



Unity Life of Canada



# News Release

## **Unity Life Provides Policyholders with Details of Sponsored Demutualization**

*Special Meeting of Policyholders Scheduled for February 28, 2008*

**Toronto, ON, December 21, 2007** – Unity Life of Canada today took an important step toward its proposed sponsored demutualization as it commenced the mailing of information packages to approximately 15,000 eligible policyholders. If the sponsored demutualization is approved, eligible Unity Life policyholders will receive cash payments in exchange for their voting control and their share of the value of Unity Life. Their insurance coverage, policy values, premiums and rights to receive experience dividends will be unaffected by the sponsored demutualization.

The information package follows up on the announcement of August 9, 2007, that Unity Life and Foresters™ 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, Foresters will sponsor the demutualization of Unity Life and subsequently subscribe to Unity Life for common shares, payable in cash. Following the sponsored demutualization, which is subject to approval by regulatory authorities and eligible voting policyholders of Unity Life, and the share subscription by Foresters, Unity Life will become a wholly owned subsidiary of Foresters.

The information package includes the particulars on the amount of the cash payment that each eligible policyholder will be entitled to receive if the sponsored demutualization is approved. Also included in the package is a two-part *Policyholder Guide to Sponsored Demutualization* containing detailed information on the sponsored demutualization and a voting form.

"We urge all of our eligible policyholders to vote on this important proposal," said Anthony Poole, President and Chief Executive Officer of Unity Life. "The information package is designed to ensure that policyholders have all the information they require in order to make an informed decision about sponsored demutualization. At least two-thirds of those who vote must be in favour of the proposal for it to proceed. The Board of Directors of Unity Life has recommended this proposal, but ultimately, the policyholders must decide."

Eligible policyholders can vote either by proxy or in person at a special meeting to be held at the Mississauga Convention Centre at 10:00 a.m. (Eastern Standard Time) on February 28, 2008.

If the sponsored demutualization goes forward, payments to eligible Unity Life policyholders will consist of two parts - a fixed portion representing about 25% of the total payout to eligible policyholders, and a variable portion dependent on the size and duration of the eligible policy or policies. The average payout will be approximately \$3,300 per eligible policyholder.

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

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Eligible policyholders who are unable to attend the special meeting may cast their vote by completing and returning the voting form that has been included with the information package. The voting form must be received no later than 5 p.m. (Eastern Standard Time), on February 25, 2008. The forms will be independently processed by Equity Transfer & Trust Company.

Parts I and II of the *Policyholder Guide to Sponsored Demutualization* are posted on the Unity Life web site at [www.unitylife.ca](http://www.unitylife.ca). Policyholders may also call Unity Life Client Services at 1-866-582-2533 for more information.

### **About Unity Life**

Unity Life of Canada is a Canadian incorporated mutual life insurance company, which 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 over \$500 million in assets (all figures in Canadian dollars as at December 31, 2006). 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)

Foresters™ is a trademark of The Independent Order of Foresters, a fraternal benefit society, 789 Don Mills Road, Toronto, Canada M3C 1T9.

\*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

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