

LIFE INSURANCE

SunUniversalLife Pro

ADVISOR GUIDE

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Life's brighter under the sun

Important information about this guide

The information in this guide has been prepared for advisor use only. This guide is intended to provide you with an overview of SunUniversalLife Pro. You should also read the sample SunUniversalLife Pro policy on the Sun Life advisor website, for more details.

This guide doesn't provide tax, legal, accounting or other professional advice. We suggest you advise Clients to seek the advice of a tax professional when making decisions. It's the policy owner's responsibility to determine the tax consequences under relevant tax legislation. Any tax information provided in this advisor guide is based on the provisions of the Income Tax Act (Canada) and the regulations as of the date of this guide. In addition, this information is based on Sun Life's current understanding and interpretation of the rules and the administrative practices of the Canada Revenue Agency (CRA).

Overview

SunUniversalLife Pro is designed with business owners and professionals in mind. It combines permanent life insurance protection and opportunities for tax preferred savings growth. Clients can choose from three investment account options, including the Sun Life Diversified Account Pro, which provides smoothed returns and a minimum interest rate guarantee.

SunUniversalLife Pro provides choice and flexibility for business owners and professionals. This streamlined solution makes it easier for Clients to get protection now and in the future.

Use this guide to understand the features and optional benefits available with SunUniversalLife Pro. To help business and professional Clients understand how this product fits into their financial goals, give them a copy of the SunUniversalLife Pro Client guide 810-4921.

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Benefits for Clients

Protection today and tomorrow – SunUniversalLife Pro provides business owners and professionals with permanent life insurance coverage to help meet their business, personal and estate planning goals. Business owners can maximize shareholder value and meet their long-term business planning needs. For Clients looking for personal protection, SunUniversalLife Pro can help offset tax liabilities of a growing estate, ensuring an efficient transfer to the next generation.

Choice – With three death benefit options, including Level plus adjusted cost basis that can help business owners improve shareholder value and three cost of insurance options, business owners and professionals can design a solution to help meet their unique needs.

Guarantees – Business owners and professionals know all about taking risks. Their life insurance solution shouldn't feel like another one. With guaranteed cost of insurance and a minimum interest rate guarantee on the Sun Life Diversified Account Pro, Clients can benefit from the stability that SunUniversalLife Pro offers.

Cash accessibility – Having easy access to the policy fund value is another attractive feature of SunUniversalLife Pro. Business owners and professionals can take a policy loan or withdraw cash from their policy fund for whatever they choose. If the need arises, policy owners can access their policy fund tax-free in the event of a total disability, providing additional security when they need it most.

Solutions for business owners – Clients who own a private corporation can buy a universal life policy through the corporation on their own life. The corporation can own the policy, pay the premium and be the beneficiary. In addition to protection, the policy also provides tax-preferred cash value accumulation and continued access to cash through policy loans.

Product at a glance

Plan Details			
Coverage options	<ul style="list-style-type: none"> • Single life • Joint first-to-die, two lives — includes Survivor benefit and Automatic survivor benefit • Joint last-to-die COI to second death, two lives • Joint last-to-die COI to first death, two lives 		
Issue limits	<ul style="list-style-type: none"> • Minimum: \$100,000 • Maximum: \$15,000,000 — contact your Sales Director for quotes greater than the maximum. 		
Death benefit options	<ul style="list-style-type: none"> • Insurance amount plus policy fund • Level insurance amount • Level plus adjusted cost basis (ACB) 		
Cost of insurance (COI) options and issue ages	COI	Single	Joint
	Level	18 - 85	18 - 85
	YRT to age 85:	18 - 70	18 - 70
	YRT to age 100:	18 - 85	18 - 85
	<p><i>For the Level plus ACB death benefit option, the maximum single or joint issue age is age 70. For joint policies, both the ages of the insured persons and the joint age must fall within the above limits.</i></p>		
COI bands	<ul style="list-style-type: none"> • \$100,000 - \$249,999 • \$250,000 - \$499,999 • \$500,000 - \$999,999 • \$1,000,000 - \$4,999,999 • \$5,000,000 and up 		
Smoking status	Non-smoker or smoker		
Surrender charges	<p>Based on a percentage of the target payment:</p> <ul style="list-style-type: none"> • Year 1: 100% • Year 2: 50% • Year 3: 0% <p>Target payment for non-rated cases is equal to:</p> <ul style="list-style-type: none"> • 100% of the Level COI amount for all of the COI options. 		

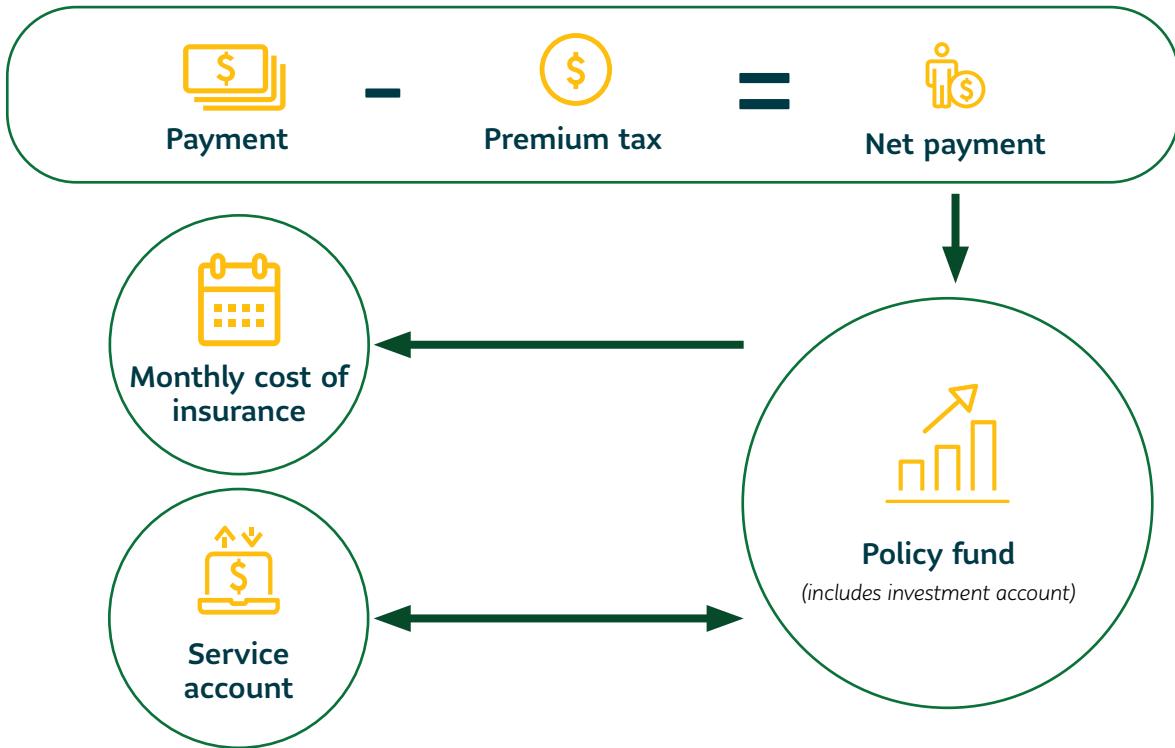
Plan Details

Policy fee	None
Investment account options	<ul style="list-style-type: none"> • Daily interest account (DIA) • 10 year Guaranteed interest account (GIA) • Sun Life Diversified Account Pro with a minimum interest rate guarantee of 2%
Optional benefits	<ul style="list-style-type: none"> • Business value protection benefit • Total disability waiver benefit • Owner waiver benefit (death, disability or death and disability) • Term insurance benefit – T10, T10 with Renewal protection, T15, T20, T30 • Accidental death benefit • Guaranteed insurability benefit • Child term benefit
Special features	<ul style="list-style-type: none"> • Access to the policy fund when disabled • Early death benefit • Living benefit

How SunUniversalLife Pro works

The following is a summary of how SunUniversalLife Pro works. For more details, refer to page 18, *Making payments to the policy*, or see the sample policy pages found on the Sun Life advisor website.

When we receive a payment for a SunUniversalLife Pro policy, we deduct any applicable premium tax. The net payment is added to the policy fund and allocated to Clients' selected investment account options. Sun Life will credit interest to the policy fund based on the investment accounts the Client selected.



Sun Life will credit interest to the policy fund based on the investment account options selected. Interest will never be negative.

Every month, money is deducted from the policy fund to pay for the cost of insurance which includes costs for any optional benefits Clients select. We ensure that the policy will maintain its tax-exempt status. If the policy fund or payments made to the policy are greater than permitted under the Income Tax Act (Canada), excess funds are transferred to the service account.

The service account holds any excess money that would cause the policy to lose its tax-exempt status if it was left in the policy fund. When exempt limits permit, funds are transferred from the service account back into the policy. Any interest earned on funds within the service account is taxable.

At death, an amount can be paid tax free to a named beneficiary according to the death benefit option the Client selects.

Product details

Issue ages

SunUniversalLife Pro is available to individuals ranging from insurance age 18 - 85 and availability is based on the COI and death benefit option the Client selects.

Issue ages are based on the insured person's insurance age, or their age at the nearest birthday. This is known as "age nearest". For example, if the Client is 48 years and 7 months, their insurance age will be 49 years. On the other hand, if the Client is 35 years and 3 months, their insurance age will be 35. An "attained age" is the insurance age plus the number of years from the effective date of the policy to the nearest policy anniversary.

Cost of insurance option	Single life	Joint life
Level	18 - 85	18 - 85
YRT to age 85	18 - 70	18 - 70
YRT to age 100	18 - 85	18 - 85

If the Client selects the Level plus ACB death benefit option, the maximum issue age is age nearest 70.

For a joint coverage, we calculate a joint age at the time the insurance takes effect. The joint age represents the combination of each insured person's insurance age, sex and smoking status. Joint ages differ by coverage type. For example, a joint last-to-die coverage will have a different joint age than a joint first-to-die coverage.

SunUniversalLife Pro is available to joint insured persons, with joint age 18 - 85, depending on the COI option selected. Both of the insured persons under the joint coverage must be within the age ranges specified above.

Smoking status

Insured persons are classified as either smoker or non-smoker.

An insured person can change from the smoker to the non-smoker rate class by completing a Declaration of smoking status, form E18. Evidence of insurability is required and must be approved by Sun Life before non-smoker rates are applied. The COI will be lower under a non-smoker classification.

Coverage options

SunUniversalLife Pro offers: single life, joint first-to-die, joint last-to-die COI to first death and joint last-to-die COI to second death. This variety of coverage options allows Clients to design a SunUniversalLife Pro plan to meet their needs.

Single Life

- Coverage is based on one insured person.
- The death benefit is payable on the death of the insured person.
- More than one COI coverage is available at issue, however all coverages must have the same death benefit option. For example, a single insured could have a Level COI coverage and a Yearly Renewable Term to 85 COI coverage in the same policy.

Joint first-to-die

- Coverage is based on two insured persons.
- The death benefit is payable when one of the insured persons dies, at which time the policy will terminate.
- Costs are payable up to the first death, their joint age 100, or the end of the COI period, whichever comes first.
- Joint first-to-die policies include a **Survivor benefit** and an **Automatic survivor benefit**.
- **Survivor benefit** – After one insured person dies, the surviving insured person has 90 days to apply for a new life insurance policy without providing evidence of insurability.
 - The amount of the new life insurance policy can't exceed the joint first-to-die insurance amount.
 - Subject to availability, the new policy can be permanent or term insurance, based on the surviving insured's age nearest and rates in effect at the time of application.
 - Death must have occurred before the policy anniversary nearest the surviving insured person's 75th birthday.
 - If costs are being waived on the joint first-to-die policy as a result of total disability for the surviving insured, costs of insurance or premiums for the new policy are waived while the disability continues.
- **Automatic survivor benefit** – If the surviving insured person dies within 90 days of the first insured person and didn't apply for a new policy under the Survivor benefit above, we pay an additional benefit equal to the basic insurance amount.
 - Death of the surviving insured must occur before the policy anniversary nearest their 75th birthday.



DID YOU KNOW? *The survivor benefit guarantees that the surviving insured person can maintain coverage for the business without providing evidence of insurability. For small business owners, this coverage option may be just what they need if the surviving insured needs money to buy the deceased insured person's interest in the business.*

Joint last-to-die – COI to the second death

- Coverage is based on two insured persons.
- The death benefit is payable on the second death of the insured persons.
- COI continues to be deducted after the first insured person's death. Costs are payable until the last death of the insured persons, their joint age 100, or the end of the COI pay period, whichever comes first.

Joint last-to-die – COI to the first death

- Coverage is based on two insured persons.
- The death benefit is payable on the second death of the insured persons.
- COI deductions for their basic coverage ends at the first death of the insured persons or the end of the COI pay period, whichever comes first.
- Cost for benefits that apply to the surviving insured person and any tax-exempt insurance increases continue to be deducted.
- The only death benefit option available is insurance amount plus policy fund.
- The policy owner will need to inform Sun Life of the first death to ensure that COI charges are stopped.

Early death benefit option

- An early death benefit (EDB) is available when a joint last-to-die coverage with the insurance amount plus policy fund death benefit is selected. A percentage of the policy fund value is payable to the beneficiaries on the first death.
- The percentage of the fund value paid out can be selected at issue and can range from 0% to 100%, in multiples of 5%. The default is 0%. This can be changed any time prior to the first death. The policy owner must submit written notification, an EDB beneficiary election or policy change form.
- The total amount of the EDB payout on first death is equal to the result of the following formula, calculated as of the date of notification:
(A) x (B – C) where:
A = the EDB percentage specified by the policy owner
B = the policy fund value
C = policy loans including interest
- The EDB remains in effect as long as the joint last-to-die policy remains in force and the death benefit option is insurance amount plus policy fund. Other details about the EDB:
 - A separate EDB payout percentage and beneficiary can be elected for each insured person.
 - EDB isn't allowed if either insured has a rating of 250% or greater.
 - No surrender charges or market value adjustment (MVA) applies to the payout.
 - The service account doesn't form part of the payout.
 - The EDB payout is subject to tax legislation at the time of payment.



TIP! *The EDB option provides a tax-free payout from the policy fund without affecting the original insurance face amount.*

Multiple COI coverages

- SunUniversalLife Pro allows more than one COI type per policy for single life plans. Coverages can be added after issue on policy anniversaries. All coverages on the policy must have the same death benefit option and meet the minimum insurance amount requirements. For example, a policy could have both a Level COI coverage and a Yearly Renewable Term to 85 COI coverage
- Any policy fund value is allocated to each coverage based on the proportion of the benefit amount to the total of all insurance benefit amounts. The net amount at risk for each coverage under the Level, and Level plus adjusted cost basis death benefit options is the difference between the insurance amount and the allocated policy fund value.
- Banding applies for coverages using the same COI option. The appropriate COI band for a life or joint lives insured is determined by adding the insurance amount of all coverages.
- For joint life policies, the same joint coverage option must be selected (i.e. Joint first-to-die) and each coverage must use the same death benefit option and COI type.
- Single and joint coverages can't be combined within the same policy. Each coverage must insure the same person. Multiple life plans aren't available.

Minimum and maximum insurance amounts

The minimum basic insurance amount for SunUniversalLife Pro is \$100,000. The maximum insurance amount is \$15 million. For quotes greater than \$15 million, contact your Sales Director.

Clients can choose to increase or decrease their insurance amount after issue. When an increase is requested it's processed as a new coverage with its own target payment and surrender charges. The minimum increase is \$100,000. Rates for the new coverage are those in effect at the time of the increase and are based on the insured person's current age. Banding applies for coverages using the same COI option.

The minimum decrease is \$10,000 and the insurance amount can't be below the product minimum of \$100,000. Decreases are not permitted within the first 12 months.



DID YOU KNOW? *With an insurance amount decrease, Sun Life first reduces any increases to the insurance amount that resulted from maintaining the tax-exempt status of the policy*

The COI rate charged varies by the insurance amount band and by COI type. Volume discounts permit reductions in the COI rate as the insurance amount increases. The rate bands for SunUniversalLife Pro are as follows:

\$100,000 - \$249,999
\$250,000 - \$499,999
\$500,000 - \$999,999
\$1,000,000 - \$4,999,999
\$5,000,000 - \$15,000,000



DID YOU KNOW? *Decreases to the insurance amount after issue may cause a move to a lower band with higher COI rates. The COI rates applicable to the new band apply.*



DID YOU KNOW? *There is no tax payable on the growth of the policy's cash value as long as it remains within the policy and the policy is funded within allowable limits.*

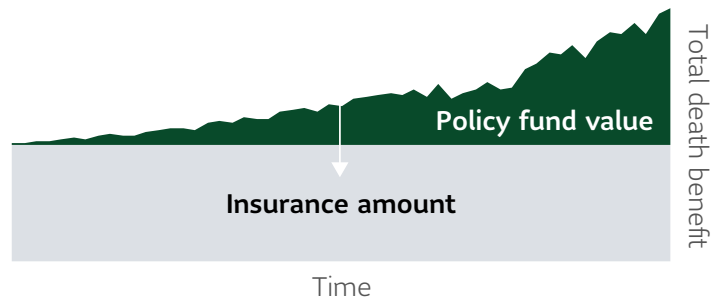


Death benefit options

Clients can tailor their SunUniversalLife Pro plan to their needs with one of three different death benefit options.

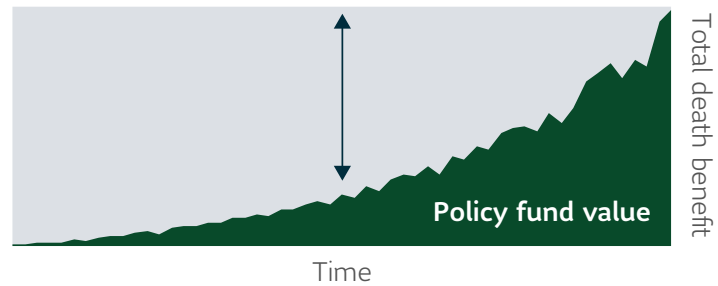
Insurance amount plus policy fund

With this option beneficiaries receive the insurance amount plus the policy fund value, less any outstanding policy loans including interest. The insurance amount includes any increases that occurred to maintain the policy's tax-exempt status.



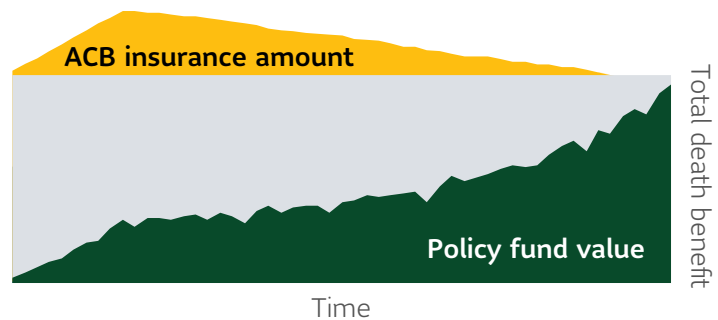
Level insurance amount

With this option, the death benefit is the greater of: the insurance amount and the policy fund value — less any outstanding loans including interest. The insurance amount includes any increases that occurred to maintain the policy's tax-exempt status.



Level insurance amount plus adjusted cost basis (ACB)

This death benefit option has been designed for business owners. With this option, the insurance amount changes to reflect changes to the ACB of the policy. The death benefit is the greater of: the insurance amount and the policy fund value — less any outstanding policy loans including interest. The insurance amount includes any increases that occurred to maintain the policy's tax-exempt status. This option is available for issue ages 18 - 70.



Each year the insurance amount changes by the amount of change in the ACB of the policy, up to the policy anniversary nearest the insured person's 100th birthday or joint age 100 for joint plans. The maximum insurance amount allowed is three times the initial insurance amount.

Each time the insurance amount is increased, a new layer of insurance coverage is established using YRT to age 100 rates. In the early policy years, the ACB will typically increase, meaning the insurance amount also increases. In later policy years, the ACB will begin to decrease. When this happens, the insurance amount also decreases. When a decrease occurs, the layers of insurance coverage previously purchased are removed or reduced on a last in, first out basis.

If a Client requests to stop increasing the insurance amount or to reduce the insurance amount (including coverage reductions caused by withdrawals), the policy death benefit switches to the Level insurance amount. Any further changes to the policy's ACB won't change the insurance amount.

The policy's ACB is generally increased by:

- the sum of all payments to the policy fund,
- accumulated loan interest,
- the taxable portion of any withdrawals.

The policy's ACB is generally decreased by:

- the sum of all withdrawals and loans (including loan interest) against the policy fund,
- any COI deducted for any optional benefits, not including term insurance benefits,
- the net cost of pure insurance (NCPI),
- any adjustments made for payment of the death benefit before the policy ends.



TIP! *The Level insurance amount plus ACB option is intended to ensure that the corporation will always be able to credit the Capital Dividend Account (CDA) with an amount that's at least equal to the initial insurance amount.*

The NCPI and any adjustments made to the ACB for payment of the death benefit are defined within the Income Tax Act (Canada).



DID YOU KNOW? *For business owners approaching retirement, a Level + ACB death benefit option may be an effective strategy that leverages tax advantages of universal life insurance. This option is designed for business owners who want to optimize credits to their CDA and maximize the tax-free capital dividend to their heirs.*

For all death benefit options, COI charges are applied to the Net Amount at Risk (NAAR) of the basic insurance coverage. The NAAR is calculated by subtracting the policy fund from the total death benefit. For the Level, and Level plus ACB death benefit options, the COI charges will vary from year to year based on the accumulation of value in the policy fund, and the current amount of insurance. With the Insurance amount plus policy fund death benefit option, the COI charges are typically based on the insurance amount.



DID YOU KNOW? *Death benefits are paid tax-free and create a credit to the corporation's capital dividend account, which may allow some or all of the proceeds to be paid out as a tax-free capital dividend.*

Changing the death benefit option

With SunUniversalLife Pro, Clients can change their death benefit option if their needs change. All basic insurance coverages in the policy must have the same death benefit option.

The following changes are allowed:

- Any of the Level death benefit options can be changed to Insurance amount plus policy fund. Evidence of insurability is required if the change increases the policy's net amount at risk.
- Insurance amount plus policy fund can be changed to Level insurance amount.
- Level plus ACB can be changed to a Level insurance amount. The new coverage amount will be the basic insurance amount in effect on the last policy anniversary. Evidence of insurability is required if the change increases the policy's net amount at risk.

Cost of Insurance (COI) options

SunUniversalLife Pro offers Clients three COI options. COI is deducted from a SunUniversalLife Pro policy on a monthly basis. The monthly cost is determined by multiplying the annual COI rate per \$1,000 by the Net Amount at Risk (NAAR) and dividing by 1,000. This result is then divided by 12. The NAAR is calculated by subtracting the policy fund value from the total death benefit.

Yearly renewable term (YRT) to age 85

Each year, the COI rate is based on the insured person's attained age and increases as the insured gets older. The COI rates for the initial insurance amount are guaranteed and are payable to the policy anniversary nearest the insured person's 85th birthday. For joint policies, COI charges for the initial insurance amount are payable to the policy anniversary nearest joint age 85. Payments can continue to be made to the policy even after the guaranteed COI charges end.



DID YOU KNOW? *SunUniversalLife Pro's YRT to age 85 COI option was designed with a shorter ACB grind. This helps Clients maximize the value of their estate.*

Yearly renewable term (YRT) to age 100

Each year, the COI rate is based on the insured person's attained age and increases as the insured gets older. The COI rates for the initial insurance amount are guaranteed and are payable to the policy anniversary nearest the insured person's 100th birthday. For joint policies, COI charges for the initial insurance coverage amount are payable to the policy anniversary nearest joint age 100.



TIP! *With YRT to age 100, Clients get affordable permanent protection. Low rates in the early years, when compared to other COI options, gives Clients the best growth opportunity for policy values.*

Level

This COI option is based on the insured person's issue age with rates that will not change over the life of the initial insurance coverage. The COI rate for the initial insurance amount is guaranteed and payable to the policy anniversary nearest the insured person's 100th birthday. For joint policies, COI charges for the initial insurance amount are payable to the policy anniversary nearest joint age 100.

Changing COI options

Should Clients' circumstances change, SunUniversalLife Pro provides the flexibility to change the COI option from a YRT 85 or YRT 100 to Level COI. Changes can be made after the first policy anniversary on the anniversary date.

When a change is made it's done at the insured person's current age nearest. Rates for the new COI option are those in effect at the time of the change.



DID YOU KNOW? *For all cost of insurance options, coverage continues until the death of the insured person, the policy is surrendered, or the policy lapses. Even though the policy illustration only shows values until age 100, the policy will continue beyond that point if the insured person lives past age 100. The amount of the death benefit after age 100 will depend on the death benefit option selected. The policy fund value will continue to grow based on the investments selected.*

Making payments to the policy

Flexible payments are one of the benefits of universal life insurance. Clients can choose their policy payment amounts within minimum and maximum limits. Once the cost of the insurance and costs for any optional benefits have been deducted, any excess payments can be invested in three investment account options. These options are chosen at the time of application and can be changed at any time.

Minimum and maximum payments

The minimum payment is based on a number of factors including the COI type selected, the insured person's age, gender, smoking status and insurance amount. If the insured is rated or optional benefits are added the minimum payment amount will increase.

The maximum payment in any given year is the maximum amount that can be paid into a policy to ensure the policy maintains its tax-exempt status according to the Income Tax Act (Canada). The maximum payment is calculated at the beginning of each year based on factors such as investment returns and funding levels from previous years. Any amount greater than the maximum is transferred to the policy's service account.

More details about the service account can be found on page 29.



DID YOU KNOW? *Making maximum payments can allow Clients to pay up the policy faster while continuing to have access to the policy fund value if their business needs it.*



TIP! *Paying more than the minimum payment allows funds to accumulate within the policy fund on a tax-preferred basis. Any costs paid by the interest earnings can be considered to be paid with pre-tax dollars. This is a cost effective way for a Client to pay for their insurance protection.*

Premium tax

Provincial legislation determines the applicable provincial premium tax deducted from every payment made into a SunUniversalLife Pro policy. This tax is subject to change.

Premium tax isn't deducted from money transferred directly into the service account. Premium tax is deducted from money being transferred from the service account into the policy fund.

Monthly deductions

When payments to a policy are received, the applicable provincial premium tax is deducted and the balance is added to the activity account. The total of amounts in the activity account and the investment account options make up the policy fund value. Every month, money is deducted from the activity account to pay for the COI for the insurance amount and any optional benefits the Client selects.

If there isn't enough money in the activity account, funds are withdrawn from the investment accounts based on one of two COI withdrawal options. The COI withdrawal option is chosen at the time of application and can be changed at any time. A fee may be charged for frequent changes. Please see page 36 for more details on the transaction fees that apply to SunUniversalLife Pro.

COI withdrawal options

The policy owner can choose from one of two withdrawal order options at issue. The ability to choose where withdrawals are made will allow the policy owner to concentrate investments in his or her preferred investment accounts.

If an order is not selected, the proportional order is the default option. The withdrawal order can be changed any time after policy issue. Clients can choose from one of the following:

Proportional

The proportional order allows the Client to keep the investment mix between accounts constant by taking a portion from each account on withdrawal. The COI is withdrawn from each of the investment accounts in proportion to the value of the investment accounts on the day of the transfer.

Alternate order

If the Client's preference is to keep investments in the Sun Life Diversified Account Pro untouched until required to pay for the COI, the alternate order withdrawal option may be the answer. The COI is withdrawn from the investment accounts in the following order:

- Daily interest account (DIA)
- 10-year Guaranteed interest account (GIA)
- Sun Life Diversified Account Pro

Any funds withdrawn from the GIAs are taken from the layer closest to maturity at the time of the withdrawal. No market value adjustments apply.

For all withdrawal options, if there is not enough money in the activity or investment accounts, money will be transferred from the service account to pay for the COI.

Timing of regularly scheduled payments

SunUniversalLife Pro allows for monthly or annual payments. Policy owners who choose to pay monthly are set up on pre-authorized chequing (PAC). If they choose to pay annually, a payment notice is sent each year.

Lump sum payments

Payments in addition to the regularly scheduled monthly or annual payments are considered lump sum payments and can be made at any time. The minimum lump sum payment is \$100. The effective date of payment is the date that funds are received at our head office.

Stopping and starting payments

Payments to the policy can stop at any time provided the policy fund value is sufficient to cover any policy charges. Additional payments within the minimum and maximum limits can resume at any time.

Investment account options

SunUniversalLife Pro offers three investment account options to help Clients design an investment mix that helps meet their risk profile and savings goals. Clients can choose from the following:

- A daily interest account.
- A guaranteed interest account with a 10-year term.
- The Sun Life Diversified Account Pro, which offers a minimum interest rate guarantee of 2%.

Clients choose an investment mix at the time of application and can change it at any time. The minimum balance for each of the investment accounts is \$100.

When the activity account accumulates enough to invest at least \$100 into each of the chosen investment accounts, the money is transferred out of this account according to the chosen investment mix. When allocating the Client's payment across the selected investment mix, the percentage selected for each investment account must be in multiples of 5%.

If the Client's investment mix contains more than one investment account, the activity account balance must be large enough so that the transfer to each investment account option is at least \$100. Once that minimum amount is reached, the policy funds are automatically transferred from the activity account according to the chosen investment mix.

For example, assume a policy owner has chosen an investment mix of 10% to a DIA and 90% to a GIA. A minimum of \$1,000 in the activity account is required before the DIA option meets the minimum transfer threshold of \$100 (10% x \$1,000).

If the activity account is only \$990, the minimum transfer threshold for the DIA wouldn't be met (10% x \$990 = \$99). In this case, all of the policy funds are left in the activity account until the minimum transfer threshold of \$100 for each investment account is reached.

Daily interest account (DIA)

The DIA is an investment account option selected by the Client. The minimum required to open this account is \$100. Interest on this account is calculated 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 year.

Guaranteed interest accounts (GIA)

A 10-year term GIA is available to help meet the policy owner's savings needs. At maturity, the GIA balance is rolled into the activity account, unless the policy owner requests to have it roll over to a new account of the same term. Interest is credited daily and compounded annually.

Like the DIA, the minimum guaranteed interest rate will never be less than 90% of the Government of Canada Bond rate with the same term, less 1.75%. The absolute minimum interest rate for the GIA is 0% per year.

If funds are withdrawn from the GIA, a Market Value Adjustment (MVA) may apply. Generally, if a GIA is redeemed prior to its maturity and current interest rates have increased, an MVA will apply. The MVA applies to withdrawals or transfers from a GIA into another investment account. Withdrawals from the GIAs start with the layer closest to maturity. An MVA won't apply under the following circumstances:

- Transfers from the GIAs to pay for the monthly cost of insurance or to maintain the policy's tax-exempt status.
- Payment of the policy fund upon the death of the insured person.

The MVA formula is:

$MVA = W \times (1 - \text{the lesser of } 1 \text{ and } ((1 + J)^D / (1 + K)^D))$

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

K = current interest rate for a new GIA layer with the same term as the existing GIA

Sun Life Diversified Account Pro

The Sun Life Diversified Account (SLDA) Pro is only available as an investment account option with SunUniversalLife Pro and provides Clients with an option to help manage volatility within their universal life portfolio. The account earns a daily interest rate based on the average yield of a variety of investments including private fixed income, real estate, bonds, mortgages and equities.



DID YOU KNOW? *The SLDA Pro guarantees to never have a rate of return of less than 2%. SLDA Pro offers the potential of higher returns based on the average yield of a variety of investments including private fixed income, real estate, bonds, mortgages and equities. Changes in the market value are included over a longer period of time, helping to reduce overall volatility.*

The Client's policy is credited with interest based on the smoothed return of this account. The crediting rate is set at least annually and Sun Life guarantees a minimum interest rate of 2%.

If funds are withdrawn or transferred from the SLDA Pro, a market value adjustment (MVA) may apply. No MVA may apply where funds are transferred to pay for the monthly cost of insurance, to maintain the policy's exempt status or upon payment of the policy fund on the death of the insured person.

The MVA formula is:

$$\text{MVA} = \text{Max} \left[0, \left\{ 80\% \times \frac{(\text{Avg CBF} - \text{CBF})}{\text{Avg CBF}} + 20\% \times \frac{(\text{Avg CEF} - \text{CEF})}{\text{Avg CEF}} \right\} \right] \times \text{withdrawal amount}$$

Abbreviation	Meaning
CBF = (Canadian Bond Fund)	value of the Sun Life MFS Canadian Bond Fund as of the close of the previous business day
Avg CBF =	average of the closing Sun Life MFS Canadian Bond Fund values over the past three years, up to and including the value as of the close of the previous business day
CEF =(Canadian Equity Growth Fund)	value of the Sun Life MFS Canadian Equity Growth Fund as of the close of the previous business day
Avg CEF =	average of the closing Sun Life MFS Canadian Equity Growth Fund values over the past three years, up to and including the value as of the close of the previous business day



TIP! *With the minimum interest rate guarantee provided by the SLDA Pro, business owners can focus on growing their business, knowing that the returns in their SunUniversalLife Pro policy will never fall below the interest rate guarantee.*

Cash accessibility

Easy access to the fund value of the policy is another attractive feature of SunUniversalLife Pro. Funds can be accessed through withdrawals, a policy loan or in the event of a total disability.

Withdrawals

A withdrawal refers to a policy owner's request for funds. This doesn't include the deduction of the monthly cost of insurance from the policy fund. For more information on the cost of insurance deductions please refer to COI withdrawal options on page 19. Any withdrawals made as a result of a request by the policy owner will be considered a partial disposition and may result in taxable income.

The minimum withdrawal amount is \$250 and the maximum is the current policy cash surrender value (CSV), minus 12 times the previous month's total COI for the policy. A withdrawal from the policy fund causes a reduction in the death benefit by the amount of the withdrawal.

The policy CSV is calculated as:

- the policy fund value,
- minus surrender charges,
- minus any MVAs,
- minus policy loans including interest,
- plus any amount in the service account.

If funds are withdrawn from the GIAs or from the SLDA Pro, a market value adjustment (MVA) may apply. For GIAs, the layer closest to maturity is withdrawn first.

Clients can specify the investment account that funds should be withdrawn from. If an account isn't specified, funds are taken from the service account first, and then from the activity account. If there is not enough money in the activity account, then funds are transferred from the investment accounts according to the COI withdrawal order the Client selects.



DID YOU KNOW? *A policy withdrawal is considered a taxable disposition. Clients may have to pay tax on withdrawals from the policy fund.*

Surrender charges

SunUniversalLife Pro surrender charges are based on a percentage of the surrender target payment. The surrender target payment is based on the Level COI for a similar insured regardless of the COI option selected for the Client's policy.

Number of years the basic insurance benefit is in-force	Percentage of surrender target payment
Year 0 - 1	100%
Year 2	50%
Year 3+	0%

On a date other than a policy anniversary, the surrender charge percentage is a pro-rata value based on the number of whole months between policy anniversaries. This interpolation applies between the first and third policy anniversaries. For example, if the Client surrenders the policy after two years and six months, the applicable surrender charge percentage would be 25%

Surrender charges don't apply to increases in the insurance amount under the Level plus ACB death benefit option or as a result of increases to keep the policy tax exempt.



DID YOU KNOW? *With only a three-year surrender charge schedule, Clients can get access to the full value of their policy fund sooner.*

Policy loans

Cash loans

With SunUniversalLife Pro, loans against the policy fund are permitted after the first policy year. The minimum policy loan is \$250. All or part of any policy loan may be taxable. The maximum policy loan is determined using the following formula:

$(75\% \times (A - B - C)) - D - (E \times (1 + F))$ where:

A = the policy fund value

B = any surrender charge

C = any MVAs

D = COI deductions for the insurance amount and optional benefits for the previous month x 12

E = any outstanding policy loans, including interest

F = the current loan interest rate, divided by 100

The death benefit paid is reduced by the amount of any outstanding policy loans, including interest.



DID YOU KNOW? *If a need for cash arises, there are options for accessing the policy value including taking a policy loan, making a withdrawal or using the policy as collateral for a third-party loan.*

The loan interest rate isn't guaranteed and is linked to the Royal Bank of Canada prime rate, plus 2%. The interest rate is set on the day of the policy loan. At each policy anniversary the interest rate is changed to the rate that would be charged for new policy loans on that day.

If the policy loan, including any accumulated interest, becomes greater than the policy fund plus any cash value, Clients have 31 days to make a payment, or the policy will lapse.



DID YOU KNOW? *Policy loans are only taxable to the extent that they exceed the ACB.*



TIP! *Service account values aren't used in the calculation of the maximum loan amount. If funds are in the service account it's recommended the Client withdraw these first before taking a loan.*

Access to the policy fund while disabled, ill or injured

The policy owner may make one withdrawal from the policy fund each time an insured person becomes totally disabled due to illness or injury. Each disability must continue for 60 consecutive days. Please see the policy for the definition of a disability.

Under current tax rules, the policy owner may make this withdrawal without incurring a taxable disposition. Tax rules may change at any time. The tax rules in effect on the date of withdrawal will apply. Any withdrawal from the policy fund will reduce the total death benefit by the amount of the withdrawal.

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

The minimum withdrawal amount is \$500. The maximum withdrawal amount is the value of the policy fund plus accumulated interest up to the date of withdrawal minus the following amounts:

- MVAs applicable to the GIAs, or to the SLDA Pro,
- surrender charges,
- policy loans including interest,
- 12 months COI, and
- a claim assessment fee.

Funds are withdrawn from the activity account first, then from the investment accounts according to the COI withdrawal order the Client selected. Any funds withdrawn from the GIAs use the layer closest to maturity first.

Withdrawals may not be allowed in cases where:

- the policy came into effect as the result of a conversion from another life insurance policy while the insured person was disabled, or
- 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 a claim is approved, the age of the insured person must be verified.
- Proof of the disability must be received after it continued for more than 60 consecutive days.
- A claim assessment fee and any cost associated with supplying proof of disability is payable each time a claim is submitted.
- In cases where the insured person is no longer disabled at claim time, proof is required that the disability continued for 60 consecutive days. A claim must occur within one year of the date the insured is no longer disabled.



DID YOU KNOW? *A one-time withdrawal can be made tax-free from the policy fund if the Client is disabled, ill or injured.*

Living benefit

This benefit is offered on Sun Life Assurance Company of Canada 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 insurance amount, to a maximum of \$250,000. The lump sum, plus interest, is deducted from the death benefit when paid. This benefit follows the rules of the living benefit program in effect when the policy owner applies to receive the benefit.

Taxation

Taxation of the SunUniversalLife Pro 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.

SunUniversalLife Pro is a tax-exempt, non-registered life insurance policy. The maximum payment permitted to the policy has been set to ensure that it retains its exempt status. In addition to testing each payment for the maximum permitted, testing will be performed at each anniversary to see if the policy remains exempt.

If the policy is about to become non-exempt due to an excessive policy fund value in relation to the death benefit, the policy owner has options available to keep the policy exempt. Each Client must choose an exempt insurance amount adjustment method at application.

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, an adjustment is made to the policy according to the method selected.

Three types of adjustment methods are available:

- i. Increase and reverse the insurance amount** – The death benefit is increased by up to 8%. When the insurance amount is increased a new layer of insurance coverage is established. The maximum death benefit including all insurance amount increases is the lesser of: three times the initial insurance amount and our retention limit. The COI for these increased amounts are at attained age based on the rate series in effect at the time of each increase. Rates are yearly renewable term to age 100. This is available with the Level insurance amount and Insurance amount plus policy fund death benefit options. Any funds remaining after the death benefit adjustment that are deemed non-exempt are transferred to the service account. These transfers are considered taxable dispositions and may result in taxable income to the policy owner. Any increased insurance amounts are decreased at a future policy anniversary as long as the policy won't lose its exempt status.
- ii. Increase the insurance amount** – The death benefit is increased by up to 8%. When the insurance amount is increased a new layer of insurance coverage is established. The maximum death benefit including all insurance amount increases is the lesser of: three times the initial insurance amount, and our retention limit. COI for these increased amounts are at attained age based on the rate series in effect at the time of each increase. Rates are yearly renewable term to age 100. Any funds remaining after the death benefit adjustment that are deemed non-exempt are transferred to the service account. These transfers are considered taxable dispositions and may result in taxable income to the policy owner.
- iii. Retain the insurance amount** – The death benefit isn't automatically increased. Any funds that are deemed non-exempt are transferred to the service account. These transactions are considered taxable dispositions and may result in taxable income to the policy owner.

Additional insurance purchased under the Level plus ACB death benefit option or purchased in order to keep the policy tax exempt are issued on an attained age basis using guaranteed YRT to age 100 rates in effect at the time of purchase. Charges for this coverage are payable as long as the additional insurance is in effect, regardless of the COI option selected. COI charges for this additional coverage aren't payable past the policy anniversary nearest the insured person's 100th birthday.

Service account

The service account is a non-exempt side fund attached to a SunUniversalLife Pro policy. Any non-exempt policy funds accruing under a SunUniversalLife Pro policy are automatically transferred to the service account. These transactions are considered taxable dispositions and may result in taxable income to the policy owner. Premium taxes aren't deducted from money transferred directly into the service account.

Any future service account balance is invested in a DIA. The minimum interest rate for the DIA is 0% per year. Transfers between the service account and the policy fund for tax-exempt purposes aren't subject to any minimum.

As room becomes available within the tax-exempt portion of the policy, any funds in the service account are automatically transferred into the policy to the maximum extent possible. These transfers are done without any market value adjustments. However, premium tax is deducted from funds transferred from the service account into the policy fund.

On termination of the policy, any balance in the service account is paid to the policy owner. If termination is due to death, service account funds are paid to the beneficiary who receives the death benefit.



DID YOU KNOW? *Interest earned on funds within the service account is taxable and reported to the policy owner at the end of each calendar year.*

Target payment

Each insurance amount has associated target payments for surrender charges and commissions. For surrender charges, it is based on Level COI rates for a similar insured. See the advisor commission schedule for details.

Optional benefits

SunUniversalLife Pro offers a variety of optional benefits allowing Clients to customize their own protection solution.

Business value protection benefit (BVPB)

BVPB has been designed specifically for business owners and allows the purchase of additional insurance for the insured person at their attained age without providing medical evidence of insurability.

Business value protection benefit (BVPB)	
Issue ages	<ul style="list-style-type: none"> • 18 - 65
Minimum option amount	<ul style="list-style-type: none"> • \$250,000
Maximum option amount	<ul style="list-style-type: none"> • \$2,500,000 across all Sun Life policies. • Cumulative maximum equal to the lesser of \$10,000,000 or four times the option amount.
Availability	<ul style="list-style-type: none"> • Single life policies only. • Not available if the Owner waiver or GIB have been selected. • Not available after issue or for substandard risks.
Purchasing new insurance	<ul style="list-style-type: none"> • Annual options are available at each policy anniversary for the first 10 policy years. • Applications for new insurance must be made within 31 days of each policy anniversary.
The new insurance	<ul style="list-style-type: none"> • Based on attained age. • May be any term or permanent life insurance policy offered by Sun Life at the time the option is exercised, subject to product minimums. • If the original policy contained a TDB the Client may apply for a new policy with TDB if it's available and the insured isn't totally disabled and having costs waived at the time of election. • If the insured is disabled at the time the option is exercised, they must select a new policy and any premiums or COI for the new policy won't be waived.
Financial evidence	<ul style="list-style-type: none"> • When each option is exercised financial information about the business must be provided that includes details about the fair market value of the business to demonstrate the amount of insurance being applied for, and already in force, can be justified. • An option can only be exercised if the value of the insured person's share of the business has increased since the BVPB was issued.
Benefit expiry	<ul style="list-style-type: none"> • The earlier of 10 years from policy issue or once all options have been exercised. • Costs of insurance are payable until benefit expiry.



TIP! *The Business value protection benefit makes it easier for business owners to increase their life insurance without medical evidence when their share of the business grows in value. Clients with growing businesses can add the BVPB now to get the additional coverage they might need later.*

Total disability waiver benefit (TDB)

This optional benefit maintains coverage if the insured person becomes totally disabled and is unable to earn an income. With TDB, the COI for the base insurance amount and any optional benefits attached to the insured person with the TDB are waived if the insured person under this benefit becomes disabled.

Total disability waiver benefit (TDB)	
Issue ages	<ul style="list-style-type: none"> • 18 - 55
Availability	<ul style="list-style-type: none"> • Single life and joint plans. For joint plans, each insured is eligible to purchase TDB. • Not available after issue.
Calculation of COI	<ul style="list-style-type: none"> • COI for this benefit is based on each \$100 of total COI to be waived.
Coverage period for this benefit	<ul style="list-style-type: none"> • Policy anniversary nearest the insured person's 60th birthday.
Length of time cost of insurance will be waived for	<ul style="list-style-type: none"> • For the duration of disability of the insured person under this benefit, even if disability extends past age 60, provided the disability began before age 60.
Waiting period	<ul style="list-style-type: none"> • Six months of continuous disability.
Maximum amount Sun Life will waive under this benefit	<ul style="list-style-type: none"> • \$50,000 annual COI across all Sun Life policies.
Exclusions	<p>COI will not be waived if the total disability:</p> <ul style="list-style-type: none"> • continues for less than six months, • is the result of self-inflicted injuries, or • is the result of committing a criminal offence. <p>Please refer to the policy for other exclusions.</p>
Making a claim	<p>For Clients to make a claim;</p> <ul style="list-style-type: none"> • Notice must be given to Sun Life during total disability and before the policy anniversary nearest the insured person's 60th birthday. • Proof of disability must be provided within six months of notice, and then periodically as required. • Payments under this benefit won't be made for any period earlier than one year before notice of total disability is received.



TIP! If a Client becomes disabled they may be unable to pay their monthly costs. The Total disability waiver benefit provides low-cost disability protection, helping Clients maintain their valuable life insurance coverage.

Definition of total disability – An insured person must be completely unable, as a result of injury or disease, during the first two years following the date of their disability, to carry on with the essential duties of their own occupation, and thereafter to carry on any occupation. The total disability must be continuous.

- **Disabled while a student** – If the insured person becomes disabled while they are a student, Sun Life considers them to be disabled if they are completely unable to attend or participate as a student in an education program or perform the duties of any occupation within their education, training or experience.
- **Disabled while unemployed** – If the insured person becomes disabled while unemployed, and isn't profiting from any occupation, Sun Life considers them to be disabled if they are completely unable to perform the duties of any occupation within their education, training or experience.

It's important to understand the definition of total disability as it applies to this benefit. Please review the Total disability waiver benefit under the Optional benefits section of the Client's policy for additional details.

Owner waiver death benefit

This is an optional benefit that maintains coverage if the owner of the policy dies between the policy anniversary nearest their 18th and 70th birthdays. The COI for the insurance amount and any optional benefits in the policy are waived if the owner insured under this benefit dies.

Owner waiver death benefit	
Issue ages for owner	<ul style="list-style-type: none"> • 18 - 60
Availability	<ul style="list-style-type: none"> • Single life and joint plans. Only one owner can be covered in cases where the policy is jointly owned. • The owner must be different than the insured and cannot be a substandard risk. • Not available when the Business value protection benefit has been selected. • Not available after issue.
Calculation of COI	<ul style="list-style-type: none"> • Cost of insurance for this benefit is based on each \$100 of total COI to be waived.
Coverage period for this benefit	<ul style="list-style-type: none"> • Base insured issue ages 18 - 60: Policy anniversary nearest the owner insured's 70th birthday.
Length of time cost of insurance will be waived for	<ul style="list-style-type: none"> • For as long as COI is charged for the insurance amount and optional benefits that exist in the policy at the time of death.
Waiting period	<ul style="list-style-type: none"> • Six months.

Owner waiver death benefit

Maximum amount Sun Life will waive under this benefit	<ul style="list-style-type: none"> • \$50,000 annual premium/COI across all Sun Life policies.
Exclusions	<p>Costs aren't waived if death is the result of:</p> <ul style="list-style-type: none"> • self-inflicted injuries, or • committing a criminal offence. <p>Please refer to the policy for other exclusions.</p>

If ownership of this policy is transferred, the benefits under this option aren't transferable and therefore the new owner won't qualify for the Owner waiver on death benefit.

Owner waiver disability benefit

This is an optional benefit that maintains coverage if the owner of the policy becomes totally disabled between the policy anniversary nearest their 18th and 60th birthdays. COI for the insurance amount and any optional benefits in the policy are waived if the owner insured under this benefit becomes disabled.

Owner waiver disability benefit

Issue ages for owner	<ul style="list-style-type: none"> • 18 - 55
Availability	<ul style="list-style-type: none"> • Single life and joint plans. Only one owner can be covered in cases where the policy is jointly owned. • The owner must be different than the insured, and cannot be a substandard risk. • Not available when the Business value protection benefit has been selected. • Not available after issue.
Calculation of COI	<ul style="list-style-type: none"> • Costs of insurance for this benefit are based on each \$100 of total COI to be waived.
Coverage period for this benefit	<ul style="list-style-type: none"> • Base insured issue ages 18 - 55: Policy anniversary nearest the owner insured's 60th birthday.
Length of time cost of insurance will be waived for	<ul style="list-style-type: none"> • For the duration of disability of the owner insured under this benefit.
Waiting period	<ul style="list-style-type: none"> • Six months of continuous disability.

Owner waiver disability benefit

Maximum amount Sun Life will waive under this benefit	<ul style="list-style-type: none"> • \$50,000 annual premium/COI across all Sun Life policies.
Exclusions	<p>COI won't be waived if the total disability:</p> <ul style="list-style-type: none"> • continues for less than six months, • is the result of self-inflicted injuries, or • is the result of committing a criminal offence. <p>Please refer to the policy for other exclusions.</p>
Making a claim	<p>For Clients to make a claim:</p> <ul style="list-style-type: none"> • Notice must be given to Sun Life during total disability and before the policy anniversary nearest the owner's 60th birthday. • Proof of disability must be provided within six months of notice, and then, periodically as required. • Payments under this benefit won't be made for any period earlier than one year before notice of total disability is received.

Definition of total disability – The insured owner must be completely unable, as a result of injury or disease, during the first two years following the date of their disability, to carry on with the essential duties of their own occupation, and thereafter to carry on any occupation. The total disability must be continuous.

- **Disabled while a student** – If the insured owner becomes disabled while they are a student, Sun Life considers them to be disabled if they are completely unable to attend or participate as a student in an education program or perform the duties of any occupation within their education, training or experience.
- **Disabled while unemployed** – If the insured owner becomes disabled while unemployed, and isn't profiting from any occupation, Sun Life considers them to be disabled if they are completely unable to perform the duties of any occupation within their education, training or experience.

If ownership of this policy is transferred, the benefits under this option aren't transferable and therefore the new owner won't qualify for the owner waiver on disability benefit. In cases where the owner dies while disabled and costs of insurance are being waived, those costs will resume.

It's important to understand the definition of total disability as it applies to this benefit. Please review the Owner waiver disability benefit under the "Optional benefits" section of the policy for additional details.

Owner waiver death and disability benefit

This is an optional benefit that combines the coverages provided by the Owner waiver death and Owner waiver disability benefits. When these benefits are combined, a discount is provided to the cost of insurance for the death benefit which makes it lower than the sum of the costs of the separate benefits.

The issue ages for this combined benefit are 18 to 55. All of the other features and provisions for the separate Owner waiver death and Owner waiver disability benefits remain the same.

Term insurance benefit (TIB)

The term insurance benefit is cost-effective, renewable and convertible term life insurance that meets Clients' temporary protection needs — for their family or business.

Term insurance benefit (TIB)		
Issue ages	Base life	Additional life
T10	18 - 75	0 - 75
T10 with RPB	18 - 65	0 - 65
T15	18 - 70	0 - 70
T20	18 - 65	0 - 65
T30	18 - 55	0 - 55
	If the base insured exceeds his or her maximum issue age, the additional life is still eligible to apply for TIB.	
	Renewal protection benefit (RPB):	
	<ul style="list-style-type: none"> • available only with T10. • allows the Client to pay an additional cost today in exchange for lower renewal costs compared to T10 without RPB. • the RPB can't be cancelled or added after issue. 	
Availability	<ul style="list-style-type: none"> • Single life plans: available for the primary life and one additional life. • Joint life plans: available on each joint life. Each joint life can also have a TIB on one additional life. • Only single life TIBs are available. • Multiple coverages on the same life are not available. • Available after issue, subject to underwriting. 	
Benefit expiry	<ul style="list-style-type: none"> • Policy anniversary nearest the insured person's 85th birthday, or 85th birthday of the oldest life insured. 	

Term insurance benefit (TIB)

Benefit minimum	<ul style="list-style-type: none"> • \$50,000
Benefit maximum	<ul style="list-style-type: none"> • Benefit maximum is \$15 million, minus the base UL insurance amount
Death of a base insured	<ul style="list-style-type: none"> • Coverage for any remaining term insurance benefits may continue.
Convertible	<ul style="list-style-type: none"> • All or part of the TIB death benefit is convertible to permanent insurance without additional medical evidence. • Convertible to the policy anniversary nearest the insured's 75th birthday. • If converted while costs are being waived due to disability, premiums or costs of insurance for the new permanent coverage are no longer waived. • If the costs for this benefit are being waived due to disability on the final conversion date, the TIB may be converted and premiums or costs of insurance for the new permanent coverage are waived, as long as disability continues. • May convert a T10, T10 with RPB, or a T15 to: a T20 or T30 without providing additional medical evidence. May convert before the earlier of: <ul style="list-style-type: none"> • the 5th policy anniversary, or • the policy anniversary nearest the insured's 65th birthday for T20 and 55th birthday for T30. • If converting a T10 with RPB to a T20 or T30, the RPB won't carry over to the new T20 or T30 coverage.

Accidental death benefit (ADB)

The ADB pays an additional death benefit to the beneficiary if the insured person's death is due to an accident. Death must occur within 365 days of the accident and before the policy anniversary nearest the insured person's 70th birthday.

Accidental death benefit (ADB)	
Issue ages	<ul style="list-style-type: none">• 18 - 65
Minimum benefit amount	<ul style="list-style-type: none">• \$10,000
Maximum benefit amount	<ul style="list-style-type: none">• Lesser of two times the insurance amount, including the Term insurance benefit, and \$1,000,000.
Availability	<ul style="list-style-type: none">• Single life and joint plans. For joint plans, each insured person may have their own ADB coverage.• Can be added after issue at policy anniversary only.
Benefit expiry	<ul style="list-style-type: none">• The ADB benefit expires on the policy anniversary nearest the insured person's 70th birthday.• Costs are level and are payable to the expiry of the benefit.



TIP! The ADB maximum benefit amount is applied across all the Client's Sun Life policies.

Guaranteed insurability benefit (GIB)

GIB allows the policy owner to purchase additional life insurance for the insured person at their attained age without providing evidence of insurability.

Guaranteed insurability benefit (GIB)	
Issue ages for owner	<ul style="list-style-type: none"> • 18 - 45
Minimum option amount	<ul style="list-style-type: none"> • \$20,000
Maximum option amount	<ul style="list-style-type: none"> • Lesser of the insurance amount, including the Term insurance benefit amount, to a maximum of \$300,000 across all Sun Life policies.
Availability	<ul style="list-style-type: none"> • Single life policies only. • Not available if the Business value protection benefit has been selected. • Not available after issue or for substandard risks.
Purchasing new insurance	<ul style="list-style-type: none"> • First election is available at the policy anniversary nearest the insured person's 18th birthday. • Elections are available every three years and on special events — marriage, birth, or legal adoption of a child. • A maximum of eight elections are available. Maximum total insurance amount for all elections is \$2.4 million across all Sun Life products.
The new insurance	<ul style="list-style-type: none"> • Based on attained age. • May be any term or permanent life insurance policy issued by Sun Life on the date the new insurance is applied for subject to product minimums. • If the original policy contained a TDB the Client may apply for a new policy with TDB if it's available; and the insured isn't totally disabled and having costs waived at the time of election. • If the insured is disabled at the time of purchasing additional insurance, they must select a new policy and any premiums or COI for the new policy won't be waived. • If the original policy contained the Owner waiver benefit, the new policy won't include that benefit.
Benefit expiry	<ul style="list-style-type: none"> • Policy anniversary nearest the insured person's 55th birthday — or once the maximum number of elections have been made. • Costs are payable until benefit expiry.



DID YOU KNOW? *Changing Client circumstances often mean a change in insurance needs. GIB allows Clients to purchase new life insurance on special events such as marriage or the birth of a child without providing evidence of insurability.*

Child term benefit (CTB)

The child term 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.



DID YOU KNOW? *The child term benefit costs are payable for a maximum of 20 years regardless of the number of children insured under the benefit.*

Child term benefit (CTB)	
Issue ages	<ul style="list-style-type: none"> • Parents: 18 - 55 • Insured children must be 18 or younger at the time of application.
Minimum benefit amount	<ul style="list-style-type: none"> • \$10,000 • Additional amounts must be purchased in increments of \$1,000.
Maximum benefit amount	<ul style="list-style-type: none"> • \$30,000 • If the child is insured under CTB on another Sun Life policy, the overall maximum is limited to \$30,000.
Availability	<ul style="list-style-type: none"> • Single life and joint policies. For joint policies, only one life can have the benefit. • Can be added after issue at policy anniversary only, subject to underwriting. • Not available where one adult life is uninsurable for joint policies.
Children included under this benefit	<ul style="list-style-type: none"> • Children, stepchildren or children legally adopted by the insured person. • Any children born or adopted after the date of application are automatically insured regardless of their risk class. Stepchildren can be included after the benefit is in effect by applying in writing and providing evidence of insurability. • Children are insured under this benefit from the date they are 15 days old until their 25th birthday, for the following amounts: <ul style="list-style-type: none"> • 0 - 14 days: no benefit. • 15 days to 179 days: 25% of total benefit. • 180 days and on: 100% of total benefit.
Option to purchase new insurance	<ul style="list-style-type: none"> • Between their 18th and 25th birthdays, the policy owner has the right to buy additional life insurance on the life of the child for up to 10 times the amount of the Child term benefit, provided the child has been insured under this benefit for at least three years. • The new insurance may be term or permanent, subject to product minimums.

Child term benefit (CTB)

Benefit expiry

- CTB expires at the policy anniversary nearest the insured person's 70th birthday.
- Costs are payable to the earlier of 20 years and the policy anniversary nearest the insured person's 70th birthday:
 - If the insured person with the CTB dies while the CTB is in effect, no further payments for this benefit are required. Children remain covered under this benefit until age 25 or until they apply for a new life insurance policy as permitted under this benefit.
 - In a joint first to die policy, if either insured person dies while the CTB is in effect, no further payments for this benefit are required.



DID YOU KNOW? *In addition to paying a death benefit, the child term benefit also guarantees the child's insurability. The benefit allows for the purchase of new life insurance on the child for up to 10 times the CTB amount to a maximum of \$300,000.*

Policy lapse and reinstatement

A SunUniversalLife Pro policy lapses if, on a monthly anniversary date, the policy fund value, less outstanding loans, including interest is less than the next month's cost of insurance. When a policy is in a lapse situation, we'll send the policy owner a shortage notice to pay the outstanding cost of insurance within a grace period of 31 days.

In the event of a lapse, the policy owner can apply to put the policy back in force - referred to as reinstatement - within two years of termination, subject to new evidence of insurability.

The policy owner also needs to repay:

- all the outstanding monthly COI plus interest from the date of lapse to the date of reinstatement,
- an amount equal to the monthly COI on the reinstatement date multiplied by two if paying monthly and 12 if paying annually, and
- any applicable premium tax.

Additional rules apply for reinstatement while disabled. Please refer to the policy.

Administrative information

Claims

You may assist a beneficiary in making a claim by calling 1-877-272-2020 to request claim forms. Those making the claim must provide any information needed to assess the claim including proof of the insured person's death and verification of the insured person's age.

Transaction fees

The first four transactions per year are free to the policy owner. After that, the following transactions are charged \$50:

- investment account mix change
- COI withdrawal order change
- change in COI or death benefit option
- policy loan or cash withdrawal
- increases or decreases to the amount of insurance
- adding or deleting an optional benefit
- change to non-smoker rates
- rating changes
- change in EDB percentage

We may charge a fee for policy transactions or policy changes that are not listed. The maximum fee charged at any time is \$50 per transaction.

Product disclosure requirements

You're responsible for providing Clients with a copy of the SunUniversalLife Pro Client guide 810-4921. Other important product disclosure information, including sample policy pages, can be found on Sun Life's advisor website.

Why choose Sun Life?

Sun Life 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.

Did you know?

In the fall of 2018 we launched the Lumino Health network. Sun Life created the platform as a commitment to helping Canadians live healthier lives. As Canada’s premier network of health resources, LuminoHealth.ca helps Canadians find healthcare providers near them in seconds and access resources and innovations to live healthier lives. In 2019, Lumino Health was awarded the “Reinventor” award by PWC for their innovative and industry-disrupting platform.

Lumino
Health

An innovation from  Sun Life

Where to go for more information?

**For more information on the features
and benefits of SunUniversalLife Pro,
contact your Sales Director or refer
to Sun Life's advisor website.**

