

SunSpectrum Universal Life II – Client Guide

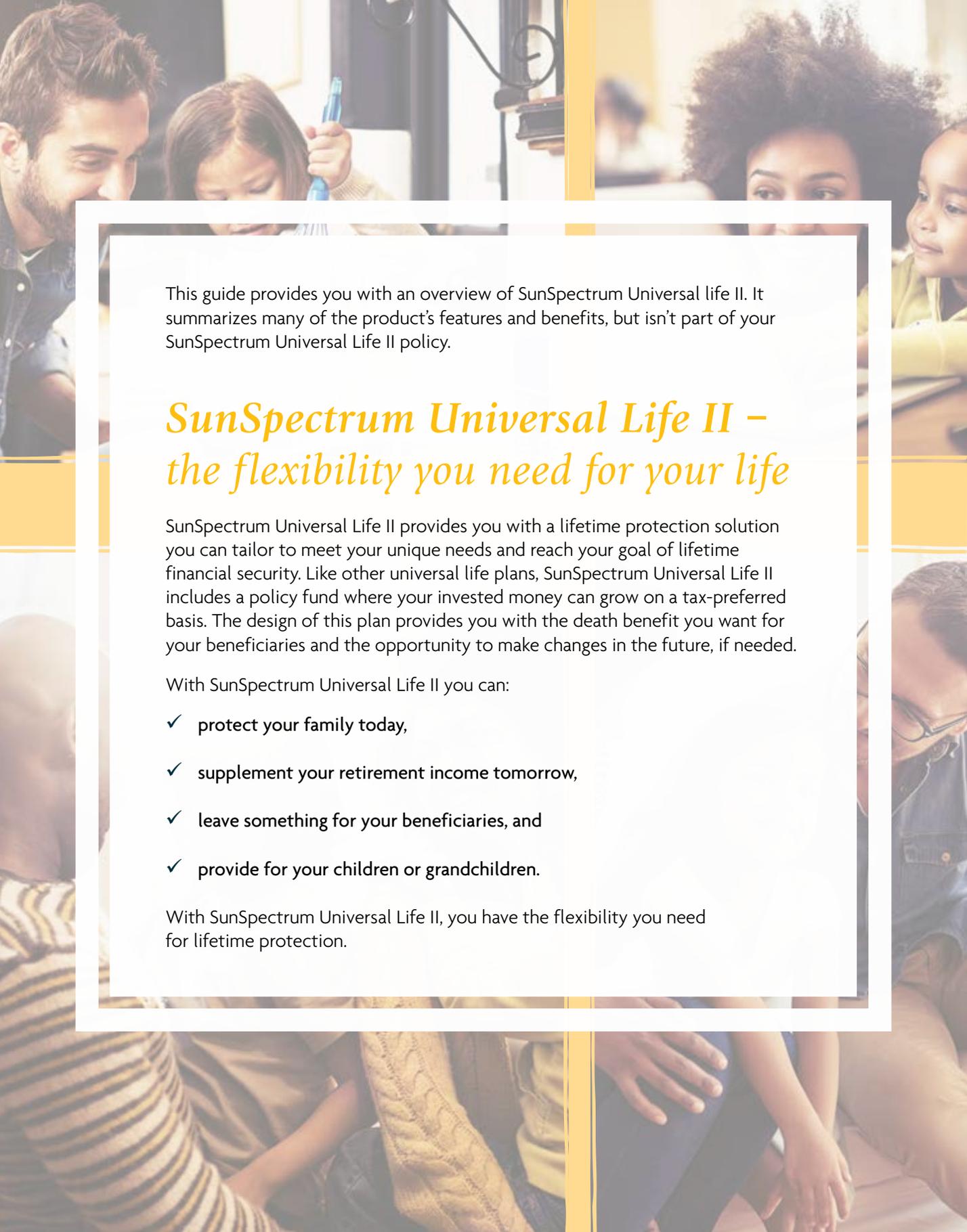
The flexibility you need for your life



Life's brighter under the sun



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This guide provides you with an overview of SunSpectrum Universal life II. It summarizes many of the product's features and benefits, but isn't part of your SunSpectrum Universal Life II policy.

SunSpectrum Universal Life II – the flexibility you need for your life

SunSpectrum Universal Life II provides you with a lifetime protection solution you can tailor to meet your unique needs and reach your goal of lifetime financial security. Like other universal life plans, SunSpectrum Universal Life II includes a policy fund where your invested money can grow on a tax-preferred basis. The design of this plan provides you with the death benefit you want for your beneficiaries and the opportunity to make changes in the future, if needed.

With SunSpectrum Universal Life II you can:

- ✓ **protect your family today,**
- ✓ **supplement your retirement income tomorrow,**
- ✓ **leave something for your beneficiaries, and**
- ✓ **provide for your children or grandchildren.**

With SunSpectrum Universal Life II, you have the flexibility you need for lifetime protection.

Benefits for you

Protection for life: SunSpectrum Universal Life II can enhance your financial security with permanent protection for the most important people in your life. It also provides you with the opportunity for tax-preferred savings with a range of investment options to meet your unique savings goals. Use it to supplement your retirement income, beyond your registered retirement savings plan (RRSP) and Tax-Free Savings Account (TFSA). Get the protection you need for your lifetime and the opportunity to leave a legacy tomorrow.

Flexibility: SunSpectrum Universal Life II provides the flexibility you need to build savings during your life as an emergency fund for the future. With the unique Reduced paid-up option you can change your policy – if your needs change in the future – to a fully paid-up plan with a lower death benefit. When you make this change, any savings in your policy can be used by you, however you want.

Affordability: With all of the other financial priorities life brings, SunSpectrum Universal Life II can be a cost-effective way to meet your permanent protection needs. Take advantage of the lower costs deducted in the early years to build up your savings on a tax-preferred basis to help with costs later on.

Guarantees: In a world full of change, SunSpectrum Universal Life II comes with guarantees that can put your mind at ease. Your monthly Cost of insurance rates are guaranteed. The provincial premium tax deducted from your payments is guaranteed to never exceed 2%. To reward you for sticking to your plan, SunSpectrum Universal Life II provides you with a guaranteed bonus paid to your policy fund based on the fund value starting in year 10 and continuing each year after that.

Simple: SunSpectrum Universal Life II provides a flexible life insurance policy with the additional benefits you need to make it truly your own.

Did you know? Your advisor can work with you to create your SunSpectrum Universal Life II plan, giving you the flexibility you need to meet your changing goals.

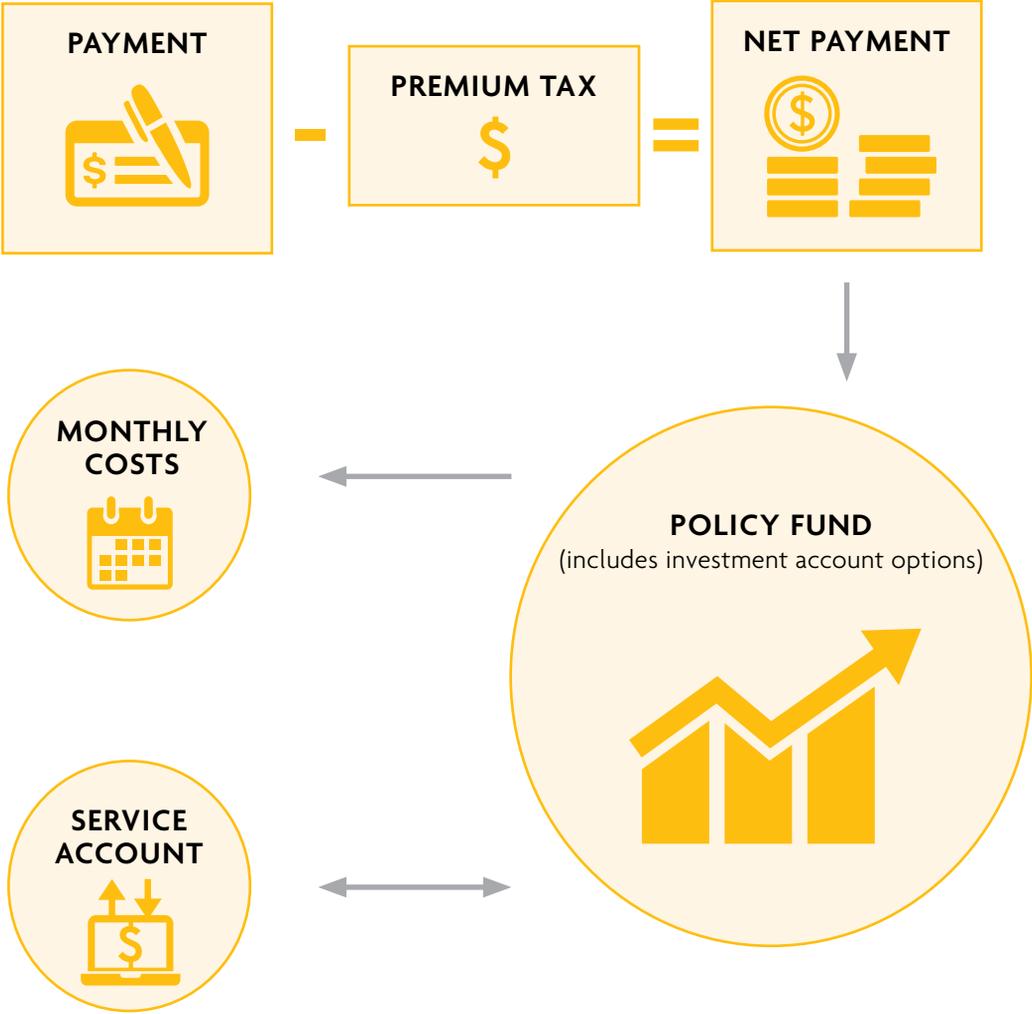
How your plan works

When we receive a payment for your SunSpectrum Universal Life II policy, we deduct a 2% provincial premium tax. We guarantee the premium tax percentage for the life of your plan. The net payment is added to the policy fund and, once the minimum is met, is allocated to your selected investment accounts to meet your savings needs. Each month we'll credit interest to the investment accounts based on the net rate of return of the underlying investments. Positive returns result in a positive interest rate and will increase your policy fund value. Negative returns result in a negative interest rate and will decrease your policy fund value.

Every month, money is deducted from your policy fund to pay the Cost of insurance (COI) for your plan. The COI includes any optional benefits you have added to customize your plan.

One of the benefits of Sun Spectrum Universal Life II is its tax-exempt status, providing tax-preferred saving opportunities up to specific limits. If the amount of money in your policy exceeds these limits, or you pay us more than the maximum allowed, we'll move the money to the service account. When room becomes available, we'll automatically transfer the money back into your policy, less any applicable premium tax.

When the insured person dies, we pay the tax-free death benefit to your named beneficiary.



Sun Life Financial will credit interest to the policy fund based on the net rate of return of the investment account options selected. Interest can be positive or negative.

Building your plan

Selecting your life insurance amount

With SunSpectrum Universal Life II you can set your life insurance amount based on your needs today. You can also decrease your insurance amount in the future if your needs change. With the unique Reduced paid-up option, starting at age 70 you can reduce the face amount of your policy to a fully paid-up amount, eliminating any more payments to your plan.

The minimum insurance amount for SunSpectrum Universal Life II is \$25,000 for single life and \$50,000 for joint lives. The maximum amount for SunSpectrum Universal Life II is \$5,000,000. The maximum insurance amount includes all term insurance benefits you may choose to custom design your policy.

Policy types

When you apply for SunSpectrum Universal Life II, you have the flexibility to choose the policy type that meets your protection needs.

Single life

This policy insures one person and pays a tax-free death benefit on the insured person's death.

Joint first-to-die

This policy insures two people and pays a tax-free death benefit on the first death of the insured persons. This policy type includes a survivor benefit that allows the surviving life insured to apply for a new policy within 90 days, without providing evidence of insurability.

This option may be an excellent solution for couples who want to make sure their family is taken care of if one of them dies.

Joint last-to-die

Cost of insurance to the first death

This policy insures two people and pays a tax-free death benefit on the last death of the insured persons. The cost of insurance for the basic insurance amount becomes paid up on the death of the first insured person.

Cost of insurance to the second death

This policy insures two people and pays a tax-free death benefit on the last death of the insured persons. The costs are payable until the last death of the insured persons or their joint age 100, whichever comes first.

Joint last-to-die policy types are a great way to leave a legacy for your beneficiaries.

If charitable giving is important to you, a joint last-to-die policy type can provide an effective way of leaving money to your favourite charity or alma mater.

Death benefit

The SunSpectrum Universal Life II Insurance amount plus policy fund death benefit type provides the flexibility to meet your protection needs today and tomorrow.

Insurance amount plus policy fund

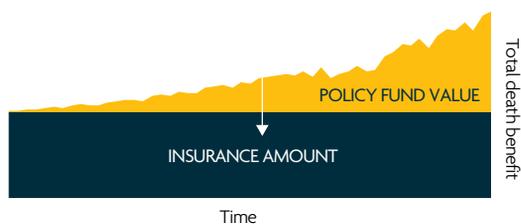
Features

- › Your death benefit may increase over time as your policy fund value increases.

Advantage

- › Provides a death benefit that includes your fund value.
- › At age 70 or later you can elect Reduced paid-up, reducing your death benefit to a fully paid up amount to meet your final expenses.

How it works



The death benefit payable is equal to the basic insurance amount plus the policy fund value less any policy loans, unless you select the Reduced paid-up option at age 70 or later. If there's money in the service account at the insured person's death we'll pay that amount to the beneficiary.

Reduced paid-up

In the future, if your needs change, you can choose to change your SunSpectrum Universal Life II death benefit to Reduced paid-up. Your new insurance amount remains the same for the remainder of your life and you won't need to make any more payments. This gives you the opportunity to leave a legacy to your beneficiaries without worrying about needing to make payments.

Starting at the policy anniversary nearest your 70th birthday you can change your SunSpectrum Universal Life II policy to a Reduced paid-up policy. When you change to Reduced paid-up, all optional benefits and all costs associated with your policy end. Any money in the policy fund is transferred to the service account. Amounts transferred to the service account may be taxable.

Did you know? If you choose to change your SunSpectrum Universal Life II policy to Reduced paid-up, we transfer any money in your policy fund to your service account. You can use this money to enhance your retirement income, take a trip, help out your children or grandchildren, or whatever else comes up in your life.

Cost of insurance

The cost of insurance (COI) for your policy is called Yearly renewable term to age 100 (YRT 100). It's based on the insured person's age, health, smoking status, gender and the insurance amount you select. The age used to calculate your COI is based on an insurance age – the age nearest the insured person's actual birthday. For example, if the insured person is 40 years and seven months old, their insurance age is 41.

<u>Cost of insurance type</u>	<u>Solution</u>	<u>How it works</u>
Yearly renewable term to age 100 (YRT 100)	<ul style="list-style-type: none">› Minimizes your costs in the early years.› Allows more of your payments to go to the policy fund increasing the potential for compounding tax-preferred interest.› Allows for more saving room.› Gives you the flexibility to maintain your coverage as the costs levelize at age 70.	<ul style="list-style-type: none">› Based on the insured person's age and increases each year as the insured person ages. At age 70, the costs become level until age 100.› Rates for the initial insurance amount are set for life when the policy is issued and are guaranteed payable to the policy anniversary nearest the insured person's 100th birthday.› At the policy anniversary nearest the insured person's 70th birthday and later, you have the opportunity to change your policy to Reduced paid-up if your protection needs have changed.

Investment account options

An important part of SunSpectrum Universal Life II's flexibility is your ability to select the investment accounts that best meet your needs.

The following are the types of investment account options available with SunSpectrum Universal Life II:

<u>Investment account</u>	<u>Description</u>
Daily interest account (DIA)	Similar to a savings account, interest is calculated and credited on a daily basis. It's also one of the accounts available in the service account.
Guaranteed interest accounts (GIA)	GIAs are available in 1, 3, 5 and 10 year terms to meet your short-, medium-, and long-term needs. The one-year GIA is one of the accounts available in the service account.
Managed accounts	These accounts reflect the performance of the investment fund the account is linked to. When you select these accounts you don't acquire an interest in the underlying fund or purchase any units or legal interest in the security. Since the performance of the underlying investment fund can fluctuate, the interest earned can be positive or negative. There are 12 investment account options to choose from.

Tip: For details on the Investment accounts available with SunSpectrum Universal Life II, ask your advisor for the SunSpectrum Universal Life II Investment Account Options booklet. With this in hand, you can create your portfolio together.



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Additional optional benefits

We don't know what the future holds, but SunSpectrum Universal Life II's many optional benefits can help you be prepared for wherever your future takes you. With these optional benefits you can enhance your SunSpectrum Universal Life II policy to give you the flexibility you need for your life!

Optional benefit	Solution
Accidental death benefit (ADB)	ADB provides you with an inexpensive way to increase the amount of death benefit if the insured person dies by accident.
Child term benefit (CTB)	Gives you the opportunity to provide a small amount of term insurance on your children and future children, starting them with a solid financial plan. You can convert this term insurance when they're between the ages of 18 to 25, for up to 10 times the CTB insurance amount without providing evidence of their insurability.
Total disability waiver benefit (TDB)	This benefit is designed to ensure that your valuable life insurance remains in place if the insured person is unable to work because of an injury or illness that makes them totally disabled. We'll waive the monthly cost of insurance if the life insured person becomes disabled.
Owner waiver disability/death benefit	If the policy owner isn't the insured person, this benefit allows the owner to ensure the costs for the insurance protection are covered if they die or become disabled. We'll waive the monthly cost of insurance if the policy owner dies or becomes disabled.
Guaranteed insurability benefit (GIB)	GIB gives you peace of mind knowing that whatever happens to you in the future, you can purchase additional life insurance every three years or on a major family event, without providing evidence of insurability.
Business value protection benefit (BVPB)	If you're a business owner, BVPB may be for you. With BVPB you can purchase additional insurance on each policy anniversary up to maximums without providing medical evidence of insurability. With this benefit your insurance coverage can grow as your business does.
Term insurance benefits	Your need for life insurance may vary as family and business circumstances change. You can choose from a wide variety of term benefit lengths including 10-year, 10-year with Renewal protection benefit, 15-year, 20-year or 30-year. All are renewable and convertible to permanent insurance.

Did you know? Your advisor can help you choose the additional optional benefits you need to ensure your SunSpectrum Universal Life II policy meets all of your needs, today and in the future.

Did you know? We may need you to provide us with evidence of any change in your health or insurability that takes place between the time you apply for insurance and the time your policy is delivered. If you pay for your policy at the time you apply, you may receive immediate coverage under a certificate of temporary insurance while your application is being processed. The terms, conditions and exclusions of that temporary insurance are set out in the certificate. The certificate also states when and under what conditions coverage under the certificate will end. If you don't pay at the time you apply and are not covered under a certificate of temporary insurance, then your coverage won't be effective until:

- your policy is delivered and*
 - you make your first payment and*
 - (when required) you have given us sufficient evidence that there's been no change in your insurability between the time you applied for insurance and the time your policy is delivered.*
-
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Flexibility with your SunSpectrum Universal Life II policy

Accessing the cash within your policy

SunSpectrum Universal Life II provides you with a lot of flexibility when it comes to accessing the cash surrender value of your policy. The cash surrender value is the amount you would receive if you cancel (or surrender) your policy and is made up of the values in your policy, less any loans and market value adjustments that may apply. You can access any available cash in your policy through withdrawals, policy loans or cancelling it for its cash surrender value.

Withdrawals

You can make a withdrawal from your policy's cash value if there's enough value in the policy. The minimum you can withdraw is \$250. Withdrawals from your policy may be taxable.

Policy loans

You can take a policy loan against your policy's cash value if there's enough money in the policy. The interest rate for your loan is the rate in effect at the time you request the loan. The rate is adjusted at each policy anniversary to the rate in effect at that time. You can repay your loan at any time. If you don't repay your loan, the outstanding balance is deducted from the death benefit payable. Your policy loan may be taxable.

The minimum loan amount is \$250.

Surrendering or cancelling your policy

If you no longer need your valuable life insurance, you can choose to cancel your policy. The total cash surrender value will be paid to you. Talk to your tax advisor about the tax implications of cancelling your policy.



Value-added benefits

The following benefits are included with your SunSpectrum Universal Life II policy at no additional cost to you – providing even more flexibility and security.

Living benefits

This benefit is offered on *Sun Life Assurance Company of Canada* life insurance products. It's not part of your policy. We may approve it, at our discretion on a case-by-case basis. If the insured person has a terminal illness and isn't expected to live more than 24 months, this benefit can provide a lump-sum payment equal to 50% of the insurance amount, up to a maximum of \$250,000. It's yours to use as needed, providing even more security. The Living benefit is offered to you on a compassionate basis and is subject to the rules of the Living benefit program in effect at the time of your request.

Withdrawals from the policy fund due to a disability

You may make one withdrawal from your policy each time an insured person becomes disabled by illness or injury, as defined in your policy. This provides you with access to cash when you need it most.

SunSpectrum Universal Life II – the flexibility you need for your life

SunSpectrum Universal Life II provides all of the features and benefits you need to create a life insurance policy to meet your needs today and in the future. But you don't have to create it alone. Your advisor is there every step of the way to help you get the right mix of protection and savings you need today and in the future.



Why choose Sun Life Financial?

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



7 YEARS IN A ROW

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

Questions? We’re here to help.

Talk to your advisor about Sun Life Financial today!

For more information and resources visit www.sunlife.ca | Call 1 877 SUN-LIFE / 1 877 786 5433

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