



Unity Life of Canada



## **NEWS RELEASE**

**For Immediate Release**

### **Foresters to Acquire Unity Life of Canada**

#### **Transaction Will Involve Canada's First Sponsored Demutualization**

**Toronto ON August 9, 2007** - Foresters™ and Unity Life of Canada today announced that they have entered into an agreement under which Foresters will acquire Unity Life and Unity Life will represent Foresters in the Canadian market as a member of the Foresters group of companies.

Under the agreement, which is subject to approval by regulatory authorities and eligible voting policyholders of Unity Life, Foresters will sponsor the demutualization of Unity Life and subsequently subscribe to Unity Life for common shares, payable in cash. Following the demutualization and the share subscription by Foresters, Unity Life will become a wholly owned subsidiary of Foresters.

If the demutualization is approved, eligible Unity Life policyholders will receive cash payments on demutualization in exchange for their voting control and their share of the value of Unity Life. Their insurance coverage, policy values, premiums and policy dividends would be unaffected by demutualization.

In announcing the agreement, Foresters President and CEO George Mohacsi said: "This transaction will greatly strengthen Foresters market position in Canada, which has traditionally been our smallest market. In Unity Life, we will be acquiring an attractive life insurance operation with strong marketing, product development and distribution capabilities and a demonstrated track record of growth. These qualities will enable us to achieve our strategic goals for Canada of improving our financial results, growing our membership and strengthening our members' communities."

"We see our partnership with Foresters as a meshing of the complementary strengths of the two organizations," said Anthony Poole, President and CEO of Unity Life. "Foresters size, exceptional financial strength and existing Canadian infrastructure will provide us with access to capital and additional product and distribution capability that will enable us to accelerate our Canadian growth strategy."

The value of the transaction, which is subject to independent valuation, was not disclosed. Based on the experience of other Canadian insurers that have undergone demutualization, it is expected that the demutualization process could take up to 12 months.

On completion of the transaction, Unity Life will continue to operate as a separate entity in the Canadian market under its current leadership as a member of the Foresters group of companies. Future Foresters sales activities in Canada will be conducted through Unity Life, and Foresters current Canadian sales representatives will be offered distribution contracts with

Unity Life. The Unity Life sales organization will be able to market both Unity Life and Foresters products.

**Eligible Policyholders to Receive Policyholder Guide**

Eligible Unity Life policyholders will receive a policyholder guide containing full details on the demutualization and will have the opportunity to vote on the demutualization proposal at a special policyholder meeting.

Generally, to be eligible for cash payments under the demutualization, policyholders must have one or more eligible policies in force on the August 9 announcement date.

**About Unity Life**

Unity Life of Canada is a Canadian incorporated mutual life insurance company owned by its participating policyholders. The company provides financial security to Canadians through innovative life insurance products and services. The company originated in 1898 as the Insurance Department of the Subsidiary High Court of the Ancient Order of Foresters. It was incorporated as a mutual company in 1934, subsequently changing its name to Toronto Mutual Life Insurance Company. In 2002, Toronto Mutual Life amalgamated with its subsidiary, The Western Life Assurance Company, as Unity Life of Canada. Based in Mississauga Ontario, Unity Life currently has more than 175,000 policyholders, \$13 billion of insurance in force, and assets of \$473 million. Unity Life’s Web address is [www.unitylife.ca](http://www.unitylife.ca).

**About Foresters**

Founded in 1874, Foresters™ helps individuals and families achieve financial security with its innovative portfolio of life insurance products and annuities. Foresters has assets of more than \$5.7 billion with liabilities of \$4.5 billion resulting in a surplus of \$1.2 billion (all figures in Canadian dollars as of December 31, 2006) and an “A” (Excellent) rating by A.M. Best\*. Foresters shares its financial strength with its members, who are customers, through complimentary life, health and education benefits that help its more than 750,000 eligible members and their families in the United States, Canada and the United Kingdom. Foresters provides opportunities that inspire its members to make a difference in their communities. Foresters Equity Services, Inc.\*\* and Foresters Securities (Canada) Inc. are wholly owned subsidiaries of Foresters that offer investment products in the United States and Canada respectively. For more information, please visit [www.foresters.com](http://www.foresters.com).

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\*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 Foresters rating, A.M. Best stated that Foresters rating outlook is “stable”, which means it is unlikely to change in the near future, assuming Foresters financial strength is maintained and operations grow. A.M. Best assigns ratings from A++ to F, A++ being superior ratings and A and A- being excellent ratings.

\*\*Foresters Equity Services, Inc., 6640 Lusk Blvd, Suite A-202, San Diego, CA. Member NASD and SIPC