

Sun *Lifetime* Alternative

Policy number: LI-1234,567-8

Owner: Jim Doe

SAMPLE

The following policy wording is provided solely for your convenience and reference. It is incomplete and reflects only some of the general provisions that may be found in some of our insurance policies. We periodically make changes to policy wording and therefore this incomplete sample may not duplicate the wording of any actual issued policy. It is not to be construed or interpreted in any manner as a contract or an offer to contract. The actual policy issued to any given client will govern that relationship.

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SAMPLE

Policy particulars

In this document, *you* and *your* mean the owner of this policy. *We, us, our,* and *the company* mean Sun Life Assurance Company of Canada.

Your policy is issued and underwritten by Sun Life Assurance Company of Canada, a member of the Sun Life Financial group of companies.

It's important that you read your entire policy carefully. It sets out the benefits payable and has exclusions and limitations. To help you understand insurance terms, refer to the explanations described under the heading, *Insurance terms*.

Sun Lifetime Alternative

Your policy number is: LI-1234,567-8

Your policy date is: January 1, 2017

Owner: Jim Doe

Insured person: John Doe
born on March 2, 1975

Beneficiary: is named on your application, unless you make a change in writing to us.

This is a permanent life insurance policy.

The premium schedule included in this policy describes your premium guarantees.

This is not a participating policy. You are not eligible to receive policyholder dividends.

Policy particulars (continued)

Principal insurance death benefit: \$XXX,XXX on John Doe
Risk classification: Non-smoker / Smoker

Additional benefits:

Accidental death benefit: \$XXX,XXX on John Doe
Date this benefit ends: January 1, XXXX

SAMPLE

Premium schedule

Premiums are due monthly, on the 1st day of the month, starting on January 1, XXXX.

For the first 10 policy years, the premium for principal insurance is guaranteed as shown in the schedule below. Premiums for any other benefit, if applicable, are guaranteed until the end date of that benefit.

Starting with the 11th policy year, we guarantee that your premium for principal insurance will never exceed the maximum premium for principal insurance shown below. The actual premium for principal insurance is determined annually by the company, based on issue age of the insured person and duration of the policy. These premiums are based primarily on investment performance, mortality rates, expenses and taxes. You will be informed of any change in premium.

If this policy is still in effect, we will stop charging premiums for the principal insurance on January 1, XXXX.

- (1) Principal insurance
- (2) Accidental death benefit

Beginning on	(1)	(2)	Annual Premium (\$)	Monthly Premium (\$)
1 Jan XXXX	XXX.XX	XX.XX	XXX.XX	XX.XX
1 Jan XXXX	XXX.XX	XX.XX	XXX.XX	XX.XX

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If you change your mind within 10 days

You may send us a written request to cancel your policy within:

- 10 days of receiving it from us, or
- 60 days after the policy is issued, whichever date is earlier.

You are considered to have received your policy 5 days after it's mailed from our office, or on the date your advisor delivers it to you.

When we receive your written request we'll refund any amount paid. This is called rescission.

Your decision to cancel your policy is your personal right. When we receive your request to cancel it, all of our obligations and liabilities under this policy end immediately. The cancellation is binding on you and any person entitled to make a claim under this policy, whether their entitlement is revocable or irrevocable.

To cancel your policy, send your request in writing to:

Sun Life Assurance Company of Canada
227 King Street South
PO Box 1601, Stn. Waterloo
Waterloo ON Canada N2J 4C5

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Contesting the policy

The incontestability provisions set out in the provincial or territorial insurance legislation applicable to this policy apply.

Limit on contesting

We cannot challenge the validity of the policy after it has been in effect continuously for two years from the later of the date it took effect and the date it was last reinstated. If the policy is amended to increase or change a benefit or improve a rating, we cannot challenge the validity of the amendment after it has been in effect continuously for two years from the later of the date the amendment took effect and the date the policy was last reinstated.

Exception to the limit on contesting

We can challenge the validity of the policy or an amendment at any time in cases of fraud or cases involving a disability benefit.

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Principal insurance death benefit

If the insured person dies while this policy is in effect, we pay the following amount to the beneficiary:

- the principal insurance death benefit shown at the beginning of your policy under the heading, *Policy particulars*
- **plus** the balance of any premium fund on the date the insured person dies
- **minus** any indebtedness on the date the insured person dies.

For the purposes of your policy, indebtedness means the total of any premiums that you owe us plus any policy loan, including accrued interest.

This policy ends on the date the insured person dies.

When we will not pay the principal insurance death benefit (Exclusions and reductions of coverage)

We will not pay the principal insurance death benefit, if the insured person takes their own life, regardless of whether the insured person has a mental illness or understands or intends the consequences of their action(s), within 2 years of the later of:

- the date the application for this policy was signed
- the policy date, or
- the most recent date your policy was put back into effect, if your policy has been reinstated.

The policy ends on the date the insured person dies and instead of paying the death benefit, we will refund:

- all the premiums you paid. If your policy has been put back into effect, we'll refund the greater of all premiums you paid since the most recent date the policy was reinstated, or the net cash value
- **plus** the balance of any premium fund on the date the insured person dies.

If this policy is a replacement of insurance

If the death benefit is the result of a replacement of life insurance that was issued by us, we determine the amount payable for the part that is a replacement based on the effective date or dates of your previous insurance and any additional benefits.

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Making a claim for the death benefit

To make a claim, first contact us at the toll free phone number shown at the beginning of this policy. We will then send you the appropriate form to be completed. The person making the claim must complete the form and give us the information we need to assess the claim, including proof that the insured person died while this policy was in effect.

The form and information must be sent to this address:

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

Physicians may charge a fee to complete certain forms. The person making the claim is responsible for any fees for this information.

Before we pay any death benefit, the age of the insured person must be verified. If the age given on the application is incorrect, we adjust the amount we pay to reflect the insured person's correct age.

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Paying for your policy

Premiums for this policy

We will provide you with the benefits described in this policy if you pay the required premiums by the due date. Payment must be made to Sun Life Assurance Company of Canada. We have the right to refuse cash payments.

If you do not pay a premium when it's due, we will deduct the amount due as follows:

- if there's money in the withdrawable premium fund, we will withdraw the amount owing from this fund
- any remaining unpaid premium still owing 31 days after the due date will be paid by automatic premium loan if there is sufficient net cash value in your policy.

Withdrawable premium fund

If you send us more than you owe to keep the policy in effect, we will hold the excess amount in the withdrawable premium fund. We may set a maximum amount that you can have in the fund. You may use this fund to pay premiums at any time.

The amount in your premium fund earns interest daily. The interest is compounded annually. We set the interest rate each day based on short-term interest rates. Interest earned on your premium fund is taxable.

You may withdraw money from your premium fund at any time, subject to our minimum withdrawal rules.

We may charge a fee for these withdrawals. We determine the amount of any fee we charge.

If premiums are not received

We will tell you that you need to make a payment if:

- the unpaid premium is greater than the net cash value
- an automatic premium loan plus the interest is greater than the adjustable cash value, or
- the indebtedness on your policy is greater than the adjustable cash value. This may happen if the indebtedness on your policy increases, or if we decrease the adjustable cash value.

If the amount you are required to pay is still not paid, your policy ends 31 days after it's due. If your policy ends this way, it has lapsed.

Automatic premium loan

The automatic premium loan is initiated by us and is only available to pay unpaid premiums. The amount of the automatic premium loan cannot be more than the adjustable cash value of your policy.

If the amount of your automatic premium loan, including interest, becomes greater than the adjustable cash value, your policy will end 31 days later unless we receive a payment within that period to keep your policy in effect. We set the minimum amount of this payment.

We charge interest on the loan each day. The interest is compounded annually. This means the interest accumulates and we add it to the balance of the loan at the end of the policy year. We set the interest rate on the date the loan is taken and tell you the interest rate charged on the loan. At each policy anniversary, we change the interest rate to the rate we would charge on new loans on your policy on that date, whether a new loan is taken or not.

You may repay your automatic premium loan at any time.

Borrowing money from your policy (policy loan)

You may borrow money against your policy. The maximum amount you may borrow is:

- 75% of the adjustable cash value
- **minus** interest on 75% of the adjustable cash value for 1 year at our current loan interest rate
- **minus** the amount of any existing policy loan, including interest.

We set the minimum amount you can borrow.

We may charge a fee when you borrow money from your policy. We determine the amount of any fee we charge.

If the amount of your policy loan, including interest, becomes greater than the adjustable cash value, your policy will end 31 days later unless we receive a payment within that period to keep your policy in effect. We set the minimum amount of this payment.

We charge interest on the loan each day. The interest is compounded annually. This means the interest accumulates and we add it to the balance of the loan at the end of the policy year. We set the interest rate on the date the loan is taken and tell you the interest rate charged on the loan. At each policy anniversary, we change the interest rate to the rate we would charge on new loans on your policy on that date, whether a new loan is taken or not.

You may repay your policy loan at any time.

Putting your policy back into effect

We will not put this policy back into effect if you cancelled it. If your policy ended because it lapsed, you may apply to have it put back into effect if the insured person is alive. This process is called reinstatement.

If you want to put your policy back into effect, you must:

- apply within 2 years of the policy ending
- give us new evidence of insurability that we consider satisfactory, and
- make a payment equal to:
 - the unpaid premiums, including interest, owing from the date the policy ended up to the date it is reinstated, and
 - the amount of any outstanding policy loans on the date the policy ended, including interest, accumulated to the date of reinstatement.

We will tell you when we approve your application to reinstate your policy. If we don't approve your application, we'll refund the amount you paid when you applied.

E02840A (if the insured person is 21 years of age or younger)

Applying for non-smoker classification on the insured person

On the policy anniversary immediately following the insured person's 21st birthday, we will classify them as a smoker. If the insured person is a non-smoker at that time, you may apply to have them classified as a non-smoker.

If applying before the policy anniversary following age 22

If you apply between the policy anniversary following the insured person's 20th birthday and the policy anniversary following their 22nd birthday, we require a non-smoker declaration signed by the insured person and you.

If applying on or after the policy anniversary following the 22nd birthday

If you apply on or after the policy anniversary following the insured person's 22nd birthday, we require new evidence of insurability on the insured person. The application must be signed by the insured person and you.

If we approve your application, the insured person will be classified as a non-smoker. We determine the new premium according to the rate that was in effect for a non-smoker of the same sex and age of the insured person on the policy date.

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Your right to change this policy to paid-up life insurance

You may request that your policy be changed to a paid-up life insurance policy. This means you no longer need to pay premiums. The earliest you may request this change is 20 years after the policy date shown at the beginning of your policy under the heading, *Policy particulars*.

The paid-up life insurance policy

You may choose one of the following:

- your policy will continue with a reduction in the principal insurance death benefit, or
- your policy will continue for a limited period of time with a principal insurance death benefit that is the same as the principal insurance death benefit of this policy less any indebtedness on the date you apply for paid-up life insurance.

The net cash value will determine the reduction in the principal insurance death benefit or the period of time for which the paid-up life insurance policy will be in effect.

When your policy is changed to a paid-up life insurance policy:

- you cannot put money into any premium fund, and
- all benefits under this policy end except the principal insurance death benefit.

Your policy will change to paid-up life insurance on the date we receive your written request for this change or on any later date you indicate in your request.

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Your right to cancel this policy

You may cancel your policy at any time. Your policy will end on the date we receive your request or any later date you indicate in your request. All of our obligations and liabilities under this policy end on that date. The cancellation is binding on you and any beneficiaries you've named, whether the beneficiaries are revocable or irrevocable.

To cancel your policy, send your request in writing to:
Sun Life Assurance Company of Canada
227 King St. S.
PO Box 1601, Stn. Waterloo
Waterloo ON N2J 4C5

If you cancel your policy within the first 10 days of receiving it from us, we will treat this as a rescission. This is described earlier in your policy under the heading, *If you change your mind within 10 days*.

If you cancel your policy after the 10th day of receiving it from us, we'll refund the net cash value plus the balance of any premium fund.

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Other information about your policy

Information about our contract with you

Once your policy is in effect, the following documents make up our entire contract with you:

- your application for insurance, including any evidence of insurability, and
- this policy, including any amendments.

All of our obligations to you are contained in the documents described above. Any other document or oral statement does not form part of this contract. This policy or any part of this policy may not be amended or waived except by a written amendment signed by two authorized signing officers of the company.

Time limit for recovery of insurance money

Every action or proceeding against an insurer for the recovery of insurance money payable under the contract is absolutely barred unless commenced within the time set out in the Insurance Act or the provincial or territorial legislation that applies to this policy.

Currency of this policy

All amounts of money referred to in this policy are in Canadian dollars.

Transferring your policy (assignment)

You may be able to transfer your rights under this policy to someone else by assigning the policy. We are not responsible for ensuring that the assignment of your policy is legally valid. If you transfer this policy, send a notice of the assignment to:

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

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Insurance terms

The following explanations describe insurance terms that may or may not apply to this policy.

Adjustable cash value

The adjustable cash value is an amount determined by us and is based primarily on our investment performance, mortality rates, expenses and taxes. The amount is not guaranteed, it may increase or decrease and in some situations it may be zero. The adjustable cash value is not shown in your policy.

Beneficiary

The person or persons you name in writing to receive the death benefit.

Benefits

We offer a variety of insurance coverages. Some, such as the principal insurance are standard features of your policy and are included automatically. Optional benefits may be available. An example of an optional benefit is the Disability waiver benefit.

Contingent owner

The person or persons you name in writing to take ownership of this policy, if you die before the insured person.

What happens if no contingent owner is named when a policy owner dies?

- If there is only one policy owner at the time of death, then the policy owner's estate becomes the new policy owner.
- If there are two or more policy owners at the time of death, then the deceased policy owner's estate along with the surviving policy owner(s) own the policy.

Evidence of insurability

This may include medical, financial, lifestyle, and family medical history information and other personal history information needed to approve your application for life insurance.

Indebtedness

Indebtedness means the total of any premiums that you owe us plus any policy loan, including accrued interest.

Net cash value

The net cash value is the adjustable cash value minus any indebtedness.

Permanent insurance

A type of insurance that provides protection for the entire lifetime of the insured person.

Policy anniversary

The month and day every year that is the same as your policy date.

Policy date

The policy date is the start date of your insurance policy. This date is shown at the beginning of your policy under the heading, *Policy particulars*.

Premium

The amount paid by a customer to purchase or maintain an insurance policy.

Term insurance

A type of insurance that provides protection for a limited number of years.

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Additional benefits

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Accidental death benefit

We pay an additional death benefit to the beneficiary you named for the principal insurance death benefit if the insured person dies as the result of an accident.

The insured person for this benefit and the amount of the accidental death benefit are shown at the beginning of your policy under the heading, *Policy particulars*.

When we pay

We pay an accidental death benefit if the insured person dies:

- while the benefit is in effect
- as a direct result of an accident
- independently of any other cause
- within 365 days of the accident, and
- after their 1st birthday and before the policy anniversary immediately following their 70th birthday.

When we will not pay (exclusions)

We will not pay the accidental death benefit if the insured person's death is directly or indirectly caused by or associated with the insured person operating a vehicle while their blood alcohol level is more than 80 milligrams of alcohol per 100 milliliters of blood. A vehicle includes any form of ground, air or marine transportation that can be put into motion by any means, including muscular power. We do not take into account whether or not the vehicle is in motion.

We also will not pay the accidental death benefit if the insured person's death is directly or indirectly caused by or associated with the insured person:

- committing or attempting to commit a criminal offence
- taking or attempting to take their own life, regardless of whether the insured person has a mental illness or understands or intends the consequences of their action(s)
- causing themselves bodily injury, regardless of whether the insured person has a mental illness or understands or intends the consequences of their action(s)
- taking any drug, unless the drug was taken as prescribed by a licensed medical practitioner
- inhaling or ingesting any poisonous substance, whether voluntarily or otherwise
- inhaling any type of gas, whether voluntarily or otherwise
- having a mental or physical illness or receiving treatment for that illness
- receiving dental or surgical treatment, or
- contracting an infection, unless the infection was caused by an external visible wound received in an accident.

In addition, we will not pay the accidental death benefit if the insured person's death is directly or indirectly caused by or associated with civil disorder or war, whether declared or not.

When the benefit ends

This benefit automatically ends on the earliest of:

- the date the insured person dies
- the date you cancel the benefit
- the benefit end date, shown on the *Policy particulars*, or
- the date this policy ends.