

# Foresters our shared strength



## A careful guardian of our members' interests

Foresters™ is an international financial services provider, with members in the US, Canada and the UK. Our 140-year heritage as a fraternal benefit society — a member-based life insurance provider for everyday families — is the foundation of our guiding principle: enriching the lives of our members, their families and the communities they live in. We're not a faceless institution. We stand for something more. Foresters is an active part of your life, at every stage.

- **Assets \$9 billion<sup>1</sup>**
- **Surplus \$1.5 billion<sup>1,2</sup>**
- **"A" (Excellent) rating<sup>3</sup>**

Foresters maintains a strong financial position, with assets of \$9 billion CDN<sup>1</sup> and a surplus of \$1.5 billion CDN<sup>1,2</sup>. The independent rating agency A.M. Best Company has given Foresters financial outlook an "A" (Excellent)<sup>3</sup> rating for excellent balance sheet strength and operating performance for 13 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 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 assessments made against participating insurers. Foresters, as a membership-based life insurance organization, is not a member of State Guaranty Associations, and has no obligation to pay assessments to deal with the financial situations of other insurers. Instead, Foresters can continue to invest to fund Foresters liabilities, provide benefits of membership to our members and help the communities in which they live. Without coverage from State Guaranty Associations, fraternal benefit society members may be subject to a special assessment. However, Foresters has assessed members only twice, the last time almost 100 years ago when members supported a special assessment to maintain a positive balance sheet during the First World War.

Foresters 

**140** years



## We share our financial success with our members

Foresters has a history of sharing its financial success. In 2012, Foresters invested more than \$17-million in member benefits that support our members and their communities.

Since 2006, Foresters has invested over \$7 million with KaBOOM!, the national non-profit dedicated to saving play. By the end of 2013, Foresters and KaBOOM! had built almost 100 new playgrounds across the US and Canada. Imagine, over a 15-year lifespan, these playgrounds will give more than 3.3 million children and their families an opportunity to spend quality time together.

Since 1990, Foresters has helped raise over half a billion dollars for Children's Miracle Network Hospitals®, a non-profit that raises funds for 170 children's hospitals across North America.

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 four years, Foresters has organized more than 100 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.

<sup>1</sup> Financial results as at December 31, 2012

<sup>2</sup> This surplus 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.

<sup>3</sup> 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. A.M. Best assigns ratings from A++ to F, A++ and A+ being superior ratings and A and A- being excellent ratings. In assigning Foresters rating on July 3, 2013, A.M. Best stated that the rating outlook is "stable", which means it is unlikely to change in the near future. See [ambest.com](http://ambest.com) for our latest rating.

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