

Life and health insurance commission rates as a percentage of annual premium

Term ^{1,3}	First Year	Renewals				Service Fees		
		Yr 2	Yr 3	Yr 4	Yr 5	Yrs 6-10	Yrs 11-20	Yrs 21+
E-Z Term	40	4	4	4	4	0	0	0
Term 10	40	2	2	2	2	2	2	2
Term 20	50	3	3	3	3	3	2	2
Term 30	55	3	3	3	3	3	2	2
Child Term Rider	45	2	2	2	2	2	2	0
Exchange to Term 20 or Term 30	25	3	3	3	3	3	2	2
Whole Life^{2,3}								
EasyLife ⁴	60	5	5	2	2	2	2	2
Guaranteed Issue Whole Life	40	5	5	5	2	2	0	0
Advantage Plus - Pay to 100	55	10	2	2	2	2	2	2
Advantage Plus - 20 Pay	50	10	2	2	2	2	2	2
Universal Life²								
Passport Target	55	3	3	3	3	3	0	0
Passport Excess	8	3	3	3	3	3	0	0
Critical Illness²								
LifeCare T10	40	5	5	5	2	2	2	2
LifeCare T75	50	5	5	5	2	2	2	2
Health Security Plus	40	5	5	5	5	2	2	2

1. For term insurance, commissions for the Accidental Death Benefit rider are payable at the same rate as the base coverage. Commissions for the Waiver of Premium rider are payable at the same rate as the base coverage and other riders included in the policy.
2. For whole life, universal life, and critical illness insurance, rider commissions are payable at the same rate as the base coverage.
3. For Term policies and Advantage Plus whole life certificates, term rider commissions are payable at the same rate as the corresponding term insurance plan.
4. Displayed as percentage of annualized premium on statement, i.e. year 1 - 55.55%; years 2-3 - 4.63%; years 3+ - 1.85%.

Annuity commission rates as a percentage of new deposits

Annuity Plus - DIA	0.025	Annuity Plus - GI4	1.2
Annuity Plus - GI1	0.3	Annuity Plus - GI5	1.5
Annuity Plus - GI2	0.6	Annuity Plus - GI10	2.25
Annuity Plus - GI3	0.9		

Ambassador Discount

For policies that receive the Ambassador Discount, the First Year Commission will be reduced by half. Renewal commissions will be payable as shown above. The Ambassador Discount is available to employees of Foresters after 6 months of employment, full-time or part-time (working at least 60% of regular hours), and their immediate families. It is also available to full-time employees of qualifying Managing General Agents and their immediate families. Immediate family means spouse and children, up to age 18, living in same household with the employee. For more information about the Ambassador Discount, please contact Steve Rosen at 416-467-2528.

1. Definitions

- a) *Policy* is an insurance policy that is issued by Foresters Life Insurance Company or an insurance certificate that is issued by The Independent Order of Foresters.
- b) The *annual premium or first-year annualized commissionable premium* for a policy is the total annual premium charged for a policy year, including applicable rider premiums on page 1.
- c) The *first policy year* is a period of one year commencing on the date stated in the policy for computing policy years, and subsequent policy years are periods of one year each commencing on the respective anniversaries of that date.
- d) *First year commission* is the amount resulting from the application of the particular rate of first year commission to the full annual premium for the first policy year in accordance with your Broker Agreement.
- e) *Renewal commission* is the amount resulting from the application of the rates of commission to the full annual premium for each policy year subsequent to the first policy year in accordance with your Broker Agreement.
- f) *Universal Life Excess premium* is the first-year premium paid in excess of the first-year annualized commissionable premium for a Universal Life policy. Renewal-year external dump-ins (rollovers) are considered renewal premium. Excess commission for the Passport UL product is not advanced. It is paid as earned when the Target commission advance has cleared.
- g) *New Deposits* are the total new premiums paid into an annuity.

2. Conditions

- a) The Company may withdraw any policy plans and will determine the commissions, if any, payable on all classes of policies or benefits not listed in the Rate Schedule, on changed policies and on policies replacing policies terminated (whether issued before or after the termination) where the same insured or life insured is involved.
- b) If the Company returns a premium or a part thereof to the Insured, the Broker will waive all right to any commission thereon and will repay to the Company any commission received on that premium or part thereof. If the company waives a fee or surrender charge for a policy, a commensurate commission adjustment may be applicable.
- c) No commission is payable on any premium waived under the terms of any policy, nor on interim Term premiums.
- d) Where an extra premium is charged by reason of Occupation, Medical Impairment, Residence, Aviation, or any other special hazard, commission will be payable on the full extra premium at the same rates as for commission on the full annual premium.
- e) First year and renewals commissions and service fees are not payable on premiums that are pre-paid for future renewal year premium payments. Where applicable, renewal commissions will be paid on premiums as they are allocated to each policy year.
- f) First year commission is not paid for the Member Term Rider and the Secondary Guarantee Rider.

3. Annualization

The Company may, at its option, pay first year annualized commissions on the following basis:

- a) When a policy is put in effect on the records of the Company and the first premium has been paid, the Company will calculate the first year commission according to Section 1a) assuming the full

annual premium for the first policy year has been paid, and pay such commission to the Broker provided that total annualized commissions on all policies on the same life do not exceed \$5,000.

- b) In the event that any policy goes out of effect, according to the records of the Company, before the full 24-months premium for the policy has been paid, the Broker will refund immediately to the Company the first year commission according to the chargeback schedule in Section 5 arising from such part of the first full 24-months premium as has not been paid. Immediate non-repayment of an outstanding commission amount is a debt to the Company and is subject to the debt recovery procedures as stated in the Compensation Manual.
- c) In the event of the termination of your Broker Agreement, any excess of the annualized first year commissions paid under this Section over the total amount of the first year commissions which would have been paid as earned under Section 1a) will immediately become payable by the Broker to the Company. Immediate non-repayment of any outstanding commission amount is a debt to the Company and is subject to the debt recovery procedures as outlined in the Compensation Manual.
- d) The Company may decline to annualize commissions for a particular policy or policies, and may at any time discontinue in whole or part the practice of annualizing commissions.

4. Renewal and Service Fees

- a) The Company will, subject to the conditions set out below, pay to the writing Broker for each in-force contractual life insurance type of policy sold by the writing Broker renewal and service fees as shown in the Commission Schedule.
- b) The payment of Service Fees is contingent upon the Broker meeting the service requirements of the Company as established from time to time.
- c) Renewal commissions and Service fees are vested, subject to the conditions as outlined in your Broker Agreement.

5. Chargeback Schedule

Months Premium Paid	Chargeback Percentage of first year commission	Months Premium Paid	Chargeback Percentage of first year commission
1	100	13	55
2	100	14	50
3	100	15	45
4	100	16	40
5	95	17	35
6	90	18	30
7	85	19	25
8	80	20	20
9	75	21	15
10	70	22	10
11	65	23	5
12	60	24	0

Term insurance conversion privilege: If the conversion privilege is exercised in the first 24 months, the compensation for the term policy is charged back as above and full commission is paid for the new policy.