

SUN LIMITED PAY LIFE

ADVISOR GUIDE

What's inside:

- product overview
- guarantees
- investment account options
- administration

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PRODUCT AT A GLANCE

COVERAGE OPTIONS, PAYMENT PERIODS AND ISSUE AGES

	Single life	Joint last-to-die
10-pay	0 to 75	18 to 75
15-pay	0 to 70	18 to 70
20-pay	0 to 65	18 to 65
Pay to age 65	0 to 44	Not available

NOTE: These limited payment periods are guaranteed only if the client makes the minimum payment throughout the payment period and the client selects a guaranteed investment account option. If clients choose index or managed accounts and the interest earned is negative, or if they make any withdrawals or loans, they will be required to make additional payments to keep their policy in effect. The minimum payment required is the monthly cost of insurance plus the guaranteed 2% premium tax.

FEATURES

Cost of insurance (COI)	<ul style="list-style-type: none"> Guaranteed level COI for the duration of the payment period Guaranteed to cease at the end of the selected payment period 	
Payment options	<ul style="list-style-type: none"> Monthly pre-authorized chequing (PAC) plan or annual billing \$250 minimum for lump sum payments 	
Premium tax	<ul style="list-style-type: none"> Guaranteed 2% for all provinces 	
Death benefit	<ul style="list-style-type: none"> Face plus fund Guaranteed cash surrender values are not paid as part of the death benefit 	
Issue limits	Minimum: <ul style="list-style-type: none"> \$25,000 for single life \$50,000 for joint last-to-die 	Maximum: <ul style="list-style-type: none"> \$10,000,000
Rate bands	<ul style="list-style-type: none"> \$25,000 to \$49,999 \$50,000 to \$99,999 \$100,000 to \$249,999 	<ul style="list-style-type: none"> \$250,000 to \$499,999 \$500,000 to \$999,999 \$1,000,000+
Underwriting classes	<ul style="list-style-type: none"> Smoker Non-smoker 	
Guaranteed cash surrender values	<ul style="list-style-type: none"> Available on surrender of policy Start at the 5th policy anniversary Not included as part of the death benefit 	

INVESTMENT ACCOUNT OPTIONS

Non-guaranteed investment accounts	<ul style="list-style-type: none"> Accounts based on the performance of indices (6 index accounts) Accounts based on the performance of managed funds (10 managed accounts) <p><i>Please see the Investment account booklet for details.</i></p>
Guaranteed investment accounts	<ul style="list-style-type: none"> Daily interest account (DIA) Guaranteed interest account (GIA): The guaranteed minimum rate is 90% of Government of Canada bonds of the same term, less 1.75%. The guaranteed minimums for each term will not be less than: <ul style="list-style-type: none"> 1- year GIA: 0% 3- year GIA: 0% 5- year GIA: 0.5% 10- year GIA: 1.5% 20- year GIA: 1.5% Long-term managed portfolio account: guaranteed minimum return is 1.5% Guaranteed investment accounts should be chosen to guarantee the payment period selected
Minimum	<ul style="list-style-type: none"> \$250 minimum investment must be met for each selected account

ADDITIONAL BENEFITS

Total disability benefit	<ul style="list-style-type: none"> Issue ages: <ul style="list-style-type: none"> 10-pay – 9 to 55 15-pay – 4 to 55 20-pay – 0 to 55 Pay to age 65 – 0 to 44 For joint last-to-die policies, this benefit can be added for either or each insured person individually
Owner waiver benefit	<ul style="list-style-type: none"> Automatically included, at no additional cost, when insured is 17 years of age or younger Owner must be a parent or grandparent of the insured person and 55 years of age or younger at issue
Guaranteed insurability benefit	<ul style="list-style-type: none"> Issue ages: 0 to 40 Expires at age 45 Minimum amount: \$25,000 Maximum amount: \$150,000
Child term benefit	<ul style="list-style-type: none"> Child 0 to 18 years of age Parent 16 to 55 (18 to 55 Quebec) Minimum amount: \$10,000 Maximum amount: \$20,000
Living benefit	<ul style="list-style-type: none"> If the insured person is diagnosed with a terminal illness, an application can be made for a lump sum of 50% of the death benefit, to a maximum of \$100,000 (non-contractual)

ADMINISTRATIVE INFORMATION

Policy loans	<ul style="list-style-type: none"> Loans against the cash surrender value are available subject to a \$500 minimum
Withdrawals	<ul style="list-style-type: none"> Withdrawals from the policy fund are available subject to a \$250 minimum per request
Options to maintain tax-exempt status	<ul style="list-style-type: none"> Transfer to service account Refund in cash
Service account	<ul style="list-style-type: none"> All investment account options, except the long-term managed portfolio account are available as fund selections in the service account
Policy fee and surrender charges	<ul style="list-style-type: none"> None
Transaction fees	<ul style="list-style-type: none"> Up to 2 free transactions per policy year \$100 per transaction is the maximum fee charged at any time

For more information about these features and benefits please refer to the Sun Limited Pay Life sample policy available online.

PRODUCT OVERVIEW

Sun Limited Pay Life is a permanent life insurance product offering a guaranteed cost of insurance that is payable for a *limited* period of time, guaranteed cash surrender values and a guaranteed death benefit. Clients can choose a payment period that suits their budget and needs.

CLIENT PROFILE

Sun Limited Pay Life offers clients:

- the assurance and predictability of a guaranteed minimum payment for a guaranteed period of time, and
- the ability to invest additional funds within the policy to increase their death benefit or for tax-preferred savings growth.

Clients who want the assurance and predictability of a guaranteed minimum payment for a guaranteed period of time*

1, 2, 3 ... guarantee!

Three easy steps to guaranteed protection for clients

1. Select one of the guaranteed cost of insurance payment periods:
 - 10-, 15-, 20-year payment periods or pay to age 65 option.
2. Choose a payment:
 - Select a monthly or annual payment schedule.
 - Note that each payment is subject to a 2% premium tax.
 - Guarantee the client's coverage and payment period by ensuring their payment, minus the premium tax, is sufficient to cover the monthly cost of insurance withdrawal.
 - Their policy fund and death benefit can be increased by making additional payments.
3. Choose an investment account option:
 - To guarantee the coverage and payment period, select a guaranteed investment account: daily interest account, guaranteed interest account or the long-term managed portfolio for their required minimum payment amount.
 - If the client chooses to make additional payments they can select from the guaranteed accounts or the 16 market-based accounts offered.

To illustrate this payment option, select the “guaranteed minimum payment” default calculation in your illustration software.

* A minimum payment is required to ensure permanent life insurance protection.
The minimum payment equals the cost of insurance plus 2% guaranteed premium tax.

Clients who want to invest additional funds within the policy to increase their death benefit or for tax-preferred savings growth

Clients may choose to make additional payments to their plan. These payments can be invested in any of the 23 investment accounts available. A minimum allocation of 5% to each investment account is required. A minimum \$250 investment is required for each investment account and a 2% guaranteed premium tax applies to all payments into the policy. All subsequent transfers to each account must be a minimum of \$250.

To illustrate this payment type, select either the: “yearly maximum payment” or “level maximum payment for exempt status” calculation on your illustration software.

1, 2, 3 ... GUARANTEE!

Guaranteed cost of insurance payment periods

The cost of insurance is guaranteed at issue and will not change. It is withdrawn monthly from the policy. These withdrawals are guaranteed to stop at the end of the payment period chosen.

The cost of insurance rate is based on rate band, issue age, gender and smoking status. The cost of insurance for joint last-to-die plans is based on joint equivalent age, which is calculated based on the age and smoking status of each insured person.

Four cost of insurance payment period options are available:

- 10-pay for ages 0 to 75
- 15-pay for ages 0 to 70
- 20-pay for ages 0 to 65
- Pay to age 65 for ages 0 to 44

For joint last-to-die plans, the payment periods available are based on the age of the oldest insured person. The minimum age is 18 for each insured person for the joint last-to-die basic insurance benefit. Pay to age 65 option is not available on a joint basis.

Payments can continue to be made to the policy even after the guaranteed cost of insurance withdrawals end.

Guaranteed cash surrender value

Guaranteed cash surrender values start in the 5th policy year. The guaranteed cash surrender value is paid out when the policy is cancelled/surrendered. Guaranteed cash surrender values are not paid out as part of the death benefit.

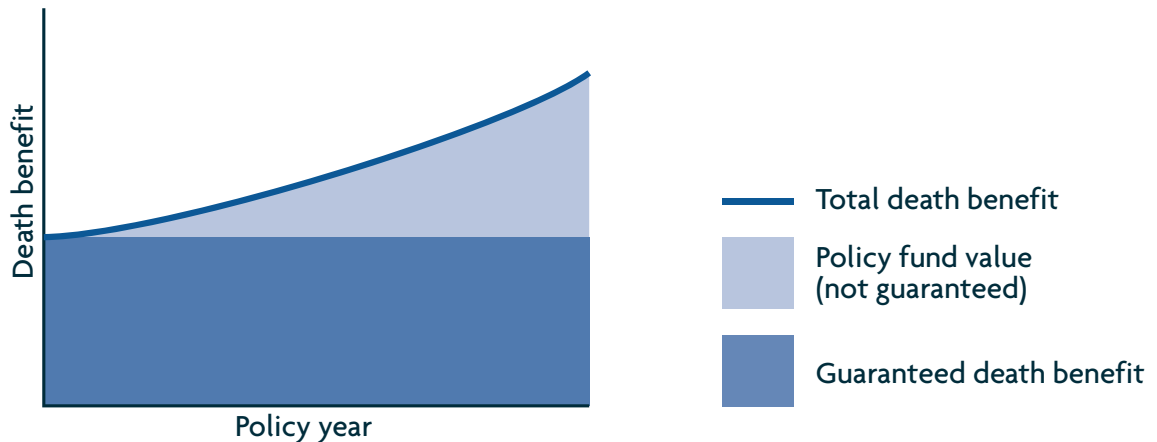
Loans against the guaranteed cash surrender value are available if certain conditions have been met.

These values also support the automatic payment loan (APL) feature if there is insufficient money in the policy fund to cover monthly cost of insurance withdrawals.

Guaranteed death benefit

The amount of the guaranteed death benefit is determined at the time of application. If all cost of insurance obligations are met during the payment period chosen, the death benefit amount is guaranteed for life. Clients may choose to decrease the guaranteed death benefit at any time. However, they cannot increase the guaranteed death benefit amount after the policy is issued.

Increasing the size of the payments into the policy may increase the total death benefit. The total death benefit is equal to the guaranteed death benefit plus the policy fund value, less any outstanding loans, plus interest.



PRODUCT FEATURES

Coverage amounts

The following guaranteed death benefit amounts are available with this plan:

Minimum:

- \$25,000 for single life
- \$50,000 for joint last-to-die

Maximum:

- \$10,000,000 for both single and joint last-to-die

Decreases will be allowed to minimum issue limits. However, clients cannot make decreases that are below plan minimums shown above. They also cannot increase the guaranteed death benefit amount.

Types of coverage

Sun Limited Pay Life offers two types of coverage:

1. Single life

- basic insurance benefit is based on one insured person

2. Joint last-to-die

- minimum issue age is 18 years for each insured person
- coverage is based on two insured persons
- cost of insurance is based on the equivalent single age
- death benefit is payable on the last death of the two insured persons
- cost of insurance continues until the end of the payment period or the second death, whichever comes first

Payments to the plan

Clients may choose to pay monthly using the pre-authorized cheque (PAC) option or to be billed annually. Lump sum payments of \$250 or more will also be accepted at any time. All payments to the policy fund are subject to a 2% guaranteed premium tax.

INVESTMENT ACCOUNT OPTIONS

Sun Limited Pay Life gives the security of guaranteed accounts and the flexibility to achieve additional tax-preferred growth.

To guarantee coverage and payments, choose one, or a combination of, the guaranteed accounts listed below.

By maximizing payments, additional tax-preferred growth can be generated which will create a policy fund and increase the tax-free death benefit. When clients choose to over fund their policy in this way, depending on the personal risk profile, those additional payments can either be directed to guaranteed accounts or any of the 16 market-based accounts listed on pages 9 and 10.

There are 23 investment accounts available with Sun Limited Pay Life. There is no investment bonus with Sun Limited Pay Life. No investment bonus means better credited rates on the daily interest account and guaranteed interest accounts and lower management fees on accounts linked to performance of indices.

At the time of application, clients must select at least one investment account for their policy. A minimum allocation of 5% to each account is required, and a \$250 minimum investment must be met for each selected account before any funds are transferred from the activity account to the selected investment account. All subsequent investments must also meet minimum allocation requirements. If the policy owner's needs or goals change, the payment amount and investment strategy can be changed at any time.

Each of the investment accounts mentioned in this section are described in more detail on the Sun Life Financial investment account fact sheets. The fact sheets describe management fees, market value adjustments (MVAs) and credited interest in detail and are available on the advisor website.

Guaranteed investment accounts

To guarantee the minimum payment, clients need to select an investment account option with a guaranteed minimum interest rate.

These accounts include the daily interest account, guaranteed investment accounts and the long-term managed portfolio.

Daily interest account

The daily interest rate is set by Sun Life Financial and is subject to change at any time. The guaranteed minimum rate is 90% of the 30-day Government of Canada Treasury Bills, less 1.75%, and will never be less than 0%.

Guaranteed interest accounts

The guaranteed minimum rate is 90% of Government of Canada bonds of the same term, less 1.75%. The guaranteed minimums for each term will not be less than:

- 1-year GIA: 0%
- 3-year GIA: 0%
- 5-year GIA: 0.5%
- 10-year GIA: 1.5%
- 20-year GIA: 1.5%

Each transfer to the GIA creates a new investment layer, with a specific maturity date and interest rate. When a GIA layer matures we follow the client's instructions and:

- apply the balance of the GIA layer to a new GIA account for the same term, or
- transfer the value including interest at the maturity date to the activity account. Money will be transferred from the activity account back to the investment account(s) after the \$250 minimum amount for all investment accounts is met according to the client's investment mix.

We may change GIA accounts available at any time. When clients have money in a discontinued GIA account, we will notify them. We will always offer a GIA account with a 1.5% guaranteed minimum interest rate.

Long-term managed portfolio account

The long-term managed portfolio account earns daily interest based on net average yields for a diversified portfolio of assets including bonds, mortgages, common stocks and real estate.

The guaranteed minimum rate of return is 1.5%.

A market value adjustment may apply on cash withdrawals and movement between investment accounts.

An MVA will not apply on COI withdrawals or transfers to service account to maintain exempt status.

Non-guaranteed investment accounts

The non-guaranteed investment accounts are market based accounts which include index accounts and managed accounts.

Accounts based on performance of indices (index accounts)

These accounts earn interest based on the performance of the underlying investment(s). Returns are determined each business day. 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.

Index account options:

- FPX Income*
- FPX Balanced*
- FPX Growth*
- Canadian Bond
- Canadian Equity
- American Equity

*FPX Income Index, FPX Balanced Index and FPX Growth Index are trademarks of The National Post Company.
Sun Limited Pay Life is not endorsed, sold or promoted by the National Post Company.

Accounts based on performance of managed funds (managed accounts)

These accounts earn interest based on the performance of the underlying investment(s). Returns are determined each business day. Performance fluctuates and interest can be positive or negative.

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.

Managed account options:

- CI Signature Income & Growth
- CI Portfolio Series Balanced
- CI Portfolio Series Conservative
- CI Harbour
- CI Harbour Growth & Income
- Fidelity NorthStar®
- Fidelity True North®
- Mackenzie Cundill Value
- Mackenzie Ivy Foreign Equity
- Sun Life MFS US Equity

Note: See the 'Investment account options' booklet for management fees and each fund company's management expense ratio (MER).



DID YOU KNOW?

If choosing index or managed accounts and the interest earned is negative, or if a client makes any withdrawals or loans, then the client will need to make additional payments to keep the policy in effect.

Withdrawal order options

The withdrawal order is selected at the time of application and cannot be changed. It applies to transfers from the investment account(s) to the activity account for cost of insurance withdrawals, for transfers to the service account to maintain a tax-exempt status and for client-requested withdrawals and policy loans. The following orders are available:

Standard	Alternate	Proportional
1. Daily interest account	1. Daily interest account	1. Daily interest account
2. Accounts linked to performance of indices – in this order: a. FPX Income* b. FPX Balanced* c. FPX Growth* d. Canadian Equity e. American Equity f. Canadian Bond	2. Guaranteed interest accounts	2. Proportional from each investment account – GIA, index and managed – based on the current balance of each account at the time of withdrawal
3. Accounts based on the performance of managed funds in proportion to the balance of each of those accounts	3. Accounts linked to performance of indices – in this order: a. FPX Income* b. FPX Balanced* c. FPX Growth* d. Canadian Equity e. American Equity f. Canadian Bond	
4. Guaranteed interest accounts	4. Accounts based on the performance of managed funds in proportion to the balance of each of those accounts	
5. Long-term managed portfolio account	5. Long-term managed portfolio account	

*FPX Income Index, FPX Balanced Index and FPX Growth Index are trademarks of The National Post Company. Sun Limited Pay Life is not endorsed, sold or promoted by the National Post Company.

Market value adjustment (MVA)

An MVA is a potential reduction in the value of funds withdrawn from certain investment accounts. 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 money transferred to the activity account to pay the cost of insurance or to transfers to and from the service account. An MVA does apply to:

- withdrawals from the daily interest account, guaranteed interest accounts and the long-term managed portfolio account,
- withdrawals for cash or transfers to support loans, and
- transfers from investment accounts with guarantees.

See the “Investments account” section of the policy for the MVA formula.

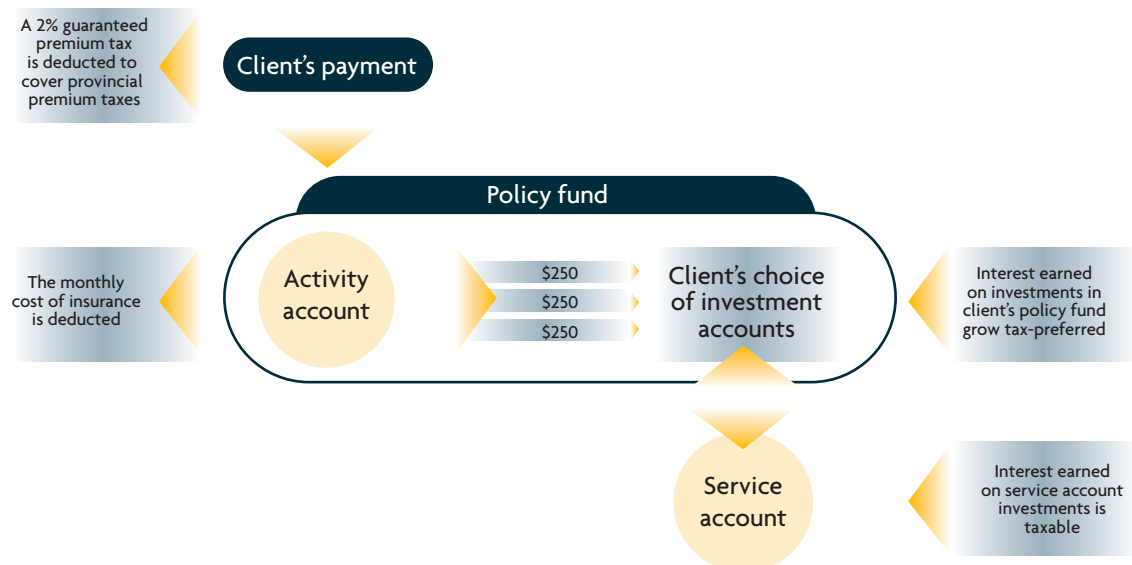
Policy fund

The policy fund value is equal to the amount in the activity account, plus the total of the selected investments, including accumulated interest. It does not include the balance of the service account.

Service account and maintaining tax-exempt status

The service account can be used to help maintain the tax-exempt status of the policy. Payments or policy fund growth in excess of the annual tax-exempt limit will be transferred to the service account or refunded in cash according to the withdrawal order selected by the client at issue. The annual exempt test may also identify funds to be transferred back to the policy fund.

Payments to the service account may be invested in any one of the available investment accounts except the long-term managed portfolio account. Payments that go directly to the service account are not subject to the 2% guaranteed premium tax, although transfers from the service account to the activity account are subject to the premium tax. Growth within the service account will be taxed annually.



ADDITIONAL BENEFITS

Total disability benefit

This is an additional benefit that maintains coverage if the insured person becomes totally disabled and is unable to earn an income between the ages of 18 and 60. Premiums will not be waived until after the policy anniversary nearest the insured person's 18th birthday.

The cost of insurance withdrawals are suspended until the disability ends, or the payment period ends – whichever comes first. The benefit is also extended to insured persons who are students or unemployed at the time of disability, subject to provisions laid out in the policy.

For joint last-to-die plans, each insured person can choose to add this benefit.

It is important to understand the definition of total disability as it applies to this benefit. Please review the total disability benefit under the “Additional benefits” section of the client's policy for additional details.

Owner waiver benefit

This benefit is automatically included at no additional cost when the insured person is age 17 or younger, the owner of the policy is a parent or grandparent of the insured person and is 55 years of age or younger. It is not available on plans that have more than one owner.

The owner waiver benefit protects the coverage if the owner dies or is unable to earn an income as a result of total disability. If this happens, the cost of insurance withdrawals cease until the disability ends, the policy anniversary nearest the insured person's 18th birthday or the policy anniversary nearest the owner's 65th birthday, or until the payment period ends – whichever comes first.

If no disability occurs, this benefit ends on the policy anniversary nearest the insured's 18th birthday or the policy anniversary nearest the owner's 60th birthday – whichever comes first.

It is important to understand the definition of total disability as it applies to this benefit. Please review the total disability benefit under the “Additional benefits” section of the client's policy for additional details.

Guaranteed insurability benefit (GIB)

The guaranteed insurability benefit is available on all payment options if the insured person is between the ages of 0 and 40. The maximum amount of guaranteed insurability benefit that can be purchased depends on the insured person's age.

Age of insured person	Maximum GIB available (up to \$150,000*)
0 - 10	Five times the full death benefit of the policy
11 - 20	Four times the full death benefit of the policy
21 - 40	Three times the full death benefit of the policy

* The purchase amount is subject to a \$150,000 lifetime maximum GIB per insured person. For example, if the insured person has \$100,000 GIB on an existing policy, the maximum purchase is \$50,000 regardless of the death benefit of the policy.

Exercising the guaranteed insurability benefit

The amount of guaranteed insurability benefit purchased with a Sun Limited Pay Life policy determines how much additional insurance may be purchased at future dates as described below.

The policy owner can purchase more life insurance on the insured person, in 5-year periods until the policy anniversary nearest the insured person's 45th birthday, regardless of their future health, occupation or lifestyle. The option periods start on the insured person's 15th, 20th, 25th, 30th, 35th and 40th birthdays. The insured person must wait at least two years between each insurance purchase. The benefit ends on the policy anniversary nearest the insured person's 45th birthday.

Example:

A 22-year-old male purchases \$100,000 guaranteed insurability benefit on his Sun Limited Pay Life policy.

At age 25, he can purchase a new \$100,000 life insurance policy (any eligible life insurance policy based on our rules regarding age and amount limitations).

At age 30, he can purchase another new \$100,000 life insurance policy and so on until the policy anniversary nearest his 45th birthday.

In total, he could purchase an additional \$400,000 of life insurance without having to provide any evidence of insurability.

Child term insurance benefit (CTB)

The child term insurance benefit is term insurance for the children of the person insured under the base policy. This benefit allows children and future children of the insured parent to be covered under their life insurance policy until the child is 25 years old.

The parent who is the base life insured must be a standard risk between ages 16 and 55 inclusive (18 to 55 in Quebec). CTB is available for children born to or legally adopted by the insured person, who are age 18 or younger at the time of application and a standard risk. Step-children can be included at the time of application. Any children born/adopted after the date of application are automatically insured regardless of their risk class. Clients can include step-children after the benefit is in effect by applying in writing and providing evidence of insurability.

- Minimum amount – \$10,000
- Maximum amount – \$20,000 (total per child combined CTB on all policies)

If the insured person dies, children are covered under this benefit until age 25 or until they apply for a new life insurance policy as permitted under this benefit.

Between their 18th and 25th birthdays, the child will have the right to buy additional life insurance for up to five times the amount of the child term benefit, provided they have been insured under this benefit for at least three years.

The child term benefit expires on the policy anniversary nearest the insured person's 65th birthday.

Please review the child term insurance benefit under the "Additional benefits" section of the policy for additional details.

Living benefit

This benefit is offered on all Sun Life Assurance Company life insurance products and is a non-contractual arrangement that we may approve at our discretion on a case-by-case basis.

If an insured person is diagnosed with a terminal illness, an application can be made by the policy owner for a lump sum advance of 50% of the death benefit, to a maximum of \$100,000. The lump sum, plus interest, is deducted from the death benefit when it is paid.

This benefit will follow the rules of the living benefit program in effect when the policy owner applies to receive the benefit.

ADMINISTRATIVE INFORMATION

Payments to the policy fund

Payments can be made monthly by pre-authorized cheque (PAC) or annually. If PAC, payments should be made on the policy monthly anniversary day. If annual, remember that the cost of insurance is still deducted monthly.

Guaranteed minimum payment

To guarantee the minimum payment, clients need to select an investment account option with a guaranteed minimum interest rate. These accounts include the daily interest account, guaranteed investment accounts and the long-term managed portfolio account. If choosing index or managed accounts and interest earned is negative, or if a client makes any withdrawals or loans, then additional payments will be required to keep the policy in effect. Here's an example of how each of these could work:

- **Monthly PAC equal to policy monthly anniversary day (RECOMMENDED)**

If the guaranteed minimum monthly payment of \$300 (which includes the cost of insurance charges and premium tax) is deposited on the 1st of the month and the PAC day is the 1st of the month, the cost of insurance (COI) and premium tax will be deducted at the same time the deposit is made. Since the \$300 is deposited on the same day as the \$300 deduction for COI and premium tax, nothing will remain to be invested in the investment accounts. Investment choice will not have a negative impact but it is still recommended to choose DIA, GIA or long-term managed portfolio.

- **Monthly PAC before the policy monthly anniversary day**

If the guaranteed minimum monthly payment of \$300 (which includes the cost of insurance charges and premium tax) is deposited on the 1st of the month and is invested in a market-based investment account that declines in value to \$275 prior to charges being deducted on the 15th, then the policy will be in a shortfall position and additional deposits will have to be made to prevent lapse/APL processing.

- **Annual payments**

Since COI charges are deducted monthly, even when making annual payments, it's important to ensure that the value in the policy fund is sufficient to cover the cost of insurance charges plus premium tax.

Let's assume an annual payment of \$1,200 is deposited on January 1st, the monthly anniversary day. Immediately, the monthly COI of \$98 plus \$24 premium tax is deducted. The remaining balance of \$1,078 is deposited into the policy fund and will earn an interest rate based on the underlying investment account. Let's assume that \$1,078 is invested in a market-based investment account which subsequently drops in value to \$800. On the 1st of each subsequent monthly anniversary day the \$98 COI is deducted. Assuming no recovery in the policy fund value, the COI charges will deplete the policy fund within about 8 months and the policy will be in a lapse position.

In all of these examples, selecting from the guaranteed investment account options – DIA, GIA or long-term managed portfolio will ensure funds are available to cover all costs and charges.

Withdrawals from the policy fund

A withdrawal from the policy fund can be made at any time. The following conditions apply:

- The minimum withdrawal permitted is \$250.
- The client may specify which account to withdraw the funds from or the withdrawal order selected at application is exercised as a default.
- An MVA may apply to transfers from certain investment accounts.
- Maximum withdrawals are reduced by any outstanding policy loans and will be limited in the first policy year.
- Withdrawals may be taxed.
- A transaction fee may apply.

See the “Withdrawing money from your policy” section of the client’s policy for details.

Policy loans

Loans against the policy fund

The loan amount requested is transferred to the activity account, where it acts like collateral and continues to earn interest at the DIA rate. The following conditions apply:

- Loans are not permitted in the first policy year.
- The minimum loan available is \$500.
- The maximum loan available is equal to the policy fund value less any applicable MVAs, less existing policy loans, plus interest.
- Loan interest rate may change at anytime; the current loan rate is equal to the DIA rate, plus 2%.
- The withdrawal order selected at application is used when funds are transferred to the activity account. An MVA may apply to transfers from certain investment accounts.
- The death benefit paid to the beneficiary will be reduced by the amount of any unpaid loan, plus interest.

Loans against the guaranteed cash surrender value

Loans against the guaranteed cash surrender value are available only after loans against the policy fund have been maximized. The following conditions apply:

- The minimum loan available is \$500.
- The maximum loan available is equal to the current guaranteed cash surrender value, less existing loans against the guaranteed cash surrender value, plus interest, less any automatic payment loans plus interest.
- Loan interest is charged daily and the interest rate is set annually.
- The death benefit paid to the beneficiary will be reduced by the amount of any unpaid loan, plus interest.

Automatic payment loan

An automatic payment loan will be taken if the value of the policy fund is not sufficient to cover the monthly cost of insurance withdrawal. The following conditions apply:

- The maximum loan available is equal to the current guaranteed cash surrender value, less existing loans against the guaranteed cash value and automatic payment loans, plus interest.
- Loan interest is charged daily and the interest rate is set annually.
- The death benefit paid to the beneficiary will be reduced by the amount of any unpaid loans plus interest.

See the “Borrowing money from your policy” (policy loan) section of the client’s policy for more details.

Cash surrender value

The client may cancel their policy at any time.

If the policy is cancelled after the 10th day of receiving it, the cash surrender value is paid to the policy owner. The cash surrender value is equal to:

The policy fund value
+ any guaranteed cash surrender value
+ any amount in the service account
- any applicable MVAs
- any policy loans, including interest

This amount may be taxed.

See the “Your right to cancel this policy” and the “If you change your mind within 10 days” sections of the client’s policy for details.

Policy rescission

The client may choose to send a written request to rescind the policy and receive a refund of any amount paid within 10 days of receiving the policy from us, or 60 days after the policy is issued.

See the “If you change your mind within 10 days” section of the policy for more detail.

Transaction fees

Although there are no surrender or policy fees associated with this plan, fees may be charged for certain policy transactions or policy changes including the following: death benefit reductions, changes to investment direction or account selection, client-requested transfer between accounts and withdrawals. Clients may have up to two free transactions per policy year. The maximum fee charged at any time is \$100.

Non-smoker classification

From age 0 - 16 juvenile rates are used. Beginning at age 18 rates are distinct for non-smokers and smokers.

To qualify for non-smoker rates the insured person must not have used any nicotine or tobacco products in the last 12 months. Nicotine or tobacco products include: cigarettes, cigarillos, small or large cigars, pipes, marijuana, hashish, betelnut, chewing tobacco, and nicotine gum or patches. Occasional large cigar use may qualify as non-smoker with a negative cotinine test.

For juvenile insureds to qualify for non-smoker rates when they reach age 18 they must submit a declaration and be approved for non-smoker rates, otherwise smoker rates will apply. Insureds applying for Sun Limited Pay Life at age 17 are not required to submit a separate declaration to be considered for non-smoker rates at age 18 but must meet the criteria mentioned above.

Product disclosure requirements

You are responsible for providing clients with a copy of the Sun Limited Pay Life client guide, investment account fact sheets and a product illustration. These can be found on the advisor website. Other important disclosure information, including sample policy pages can be found on the advisor website as well.

Making a claim

You may assist a beneficiary in making a claim by calling **1 800-800-4SUN (1 800-800-4786)** to request claims forms. Completed forms, including proof of the insured person's death, need to be mailed to:

Life Claims Services

Sun Life Assurance Company of Canada
227 King St. S.
PO Box 1601, Station Waterloo
Waterloo ON N2J 4C5
Canada

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.



5 YEARS IN A ROW

For the fifth straight year, we were voted by Canadians as the “Most Trusted Life Insurance Company” in the Reader’s Digest 2014 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.

Contact your Sales Director or visit www.sunlife.ca today.

We're dedicated to helping Canadians achieve lifetime financial security.

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