1, 2012, the first-year commission paid on our Advantage Series Whole Life will be 45% of first-year annualized premium and the first-year commission paid on Passport Universal Life will be 55% of first-year annualized premium. These new rates apply to both new applications and conversions.

The current first-year commission rates will be paid on all applications submitted before May 1, 2012 regardless of when they are settled.

These changes only affect the first-year commissions on these products. Renewal commissions, overrides and bonus levels will remain the same.

The revised compensation schedule will come into effect on May 1, 2012 and will be available from your MGA, AGA or GA the last week of April. Please refer to this schedule for the specific terms and conditions of our new commission arrangements.

The decision to make these changes was made only after very careful consideration. A strong relationship with our valued distribution partners is one of our biggest assets and we will continue to work hard to provide you and your clients with superior customer service and a diverse portfolio of quality insurance products.

Please visit our agent Web portal, Bluesky for more information on our products.

If you have any questions, please contact your Foresters Regional Sales Director or our Marketing Hotline at 1-800-267-8777.

As always, we appreciate your support.

~ Foresters™