

# SunUniversalLife

## ADVISOR GUIDE

### What's inside

- product overview
- cost of insurance
- death benefit options
- joint and multiple life coverages
- investment accounts
- taxation
- administrative information
- additional benefits



## TABLE OF CONTENTS

PRODUCT OVERVIEW .....	3
COST OF INSURANCE (COI) OPTIONS .....	7
DEATH BENEFIT OPTIONS.....	10
JOINT AND MULTIPLE LIFE COVERAGES .....	12
INVESTMENT ACCOUNTS .....	15
TAXATION .....	23
ADMINISTRATIVE INFORMATION .....	24
ADDITIONAL BENEFITS.....	29
ADDITIONAL BENEFITS SUMMARY .....	33
GENERAL DEFINITIONS.....	34

## FEATURES

Basic insurance benefit options	<ul style="list-style-type: none"> <li>• Single life</li> <li>• Joint first-to-die: up to 5 lives per basic insurance benefit</li> <li>• Joint last-to-die: up to 2 lives per basic insurance benefit</li> <li>• Multiple life: up to 5 single lives or 4 single lives and 1 joint life (maximum 9 lives per policy)</li> </ul>
Cost of insurance (COI) options	<ul style="list-style-type: none"> <li>• Guaranteed yearly renewable term (YRT)</li> <li>• Guaranteed level</li> </ul>
Issue ages	<ul style="list-style-type: none"> <li>• YRT COI: 0 to 64</li> <li>• Level COI: 18 to 80</li> <li>• Joint life: 18 to 80</li> <li>• Indexed face amount: 0 to 70</li> </ul>
Bands	<ul style="list-style-type: none"> <li>• \$50,000 to \$99,999 (available for conversion only)</li> <li>• \$100,000 to \$249,999</li> <li>• \$250,000 to \$499,999</li> <li>• \$500,000 to \$999,999</li> <li>• \$1,000,000+</li> </ul> <p><i>Note: Face amounts of \$50,000-\$99,999 are available for term conversions only, and only when converting the entire amount of the originating plan. Partial conversions of less than \$100,000 are not permitted.</i></p>
Underwriting classes	<ul style="list-style-type: none"> <li>• Smoker</li> <li>• Non-smoker</li> </ul>
Death benefit options	<ul style="list-style-type: none"> <li>• Level insurance amount</li> <li>• Insurance amount plus fund</li> <li>• Fund builder</li> <li>• Indexed insurance amount (Consumer Price Index or fixed index to maximum of 8%)</li> </ul>
Administration/policy fee	<ul style="list-style-type: none"> <li>• None</li> </ul>

## BENEFITS

Access to the policy fund when disabled	Included on all policies; no additional cost of insurance applies	
Early death benefit	Available for joint last-to-die coverage; no additional cost of insurance applies	
Optional benefits	Description	Issue ages
	<ul style="list-style-type: none"> <li>5-, 10-, and 20-year renewable and convertible term insurance benefit – available on the insured and one additional person</li> <li>Renewable to age 80, convertible to age 70</li> </ul>	<ul style="list-style-type: none"> <li>5-year term: 18 to 70</li> <li>10-year term: 18 to 70</li> <li>20-year term: 18 to 60</li> </ul>
	Total disability benefit – protection and savings options	0 to 55
	Owner death benefit – protection and savings options	18 to 60
	Owner disability benefit – protection and savings options	18 to 55
	Accidental death benefit (single life only)	0 to 65
	Guaranteed insurability benefit (single life only)	0 to 50
	Executive guaranteed insurability benefit (single life only)	25 to 60
	Coverage death benefit – protection and savings options (joint last-to-die only)	18 to 75
Policy loans	<ul style="list-style-type: none"> <li>Minimum: \$500</li> <li>Maximum: depends on factors such as policy fund value, market value adjustment, surrender charges, etc.</li> <li>Interest rate: daily interest + 2%</li> </ul>	
Withdrawals	<ul style="list-style-type: none"> <li>Minimum: \$500</li> <li>Maximum: up to the cash surrender value, if available</li> <li>Transaction fees may apply</li> </ul>	
Surrender charges	<ul style="list-style-type: none"> <li>Applicable for 10 years for each coverage (based on a multiple of the insurance factor<sup>1</sup>)</li> <li>Higher on <b>SunUniversalLife Max</b> for the first 5 policy years</li> </ul>	
Transaction fees	<ul style="list-style-type: none"> <li>Up to two free transactions per policy year</li> <li>The maximum fee charged at any time is \$100 per transaction</li> </ul>	

<sup>1</sup> Insurance factor for non-rated cases is equal to 100% of the level COI rate based on the issue age and the insurance amount.

## WITHDRAWAL ORDER

Standard order	<ul style="list-style-type: none"> <li>• Daily interest account (DIA)</li> <li>• FPX portfolio index accounts</li> <li>• Accounts based on the performance of indices</li> <li>• Accounts based on the performance of managed funds (proportional)</li> <li>• Guaranteed interest account (GIA)</li> </ul>
Alternate order	<ul style="list-style-type: none"> <li>• DIA</li> <li>• GIAs</li> <li>• FPX portfolio index accounts</li> <li>• Accounts based on the performance of indices</li> <li>• Accounts based on the performance of managed funds (proportional)</li> </ul>
Proportional withdrawal order (default)	<ul style="list-style-type: none"> <li>• Proportional from each account (DIA, index, managed) based on the balance in each account at the time of withdrawal</li> </ul>

## NO INVESTMENT BONUS OPTION

No investment bonus option	<ul style="list-style-type: none"> <li>• Must be chosen at time of sale</li> <li>• COI discount not available</li> <li>• Results in lower management fees for all accounts based on the performance of indices, accounts based on performance of managed funds, and higher credited interest rates for the GIAs and DIA</li> </ul>
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## INVESTMENT BONUS AND COI DISCOUNT

Investment bonus	<ul style="list-style-type: none"> <li>• Must be chosen at time of sale</li> <li>• Bonus starts at the end of year 2 and credits 0.40% annually on the policy anniversary</li> <li>• Bonus is paid annually at the end of the policy year based on the average of the monthly average policy fund value in the preceding 12 months (net of loans and interest accrued on loans)</li> <li>• Higher management fees than for no bonus option</li> <li>• Added to the activity account</li> </ul>
COI discount	<ul style="list-style-type: none"> <li>• Available only for policies with an investment bonus</li> <li>• Reduces the COI based on the funding ratio<sup>2</sup> and the insured person's age when they purchase the policy (see page 9)</li> <li>• For discount calculation purposes, the funding ratio is vested at the end of the 9<sup>th</sup> year for the life of the policy</li> </ul>

<sup>2</sup> Funding ratio is the net insurance payments (total payments minus the insurance charges for the optional benefits, withdrawals and market value adjustments) divided by the insurance factor accumulated over completed years.

## SunUniversalLife

**SunUniversalLife** (Sun UL) is a permanent life insurance policy that includes insurance benefits on one or more insureds with several investment options available to clients.

Rather than purchase a new policy, the insurance amount of a Sun UL policy can be increased by adding another basic insurance benefit on an attained age basis. Any increase in the insurance amount will require the insured person to provide the appropriate evidence of insurability, unless a guaranteed insurability benefit or Executive GIB is elected.

The insurance amount of the policy can also be easily decreased. The reduced insurance amount, however, cannot drop below Sun UL's minimum insurance amount requirement.

## SunUniversalLife Max

**SunUniversalLife Max** (Sun UL Max) builds on the strengths of **SunUniversalLife** and is suited for very affluent clients who want to maximize their fund values. Sun UL Max offers more funding capacity than Sun UL in the early years.

### Minimum and maximum insurance amount

The minimum insurance amount for Sun UL is \$100,000.

The illustration software is restricted to \$10 million for issue ages up to age 80. Conversion quotes above \$10 million can be requested through head office.

### Minimum insurance amount changes

In order to minimize administrative expenses, the minimum insurance amount increase allowed is \$25,000. For similar reasons, the minimum insurance amount reduction permitted is \$10,000.

### Issue ages and rate classes

Sun UL is available from issue ages 0 through 80 on smoker and non-smoker rate classes. For joint life basic insurance benefit, however, each insured person must be between ages 18 and 80.

For juveniles age 0 through 17, the guaranteed yearly renewable term COI option is available and issued on a smoker rate class basis. From age 18 onward, a juvenile insured person can convert to the guaranteed level COI option on an attained age basis. The rate applicable will be based on the rates in effect at the time of conversion.

On all non-juvenile policies, an insured person can change from the smoker rate class to the non-smoker rate class by completing a **Request for Change in Premium Rate Basis form**.

### Payment options

Sun UL allows for monthly or annual payments. Any additional payments will be considered lump sum payments and can be made at any time. The effective date of payment will be the date that funds are received at our head office. Policy owners not set up on Pre-Authorized Chequing (PAC) can elect to receive a payment notice on an annual basis.

Payments can stop at any time, provided the policy fund value is sufficient to keep the policy in force. Additional payments of any amount (subject to minimum payment requirements) can resume at any point in the future. The policy owner's choice of payment amount will be influenced by his/her goals with respect to:

- i) policy fund accumulation,
- ii) death benefit option, and
- iii) preferred duration of payment period.

## Minimum payments

The minimum lump sum requirement is \$250.

The minimum PAC payment is the monthly cost of insurance plus applicable provincial premium tax:

Where:

$$\begin{aligned} \text{monthly cost} &= \text{monthly cost of insurance}^* \\ &+ \text{cost of term insurance benefit}/12 \\ &+ \text{cost of additional benefits}/12 \\ * \text{ Monthly cost of insurance} &= (A \times B) \times (1 - \text{insurance discount})/12 \\ A &= \text{the annual cost per } \$1,000 \text{ of insurance} \\ B &= \text{the insurance amount divided by } 1,000 \end{aligned}$$

## Activity account

When we receive a payment to the **SunUniversalLife** policy, the applicable provincial premium tax is deducted. The money is then added to the activity account. From this account, money is transferred to pay the cost of insurance for all basic insurance benefits and additional benefits on a monthly basis. When the activity account balance reaches a minimum of \$250 for each of the chosen investment accounts, the money will be transferred out of this account in accordance with the chosen investment mix.

## Interest calculation and guarantee

- Interest is calculated daily and credited daily.
- The minimum guaranteed interest rate will never be less than 90% of the yield on a 30-day Government of Canada Treasury Bill issued that day, less 1.75%. Under no circumstances will the rate be less than 0%.

## COST OF INSURANCE (COI) OPTIONS

Cost of insurance is deducted from a Sun UL policy on a monthly basis. The cost is determined by multiplying the COI rate per \$1,000 by the net insurance amount, and dividing the result by 12.

Two COI options are available – guaranteed yearly renewable term and guaranteed level. Both are guaranteed for the life of the coverage. Additional insurance purchased via the indexed death benefit option or to keep the policy tax-exempt will be issued on an attained age basis, at the COI rates in effect at the time of purchase.

### Guaranteed yearly renewable term COI (YRT)

The more traditional universal life COI basis is guaranteed yearly renewable term. Each year, the COI is based on the insured person's attained age and, as such, will increase as the insured gets older.

YRT COI will provide the best growth in short to mid-term policy fund value, but longer-term values will be very sensitive to policy fund value investment return rates.

YRT COI is not available on issue ages over 64. YRT COI rates vary by attained age, sex, and rate class.

### Conversion to level

The insured person can convert the insurance amount from yearly renewable term to level COI after the first policy year. The conversion must be on the policy anniversary nearest their 18<sup>th</sup> birthday up to the policy anniversary nearest their 81<sup>st</sup> birthday. The level COI rate will be based on rates in effect at the time of conversion.



### Guaranteed level COI

This option is based on the insured person’s issue age (not available before age 18) and, as such, will not change over the life of the coverage.

Level rates will be higher than YRT rates for the first several years. This means that short to mid-term policy fund values will grow more slowly under level than under yearly renewable term COI.

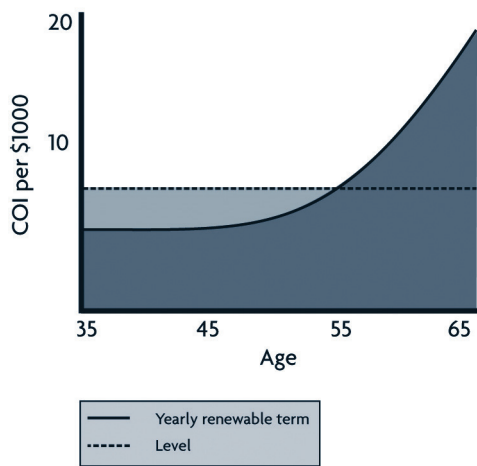
### Conversion to yearly renewable term

Level COI cannot be changed to yearly renewable term COI.

Level COI rates vary by issue age, sex and rate class, and are fully guaranteed for each basic insurance benefit.

### Comparison of COI options

This graph compares yearly renewable term and level COI for a male preferred non-smoker, age 35. In this example, the YRT COI begins to exceed the level COI 21 years into the policy.



Certain criteria should be considered when choosing the appropriate COI option:

- A client looking for greater short-term policy fund value would be best served by initially choosing the YRT COI option.
- A client looking for longer-term values may be best advised to choose the level COI option at issue, to benefit from locking into a fully guaranteed rate at a younger age.

Run several different illustrations to determine which scenario best suits client’s goals.

### Banded COI

The COI rates (under both COI options) vary by face amount band. Volume discounts permit reductions in the COI as the insurance amount increases. Sun UL offers five COI rate bands:

BAND	INSURANCE AMOUNT
1*	\$50,000 to \$99,999 (available for conversion only)
2	\$100,000 to \$249,999
3	\$250,000 to \$499,999
4	\$500,000 to \$999,999
5	\$1,000,000 +

\* Face amounts of \$50,000-\$99,999 are available for term conversions only, and only when converting the entire amount of the originating plan. Partial conversions of less than \$100,000 are not permitted.

If the insurance amount is increased after issue, causing the total insurance amount to move to a higher band, the cost of insurance applicable to the increase will be based on those for the new band.

## Discounted COI

This feature is unique to Sun UL, and is included on all policies issued prior to November 18, 2005. For policies issued after November 18, 2005, the discount COI feature is only available on policies with an investment bonus. The discount on COI rewards those policy owners who achieve a certain funding level.

The discount in any policy year is based on the insured person's age (issue age for level and attained age for yearly term) and funding ratio. The discount given will also increase as the funding ratio of the Sun UL policy increases.

The discount factors are guaranteed and the current factors, at some sample ages, are shown in the chart below. Discounts are interpolated on a "straight line" basis between points.

### Funding ratio discount table (%)

FUNDING RATIO					
Age	1.00	1.50	2.00	2.50	3.00+
0-50	0	5	10	15	20
55	0	3.75	7.5	11.25	15
60	0	2.5	5	7.5	10
65	0	1.25	2.5	3.75	5
70+	0	0	0	0	0

Insurance discount for each basic insurance benefit is calculated by the following formula:

- Up to age 50: (Funding ratio - 1) times 10%.
- Age 51 and up: Reduce percentage by 0.5 per year.
- Maximum funding ratios used in the insurance discount calculation is 3.0.

For each basic insurance benefit, the funding ratio used to calculate the discount is fully vested after the 9<sup>th</sup> anniversary of that basic insurance benefit. From the 10<sup>th</sup> anniversary onward, the funding ratio used to calculate the discount will never be less than the funding ratio achieved on the 9<sup>th</sup> basic insurance anniversary.

### Provincial premium tax

Applicable provincial premium tax is deducted from every payment made into a Sun UL policy\*. The provincial premium tax is determined by government legislation and subject to change at any time. Current as of April 2016.

The percentage that is deducted is as follows:

PROVINCE/TERRITORY	TAX RATE (%)
Alberta	3.00
Newfoundland	4.00
Northwest Territories	3.00
Nova Scotia	3.00
Nunavut	3.00
Prince Edward Island	3.50
Saskatchewan	3.00
Quebec	3.30
All others	2.00

*\* No premium tax will be deducted from money transferred directly into the service account. However, premium tax will be deducted from monies being transferred from the service account into the policy.*

## Payments less premium tax

Provincial premium tax will be deducted from payments made into Sun UL policy. Money is then added to the activity account. Percentages selected for each investment account must be in multiples of 5%. After any applicable insurance COI is deducted, the balance can then be allocated to the client's desired investment accounts, provided there is at least \$250 for each investment account in the investment mix (see minimum investment amounts on page 21). The entire investment mix can be changed at any time, but the change cannot be made retroactive. A transaction fee may apply.

## Special direction of a payment

The policy owner can also direct the funds or a specific payment in a different way than specified in the investment mix, if a written request is sent to us.

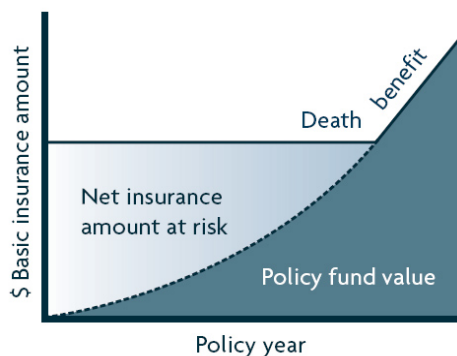
## DEATH BENEFIT OPTIONS

Another example of Sun UL's flexibility is the ability of the policy owner to choose from the four different death benefit options.

1. Level insurance amount
2. Insurance amount plus fund
3. Fund builder
4. Indexed insurance amount

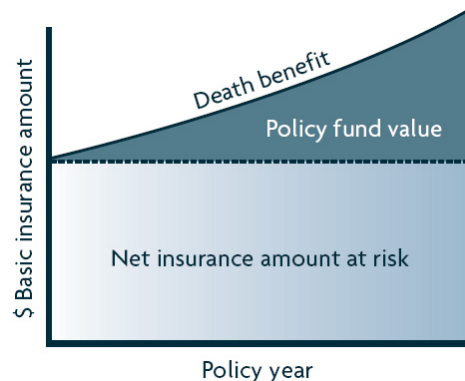
The following examples assume increasing policy fund values to demonstrate the difference in death benefit options.

### LEVEL INSURANCE AMOUNT



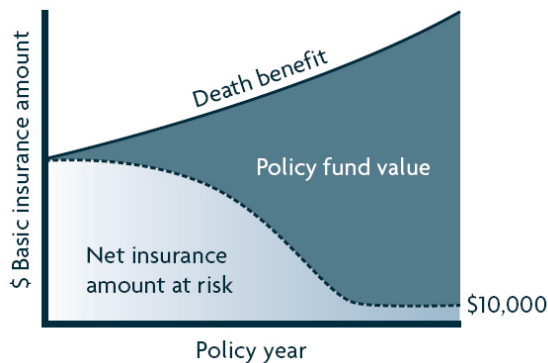
Under the level insurance amount option, the death benefit is the greater of the basic insurance benefit amount and policy fund value. The calculation of the cost of insurance is based on net insurance amount at risk defined as the insurance amount less the policy fund value. Those clients that do not have an increasing insurance need would be best served by this option.

### INSURANCE AMOUNT PLUS FUND



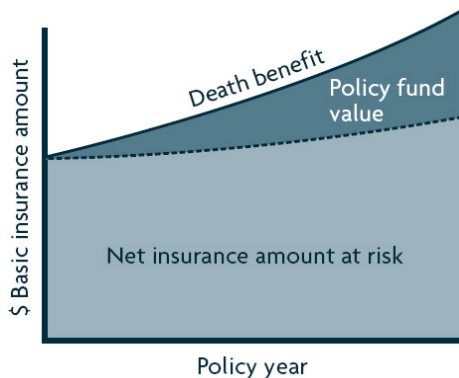
For those looking for increasing insurance protection, the insurance amount plus fund option will be more appropriate than the level face amount option. Under this option, the policy fund value is paid upon death, in addition to the insurance amount. The net insurance amount at risk for this option remains constant.

## FUND BUILDER



Fund builder is an insurance amount plus fund death benefit type that is designed to maximize your policy fund value. The tax exempt maintenance method for this death benefit is: to increase the insurance amount and reduce below the initial basic insurance benefit. This allows the net insurance amount at risk to be reduced to as low as \$10,000 and minimize the cost of insurance. Reduction(s) to the insurance amount can start as early as year 5. A yearly renewable term cost of insurance is required with this death benefit type. Under this option the policy fund value is paid on death, in addition to the net insurance amount at risk. The insurance amount will be adjusted upwards to keep policy funds exempt and then reduced when possible.

## INDEXED INSURANCE AMOUNT



The indexed insurance amount option permits the basic insurance amount to be indexed from 1 to 8% annually or at the CPI rate, and is available at issue ages 0 through 70. The net insurance amount at risk – the difference between the indexed basic insurance amount and the policy fund value – will therefore not be level, as shown below. Depending on the growth rate of the policy fund value and the index rate chosen, the net insurance amount at risk could be increasing or decreasing.

## INDEXING METHODS

The policy owner can choose between two different indexing methods:

### Consumer price index (CPI)

Starting on the first policy anniversary, the insurance amount will be indexed in proportion to the annual change in the CPI. With this option, the policy owner is assured that the ultimate amount paid at death will retain the same purchasing power as the insurance amount did at issue.

### Fixed rate

Starting on the first policy anniversary, the insurance amount will be indexed by a fixed rate chosen by the policy owner at issue.

The policy owner can also change between the fixed rate and the CPI method; however, evidence of insurability may be required.

### Minimum indexing rates

The minimum annual index rate is 0.00% under the CPI method and 1.00% under the fixed rate method. The fixed rate must be a multiple of 0.25%.

### **Maximum indexing rates**

Under both indexing methods, the maximum annual index rate is 8.00%. The maximum indexed insurance amount permitted is two and a half times the initial insurance amount.

### **Period of indexing**

The policy owner cannot decline a particular annual increase but can request to decline **all** future increases. Unless the index option is canceled, the indexing will continue until the policy anniversary nearest each insured person's 85<sup>th</sup> birthday.

### **Changes to death benefit options**

A policy owner can change death benefit options or the index rate at any time, but the insured person will be asked to provide evidence of insurability if the insurance amount or index rate is increased. Voluntary increases to the insurance amount are subject to a minimum of \$25,000.

The minimum voluntary insurance amount reduction is \$10,000, however, the basic insurance benefit cannot be reduced below the minimum insurance amount allowed.

## **JOINT AND MULTIPLE LIFE COVERAGES**

### **Joint life basic insurance benefit**

Sun UL offers joint first-to-die, joint last-to-die, and joint last-to-die with an early death benefit option.

#### **Joint first-to-die**

Joint first-to-die basic insurance benefit is available on up to five lives. Upon the first death of an insured person, a death benefit is paid to a beneficiary and the basic insurance benefit expires. Each survivor of the joint basic insurance benefit will be provided with 31 days of free, convertible term insurance for an insurance amount equal to the insurance amount of the original joint basic insurance benefit.

#### **Joint last-to-die**

Joint last-to-die basic insurance benefit is available on two lives only.

#### **Joint last-to-die with an early death benefit**

Early death benefit is available when a joint last-to-die basic insurance benefit with an insurance amount plus fund or fund builder death benefit option is chosen.

#### **Early death benefit**

The policy fund value of a joint last-to-die basic insurance benefit is payable to the beneficiary(s) on the first death when the insurance amount plus fund or fund builder death benefit option is selected. All joint last-to-die policies issued on or after April 3, 2002 are eligible for the early death benefit (EDB), however, the percentage is initially set to zero at issue. The owner can change the percentage (in multiples of 5%, up to 100% maximum) at any time prior to the first death by submitting written notification or the early death benefit beneficiary election and/or the policy change form.

The total amount of the EDB payout on first death will be equal to the result of this formula, calculated as of the date of notification:

$$(A) \times (B - C)$$

where:

- A – is the early death benefit percentage as specified by the owner for the deceased insured person
- B – is the policy fund value
- C – is the policy loans with interest

The EDB for a basic insurance benefit will remain in effect as long as:

- i) the insured person is not covered as a single life under the same multiple life policy, and
- ii) the joint last-to-die basic insurance benefit with which this benefit was issued remains in-force, and
- iii) the death benefit option is and remains Insurance amount plus fund or fund builder.

A separate percentage of EDB payout and beneficiary can be selected for each insured person.

Each insured person must be age 80 or lower at issue, and we reserve the right to exclude EDB on joint last-to-die policies where one or both insured persons are high substandard risks.

No surrender charges or market value adjustment (MVA) will be applied to the payout.

No EDB is payable on simultaneous deaths of the insured persons covered under the joint last-to-die basic insurance benefit.

The service account will not form a part of the EDB payout.

EDB payouts are subject to taxation legislation at the time of payment. Any election change after issue is subject to our then current rules and practices.

When EDB is used on a joint basic insurance benefit in a multiple life policy, this benefit will override any other policy fund allocation specified for the same insured person in the policy. The benefit payable at the death of the insured person will be reduced by the amount of EDB payout. If a claim is made for the EDB and a basic insurance benefit and it is impossible to determine which of the insured persons under the policy died first, the oldest of the insured persons will be deemed to have died first.

### **Adding or removing a life – joint**

An insured person can be added to any first-to-die basic insurance benefit, provided that the required evidence of insurability is met. An insured person can be removed or substituted on any joint basic insurance benefit, provided that the policy is not under a waiver and that any new insured person provides the appropriate evidence of insurability. When a joint basic insurance benefit in a multiple lives policy is dropped, the insurance factor does not change and all surrender charges of that joint basic insurance benefit remain in effect. The equivalent joint age of the new joint basic insurance benefit will be based on the attained ages of the insured persons involved on the date of the substitution, addition or removal. In some cases, this could be considered a disposition of the policy and could result in tax implications.

### **Multiple lives coverage**

This feature allows more than one person to be insured under the same policy.

## Coverage and options

Currently, up to five basic insurance benefits can be combined into one Sun UL policy, and one of them can be a joint basic insurance benefit. The policy owner(s) can assign a separate beneficiary to each death benefit in the policy. An insured person could be covered by both a single and a joint basic insurance benefit within the multiple lives coverage.

Under a Sun UL policy, each insured person must satisfy the minimum insurance amount requirement. All insured persons must choose the same death benefit option but each can choose their own COI option.

Upon the death of any insured person, his or her death benefit will be paid to the beneficiary and the policy will continue with the remaining insured persons.

## Calculation of insurance factor

Each basic insurance benefit has an associated insurance factor and it is the sum of all insurance factors that is used to calculate the COI discount for each basic insurance benefit and the investment bonus for the policy.

## Adding or removing a life – multiple coverage

An insured person may be removed, added or substituted on any multiple lives policy, provided the new insured person submits the appropriate evidence of insurability. When an insured person is dropped, the insurance factor does not change and all surrender charges of that insured person remain. When a life is added, a new insurance factor is determined for that insured person, along with a new schedule of surrender charges and commissions. In some cases, this could be considered a disposition of the policy and could result in tax implications.

## Split of policy fund value

In the case of multiple lives policies with the death benefit option insurance amount plus fund, the policy owner must choose an allocation method for the policy fund value at issue; this method can be changed after issue for a fee. In addition, the policy fund value must be allocated to the insured persons for the calculation of the net insurance amount.

Three types of policy fund value allocations are possible:

1. proportional to the insurance amount,
2. payable on the first death claim, or
3. payable on the last death claim.

For policies issued on or after April 3, 2002:

When the full or partial fund value is included in a death claim settlement, withdrawals are made and valued as of the end of the date of notification. It would be imperative to give notice in a timely fashion because the growth in the fund value portion of the death benefit, between the date of death and date of notification, can be subject to taxation.

If there is an early death benefit payable at the time of death claim settlement, the policy fund value will be reduced accordingly.

## Policy fund value proportional to insurance amount

Under this option, each insured person will have an allocated policy fund value proportionate to the insurance amount. This allocation method is available on any death benefit option. The net insurance amount for each insured person, under the level insurance amount and indexed insurance amount options, is the difference between the basic insurance benefit amount and the allocated policy fund value.

If an insured person is substituted or added to the policy, the policy fund value would be re-allocated in proportion to the new insurance amount. If an insured person is removed, the policy fund value will be re-allocated to the remaining insured persons.

## **POLICY FUND VALUE PAYABLE ON DEATH CLAIM**

### **Policy fund payable on the first death claim**

Under this option (which is only available on the insurance amount plus fund death benefit option), the entire policy fund value is paid out on the first death claim of an insured person. An additional payment may be required to pay for monthly cost of insurance and to cover remaining surrender charges.

### **Policy fund payable on the last death claim**

This option is only available on the insurance amount plus fund death benefit option. It pays out the entire policy fund value on the last death claim of the insured persons.

## **INVESTMENT ACCOUNTS**

Perhaps the most unique and attractive feature of a universal life product is the ability of the policy owner to choose the type of vehicle in which the policy fund value will be invested. This is particularly attractive for those who want to control the investment mix, rather than have the insurance company decide on the investment mix, as is offered with the more traditional participating life insurance products.

With Sun UL, the policy owner can invest the policy fund value in any combination of a daily interest account (DIA), a variety of guaranteed interest accounts (GIAs), several accounts based on the performance of indices and a number of accounts based on the performance of managed funds. The choice of investment accounts will depend upon the policy owner's level of risk tolerance. The Sun UL Investor Profile Questionnaire will help clients determine the appropriate investment mix to meet their goals.

### **Daily interest account (DIA)**

This daily interest account is an investment option selected by the client. It operates the same as any of the other investment accounts and requires a minimum amount of \$250 to open.

### **Interest calculation and guarantee**

- Interest is calculated daily and credited daily.
- The minimum guaranteed interest rate will never be less than 90% of the yield on a 30-day Government of Canada Treasury Bill issued that day, less 1.75%. The absolute minimum interest rate for the DIA is 0% per annum.



## Guaranteed interest accounts (GIA)

Guaranteed interest accounts (GIAs) are available for 1-, 3-, 5-, 10- and 20-year terms to meet policy owner's short-, medium- and long-term savings needs. At a GIA's maturity, the balance is rolled into the activity account, unless the policy owner requests to have it rollover to a new account of the same term. Interest is credited daily and compounded annually.

### Interest calculation and guarantee

- The minimum guaranteed interest rate will never be less than 90% of the effective annual yield on Government of Canada Bonds with the same term and effective date as the GIA, less 1.75% per annum.
- The policy owner is also guaranteed that they can never lose their principal in a GIA. The absolute minimum guaranteed interest rates are 0% for the 1- and 3-year terms, 0.5% for the 5-year term, and 1.5% for the 10- and 20-year terms.

### Market value adjustment (MVA)

If funds are withdrawn from the GIAs, an MVA may apply. Generally, if a GIA is redeemed prior to its maturity and current interest rates for the particular term account have increased, an MVA will apply. An MVA does not apply to amounts taken from the index accounts or on transfers into the policy from the service account.

The MVA applies to withdrawals, policy loans, or transfers from a GIA, except on transfers required to pay for monthly cost of insurance or to maintain the policy's tax-exempt status. Withdrawals from the GIAs will start with the account closest to maturity. An MVA will not apply to the payment of the policy fund value upon the death of the insured person.

The MVA formula can only result in a decrease in the value of the withdrawal, i.e. no credits will be given.

### MVA formula

#### The MVA formula for guaranteed interest account (GIA):

The MVA =  $W \times \{ 1 - \text{the lesser of } 1 \text{ and } [ (1 + J)D \div (1 + K)D ] \}$

where:

- W = amount withdrawn or transferred from the GIA layer
- D = number of days to maturity in the existing GIA layer divided by 365
- J = actual interest rate for the existing GIA layer, excluding any investment bonus
- K = current interest rate for a new GIA layer with the same term as the existing GIA

### Accounts based on the performance of indices

Interest for each account is calculated daily and credited daily. These accounts reflect the performance of the indices on which they are based. Since the underlying indices can increase or decrease, the applicable interest rate can be positive or negative.

When clients select these accounts, they do not acquire an interest in the designated market index or purchase any units or legal interest in any security.

We will maintain the index accounts which are based on the Canadian and American equity markets and the Canadian bond market and we will maintain the management fees for those accounts as outlined unless after the policy date there is a material change in:

- the investment environment for monitoring and replicating an index account, or
- the legislation that applies to life insurance policies that have accounts based on the performance of indices.

## Available Index Accounts

- American Equity
- American Technology
- Canadian Bond
- Canadian Equity
- European Equity
- Foreign Equity
- Japanese Equity
- Pacific Equity
- FPX\* Balanced
- FPX\* Growth
- FPX\* Income

See account fact sheets for further information on the underlying indices and historical performance rates of return.

\* *FPX is a trademark of The National Post Company. SunUniversalLife is not endorsed, sold or promoted by the National Post Company.*

## INTEREST GUARANTEES

The management fee varies depending on the investment option selected and will vary depending on whether the investment bonus was selected. The management fee for each Index account used in the interest guarantee calculations outlined below is shown in the investment bonus and the investment account management fees and interest rates sections. Interest rates can be negative.

The daily interest rate that applies to each of the index accounts will be:

### FPX Income Index Account

100% of percentage daily change in the FPX Income Total Return Index (a Financial Post index) minus a management fee.

### FPX Balanced Index Account

100% of percentage daily change in the FPX Balanced Total Return Index (a Financial Post index) minus a management fee.

### FPX Growth Index Account

100% of percentage daily change in the FPX Growth Total Return Index (a Financial Post index) minus a management fee.

### Canadian Equity Index Account

100% of the percentage daily change in the Standard & Poor's Toronto Stock Exchange (S&P/TSX60) Total Return Index, minus a management fee.

### American Equity Index Account

100% of the percentage daily change in the Canadian dollar value of the Standard & Poor's 500 (S&P 500) Total Return Index, minus a management fee.

### **Foreign Equity Index Account**

100% of the percentage daily change in the Canadian dollar value of the Morgan Stanley Capital International Europe Australasia and Far East (MSCI EAFE) Free Price Index (excluding dividends), minus a management fee.

### **European Equity Index Account**

100% of the percentage daily change in the Canadian dollar value of the Morgan Stanley Capital International (MSCI) Europe Price Index (excluding dividends), minus a management fee.

### **Pacific Equity Index Account**

100% of the percentage daily change in the Canadian dollar value of the Morgan Stanley Capital International (MSCI) Pacific Free Price Index (excluding dividends), minus a management fee.

### **Japanese Equity Index Account**

100% of the percentage daily change in the Canadian dollar value of the Nikkei 225 Index (including the dividends paid on the underlying stocks), minus a management fee.

### **American Technology Index Account**

100% of the percentage daily change in the Canadian dollar value of the NASDAQ 100 Index (including the dividends paid on the underlying stocks), minus a management fee.

### **Canadian Bond Index Account**

100% of the percentage daily change in the FTSE TMX Canada Universe Bond Index, minus a management fee.

### **Accounts based on the performance of managed funds**

Interest for each managed account is calculated daily based on the performance of the mutual fund the account is linked to. Performance fluctuates and interest can be positive or negative. All managed accounts are affected by both the performance of its designated fund and fluctuations in the value of the Canadian dollar compared to the appropriate foreign currency, where applicable.

When clients select these accounts, they do not acquire an interest in the designated fund or purchase any units or legal interest in any security.

The daily interest rate that applies to each managed account will be:

- the percentage daily change in the Canadian dollar value of its designated fund, minus the **SunUniversalLife** management fee for that account.
- The management fee will be different depending on whether the customer chose to have an investment bonus or not.

Managed accounts allow clients to diversify their investments inside their **SunUniversalLife** policy. These mutual funds and their industry leading managers have been chosen based on a broad selection of management styles and asset classes: bonds/income, Canadian equity, Canadian balanced, US equity, international/global equity, as well as asset allocation or portfolio funds.

With the managed account options clients can choose to build their own portfolio or, if preferred, choose accounts based on mutual funds with asset allocation and portfolio selections designed and monitored by investment professionals.

**SunUniversalLife** also offers managed accounts with interest based on the performance of mutual funds managed by institutional fund managers. The investment required to access these institutional funds means most investors would not have access to these fund managers on an individual basis.

### Managed account options

- CI Canadian Investment
- CI Global
- CI Harbour
- CI Harbour Growth & Income
- CI Portfolio Series Balanced
- CI Portfolio Series Balanced Growth
- CI Portfolio Series Conservative
- CI Portfolio Series Conservative Balanced
- CI Signature High Income
- CI Signature Income & Growth
- Cambridge American Equity Corporate Class
- Fidelity Global Fidelity
- U.S. Focused Stock Fund
- Fidelity NorthStar®
- Fidelity True North®
- Mackenzie Cundill Canadian Balanced
- Mackenzie Cundill Value
- Mackenzie Ivy Foreign Equity
- Sun Life MFS US Equity
- Sun Life MFS Balanced Growth
- Sun Life MFS Canadian Equity Value
- PHN Balanced
- PHN Bond
- PHN Canadian Equity
- PHN Dividend Income

More information on the managed account options, asset class and management style as well as the guaranteed interest accounts and index accounts is available on the **SunUniversalLife** Investment account fact sheets, and the Investment account options booklet.

We may need to rename, merge or withdraw a managed account. This may occur because of changes in the underlying mutual fund or its management.

If we withdraw an account in which a client has a balance, we will provide information on other accounts available into which account balances may be directed.

### Minimum investment amounts

An important feature to remember with Sun UL is the minimum transfer threshold. Currently, the minimum transfer threshold, other than the activity account, is \$250. If the investment mix contains more than one investment account, the payment must be large enough so that each investment mix percentage equates to at least \$250. Once that minimum amount is reached, the policy funds will automatically be dispersed in accordance with the investment mix.

For example, if a policy owner wishes to place 5% in any particular account, a net payment of \$5,000 ( $\$250/5\%$ ) will be required before the new account can be opened. If the minimum opening balance is not met for each and every investment account, all of the policy funds will be left in the activity account until each minimum balance has been achieved.

Small percentages should be avoided if the payments are not substantial, to refrain from keeping funds in the activity account for long periods of time.

### Investment account asset class and management fee

The management fee and associated minimum interest rate used in the interest guarantee calculation for a particular investment account is dependent on whether the policy owner has selected to have an investment bonus on the policy or chosen not to have the bonus.

The asset class, management style, management fees and guaranteed minimum interest rates (if applicable) for each investment account are shown on the pages that follow.

## FIXED INCOME OPTIONS

Daily interest account (DIA)	<ul style="list-style-type: none"> <li>• Interest earned based on 90% of 30-day Government of Canada T-Bills.</li> <li>• No investment bonus option currently provides an interest rate increase of 0.40% to the credited rate. This interest rate increase may change.</li> </ul>
Guaranteed interest accounts (GIAs)	<ul style="list-style-type: none"> <li>• Interest earned based on 90% of Government of Canada bonds of the same duration.</li> <li>• No investment bonus option currently provides an interest rate increase of 0.40% to the credited rate. This interest rate increase may change.</li> <li>• Guaranteed minimum interest rates of:             <ul style="list-style-type: none"> <li>• 1-year GIA: 0%</li> <li>• 3-year GIA: 0%</li> <li>• 5-year GIA: 0.5%</li> <li>• 10-year GIA: 1.5%</li> <li>• 20-year GIA: 1.5%</li> </ul> </li> </ul>

Index account options <sup>1</sup>	Asset class	Management style	Sun UL management fee with bonus	Sun UL management fee with no bonus
American Equity	US equity	N/A	3.00	2.00
American Technology	US equity	N/A	3.00	2.00
Canadian Bond	Bond/income	N/A	3.00	2.00
Canadian Equity	Canadian equity	N/A	2.75	1.75
European Equity	International/global equity	N/A	2.00	1.00
Foreign Equity	International/global equity	N/A	2.00	1.00
Japanese Equity	International/global equity	N/A	3.25	2.25
Pacific Equity	International/global equity	N/A	3.00	2.00
FPX Balanced	Canadian balanced equity	N/A	3.20	2.20
FPX Growth	Canadian balanced equity	N/A	3.40	2.40
FPX Income	Bond/income	N/A	2.80	1.80

<sup>1</sup> Minimum rate of return is based on Canadian dollar values of the indices, and the contractual guaranteed minimums stated apply to Canadian policies only.

Managed account options <sup>2</sup>	Asset class	Management style	Sun UL management fee with bonus	Sun UL management fee with no bonus
CI Portfolio Series Balanced	Asset allocation	Asset allocation	1.00	0.00
CI Portfolio Series Conservative	Asset allocation	Asset allocation	1.00	0.00
CI Canadian Investment	Canadian equity	Value	1.00	0.00
CI Global	International/global equity	Growth	1.00	0.00
CI Portfolio Series Balanced Growth	Asset allocation	Asset allocation	1.00	0.00
CI Portfolio Series Conservative Balanced	Asset allocation	Asset allocation	1.00	0.00
CI Harbour	Canadian equity	Blend	1.00	0.00
CI Harbour Growth & Income	Canadian balanced	Blend	1.00	0.00
CI Signature High Income	Bond/income	Blend	1.25	0.25
CI Signature Income & Growth	Canadian balanced	Blend	1.00	0.00
Cambridge American Equity Corporate Class	US equity	Blend	1.00	0.00
Fidelity U.S. Focused Stock Fund	US equity	Blend	1.00	0.00
Fidelity Global	International/global equity	Blend	1.00	0.00
Fidelity NorthStar®	International/global equity	Blend	1.00	0.00
Fidelity True North®	Canadian equity	Blend	1.00	0.00
Mackenzie Cundill Canadian Balanced	Canadian balanced	Value	1.00	0.00
Mackenzie Cundill Value	International/global equity	Value	1.00	0.00
Mackenzie Ivy Foreign Equity	International/global equity	Blend	1.00	0.00
Sun Life MFS US Equity	US equity	Blend	2.15	1.15
Sun Life MFS Balanced Growth	Canadian balanced	Growth	2.15	1.15
Sun Life MFS Canadian Equity Value	Canadian equity	Value	2.15	1.15

Managed account options <sup>2</sup>	Asset class	Management style	Sun UL management fee with bonus	Sun UL management fee with no bonus
PHN Balanced	Canadian balanced	Growth at a reasonable price (GARP)	2.15	1.15
PHN Bond	Bonds/income	Bond	2.15	1.15
PHN Canadian Equity	Canadian equity	Growth at a reasonable price (GARP)	2.15	1.15
PHN Dividend Income	Canadian equity	Growth at a reasonable price (GARP)	2.15	1.15

<sup>2</sup> Initially available on policies issued November 18, 2005 or later.

#### Investment bonus for policies issued prior to November 18, 2005

A Sun UL policy will pay an investment bonus equal to a given percentage times the interest earned in the various policy fund accounts, over the 60 months immediately preceding the bonus payout. This bonus is paid on the tenth policy anniversary and reoccurs on every fifth anniversary thereafter. The bonus interest will be added to the activity account. The investment bonus percentage is 10% if the corresponding funding ratio is less than 2.0 and 20% for a funding ratio equal to or exceeding 2.0.

#### Investment bonus for policies issued November 18, 2005 or later

The policy owner has to choose at the time of sale whether to have an investment bonus or not. This cannot be changed within the same policy after issue. The choice influences the policy owner's long-term investment and wealth management.

Choosing to have a bonus rewards the policy owner for:

- keeping the policy in effect, and
- making additional payments into the policy.

If a bonus is chosen, the policy owner will also receive the COI discount – see Discounted COI on page 9.

Beginning in year 2, the bonus pays 0.40% annually on the policy anniversary, based on the average of the monthly average total policy fund value in the preceding 12 months. The total policy fund value is net of loans and accrued loan interest. The bonus does not apply to service account value. The bonus is added to the activity account.

If the policy owner chooses not to have an investment bonus, there are lower management fees on the index and managed accounts and higher credited interest rates for the guaranteed interest accounts. This results in a higher credited rate of interest and more immediate growth in the value of the accounts. This is an option that is appealing to policy owners who like to keep management fees to a minimum.

Choosing not to have an investment bonus means the policy is also not eligible for the COI discount.

Please see the Investment account asset class and management fee section on page 21 for the management fees that apply to investment accounts when the investment bonus is selected.

## TAXATION

Taxation of the Sun UL insurance policy and various features offered within the policy are based on the tax rules in the Income Tax Act (Canada) as they relate to life insurance policies. These rules may change at any time, and administration of the policy and its features will change where required based on those rules.

Sun UL is a tax-exempt, non-registered life insurance policy. The maximum payment permitted to a Sun UL policy has been set to ensure that the policy retains its exempt status. In addition to testing each payment to the maximum permitted, testing will be performed at each anniversary to see if the Sun UL policy remains exempt. If a Sun UL policy is about to become non-exempt due to an excessive policy fund value in relation to the death benefit, the policy owner will have the following options available to keep the policy exempt. Each policy owner, at issue, must choose both an exempt insurance amount adjustment and an exempt policy fund adjustment.

### Maintaining the exempt status by insurance amount adjustments

At each policy anniversary, a comparison of the policy fund value is made to the tax-exempt limit. If the policy fund value exceeds the tax-exempt limit, we make an adjustment to your client's policy, according to the method selected.

Four types of insurance amount adjustments are available:

- i) retain the insurance amount (death benefit is not automatically increased);
- ii) increase the death benefit by up to 8.0%\* (the default option);
- iii) increase the death benefit by up to 8.0%\* and then reverse, when possible, to the initial insurance amount at issue; or
- iv) increase the death benefit by up to 8.0%\* and then reverse, when possible, to below the initial insurance amount at issue. This will optimize the growth of the policy fund value. This option is only available with a fund builder death benefit.

\* The maximum death benefit is the lesser of:

- a) Two and a half times the initial insurance amount and
- b) our retention limit.

COI for the increased death benefit are determined on an attained age basis (or attained equivalent joint age for joint life basic insurance benefit) and the current rate series in effect.

### Non-exempt policy fund adjustments

Any non-exempt policy funds accruing under a Sun UL policy can be directed as follows:

- i) automatically directed to the service account (the default option), or
- ii) paid in cash to the policy owner.

These transactions are considered dispositions and may result in taxable income to the policy owner.

### Service account

The service account is a non-exempt side fund attached to a Sun UL policy. At issue, the policy owner can choose whether to invest any future service account balance in the DIA, a range of GIAs, one of 11 accounts based on performance of indices or one of 25 accounts based on the performance of managed funds.

As room becomes available within the tax exempt portion of a Sun UL policy, funds in the service account will automatically be transferred into the policy, to the maximum extent possible. These transfers are done without any MVAs.



On the termination of a Sun UL policy, the balance in the service account, if any, will be paid to the policy owner (or estate, if termination is due to death). Service account funds are not paid tax-free to the beneficiary. No premium tax will be deducted from money transferred directly into the service account. However, premium tax will be deducted from monies being transferred from the service account into the policy. The minimum payment a policy owner can make into the service account of the policy is \$250. However, transfers between the service account and the policy fund value (for tax-exempt purpose) are not subject to any minimum. For income tax purposes, the interest earned on the service account each policy year, will be reported to the policy owner at the end of each calendar year.

## ADMINISTRATIVE INFORMATION

### Withdrawals

Easy access to the policy fund value is another attractive feature of a Sun UL policy.

A withdrawal refers to a policy owner's request for funds. This does not include payment of monthly cost of insurance from the policy fund. A withdrawal will be considered a partial disposition of the policy and may result in taxable income to the policy owner.

The minimum withdrawal amount is \$500 and the maximum is the cash surrender value (CSV). A withdrawal will cause a reduction in the death benefit by the amount of the withdrawal. For the level insurance amount and indexed insurance amount, a withdrawal will decrease the most recent insurance amount purchased. Surrender charges will apply to the amount withdrawn only if the resulting CSV drops to zero. Market value adjustments could also apply.

### Order of investment account withdrawals and transfers

The policy owner must choose one of three withdrawal order options at issue (on the application). Once an order has been chosen, it cannot be changed. The ability to choose where withdrawals are made will allow the policy owner to concentrate investments in his/her preferred investment option. If the main focus lies with equity based investment accounts due to potential for higher rates of return in a given period, the policy owner may want to place enough money into GIAs to cover insurance costs and select the alternate withdrawal order option. This could leave policy funds in equity-based index and managed accounts to grow undisturbed by monthly cost of insurance until all GIAs have been exhausted. If the client's preference is to keep investments in GIAs untouched until required to pay for the cost of insurance, the standard order may be the answer.

The proportional order allows the client to more closely keep the investment mix between accounts constant by taking a portion from each account on withdrawal.

**Note:** unless selected otherwise, the proportional order is the default. The withdrawal order cannot be changed after policy issue.

Standard	Alternate	Proportional (default)
DIA	DIA	DIA
FPX Income Index	GIA 1-,3-,5-,10- & 20-year (closest to maturity)	Proportional from GIA 1-, 3-, 5-,10- & 20-year, from index accounts and from managed accounts – based on account value in each at time of withdrawal
FPX Balanced Index	FPX Income Index	
FPX Growth Index	FPX Balanced Index	
Canadian Equity Index	FPX Growth Index	
American Equity Index	Canadian Equity Index	
Foreign Equity Index	American Equity Index	
European Equity Index	Foreign Equity Index	
Pacific Equity Index	European Equity Index	
Japanese Equity Index	Pacific Equity Index	
American Technology Index	Japanese Equity Index	
Canadian Bond Index	American Technology Index	
Managed accounts – proportional based on account value	Canadian Bond Index	
GIA 1-,3-,5-,10- & 20-year (Closest to maturity)	Managed accounts – proportional based on account value	

### Surrender charges

A surrender charge for a particular basic insurance benefit under a **SunUniversalLife** policy will continue to apply until the earlier of the 10<sup>th</sup> anniversary of that basic insurance benefit, whether or not that basic insurance benefit remains in effect, and the termination of the policy.

The surrender charge is a multiple of the basic insurance benefit's insurance factor and can never exceed the policy fund value available. The surrender charge multiples for each policy year are illustrated in the chart below.

Number of years in-force	Surrender charge multiple	
	SunUniversalLife	SunUniversalLife Max
1	1	2
2	2	4
3	3	4
4	3	4
5	3	4
6 - 8	3	3
9	2	2
10	1	1
11+	0	0

The following example shows the CSV of **SunUniversalLife**, if the insurance factor is \$200.

The example assumes there are no MVAs or policy loans.

Policy year	Policy fund value -	Surrender charge =	CSV
1	100	200	0
2	400	400	0
3	900	600	300
4	1,500	600	900
5	2,200	600	1,600
6	3,400	600	2,800
7	4,100	600	3,500
8	5,500	600	4,900
9	7,100	400	6,700
10	9,100	200	8,900
11	12,200	0	12,200

During the first policy year the surrender charge multiple will always be one for **SunUniversalLife** and two for **SunUniversalLife Max**. On a date other than a policy anniversary, the surrender charge multiple will be a pro-rata value based on the number of whole months in-force between policy anniversaries. This interpolation will apply between the first and 10<sup>th</sup> policy years. For example, if the client surrenders the policy at policy year nine plus six months, the surrender charge in the above example would be \$300.

Except for increases resulting from an indexed insurance amount option or for tax-exempt maintenance purposes, each increase in insurance amount has its own associated surrender charge.

### Policy loans

Policy loans from the policy fund value are permitted on a Sun UL policy after the first policy year. The minimum amount that can be borrowed is \$500 and the maximum is the (policy fund value, less any MVAs and surrender charges) multiplied by (1 - policy loan interest rate) minus existing policy loans with interest.

The amount to be borrowed will be transferred to the activity account, following any applicable MVA and will be credited with the activity account interest rate. We set the interest rate and may change it at any time. The current loan interest rate will be the prevailing activity account interest rate plus 2%.

Upon the death of the insured person, the death benefit will be reduced by any outstanding policy loans plus interest.

A policy loan is considered a disposition. Any amount received in excess of the policy's adjusted cost basis will be taxable income to the policy owner.

### Lapse

A Sun UL policy will lapse if, on a monthly anniversary date, the policy fund value less outstanding policy loans is zero or negative.

When a policy is in a lapse situation, we will send the policy owner a shortage notice to pay the outstanding cost of insurance within a grace period of 31 days.

## Transaction fees

The policy owner is allowed two free transactions per year (the first two), otherwise the following charges apply and must be paid upfront. The maximum fee charged at any time is \$100 per transaction.

\$50 per policy for the following transactions:

- removing and adding an insured person (multiple lives policy)
- change in death benefit option
- change in COI (YRT to level)
- increase in insurance amount
- add term insurance benefit (5-, 10- or 20-year renewable term)
- investment account mix change
- policy loan or cash withdrawal
- decrease in amount of insurance
- removing an insured person
- changes in policy fund allocations on death
- change in specified percentage on early death benefit
- delete a benefit
- change to non-smoker rates

However, the following changes are excluded from the two free transactions, and fees are required to be paid up-front:

- \$25 charge for any returned PAC payments
- \$50 to reissue a contract
- \$50 for accounting history for 2 years and over

We may charge a fee for policy transactions or policy changes that are not listed.

## Accessing the policy fund when disabled, ill or injured

The policy owner may make one withdrawal from the policy fund each time an insured person becomes disabled as described below. Each disability must continue for 60 consecutive days. Disability for this benefit means occupationally disabled or critically disabled (due to illness, due to deteriorated mental ability and terminal illness). Please see the policy contract for definitions of occupationally disabled and critically disabled.

According to tax rules in effect as of the policy date, the policy owner may make this withdrawal without incurring a taxable disposition. The tax rules may change at any time, without notice. The tax rules in effect on the date of the withdrawal will apply.

## Withdrawing funds under this benefit

When an insured person qualifies under this benefit the policy owner may make a single withdrawal from the policy fund.

The maximum withdrawal amount from the policy fund is:

- the balance in the activity account
- **plus** the total of the investment accounts including accumulated interest up to the date of the withdrawal
- **minus** any surrender charge that may apply on the date of the withdrawal
- **minus** any loan against the policy fund, including interest
- **minus** any market value adjustment that may apply to GIAs
- **minus** an amount equal to the cost of insurance for the next 12 months
- **minus** a claim assessment fee.

If this amount is less than \$500, the policy owner may not make a withdrawal. We will credit interest up to the date of withdrawal.

Unless the policy owner tells us otherwise, we will withdraw money from the activity account and then if necessary according to the withdrawal order. When money is withdrawn from a GIA it will be taken from the layer closest to maturity.

The policy owner may not make any withdrawal under this provision if:

- we rated the insured person as a substandard risk for medical reasons and they continue to be rated on the date they become disabled, or
- this policy came into effect as the result of a conversion from another life insurance policy while the insured person was disabled.

The policy owner must pay a claim assessment fee each time a claim is submitted to access the policy fund when disabled and any other fee associated with supplying proof of the disability.

Withdrawals will reduce the total death benefit by the amount of the withdrawal.

The policy owner **does not qualify** for this benefit if the disability is directly or indirectly caused by or associated with the insured person committing or attempting to commit a criminal offence.

### **Making a claim for this benefit**

Before we approve the claim, the age of the insured person must be verified. If the insured person is disabled when the policy owner makes a claim for this benefit, we must receive proof of their disability after it continued for more than 60 consecutive days.

If the insured person is no longer disabled when the policy owner makes a claim for this benefit, we must receive proof:

- that the disability continued for more than 60 consecutive days, and
- of the disability within 1 year of the date the insured person is no longer disabled.

### **Living benefits**

A **SunUniversalLife** policy owner may be eligible for the living benefits program. At our discretion, we allow policy owners to “draw” on their insurance amount, provided the insured person is terminally ill and still living.

The living benefits program was developed as a humane response to consumer needs and is offered on a compassionate and discretionary basis. The program provides for a maximum of 50% of the insurance amount to be paid to a maximum of \$100,000.

Any claim is subject to our rules on the living benefits program at the time the request is made.

### **How the living benefits program works**

Living benefits provides a one-time benefit of up to 50% (maximum \$100,000) of the basic insurance benefit where the insured person is not expected to live beyond 2 years. The benefit is a non-commercial loan.

Before calculating the amount of the benefit available under a policy, any outstanding policy loans will be deducted from the basic insurance amount.

The benefit will be charged interest at a comparable rate to interest paid on a death claim settlement.

To protect all those concerned, agreement to the living benefits payment has to be obtained from all primary beneficiaries. As well, those parties and the insured person will be required to effect a loan agreement which will contain an assignment of the insured person's interest in the policy in favour of the company to the extent of the loan plus accumulating interest.

### The living benefits program may apply when:

- the insured person is terminally ill and not expected to live beyond 2 years; and
- a life plan policy contains a disability waiver of premium benefit provision.

Ultimately, the final assessment lies in the hands of our medical office as to whether or not an insured person's prognosis meets the requirements of the program.

### Conversions

- Any convertible term plan or benefit can be converted, without evidence of insurability, to a Sun UL policy (except to an indexed insurance amount death benefit option).
- If any term plan being converted to Sun UL has a conversion credit, the credit amount will be transferred into activity account.
- No permanent plan is convertible to a Sun UL policy.
- The insurance amount under a yearly renewable term COI can be converted prior to the policy anniversary nearest age 81 to the level COI option. However, the level COI option cannot be converted to the yearly renewable term COI option.

## ADDITIONAL BENEFITS

Several attractive additional benefits are available on a Sun UL policy:

- Total disability benefit (TDB) – protection or savings
- Term insurance benefit for the insured and any additional person
- Accidental death benefit (ADB)
- Guaranteed insurability benefit (GIB)
- Executive GIB
- Coverage death benefit (CDB) on joint last to die – protection or savings
- Owner death benefit – protection or savings
- Owner disability benefit – protection or savings

### Total disability benefit – protection or savings

A choice between two forms of TDB is available on a Sun UL policy. In both cases, the issue ages are 0 through 55, and the premium payment is based on each \$100 of benefit. The insured person is also able to choose the benefit period.

With TDB (protection), the monthly cost of insurance for the basic insurance benefit and additional benefits of the insured person will be waived if they become disabled.

With TDB (savings), the insured person chooses a savings amount which can vary between 0 and 2 times the insurance factor of the policy. Upon the disability of the insured person, the savings amount will be paid into the activity account on a monthly basis. The cost of insurance is then deducted from the policy fund. **Note:** Since the savings amount is level, it may eventually be insufficient to cover the monthly cost of insurance if the yearly renewable term COI option is used, so exercise caution when choosing it.

### Definition of total disability

The insured person must be completely unable, during the first two years, to carry on their own occupation and, thereafter, to carry on any occupation. Total disability must be continuous.

## Exclusions

Total disability:

- i) continues for less than six months,
- ii) from self-inflicted injuries, or
- iii) from committing a criminal offence.

Please see policy contract for other exclusions.

## Making a claim

Notice must be given to us:

- i) during total disability, and
- ii) before the insured person's 61<sup>st</sup> birthday.

## Proof

Proof must be given to us:

- i) within six months of notice, and
- ii) then, from time to time as required by us.

## Limitations

Payments under this benefit will not be made for any period earlier than one year before a notice of total disability is received by us. The total amount paid by us under total disability (savings), owner death (savings), owner disability (savings), and coverage death (savings) benefits for this policy must not exceed an amount equal to five times the sum of the insurance factors for the policy.

## Term insurance benefits for the insured and any additional persons

Five-, 10- and 20-year renewable and convertible term insurance benefits provide additional protection that the insured person may require on a temporary basis. Each insured person with a basic insurance benefit can include a term insurance benefit on another person such as a spouse, family member or business partner. This benefit can also be purchased after policy issue on an attained age basis, with the required evidence of insurability. This benefit is guaranteed renewable at the end of each term period, without evidence of insurability, to the policy anniversary nearest age 80. Renewal costs are based on the insured person's attained age at the start of the next renewal period. Insured persons under a single, multi-life, joint first-or last-to-die basic insurance benefit could elect this benefit on a single-life basis only. This benefit can be converted prior to the policy anniversary nearest the insured person's 70<sup>th</sup> birthday to an additional UL coverage or any eligible life plan offered by us.

## Accidental death benefit (ADB)

The ADB option pays out an additional death benefit to the beneficiary if the insured person's death was due to an accident.

This benefit is available at issue ages 0 through 65 and the benefit ceases on the policy anniversary nearest the insured person's 70<sup>th</sup> birthday.

The minimum ADB insurance amount is \$10,000. The maximum ADB insurance amount is the policy face amount and is subject to the following issue and participation limits:

Issue age	Maximum	Participation limit**
0 to 14*	\$100,000	\$150,000
15 to 24	\$250,000	\$400,000
25 to 65	\$500,000	\$750,000

\* ADB is not payable if death occurs before age 5.

\*\* Maximum of all ADB insurance amounts with us.

### Guaranteed insurability benefit (GIB)

GIB allows the policy owner to purchase additional insurance protection, on an attained age basis, without providing any evidence of insurability. Sun UL offers two forms of this benefit — GIB and executive GIB. Additional Sun UL coverage purchased via a GIB election must be purchased with one of two death benefit options — the level insurance amount or the insurance amount plus fund option. The policy owner can also purchase any other eligible life insurance product offered by us, at the time of election.

#### GIB

With GIB, the policy owner has the option to purchase additional coverage every three years, or on family dates (marriage, birth or adoption of a child). This benefit is available at issue age 0 through 50, and the amount purchased must be at least \$25,000. The maximum amount of GIB coverage is the lesser of:

- i) the original insurance amount and
- ii) \$250,000.

A maximum of eight elections are permitted and the maximum will be reduced by any GIB amount on other policies issued by us covering the designated insured person.

The first GIB election is available when the designated insured person reaches age 24. The benefit ceases on the policy anniversary nearest age 55.

#### Executive GIB

Executive GIB is available on Sun UL coverage where the minimum insurance amount is \$250,000. Although the executive GIB benefit is similar to GIB, the details are quite different. At issue, the insured person can choose how many elections are required, exactly when they will be required, and the insurance amount of each election.

Executive GIB is available at issue ages 25 through 60; the latest election date available is the policy anniversary nearest age 65.

The minimum insurance amount for each executive GIB election is \$250,000. The lifetime maximum of all GIB elections must be the lesser of:

- i) Four times the original insurance amount, and
- ii) \$4 million.

There is a maximum of five elections available and the first election must be at least three years from the date of issue.

### Coverage death benefit (CDB) – protection or savings for joint last-to-die

Two forms of CDB are available on a Sun UL policy. This benefit ensures that coverage continues for the surviving insured person. In both cases, the issue ages are 18 through 75 and the premium payment is based on each \$100 of benefit. The insured person is able to choose the benefit period. This feature is only available on joint last-to-die basic insurance benefits.



With CDB (protection), the monthly cost of insurance will be waived for the chosen benefit period, upon the death of the insured person.

With CDB (savings), the insured person chooses a savings amount which can vary between 0 and 2 times the insurance factor of the policy. Upon the death of the insured person, we pay the savings amount each month into the activity account for the chosen benefit period. Cost of insurance will still be deducted monthly.

**Note:** Since the savings amount is level, it may eventually be insufficient to cover the monthly cost of insurance if the yearly renewable term COI option is used, so exercise caution when choosing it.

### **Owner death benefit – protection or savings**

Two forms of owner death benefit are available on a Sun UL policy. This benefit is the same as total disability benefit, except that the benefit is paid upon the death (rather than the disability) of the policy owner. Both owner death benefit (protection) and (savings) are available.

The maximum owner death benefit (savings) that is available is the greater of:

- i) Two times the insurance factor and
- ii) \$1,500.

### **Owner disability benefit – protection or savings**

Two forms of owner disability benefit are available on a Sun UL policy. This benefit is exactly the same as TDB (protection) and TDB (savings), except that it applies to the named policy owner (rather than the insured person) and is paid upon the disability of the policy owner.

The maximum owner disability benefit (savings) that is available is the greater of:

- i) Two times the insurance factor and
- ii) \$1,500.

### **Definition of total disability**

The insured person must be completely unable, during the first two years, to carry on with own occupation and, thereafter, to carry on any occupation. Total disability must be continuous.

### **Exclusions**

Total disability:

- i) continues for less than six months,
- ii) from self-inflicted injuries, or
- iii) from committing a criminal offence.

Please see policy contract for other exclusions.

### **Making a claim**

Notice must be given to us:

- i) during total disability, and
- ii) before the insured person's 61<sup>st</sup> birthday.

### **Proof**

Proof must be given to us:

- i) within six months of notice, and
- ii) from time to time as required by us.

## Limitations

Payments under this benefit will not be made for any period earlier than one year before we receive a notice of total disability. The total amount paid by us under total disability (savings), owner death (savings), owner disability (savings), and coverage death (savings) benefits for this policy must not exceed an amount equal to five times the sum of the insurance factors for the policy.

## ADDITIONAL BENEFITS SUMMARY

Benefit	Issue age	Age benefit terminates	Minimum insurance amount	Maximum insurance amount
Total disability benefit (protection) or (savings)	0 to 55	On the insured's person's 60 <sup>th</sup> birthday or end of the benefit period, if earlier	Chosen by the client – minimum 6 years, maximum to the insured person's 100 <sup>th</sup> birthday	
5-, 10- & 20-year term insurance benefit	18 to 70 – 5- and 10-year term 18 to 60 – 20-year term	80	\$100,000	Addition of a renewable and convertible term insurance benefit reduces the remaining amount of total insurance available for the insured person, subject to our retention limits
ADB	0 to 65	70	\$10,000	Policy insurance amount, subject to our current issue and participation limits
GIB	0 to 50	55	\$25,000	Maximum per election: lesser of i) the original insurance amount and ii) \$250,000 lifetime maximum of 8 elections
Executive GIB	25 to 60	65	\$250,000	No maximum per election. Lifetime maximum: lesser of Lifetime i) 4 times the original insurance amount and ii) \$4 million lifetime maximum of 5 elections

## ADDITIONAL BENEFITS SUMMARY (continued)

Benefit	Issue age	Payment and coverage period	Benefit
Coverage death benefit (protection) or (savings)	18 to 75	The benefit period	Chosen by the client*** – minimum 6 years, maximum to the insured person's 100 <sup>th</sup> birthday
Owner disability benefit (protection) or (savings)*	18 to 55	To the policy anniversary nearest the owner's 60 <sup>th</sup> birthday or end of the benefit period, if earlier	Chosen by the client – minimum 6 years, maximum to the policy anniversary nearest the policy owners 70 <sup>th</sup> birthday
Owner death benefit (protection) or (savings)*	18 to 60**	To the policy anniversary nearest the owner's 70 <sup>th</sup> birthday or end of the benefit period, if earlier	Chosen by the client – minimum 6 years, maximum to the policy anniversary nearest the policy owners 70 <sup>th</sup> birthday

\* Maximum savings amount is 2 times the insurance factor or \$1,500, whichever is greater.

\*\* 55 if the disability and death benefit options are both chosen.

\*\*\* If both lives choose death benefit coverage, they must elect the same benefit period.

## GENERAL DEFINITIONS

In this product guide, references to “us and we” mean Sun Life Assurance Company of Canada, a member of the Sun Life Financial group of companies.

### Accounts based on performance of indices (index accounts)

An investment option where the value in the account increases and decreases in proportion to the daily change in an external index. These accounts earn daily interest.

### Acknowledgement of variability

This is the section of the illustration that advises the policy owner of the variability of the values.

### Additional amount with application

This is an amount that the client has elected to “dump in” to the UL policy, in addition to the planned periodic payments.

### American Equity Index Account

Earns a daily rate of return based on the performance of the S&P 500 Total Return Index.

### Asset allocation

The process of dividing an investment among major asset categories such as bonds, stocks or cash. The purpose of asset allocation is to reduce risk by diversifying the investment.

**Assumed interest rate/marginal tax-rate assumption**

This is a rate selected by the advisor and the client, and will be the basis for most of the illustrations in the presentation. The maximum rate permitted is 10% for the Assumed Interest Rate and 60% for the Marginal Tax Rate.

**Canadian Bond Index Account**

Earns a daily return based on the performance of the FTSE TMX Canada Universe Bond Index.

**Canadian Equity Index Account**

Earns a daily rate of return based on the performance of the S&P/TSX 60 Total Return Index.

**Coverage death benefit/protection**

This additional benefit is available on joint last-to-die policies and ensures that coverage continues for the surviving insured person by waiving the cost of insurance for a specified period of time.

**Coverage death benefit/savings**

This additional benefit is available on joint last-to-die policies and ensures that a specified amount will be.

**Death benefit option**

Defines the death benefit option for the policy, as well as the options to maintain the policy's tax-exempt status.

**Equivalent single age**

The equivalent single age is a single age associated with a joint first-to-die or joint last-to-die basic insurance benefit. It is determined on the date the benefit takes effect, using the age, smoking status and sex of each of the insured persons for the joint benefit.

**Executive guaranteed insurability benefit**

This option guarantees the policy owner the right to purchase additional insurance at times and amounts specified by the policy owner, regardless of health.

**Family dates**

A family date occurs upon the birth of a living child, adoption of a child or marriage of the insured person.

**Foreign Equity Index Account**

Earns a daily return based on the performance of the Morgan Stanley Capital International Europe Australasia and Far East (MSCI EAFE) Free Price Index (excluding dividends).

**Fund builder**

Fund builder is an insurance amount plus fund death benefit type that is designed to maximize a client's policy fund value. This death benefit incorporates the exempt maintenance method of increase insurance amount and reduce below initial. This allows the insurance amount to be reduced to \$10,000 and minimizes the cost of insurance. A yearly renewable term cost of insurance is required with this death benefit type. Under this option the policy fund value is paid on death, in addition to the insurance amount. The insurance amount will be adjusted upwards to keep policy funds exempt and will then be reduced when possible.

### **Funding ratio**

The funding ratio is determined by dividing A by B where:

A = sum of the net payments and

B = sum of the insurance factors,

reduced by the insurance factors for the additional benefits and term insurance benefits, multiplied by the number of completed years that their respective coverages have been in effect.

The net payments consists of all payments made to date, decreased by costs for the additional benefits, term insurance benefits and any transaction fees, MVA or withdrawals.

### **Grace period**

A grace period of 31 days is allowed for the payment of each monthly cost of insurance, except the first.

### **Growth**

The manager chooses stocks for the portfolio based on an assessment of a company's ability to grow its business profitably. If the manager is right, the company's stock will increase in price as the company achieves business and earnings growth.

### **Growth at a reasonable price (GARP)**

The manager looks for the stocks of growth companies that they can buy for a reasonable price. This is a combination of value and growth investing.

### **Guaranteed insurability benefit (GIB)**

Guarantees the policy owner the right to purchase additional insurance on each insured person every three years or on family dates, regardless of health.

### **Guaranteed interest account (GIA)**

An investment option where the interest and the repayment of principal are guaranteed after a certain term in years e.g. 3-year GIA.

### **Guaranteed level**

Level is one of the two available COI options. With level, the COI remains level and is guaranteed for the life of the coverage.

### **Guaranteed yearly renewable term (YRT)**

YRT is one of the two COI options available. With YRT, the COI increases each year as the insured person ages. The rates are guaranteed for the life of the coverage.

### **Historical average**

A section of the illustration provides historical average rates for the accounts selected in the illustration.

### **Indexed insurance amount**

This is one of the four available death benefit options. The death benefit is the greater of the indexed insurance amount and the policy fund value, less allocated outstanding policy loans with interest. The total insurance amount of the coverage will increase annually from the initial insurance amount, by a predetermined rate.

**Insurance amount**

The amount stated in the policy that is payable upon the death of the insured person.

**Insurance amount plus fund**

This is one of the four available death benefit options. Upon death, the policy fund value is paid in addition to the insurance amount.

**Insurance discount**

This is the COI discount earned from the funding ratio calculation. The funding ratio is described under the investment bonus provision.

**Insurance factor**

The insurance factor is equal to 100% of the level COI, plus any multiple-ratings charged at the actual COI (Level or YRT as the case may be). This definition applies even if the yearly renewable term COI option is selected. The insurance factor is determined at the policy's issue date.

**Investment bonus**

For policies issued on or after November 18, 2005, when a bonus has been chosen, the bonus pays a guaranteed percentage to the policy fund value based on the average monthly account value in the previous 12 months. The amount of the bonus and the year in which it starts varies by the type of policy coverage purchased and the number of years the coverage is held. For policies issued prior to November 18, 2005, the bonus is paid 10 years after the policy effective date and every fifth policy anniversary thereafter.

**Investment options**

A section of the illustration that demonstrates historical and guaranteed rates for each of the investment accounts selected in the illustration as well as an explanation of these rates.

**Investment mix**

The combination of all investment accounts selected by a **SunUniversalLife** policy owner, including the activity account, GIAs, accounts based on the performance of indices and accounts based on the performance of managed funds. The mix is expressed in terms of percentages that are multiples of 5%.

**Level insurance amount**

This is one of the four available death benefit options. The total death benefit will be the greater of:

- i) the insurance amount, and
- ii) the policy fund value.

Less allocated outstanding policy loans with interest.

**Living benefits**

This allows policy owners, at our discretion, to "draw" on their life insurance provided that the insured person is terminally ill and still living.

**Management fee**

The management fee is deducted from interest earned on the index accounts or on the managed accounts. The management fee helps cover the expenses required by us to manage the universal life policy and related investments. Account management fees may change.

**Market value adjustment (MVA)**

A reduction in the value of policy funds withdrawn from a GIA, prior to maturity. This occurs only if the prevailing interest rate (at the time of withdrawal) is higher than that being paid on a new GIA of the same initial term. The MVA applies to withdrawals, policy loans, or transfers from a GIA, except on transfers required to pay for monthly cost of insurance or to maintain the policy's tax-exempt status.

**Minimum amount required with the application**

This is the minimum payment that will be required for the plan. This amount may change over time. The minimum lump sum requirement is \$250. The minimum PAC payment is the monthly cost of insurance plus applicable provincial premium tax.

**Monthly anniversary date**

The day of the month the policy went into effect. For example, a policy date of August 2 will have a monthly anniversary on the second day of each month.

**Monthly activity account minimum**

The monthly activity account minimum is calculated by adding the monthly cost of insurance (mortality charges plus the cost of any additional benefits). The activity account minimum is only used for reinstatements.

**Multiple lives coverage**

Currently, up to nine lives in a family or business can be covered under one policy.

**Net cost of insurance**

The COI less the insurance discount.

**Net cost of pure insurance (NCPI)**

An annual cost of insurance, prescribed by Canada Revenue Agency, that is used in the calculation of a policy's adjusted cost basis.

**Net payment**

Payments net of applicable provincial premium tax.

**Net insurance amount at risk**

The difference between a coverage's basic insurance amount and the policy fund value.

**Owner death benefit/protection**

This option ensures that the policy's cost of insurance is waived for a specified period of time should the policy owner die.

**Owner death benefit/savings**

This option ensures that a specified amount be paid into the activity account on a monthly basis should the policy owner die.

**Owner disability benefit/protection**

This option ensures that the policy's cost of insurance is waived for a specified period of time, should the policy owner become totally disabled.

### **Owner disability benefit/savings**

This option ensures that a specified amount be paid into the activity account on a monthly basis should the policy owner become totally disabled.

### **Payments/withdrawals column**

A column on the illustration that contains the selected planned payments on an annual basis. The withdrawal section illustrates selected planned withdrawals on an annual basis.

### **Planned periodic payment**

The amount chosen by the policy owner to pay into the policy at specified time periods.

### **Policy fund value**

The total value of all investment accounts.

### **Policy loans**

A means of accessing the policy fund. A loan up to the policy's adjusted cost basis can be received without taxation. Any amount in excess of the adjusted cost basis is taxable income to the policy owner. The amount of any outstanding policy loans plus interest will reduce the death benefit. The amount of the policy loan is moved into the activity account. The activity account will continue to earn interest on the amount, and the interest you pay on the policy loan will be 2% higher than what you earned in the activity account. No policy loans are allowed in the first policy year.

### **Policy taxation summary**

This section of the illustration outlines the taxable interest generated on a **SunUniversalLife** policy when interest is earned by the service account and when there is a partial withdrawal or a full surrender of the policy's fund value.

### **Reinstatement**

We will put the policy back in force within two years of termination, subject to insurability, if the policy owner repays all the outstanding monthly cost of insurance with interest.

### **Sensitivity analysis**

A page in the illustration that shows cash surrender value (CSV) and death benefits at three different interest rates so that the policy owner fully understands the effect of illustrated rates and lapse sensitivity.

### **Service account**

All non-exempt funds are transferred into the service account, and the interest earned is reported as taxable investment income to the policy owner. Service account funds can be invested in any one of the available GIAs, index accounts, managed accounts or the DIA.

### **Service account balance column**

If the service account option is selected, the balance at the end of each policy year will appear in this column.

### **Surrender charges**

A charge that applies to the policy fund value if the policy is cancelled in the first 10 years of coverage.



**Tax on service account**

If a service account exists, an annual tax will be payable on the interest earned in this account.

**Tax on surrender**

This is the tax payable on full surrender of the policy fund value.

**Tax on withdrawals**

This column illustrates any tax payable as a result of the withdrawals. The tax is based on the policy owner's assumed marginal tax rate.

**Term insurance benefit**

This benefit allows the insured person to purchase, prior to age 70 for the 5- and 10-year and age 60 for the 20-year term, additional protection until age 80. The benefit is guaranteed to be renewable at the end of each term period, without evidence of insurability. This benefit can be converted prior to the policy anniversary nearest the insured person's 70<sup>th</sup> birthday to an additional UL coverage or any eligible life plan offered by us.

**Total disability benefit/protection (TDB protection)**

This ensures that the monthly cost of insurance for the insurance be waived for a specified period of time, should the insured person become totally disabled.

**Total disability benefit/savings (TDB savings)**

This ensures that a specified amount will be paid to the activity account on a monthly basis should the insured person become totally disabled.

**Value**

The manager chooses stocks that are inexpensive based on an analysis of the company's current strengths and future prospects. If the manager is right, the company's stock will increase in price as others in the market recognize the true value of the stock.

**Withdrawals**

After the first policy year, the maximum amount available for withdrawal is equal to the CSV of the policy.

## Why choose Sun Life Financial?

Sun Life Financial is a leading international financial services organization. In Canada, we started selling life insurance in 1871. Since then, our commitment to helping people achieve lifetime financial security through market-leading products, expert advice and innovative solutions has made us a household name – a name that people trust.



# 7 YEARS IN A ROW

For the seventh straight year, we were voted by Canadians as the “Most Trusted Life Insurance Company” in the Reader’s Digest 2016 Trusted Brands Survey. In this survey, people were asked to consider whether the brands possessed several attributes including superior quality, excellent value, an understanding of its customers’ needs and whether they would recommend the brand to others. We’re honoured by this award and your continued trust in us.

## Questions? We’re here to help.

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For more information and resources visit [www.sunlife.ca](http://www.sunlife.ca) | Call 1 877 SUN-LIFE / 1 877 786 5433

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