

		Foresters Financial
		Current
Amounts in \$CDN (000s)		Period
Available Capital (AC1+B)	(AC)	1,738,085
<i>Tier 1 Capital</i>	(AC1)	1,367,321
<i>Tier 2 Capital</i>	B	370,764
Surplus Allowance and Eligible Deposits	(SA+ED)	936,363
Base Solvency Buffer	(BSB)	1,755,049
Total Ratio ([AC + SA + ED] / BSB) x 100		152.4%
Core Ratio ([AC1 + 70% SA + 70% ED] / BSB) x 100		115.3%

The Office of the Superintendent of Financial Institutions (“OSFI”) introduced the Life Insurance Capital Adequacy Test (LICAT) as the regulatory capital standard for life insurers effective January 1st, 2018. LICAT replaces the former life insurance capital test, the Minimum Continuing Capital and Surplus Requirements Guideline (MCCSR), in place since 1992. Under LICAT, the Total Ratio is subject to a supervisory target of 100% and minimum ratio of 90%. The Core Ratio is subject to a supervisory target of 70% and minimum ratio of 55%.

		Foresters Life Insurance Company
		Current
Amounts in \$CDN (000s)		Period
Available Capital (AC1+B)	(AC)	253,371
<i>Tier 1 Capital</i>	(AC1)	192,274
<i>Tier 2 Capital</i>	B	61,098
Surplus Allowance and Eligible Deposits	(SA+ED)	210,349
Base Solvency Buffer	(BSB)	392,819
Total Ratio ([AC + SA + ED] / BSB) x 100		118.0%
Core Ratio ([AC1 + 70% SA + 70% ED] / BSB) x 100		86.4%

The LICAT ratio of the Canadian subsidiary is managed to a lower capital ratio than the overall organization, recognizing the capital support of the parent.