

# Moved to action



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"Our members are genuinely moved to action"

▶ Watch this message online at [report.foresters.com](http://report.foresters.com)

My wife Wanda and I became Foresters Financial™ members in 1984. From the beginning, this organization strongly encouraged us to become more involved. Wanda and I jumped in with both feet and embraced Foresters Purpose to enrich the lives of our members, their families and the communities in which they live. For 34 years Foresters has been a large part of our family life with both children being members from birth.

I began a new chapter in my journey with Foresters by being elected International Fraternal President in 2017. During the past few months, I've thought long and hard about our Purpose and what Foresters means to our members.

Since 1874 Foresters has embraced its Purpose, working to make a difference by engaging our members in their local communities. We continue this much-needed work today, with members volunteering thousands of hours each year to improve people's lives. Our members are genuinely moved to action.

Having our Purpose at the core of everything that we do will continue to sustain us well into the future. I want to thank my family, friends, employees, the Board and Richard Hennick, Foresters International Fraternal Vice President for their continued support, and most of all, I want to thank you the members for being a part of this incredible organization.

Chris Stranahan, International Fraternal President

"Foresters is uniquely positioned because of our purpose"

▶ Watch this message online at [report.foresters.com](http://report.foresters.com)

Since joining Foresters, I've learned much about our rich history, our members' commitment, and our Purpose.

Foresters is uniquely positioned because of our Purpose. Our ability to impact families in times of need and our commitment to people and their communities are as important as the products we sell. Many organizations have an emerging focus on social responsibility. Foresters has been living this Purpose for more than 140 years. It's a large part of what attracted me to this remarkable organization, and I know it's a driving force in the satisfaction you receive from being members.

Collectively we must continue focusing on our business success to ensure we are able to fulfill our Purpose long into the future. I'm committed to making Foresters be as great as it can possibly be so that we can continue to deliver on our Purpose, allowing our members to thrive and prosper long into the future.

Jim Boyle, President and Chief Executive Officer

"From our earliest days, we've been there"

▶ Watch this message online at [report.foresters.com](http://report.foresters.com)

Foresters has always been focused on helping our members thrive. It's part of our DNA. From our earliest days providing life insurance and orphan benefits, to today helping ensure families' financial security and retirement plans, we have been there.

There are two complementary aspects to Foresters. On the one hand, we strive to support our members as they create initiatives to make their communities better and stronger. On the other hand, we must maintain strong and growing businesses whose profits will fund future member and community activities.

I can assure you that Foresters will continue to work with our over two million members to achieve positive impacts. Moreover, we will focus on making the business side prosper, so we can continue to support our members' efforts to make a difference in their local communities.

Bob Lamoureux, Chair of the Board

## 2017 Lifetime Achievement Awards

The Lifetime Achievement Award is the highest and most prestigious award a member can achieve within Foresters. Our award recipients are members who have distinguished themselves for their character, service and leadership in helping Foresters meet its commitment to members and communities.

- Peggy Affolter, Western U.S. Region
- Kathleen Dionne, Canada Region
- Lois Elkins, Canada Region
- Diane Jones, Canada Region
- Richard Hennick, U.S. Central Region
- Julie Morrow, Western U.S. Region
- Kenneth Oldfield, U.K. Region
- Brian Sharp, U.K. Region
- Betty Shoe, Central U.S. Region
- Lewis Smith Jr., Eastern U.S. Region
- Wanda Stranahan, Eastern U.S. Region
- Charles Weber, Western U.S. Region
- Tom Wright, Canada Region

# Stronger together

Foresters Financial goes beyond helping you reach your financial goals.

Together we put our shared values to work to help support the well-being of our members and local communities. Our financial strength allows us to put our purpose into action by enriching our members' lives while building strong communities.

## Financial strength

# 2,112,669

members strong

A.M. Best Financial Strength rating

# "A" (Excellent)

for the 17th consecutive year for The Independent Order of Foresters<sup>1</sup>

# 3.1 million

certificates and contracts in force

# \$45 billion

funds under management/administration, an increase of 2.5% over 2016<sup>1</sup>

# 6%

increase in life insurance and annuity premiums from 2016

# 6.5%

increase in asset management fee revenue from 2016

# \$756 million

in insurance claims and benefits paid in 2017



# "It may seem like a little thing to some people but it was a big thing to us"

Dennis and Pam W., Foresters members



Watch this story online at [report.foresters.com](http://report.foresters.com)

Dennis and Pam Williams were lucky to have sustained just minimal damage to their immediate property during Hurricane Irma in Summerfield, Florida. However, living in a wooded subdivision with many mature trees meant that recovery clean-up would still be extensive—for both them and their neighbors. "We were blessed to have little damage to our home considering what those around us endured," said Dennis and Pam.

After the storm, the couple reached out to others. With the help of an Emergency Assistance grant from Foresters, Dennis and Pam purchased a chainsaw to clear the hurricane damage from their property, and then used it to clear debris from their neighbor's yard as well. "We are very grateful you took the time and effort to go the extra mile for us," said Dennis and Pam. That's because financial assistance from Foresters meant that they could then go the extra mile for others.

In addition to Emergency Assistance benefits, members also have access to many other helpful member benefits. Those include *Everyday Money*, a service that offers phone-based access to an accredited financial counselor to discuss personal financial matters. And *Legal Link*, which allows you to consult with a local legal professional about wills and estates, family law and more—all at a reduced cost.

To access or learn more about all of your member benefits, visit [MyForesters.com](http://MyForesters.com).

# "Foresters Community Grants means that all we need to give is our time"

Vicky S., Foresters member

Watch this story online at [report.foresters.com](http://report.foresters.com)

Vicky Stubbins began volunteering with Foresters in the U.K. the summer after her family lost their 10-year old son, Rohan, to a rare genetic illness. With a new understanding of how difficult the grieving process can be, Vicky decided to give back to her local community by organizing a community volunteer activity in support of young carers and bereaved children's groups in three local schools. With the help of other eager Foresters members, they created Christmas care packages. Providing care packages to bereaved children in need was rewarding, and Vicky felt humbled to be able to give back to her community in honor of her son. "The bags didn't just provide the children with support," she said. "They also helped the adults in their lives, because the bags were designed to allow children to undertake activities that they could do either alone or with an adult."

Vicky had hosted previous volunteer activities and was already familiar with the satisfaction that making a difference through volunteerism brings. "We can't necessarily afford to fund these activities from our own pockets," she said, pointing out that Foresters community volunteer grants make that part of the process possible. "What we can do is spare some time." The joy the care packages brought was felt by teachers, children, parents and others in Vicky's community. It was an incredible opportunity to meet bereaved children's needs and raise awareness that local schools are strengthened through community volunteerism.

Simple acts of caring inspired Vicky to organize hands-on opportunities that allowed her and fellow Foresters families to do more together for the well-being of their community.



Across three countries, Foresters members have built stronger communities through their passion for giving back. The Foresters Community Grants Program gave over \$4.4 million, to support members making a difference in their local communities through volunteerism.

Members identified areas in need of assistance in communities, developed plans to help and applied for a community grant to support their volunteer efforts. From creating care packages, to beautifying their local community, to helping out with a hot meal or school breakfast, members spent quality time together and had fun, while creating positive change through local community projects.

## Community activities to inspire

Members can use their passion for giving back to create, organize and apply for a Foresters Community Grant based on their area of interest to support local organizations and improve the well-being of communities. There are several activity types to choose from:



Care Package



Community Beautification



Create and Construct



Meal Help



Volunteer Support



Fun Family

**67,691** members and their guests attended 1,753 fun family and volunteer activities.

**36,594** volunteer hours were donated by members through Foresters Community Grants in 2017.

**700+** local community organizations were supported by members donating time and effort through Granting activities.

Get involved! Organize a Fun Family event or Community Volunteer activity at [MyForesters.com](http://MyForesters.com).



Get inspired. See what other members have done in their communities.



Create a plan. We've got all the resources to assist.



Apply now at [MyForesters.com](http://MyForesters.com).

**150** 2018 Playground Builds



## Playground builds with KaBOOM!

Did you know that you could help build a playground and create a safe place for kids and families to enjoy? This year marks the 150th playground built by Foresters which has invested funds to create safe play spaces for children in local communities across Canada and the U.S. Join other Foresters members and make a difference at a playground build.

Visit [MyForesters.com](http://MyForesters.com) to learn more.

# Help for members during disasters

If there's anything life teaches us, it's that it is completely unpredictable. In the face of that uncertainty, it's important to know that you can rely on the help of others when something goes wrong.

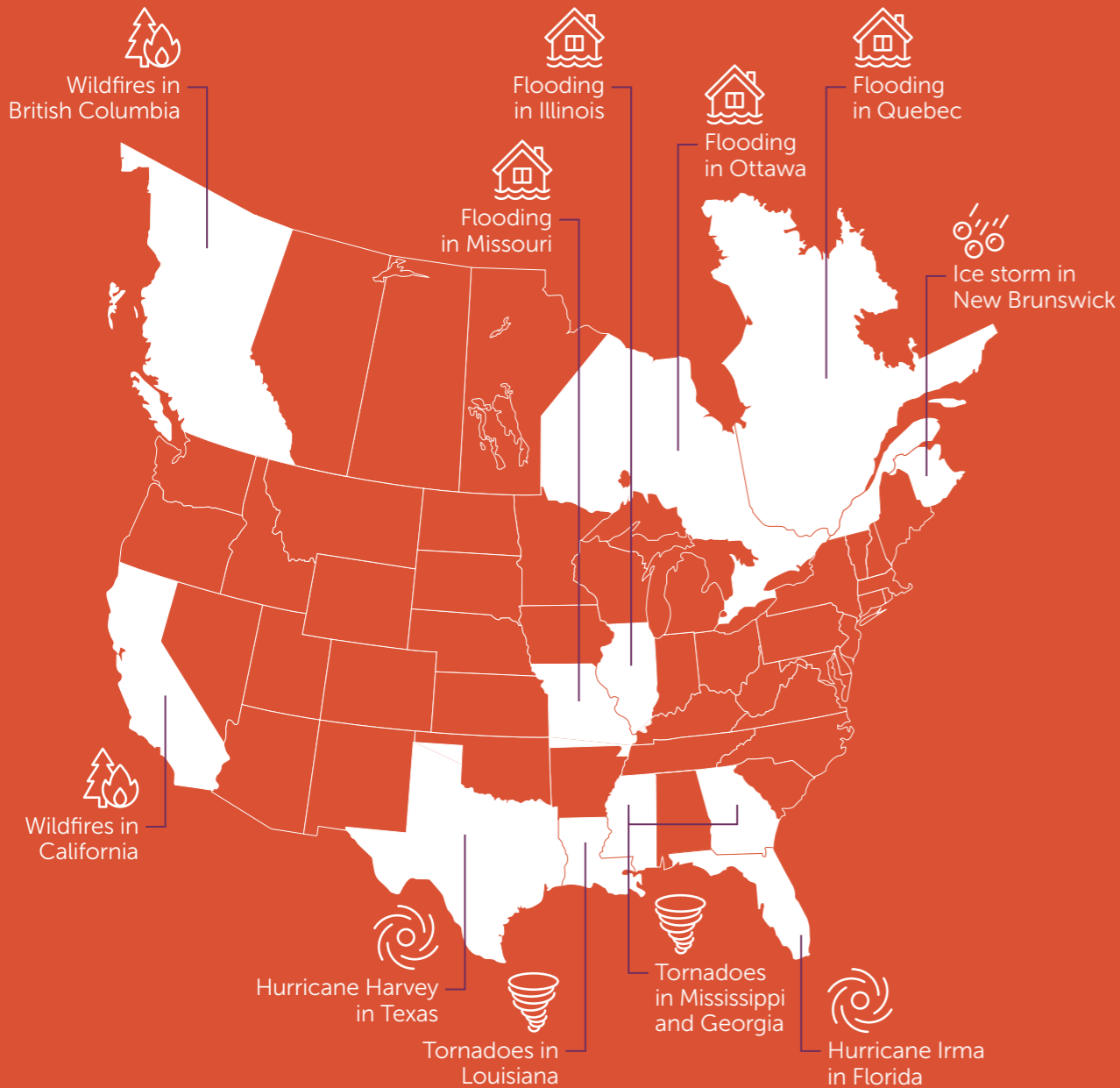
In 2017, more than 8,000 Foresters members were able to rely on our Emergency Assistance Program

to help them recover and rebuild after wildfires and hurricanes devastated cities and towns all across North America.

Our Emergency Assistance grants provide short term, temporary financial aid to members affected by significant personal hardships, natural disasters or large-scale emergencies. A glance at the map

highlighting the disasters that happened in 2017 shows just how needed these grants were.

To be able to support our members during times of struggle and uncertainty helps to ensure their well-being and resilience, and that in turn strengthens the communities where they live.



**\$3.1 million**  
in Emergency Assistance went to Foresters members in 2017.

**\$2.9 million**  
in Emergency Assistance went to members affected by Hurricane Harvey and Hurricane Irma.

**8,179**  
Foresters members across North America were given Emergency Assistance in 2017.



“Being an advocate and guide for members is a big part of the rewards of my job”

Diana M., Customer Service Representative

▶ Watch this story online at [report.foresters.com](http://report.foresters.com)

Diana Mac has been working at Foresters for over 9 years. In her role, she helps members understand their benefits and products. Last year 832,000 inbound calls were received from our U.S./Canadian members and agents. Diana takes pride in being able to provide help to members, give options and inform them of all the benefits they have access to. In 2017, natural disasters prompted members to reach out to Foresters to access Emergency Assistance grants.

Diana was on the frontline answering calls and providing support. She says “Members think it’s great that we provide this type of benefit, they didn’t expect this support from an insurance company and they get to learn about other benefits as a result of calling.” This year Diana is looking forward to providing even more customer-focused and innovative service for our members.

# "Volunteering has always been a way of life"

Alexis B., 2017 scholarship winner



▶ Watch this story online at [report.foresters.com](http://report.foresters.com)

For Alexis Boeskool, it was a given that she would apply for a Foresters Competitive Scholarship. The Michigan-based student comes from a family that has always focused on finding ways to give back. Together they have participated in volunteer opportunities through Foresters for many years. From helping to create a healthy living program for a cardiology practice, to cleaning and painting rooms for homeless families and planning and preparing meals at her local Ronald McDonald House, Alexis' volunteerism has helped and inspired her local community.

We believe in the success that education can bring to students, families and communities. This is why every year Foresters offers 250 tuition scholarships of up to \$2,000 per year for up to four years to eligible students pursuing post-secondary education.

For students like Alexis, winning a Foresters scholarship means being able to pursue her educational goals while continuing to focus on a purpose-driven future as she finds new ways to reach out and give back.

With scholarship winners pursuing careers from hospitality services, journalism and forensic science to graphic design, plumbing, nursing and business management, there is a bright future for these students and their families—and for the communities who will benefit from their continued desire to be more and do more.



"The scholarship has been a huge help for me—especially because it was over the four years. I was able to focus on my studies and discover my career interests."

Julian D., Scholarship program graduate

## 161,028

volunteer hours were given back to local communities by our 2017 scholarship winners.



# "We want to make a difference, even a small one"

Sue B., Foresters member and Branch Councillor

▶ Watch this story online at [report.foresters.com](http://report.foresters.com)

A Foresters member for her entire life, Sue Brocken applied to become a Branch Councillor in 2017 because she saw it as another opportunity to reach out to the people in her community. Already heavily involved in volunteering through community organizations, her children's schools, and through Foresters initiatives, she believed becoming engaged in Foresters governance would help her develop new skills that would enable her to do even more.

Participating in monthly Branch Council meetings and attending Foresters governance and training meetings, including the Leadership Development Conference, helps Councillors build critical skills that allow them to do the kind of important work needed to support Foresters members.

Branch Councillors provide strong local leadership by helping to guide the impact Foresters makes in members' communities. "I see all the good work that Foresters does in the community," she says. "I wanted to get more involved in an organization that makes that kind of a difference."

For Sue, even the smallest act of kindness has the potential to make a large and lasting impact. "Making little changes—cleaning a beach, providing small gifts through care package activities, improving public spaces where families visit and play—can all make a difference in someone's health and well-being."

Having an opportunity to use her voice is so important to Sue. She believes in the positive impact she can have on Foresters, and on the members in her own community and around the world.

NOMINATIONS 2018

## Lead the way

Are you interested in building local leadership?

Get involved by nominating yourself to be a Branch Councillor by June 12, 2018 at

[MyForesters.com](http://MyForesters.com)

Join members like Sue in making a difference!

# 2017 financial highlights

Financial highlights for the year ended December 31, 2017  
(All amounts are in Canadian dollars, unless otherwise stated)

With our 140+ year history, Foresters Financial is financially strong, and more importantly, well-positioned for long-term financial health. On these pages, we share our key financial results, which are indicators of our growth, financial health and stability.

## Key results at a glance

United States  
Total Annualized Weighted Sales

**\$255.0 U.S. million**

United Kingdom  
Total Annualized Weighted Sales

**£57.1 U.K. million**

Surplus

**\$2.0 billion**

Funds under Management and Administration

**\$45.1 billion**

Canada  
Total Annualized Weighted Sales

**\$58.7 CAD million**

Total Premiums

**\$1.1 billion**

Total Comprehensive Loss

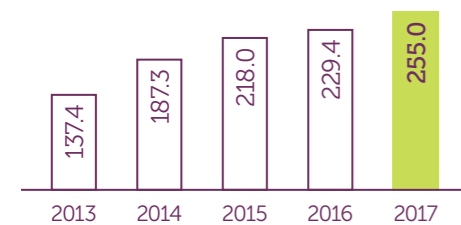
**\$88.2 million**

Certificates and Contracts In force

**3.1 million**

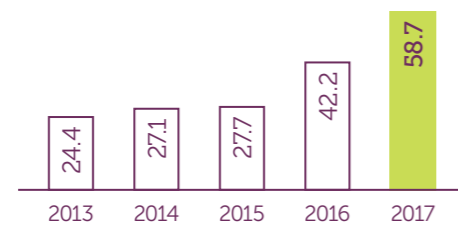
## Sales

United States  
Total Annualized Weighted Sales  
(U.S. \$ millions)



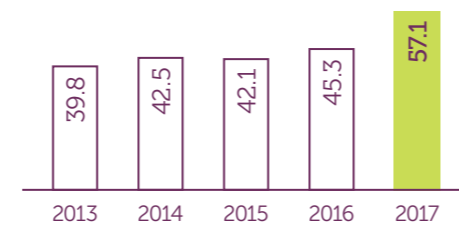
Total U.S. annualized weighted sales were \$255.0 million, an 11.2% increase from 2016 due to strong sales from new and existing distribution channels across all product lines.

Canada  
Total Annualized Weighted Sales  
(CAD \$ millions)



Annualized weighted sales were \$58.7 million, a 39.1% increase over 2016. The Canada Protection Plan channel had another strong year with a growth of 74.6% and MGA Brokerage sales grew by 17.8%. Foresters Asset Management Inc. ("FAM") sales were \$7.4 million, a 5.7% increase over 2016.

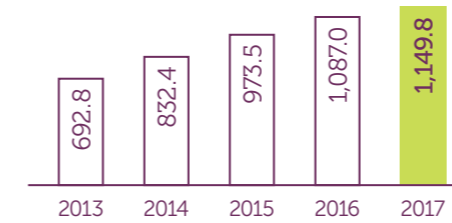
United Kingdom  
Total Annualized Weighted Sales  
(U.K. £ millions)



Total annualized weighted sales were £57.1 million, a 26.0% increase over 2016. This increase was due to the growth in sales in Unit Linked Savings and Junior Unit Linked Savings. £43.7 million came via our sales force and £13.4 million came from our direct-to-customer channel.

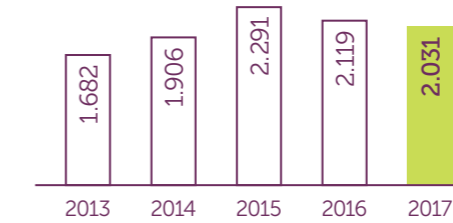
## Key results

Total Premiums  
(\$ billions)



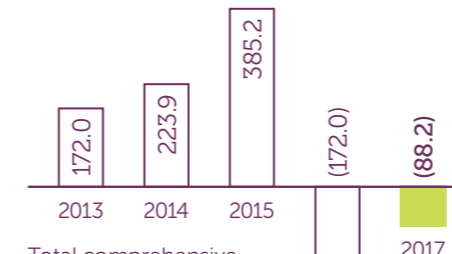
Total gross life insurance premiums were \$1.1 billion, a 5.8% increase over 2016. The upward trend in premiums is largely due to our growing block of in-force policies, and continued strong first year premiums.

Surplus  
(\$ billions)



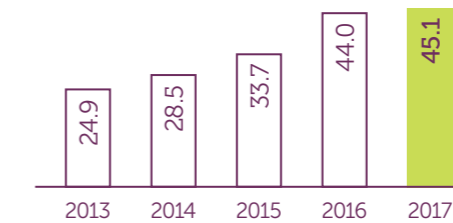
Foresters Financial's surplus was \$2.0 billion at the end of 2017. The decrease year over year was primarily due to net unrealized foreign currency translation losses. At December 31, 2017 our MCCR ratio was 357%, well above the Canadian life insurer average of 236% at September 30, 2017.<sup>1</sup>

Total Comprehensive Income (Loss)  
(\$ millions)



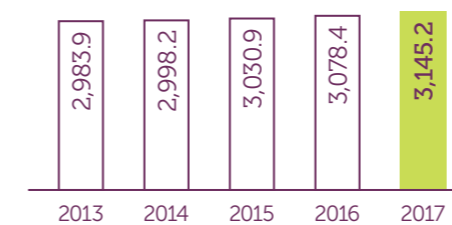
Total comprehensive loss of \$88.2 million for 2017 was primarily due to net unrealized foreign currency translation losses of \$96.8 million relating to foreign operations and certain 2017 strategic spends across the organization. Net income before Other Comprehensive Income (Loss), which includes the foreign currency losses, was \$38.1 million compared to a Net loss in the prior year of \$75.3 million.

Funds under Management and Administration  
(\$ billions)



Funds under management and administration grew to \$45.1 billion, a 2.5% increase over 2016. The continued increase since 2015 was in part due to the acquisition of Foresters Asset Management Inc. and Foresters Financial Investment Management Company of Canada Inc. in 2016 which added approximately \$10 billion CAD to funds under management and administration.

Certificates and Contracts In force  
(thousands)



At December 31, 2017, Foresters Financial had over 3.1 million certificates and contracts in force. Since 2013, the number of in-force certificates and contracts has grown by 5.4% due to strong sales of our products.

## What the numbers mean

### Annualized weighted sales

Annualized weighted sales is a common measure used in the life insurance industry to measure new sales of products during the year. In this measure, for example, sales of policies with ongoing premium payments receive a higher weighting than sales of products with a single premium payment and fees earned on funds under management and administration.

### Total premiums

This amount is the total gross life insurance and annuity premiums paid or owing to Foresters Financial during the year from certificate and contract holders.

### Funds under management and administration

This is the total market value of the assets that we manage and administer on behalf of our members and customers.

### Total comprehensive income (loss)

This is the sum of net income and other items not recorded in net income such as unrealized gains and losses from foreign currency translation and unrealized gains and losses on assets backing our surplus and certain changes in employee benefit plan obligations.

### Surplus

Surplus is the value of our assets minus our financial obligations to members and others. A strong surplus position first and foremost gives Foresters Financial the ability to withstand economic and business volatility, and it allows us to invest in the growth of our business through increased sales and acquisition activities. Also, a portion of earnings on surplus is used to fund member benefits and community investments in support of Foresters purpose.

### MCCR ratio

The Minimum Continuing Capital and Surplus Requirements ("MCCR") ratio is a capital adequacy measure for life insurance companies established by the Office of the Superintendent of Financial Institutions Canada ("OSFI"). It is a measure used to monitor that insurers maintain adequate capital to meet their financial obligations.

### Certificates and contracts in force

This is the total number of certificates and contracts that are active or "in force" at The Independent Order of Foresters and its subsidiaries.

## Summary Consolidated Statement of Comprehensive Income (Loss)

For the year ended December 31, 2017 with comparative figures for 2016  
(In millions of Canadian dollars)

	2017	2016
<b>Revenue</b>		
Gross premiums	\$ 1,150	\$ 1,086
Ceded premiums	(95)	(88)
<b>Net Premiums</b>	<b>1,055</b>	<b>998</b>
Net investment income	542	467
Fee revenue	376	353
Other operating income	12	11
<b>Total Revenue</b>	<b>1,985</b>	<b>1,829</b>
<b>Benefits &amp; Expenses</b>		
Gross benefits	761	717
Ceded benefits	(60)	(46)
Gross change in insurance contract liabilities	380	356
Ceded change in insurance contract liabilities	(40)	(19)
Policy dividends	47	47
Commissions	371	342
Operating expenses	443	482
Ceded commissions and operating expenses	(21)	(18)
Fraternal investment	20	19
<b>Total Benefits &amp; Expenses</b>	<b>1,901</b>	<b>1,880</b>
Income (loss) before income taxes	84	(51)
<b>Income Taxes</b>	<b>46</b>	<b>24</b>
<b>Net Income (Loss)</b>	<b>38</b>	<b>(75)</b>
<b>Other Comprehensive Income (Loss)</b>		
<i>Items that will not be reclassified to net income</i>		
Remeasurement losses on employee benefit plans, net of income tax recovery (expense)	(17)	(10)
Net unrealized gains on property	2	1
<b>Total items that will not be reclassified to net income</b>	<b>(15)</b>	<b>(9)</b>
<i>Items that are or may be reclassified subsequently to net income</i>		
Net unrealized (losses) gains on available-for-sale assets	(13)	4
Reclassification of net realized losses on available-for-sale assets	(1)	(7)
Net unrealized foreign currency translation losses	(97)	(85)
<b>Total items that are or may be reclassified subsequently to net income</b>	<b>(111)</b>	<b>(88)</b>
<b>Total Comprehensive Loss</b>	<b>\$ (88)</b>	<b>\$ (172)</b>

## Summary Consolidated Statement of Financial Position

As at December 31, 2017 with comparative figures for 2016  
(In millions of Canadian dollars)

	2017	2016
<b>Assets</b>		
<b>Invested Assets</b>		
Cash, cash equivalents and short-term securities	\$ 297	\$ 360
Bonds	7,209	7,114
Equities	772	789
Derivative financial instruments	16	2
Other invested assets	161	156
Loans to certificate holders	359	368
<b>Total Invested Assets</b>	<b>8,814</b>	<b>8,789</b>
Reinsurance assets	349	316
Accrued investment income	70	70
Deferred acquisition costs on investment contracts	73	62
Prepaid commissions	81	68
Deferred tax assets	43	40
Other assets	109	92
Property and equipment	64	63
Employee benefit assets	3	3
Goodwill and intangible assets	245	268
	<b>9,851</b>	<b>9,771</b>
Net investments for accounts of segregated fund unit holders	7,833	3,674
<b>Total Assets</b>	<b>\$17,684</b>	<b>\$13,445</b>
<b>Liabilities</b>		
Insurance contract liabilities	\$ 7,129	\$ 6,995
Investment contract liabilities	162	162
Derivative financial instruments	5	17
Benefits payable and provision for unreported claims	176	156
Other liabilities	263	253
Employee benefit obligations	85	69
	<b>7,820</b>	<b>7,652</b>
Investment contract liabilities for accounts of segregated fund unit holders	7,833	3,674
<b>Total Liabilities</b>	<b>15,653</b>	<b>11,326</b>
<b>Surplus</b>		
Retained earnings	1,774	1,736
Accumulated other comprehensive income	257	383
	<b>2,031</b>	<b>2,119</b>
<b>Total Liabilities and Surplus</b>	<b>\$17,684</b>	<b>\$13,445</b>

The full consolidated financial statements are available at [foresters.com](http://foresters.com) under Financial strength

## Notes to the Summary Financial Statements

### 1. Basis of Presentation of the Summary of Financial Statements

The summary consolidated statement of financial position and summary consolidated statement of comprehensive income have been summarized from The Independent Order of Foresters ("Foresters Financial") consolidated financial statements, which are prepared in accordance with International Financial Reporting Standards to portray in summarized form Foresters Financial's financial position and results of operations. The criteria applied by management in the preparation of these summary consolidated financial statements are as follows:

- the information in the summary consolidated financial statements is in agreement with the related information in the audited financial statements; and
- summary consolidated statements of changes in equity, cash flows, significant accounting policies and other explanatory information have not been presented, as the relevant information can be obtained from the audited financial statements.

The summary consolidated statement of financial position and summary consolidated statement of comprehensive income are only a summary of the information in Foresters Financial's consolidated financial statements for the year ended December 31, 2017. They do not contain sufficient information to allow as full an understanding of the results and state of affairs of Foresters Financial as would be provided by the full consolidated financial statements for the year ended December 31, 2017.

The full consolidated financial statements are available at [foresters.com](http://foresters.com) under Financial Strength.

### 2. Basis of measurement

Foresters Financial's consolidated financial statements have been prepared on the historical cost basis except for the following material items in the statement of financial position:

- Financial assets at fair value through profit or loss, available-for-sale financial assets and derivative financial instruments are measured at fair value;
- Employee benefit assets and obligations represent the funded status of these plans which is calculated as the difference between plan assets at fair value and the present value of defined benefit obligations;
- Reinsurance assets and insurance contract liabilities are calculated using the Canadian Asset Liability Method ("CALM") which is based on accepted actuarial practices according to standards established by the Canadian Institute of Actuaries and the requirements of the Office of the Superintendent of Financial Institutions Canada. This method involves the projection of future events in order to determine the amount of assets that must be set aside currently to provide for all future obligations, including the provision of fraternal benefits, and involves a significant amount of judgment; and
- Land and buildings are measured at fair value.

### 3. Foreign Currency

The functional currencies of the foreign subsidiaries and branch operations have been translated into Canadian dollars. All assets and liabilities are translated at the closing exchange rate at the balance sheet date, and the income and expenses are translated using the average exchange rate for the year. The accumulated gains or losses arising from translation are presented separately in the currency translation accounts, a separate component of accumulated other comprehensive income ("AOCI").

## Report of the Independent Auditors on the Summary Consolidated Financial Statements

### To the Board of Directors of The Independent Order of Foresters

The accompanying summary consolidated financial statements of The Independent Order of Foresters, which comprise the summary consolidated statement of financial position as at December 31, 2017, the summary consolidated statement of comprehensive income (loss) for the year then ended, and related notes, are derived from the complete audited consolidated financial statements, prepared in accordance with International Financial Reporting Standards, of The Independent Order of Foresters for the year ended December 31, 2017.

We expressed an unmodified audit opinion on those financial statements in our report dated February 13, 2018.

The summary consolidated financial statements do not contain all the disclosures required by International Financial Reporting Standards applied in the preparation of the audited consolidated financial statements of The Independent Order of Foresters. Reading the summary consolidated financial statements, therefore, is not a substitute for reading the complete audited consolidated financial statements of The Independent Order of Foresters.

### Management's Responsibility for the Summary Consolidated Financial Statements

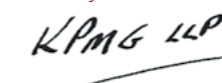
Management is responsible for the preparation of the summary consolidated financial statements in accordance with the basis described in the notes to the summary consolidated financial statements.

### Auditors' Responsibility

Our responsibility is to express an opinion on the summary consolidated financial statements based on our procedures, which were conducted in accordance with Canadian Auditing Standard (CAS) 810, "Engagements to Report on Summary Financial Statements."

### Opinion

In our opinion, the summary consolidated financial statements derived from the complete audited consolidated financial statements of The Independent Order of Foresters as at and for the year ended December 31, 2017, are a fair summary of those consolidated financial statements, in accordance with the basis described in the notes to the summary consolidated financial statements.



Chartered Professional Accountants, Licensed Public Accountants  
February 13, 2018  
Toronto, Canada

## Appointed Actuary's report

### To the Board of Directors of The Independent Order of Foresters

I have valued the policy liabilities and reinsurance recoverables of The Independent Order of Foresters for its consolidated statement of financial position as at December 31, 2017 and their changes in the consolidated statement of comprehensive income for the year then ended in accordance with accepted actuarial practice in Canada including selection of appropriate assumptions and methods.

In my opinion, the amount of policy liabilities net of reinsurance recoverables makes appropriate provision for all policy obligations and the consolidated financial statements fairly present the results of the valuation.

These summarized consolidated financial statements do not contain all the disclosures required by accepted actuarial practice. Readers are cautioned that these statements may not be appropriate for their purposes. For more information on Foresters Financial financial position, results of operations and cash flows, reference should be made to the related complete consolidated financial statements.



Trudy Engel, F.S.A., F.C.I.A.  
Fellow, Canadian Institute of Actuaries  
February 13, 2018  
Toronto, Canada



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† An "A" (Excellent) Financial Strength 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 2017 A.M. Best assigned Foresters Financial subsidiaries, Foresters Life Insurance Company and Foresters Life Insurance and Annuity Company an "A" (Excellent) Financial Strength Rating. In assigning the ratings for The Independent Order of Foresters (Foresters Financial) and its subsidiaries Foresters Life Insurance Company and Foresters Life Insurance and Annuity Company on September 1, 2017, A.M. Best stated that the outlook for all ratings is "stable", which means they are unlikely to change in the near future. See [ambest.com](http://ambest.com) for the latest ratings. <sup>1</sup> All amounts in Canadian dollars, unless otherwise indicated. Ronald McDonald House is a registered trademark of McDonald's Corporation or its affiliates and is used with permission. Description of member benefits that you may receive assumes 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. Foresters Financial and Foresters are trade names and trademarks of The Independent Order of Foresters (a fraternal benefit society, 789 Don Mills Road, Toronto, Canada M3C 1T9) and its subsidiaries. MB490 200915 CAN (05/18)