

Foresters our shared strength

A careful guardian of our members' interests

Foresters Financial™ maintains a strong financial position, with assets of \$13.7 billion CDN and a surplus of \$2.3 billion CDN^{1,2}. The independent rating agency A.M. Best has given The Independent Order of Foresters an "A" (Excellent) rating for excellent balance sheet strength and operating performance for 16 consecutive years.

We focus on strong operational performance, careful management and a conservative investment strategy. Our financial strength has enabled us to weather even the worst business and market conditions.

Like all life insurance providers, Foresters is monitored by federal and state regulators, who can take action when there are solvency concerns.

As well, in the US, the National Association of Insurance Commissioners' (NAIC) Risk-Based Capital (RBC) guidelines limit the amount of risk insurers can take and require insurers to maintain enough capital to meet their obligations to policyholders. Foresters RBC ratio exceeds the NAIC guidelines.

Where solvency becomes an issue, State Guaranty Associations offer policyholders some protection.

These associations were created by state legislation and funded by participating insurers. The Independent Order of Foresters, as a fraternal benefit society, is not a member of State Guaranty Associations, and has no obligation to pay assessments to deal with the insolvency of other insurers. Instead, The Independent Order of Foresters can continue to invest to fund Foresters liabilities, provide benefits of membership to our members and help the communities in which they live. In the event the reserves of a class of certificates become impaired, Foresters members may be subject to a special assessment to maintain reserves. However, Foresters has assessed members only once in 1913 for certificates issued before 1898.



Foresters is an international financial services provider, with members in the US, Canada and the UK. We believe in enriching lives and building strong communities – that's our purpose. It has defined us since 1874, and it helps us continually redefine what a financial services provider can do for you and your family. We're not a faceless institution. We stand for something more. Foresters is an active part of your life, at every stage.

Assets
\$13.7
billion¹

Surplus
\$2.3
billion¹

"A"
A.M. Best
rating²

We share our financial success with our members

Foresters has a history of sharing its financial success. In 2015, Foresters invested more than \$36 million in member benefits³ that support our members and their communities.

Since 2006, Foresters has invested over \$11.5 million with KaBOOM!, the national non-profit dedicated to saving play. By the end of 2016, Foresters and KaBOOM! will have built over 134 new playgrounds across the US and Canada. Imagine, over a 15-year lifespan, these playgrounds will give more than 4.8 million children and their families an opportunity to spend quality time together.

Foresters believes in strong, supportive families. That's why we are pleased to become an official partner of Ronald McDonald House Charities® (RMHC®). Beyond financial contributions, Foresters supports RMHC through volunteerism. Over the past decade, Foresters has organized more than 635 activities at local Ronald McDonald Houses, providing families with a sense of fun and comfort during an extremely stressful time.

In addition, Foresters members received a \$25-million special dividend in 2007 in the form of waiving premiums and/or providing additional death benefits on some older certificates. In 2002, Foresters waived the requirement for members to

pay membership fees – a value of approximately \$40-million to members. And, in 1973, to celebrate Foresters 100th anniversary, the annual dividend was increased by 50% and paid in cash value.

¹ Consolidated financial results as at December 31, 2015. All figures in Canadian dollars. The surplus comprising assets of \$13.7 billion and liabilities of \$11.4 billion represents excess funds above the amount required as legal reserves for insurance and annuity certificates in force and provides additional assurances to our members for our long term financial strength. Financial strength refers to the overall health of The Independent Order of Foresters. It does not refer to nor represent the performance of any particular investment or insurance product. All investing involves risk, including the risk that you can lose money.

² The Independent Order of Foresters financial strength, as measured by A.M. Best Company, is rated "A" (Excellent) and has been for the past 16 years. The A.M. Best rating reflects The Independent Order of Foresters overall strength and claims-paying ability but does not apply to the performance of investment products. An "A" (Excellent) rating is assigned to companies that have a strong ability to meet their ongoing obligations to policyholders and have, on balance, excellent balance sheet strength, operating performance and business profile when compared to the standards established by A.M. Best Company. In assigning our rating on August 18, 2016, A.M. Best stated that The Independent Order of Foresters rating outlook is "stable", which means it is unlikely to change in the near future, assuming our financial strength is maintained and our operations grow. See ambest.com for latest ratings.

³ Descriptions of member benefits that you may receive assume that you are a Foresters Financial member. Foresters Financial member benefits are non-contractual, subject to benefit specific eligibility requirements, definitions and limitations and may be changed or cancelled without notice. For details about membership and its benefits, visit foresters.com.

Ronald McDonald House Charities, RMHC, Ronald McDonald House, Ronald McDonald Family Room, and Ronald McDonald Care Mobile are all registered trademarks of McDonald's Corporation or its affiliates and are used with permission.

In 2015 alone:

\$5 million

was granted through Foresters Community Grants to help members organize volunteer activities and fun family events

Awarded

\$2 million

in funding for more than 1,050 Foresters Competitive Scholarships

Invested over

\$31.9 million

in delivering member benefits and community activities

Nearly

37,000 Foresters volunteers

supported local charities through 830 community activities

