

LIFE INSURANCE

SunTerm

ADVISOR GUIDE

What's inside

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We help. You grow.

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Overview

With more flexibility than ever, SunTerm makes it easier for you to design protection solutions tailored to Clients' unique needs. SunTerm provides a leading-edge term offering that helps Clients achieve lifetime financial security.

Why term?

Rising housing prices lead to larger mortgages and greater consumer debt. Education costs are also going up at a rapid pace. Higher debt often means a longer repayment period. Consider the following:

- In 2010-2011, full-time students in Canada paid an average of \$14,500 to cover post-secondary tuition fees, supplies, transportation costs and living expenses. That's roughly \$58,000 for a four-year program.¹ Factor in inflation and that number could climb to between \$80,000 and \$100,000 over the next 20 years.
- Depending on their province of residence, first-time homebuyers expect to spend between \$156,000 and \$529,000 on a new home with an average down payment of \$48,000. On average, first-time homebuyers expect to be mortgage free in 20 years.²
- Despite good intentions, 28 per cent of Canadians between the ages of 65 and 74 are still carrying debt, averaging \$79,000 per household.³

SunTerm offers Clients one of the broadest ranges of term-length options in the market and is ideal for Clients who need temporary coverage.

Use this guide to understand the features and optional benefits available with SunTerm. For complete details about SunTerm, please refer to the sample policy pages available on Sun Life advisor website.

¹ <http://www.canlearn.ca/eng/planning/saving/cost.shtml>

² BMO First-time homebuyers report – 2013.

³ Investor Economics Household Balance Sheet, June 2012.

Benefits for Clients

Affordable premiums for short- or longer-term term needs

SunTerm's affordable premiums allow Clients to purchase the coverage they need while balancing the requirements of their other financial and lifestyle goals.

Flexibility

SunTerm's extended issue, expiry and convertibility ages provide more flexibility for Clients to make decisions about insurance coverage when the time is right for them.

Wide range of term lengths

Term length options allow Clients to choose the term that best fits their budget and protection needs. Choose from 10-, 15-, 20- or 30-year term periods.

Convertible to a permanent life insurance policy

The convertibility features give Clients confidence in knowing that if their needs change, they can convert their coverage to a permanent solution when the time is right. This allows Clients to maintain their valuable coverage without having to worry about future health changes.

Convertible to a longer term length

SunTerm gives Clients the option to convert their T10 or T15 coverage to either a T20 or T30 coverage without evidence of insurability.

Partial conversions

Clients who convert to permanent insurance can carry over some or all of the remaining term coverage as an optional benefit, without evidence.

Leading edge suite of optional benefits

Designed for the family and business markets, SunTerm's optional benefits allow you to customize a plan as unique as each Client.

Customizing Client solutions

Help customize a solution for Clients using all the features and benefits available with SunTerm. SunTerm can be tailored to meet a Client's unique needs and maximize protection for their family or business. With SunTerm, Clients can be confident that a protection solution for today's needs, will be flexible enough to meet tomorrow's needs as well.

Client profile

SunTerm life insurance can address a broad range of Client needs. With four different term lengths-T10, T15, T20 and T30, combined with face amounts ranging from \$250,000 - \$25,000,000, you have the ability to satisfy the unique protection needs of many Canadians.

Where affordability is a primary concern, SunTerm makes it easier for Clients to balance coverage needs with their budget concerns.

Providing Canadians with lifetime financial security is at the heart of everything you do; for many Clients, SunTerm can be the first step toward reaching that goal.

SunTerm is ideal for:

- individuals who are looking to provide future financial security for their family or beneficiaries
- income replacement or mortgage and debt protection needs
- Clients who want to take care of non-permanent insurance needs while staying within a comfortable budget
- those who want the comfort of knowing their insurance policy gives them the option to provide lifetime protection if their needs change
- business owners who are concerned with the succession of their company or are looking to protect the value of a key employee

Here are a few of the common groups that can benefit from SunTerm:

Young professionals	Family market	Pre-retirees	Business market
<ul style="list-style-type: none"> • ages 25-35 • have some disposable income • beginning to establish protection and savings plans • have lower insurance needs • want opportunity to lock in insurability at a low cost 	<ul style="list-style-type: none"> • ages 30-50 • have competing financial interests • high debt • dependent children • beginning to define short- and long-term financial goals • insurance needs are greatest • planning for children's education 	<ul style="list-style-type: none"> • ages 45-65 • retirement asset accumulation begins • peak savings/accumulation • greater disposable income/peak earning years • debt load begins to decline • starting to consider legacy planning 	<ul style="list-style-type: none"> • ages 35-70 • sole-proprietor or partnership • newly established or growing businesses • concerned with business succession • want to protect the value of a key employee

It's important to meet with Clients regularly to review their coverage and help them with any contractual conversions or renewals to ensure they have the protection that meets their needs.

Product at a glance

For proposed insured persons who are age nearest 41 and up, preferred underwriting is available for coverage amounts of \$250,001 and up. For insured persons who are age nearest 18 to 40, preferred underwriting is available for coverage amounts over \$1,000,000.

SunTerm			
Term lengths and issue ages	Single life and Joint first-to-die: <ul style="list-style-type: none"> • 10-year term: 18-75 • 15-year term: 18-70 • 20-year term: 18-65 • 30-year term: 18-55 		
Coverage options	<table border="0" style="width: 100%;"> <tr> <td style="vertical-align: top; width: 50%;"> Single life: <ul style="list-style-type: none"> • Coverage is based on one insured person • The death benefit is payable on the death of that insured person Joint first-to-die: <ul style="list-style-type: none"> • Covers two lives • Survivor benefit and Automatic survivor benefit included • Splitting joint coverage into two single policies is not permitted </td> <td style="vertical-align: top; width: 50%;"> Multiple lives: <ul style="list-style-type: none"> • Maximum of five single lives or four single lives and one joint life per policy • Can be added at any policy anniversary subject to underwriting </td> </tr> </table>	Single life: <ul style="list-style-type: none"> • Coverage is based on one insured person • The death benefit is payable on the death of that insured person Joint first-to-die: <ul style="list-style-type: none"> • Covers two lives • Survivor benefit and Automatic survivor benefit included • Splitting joint coverage into two single policies is not permitted 	Multiple lives: <ul style="list-style-type: none"> • Maximum of five single lives or four single lives and one joint life per policy • Can be added at any policy anniversary subject to underwriting
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Multiple coverages	<ul style="list-style-type: none"> • Up to three additional coverages can be added at any policy anniversary (each must have a different term length) • Maximum of nine coverages per life or 15 coverages per policy 		
Rate bands	<table border="0" style="width: 100%;"> <tr> <td style="vertical-align: top; width: 50%;"> <ul style="list-style-type: none"> • \$250,000 - \$499,999 • \$500,000 - \$999,999 </td> <td style="vertical-align: top; width: 50%;"> <ul style="list-style-type: none"> • \$1,000,000 - \$1,999,999 • \$2,000,000 - \$25,000,000* </td> </tr> </table> <p style="text-align: center; font-size: small;">*Amounts in excess are available through a special quote.</p>	<ul style="list-style-type: none"> • \$250,000 - \$499,999 • \$500,000 - \$999,999 	<ul style="list-style-type: none"> • \$1,000,000 - \$1,999,999 • \$2,000,000 - \$25,000,000*
<ul style="list-style-type: none"> • \$250,000 - \$499,999 • \$500,000 - \$999,999 	<ul style="list-style-type: none"> • \$1,000,000 - \$1,999,999 • \$2,000,000 - \$25,000,000* 		
Underwriting classes	<ul style="list-style-type: none"> • Class 1: no nicotine for 60 months, excellent health and lifestyle • Class 2: no nicotine for 24 months, very good health and lifestyle • Class 3: no nicotine for 12 months, good health and lifestyle • Class 4: any nicotine use, good health and lifestyle • Class 5: any nicotine use, fair health and lifestyle <p style="font-size: small;">Note: occasional large cigar smokers (12/year) will be considered class 3</p>		

SunTerm

Renewability and conversion availability	<ul style="list-style-type: none"> • Guaranteed renewable until policy anniversary nearest age 85 (oldest person insured for joint first-to-die) • Guaranteed convertible until the policy anniversary nearest age 75 (oldest person insured for joint first-to-die) 	
Special conversion	<ul style="list-style-type: none"> • SunTerm 10 and SunTerm 15 are eligible to convert to either a SunTerm 20 or a SunTerm 30⁵ 	
Policy fees and premium offset options	Premium mode <ul style="list-style-type: none"> • Annual • Monthly 	Policy fee <ul style="list-style-type: none"> • \$25.00 • \$2.25
Optional benefits	<ul style="list-style-type: none"> • Renewal protection benefit • Child term benefit • Accidental death benefit • Total disability waiver benefit • Owner waiver disability benefit • Guaranteed insurability benefit • Business value protection benefit • Partner protection benefit 	

⁵ Conversion is subject to age limits and must be done prior to the 5th policy anniversary.

Product features

SunTerm issue ages are based on a proposed insured person's insurance age, or their age at their nearest birthday. For example, if a Client is 48 years and seven months, the insurance age will be 49 years.

Term lengths

SunTerm gives Clients more choice when it comes to meeting their short or long-term needs. While 10-year term policies have traditionally been a popular choice, Clients are now choosing much longer term lengths. The reality is that very few Clients have a life insurance need that's less than 10 years.

SunTerm 30 is available for issue ages 18 to 55. SunTerm 30 premiums are level for 30 years and then increase (renew) each subsequent 30-year period until expiry. SunTerm 30 may be suitable for:

- Clients with longer term needs such as debt or mortgage repayment
- first-time homebuyers with larger mortgage balances and longer amortization periods
- those looking for a cost effective insurance solution that minimizes premium outlay over 30 years
- young professionals or those in the early stages of their career who want to lock in future insurability at a low cost
- business owners who have longer term business needs such as funding a buy-sell agreement



TIP! Consider SunTerm 30 for Clients' mortgage protection needs. A 30-year level premium may be suitable for those who are looking for premium stability and don't want to worry about having to be underwritten every 10 years.

SunTerm 20 is available for issue ages 18 to 65. SunTerm 20 premiums are level for 20 years and then increase (renew) each subsequent 20-year period until expiry. Consider SunTerm 20 for those who

- have a mortgage or debts expected to last longer than 10 years
- are more than 10 years away from retirement
- expect to have dependent children for more than 10 years
- appreciate a stable payment for their temporary needs
- don't want to be underwritten after 10 years
- own a business and are looking to provide protection for a key employee

SunTerm 15 is available for issue ages 18 to 70. SunTerm 15 premiums are level for 15 years and then increase (renew) each subsequent 15-year period until expiry. Consider SunTerm 15 for those who:

- are looking to build a multiple coverage plan with different term lengths to satisfy a decreasing need
- are pre-retirees who want to ensure the surviving spouse has sufficient assets when they retire
- find the price of T20 or T30 too high
- own a business and are looking to provide protection for a key employee

SunTerm 10 is available for issue ages 18 to 75. SunTerm 10 premiums are level for 10 years and then increase (renew) each subsequent 10-year period until expiry. SunTerm 10 may be suitable for:

- Clients on a tight budget who are looking for the most insurance they can get for the most affordable premium
- those most concerned about affordability today and not affordability in the future
- pre-retirees with small outstanding debt or mortgage balance
- business owners who need short-term life insurance coverage as a requirement for obtaining a loan
- Clients who intend on converting soon to permanent insurance and want to lock in their insurability

SunTerm 10 with Renewal protection benefit is available with SunTerm 10 for issue ages 18 to 65. The Renewal protection benefit allows Clients to pay an additional premium today in order to have a lower renewal premium in the future than if they had purchased a SunTerm 10 without this benefit. The Renewal protection benefit may be suitable for:

- Clients looking for protection from steeply increasing renewal premiums while maintaining affordability
- Clients who want to preserve medical insurability by maintaining their coverage instead of re-underwriting
- Clients who are looking for greater flexibility at renewal and whose insurance needs continue to be temporary
- Clients who aren't ready to make the financial commitment to permanent insurance

Backdating to save age

For Clients whose insurance age has changed within the past 90 days, we will allow the policy to be dated the day before that age change so that premiums charged will be for the age of the Client prior to the age change. All back premiums must be paid.

Coverage options

SunTerm offers single, joint first-to-die and multiple life coverage options.

Single life

- Coverage is based on one insured person.
- The death benefit is payable on the death of that insured person.

Joint first-to-die

- Coverage is based on two insured persons.
- The death benefit is payable on the death of the first insured.
- Joint first-to-die policies automatically include a Survivor benefit and Automatic survivor death benefit.
- Survivor benefit: After one of the insured persons dies, the surviving insured person has 90 days to apply for a new life insurance policy without providing new evidence of insurability.
 - The amount of new insurance cannot exceed the joint first-to-die death benefit.
 - This benefit ends on the last day to convert the joint first-to-die coverage.
 - The new insurance can be term or permanent subject to availability and is based on attained age and rates in effect at the time of application.
 - If premiums were being waived on the joint first-to-die policy for the survivor as a result of total disability, premiums for the new policy will be waived as long as the disability continues.
- Automatic survivor death benefit: If the surviving insured person dies within 90 days of the first insured person and did not apply for a new policy under the Survivor benefit above, Sun Life may pay an additional amount equal to the basic insurance death benefit.
 - This benefit ends on the last day to convert the joint first-to-die coverage.



DID YOU KNOW? *With the survivor benefit available on joint first-to-die policies, the owner can purchase new life insurance on the surviving insured person without submitting evidence of insurability.*



NEW! *The survivor benefit with SunTerm now gives the survivor 90 days after the death of the first insured person, to purchase a new policy. This gives you and the Client more time to make important financial decisions.*

Multiple lives

- Coverage is available for up to five insured persons, each with their own optional benefits, and all under one policy.
- Up to six insured persons may be covered where a policy contains four single coverages and one joint coverage.
- A maximum of nine coverages per life insured is allowed.
- There's a maximum of 15 coverages per policy.
- There's only one policy fee regardless of the number of insured persons.



TIP! *Many Clients with a mortgage also have other financial obligations where temporary life insurance protection is a must. Seldom, if ever, do these obligations last the same amount of time. Consider multiple coverages on the same insured person. For example, a T15 to cover an education expense shortfall and a T30 to cover an outstanding mortgage.*

Conversion options

One of the primary benefits of buying term insurance is the value of its convertibility features. Clients have the opportunity to convert their insurance coverage without giving us new evidence of insurability.

Conversion to permanent life insurance

All term lengths are convertible to permanent life insurance until the policy anniversary nearest the insured person's 75th birthday. For joint first-to-die policies, they are convertible until the policy anniversary nearest the oldest insured person's 75th birthday.

- Joint first-to-die policies may be converted to one of the following:
 - one policy that insures the same insured persons, or
 - a separate life insurance policy on each insured person where the application for each policy must be submitted at the same time and for the same amount. The total amount of coverage on each insured person cannot exceed 50% of the original insurance amount.
- Attained age and rates in effect at the time of conversion will apply.
- Any permanent life insurance policy offered by Sun Life at conversion is eligible.
- No additional evidence of insurability is required at conversion unless the amount of life insurance is being increased.



TIP! *Guarantee insurability for a lifetime. SunTerm's conversion privileges allow Clients to lock in their insurability regardless of changes in their health. The contract guarantees the right to convert to permanent life insurance, ensuring Clients can maintain their valuable coverage as long as it's needed. Conversion must be completed prior to the policy anniversary nearest their 75th birthday.*

Conversion to term life insurance with a longer term length

- SunTerm 10 or SunTerm 15 policies are eligible to be converted to either a SunTerm 20 or SunTerm 30 policy.
- No additional proof of insurability is required at conversion unless the amount of life insurance is being increased.
- Attained age and rates in effect at the time of conversion will apply.

If converting to SunTerm 20, conversion must be done before the earlier of the fifth policy anniversary and:

- the policy anniversary nearest the insured person's 65th birthday for single life policies, or
- the policy anniversary nearest the oldest insured person's 65th birthday for joint first-to-die policies.

If converting to SunTerm 30, conversion must be done before the earlier of the fifth policy anniversary and:

- the policy anniversary nearest the insured person's 55th birthday for single life policies, or
- the policy anniversary nearest the oldest insured person's 55th birthday for joint first-to-die policies.



TIP! SunTerm 10 and 15 give the option to convert to a SunTerm 20 or 30. This may be a suitable option for Clients who have more disposable income or whose temporary needs are expected to last longer than when they originally purchased their term policy.



TIP! Depending on their age, Clients have up to five years to convert their T10 or T15 policy to a T20 or T30. By purchasing a T10 and converting to a T30 at year five, Clients can have 35 years of term coverage without having to submit medical evidence or experience a large jump in renewal premiums.

Partial term conversions

Clients who convert their term policy to a new permanent product can convert some or all of the remaining term coverage to a term insurance benefit (TIB) without underwriting.

- This non-contractual offering is available on all standalone convertible term products and is not available on TIBs. The term policy does not have to be fully converted to qualify.
- Attained age and rates will apply to the new policy and any optional benefits at the time of conversion.

If the policy is within the term-to-term conversion window:

Clients can keep their full term coverage amount (less what they convert to permanent insurance) as a TIB.

The TIB on the new permanent plan must be for a longer term duration than the original term plan. For example, a T10 or T15 converted to permanent life must have a T20 or T30 optional benefit. We will require underwriting only if the Client decides to increase their total amount of life insurance.

Example:

Original term plan	New perm plan	New TIB	TIB amount requiring underwriting
\$1,000,000 T10	\$100,000	\$900,000 T20	\$0
\$1,000,000 T15	\$75,000	\$925,000 T30	\$0
\$1,000,000 T10	\$100,000	\$1,000,000 T20	\$100,000

If the policy is outside of the term-to-term conversion window, or keeping the same term length:

The new TIB must be to the same term length or longer.

The maximum amount of the TIB without underwriting is the lesser of:

- three times the new base permanent plan, and
- the original base term face amount, less any amount remaining on the original term base plan, less the new base permanent plan.

Examples:

Original term plan	New perm plan	New TIB	TIB amount requiring underwriting
\$1,000,000	\$250,000	\$750,000	\$0
\$1,000,000	\$100,000	\$300,000	\$0
\$1,000,000	\$100,000	\$500,000	\$200,000

- The option to carryover term insurance as a TIB is not available when:
 - converting joint term policies,
 - premiums are being waived up to and including the final conversion date on the original term,
 - converting from a group term policy, or
 - adding to an existing permanent plan.
- For multi-life term policies, each person can add a TIB to their own permanent policy.
- All product minimum rules apply.

Conversion while premiums are being waived

- If the policy contains a disability waiver, coverage cannot be converted while the insured person is disabled and premiums are being waived.
- If the disability continues, the coverage may be converted to a permanent life insurance policy on the last day to convert coverage. Premiums for the converted coverage will continue to be waived for the duration of the disability.



DID YOU KNOW? *The convertibility privileges are one of the most valuable features found in a SunTerm contract. SunTerm offers the latest conversion age in the industry-that's up to the policy anniversary nearest the insured person's 75th birthday.*

Premiums

Clients can make monthly payments through a pre-authorized cheque (PAC) or they can choose to be billed annually. For each policy, the premium will vary by term length, premium band, gender, issue age and risk class. Premiums for SunTerm are guaranteed.

Policy fees

SunTerm annual policy fees are \$25 regardless of the number of insured persons or coverages under a policy.

- Annual: \$25
- Monthly (PAC): \$2.25

Rate bands

- \$250,000 - \$499,999
- \$500,000 - \$999,999
- \$1,000,000 - \$1,999,999
- \$2,000,000 - \$25,000,000

Contact head office for quotes over \$25,000,000

Policy lapse and reinstatement

Policy lapse

If Clients don't pay their required premium amount within 31 days after it's due, it will lapse. Clients will need to make the required payment to prevent the policy from lapsing.

Reinstatement

Once the policy has lapsed, Clients may apply to put it back into effect. To reinstate the policy, the Client must:

- apply within two years of the policy ending,
- provide Sun Life with new evidence of insurability for all insured persons that Sun Life considers satisfactory, and
- pay all unpaid premiums, plus accrued interest, up to the date the policy is reinstated.

If the application for reinstatement isn't approved, we'll refund the amount paid with the application to reinstate the policy.

Risk classes and underwriting

SunTerm offers preferred underwriting which provides Clients with the opportunity for reduced premiums based on their overall health. For Clients 40-years-old or younger and who are applying for coverage of \$1,000,000 or less, preferred underwriting classes 1, 2, and 4 aren't available.

SunTerm offers five risk classes:

Non-smoker

- Class 1
- Class 2
- Class 3

Smoker

- Class 4
- Class 5

Age nearest	Face amount	Available risk classes
18-40	Up to and including \$1,000,000	3 and 5
18-40	Over \$1,000,001 and up	All (1 through 5)
41 and up	\$250,000	3 and 5
41 and up	\$250,001 and up	All (1 through 5)

Class 1

Class 1 (no tobacco use for 60 months, excellent health and lifestyle)									
Tobacco use	No tobacco use in the past 60 months (includes any use of tobacco products, including cigarillos, cigars, and smoking cessation products)								
Physical build	For an applicant's given height, his or her weight must be less than or equal to the corresponding class weight to qualify for that class								
Blood pressure (BP)	<p>Must not exceed</p> <table border="1"> <thead> <tr> <th>Age</th> <th>BP</th> </tr> </thead> <tbody> <tr> <td>18-39</td> <td>130/75</td> </tr> <tr> <td>40-55</td> <td>135/80</td> </tr> <tr> <td>56-75</td> <td>140/85</td> </tr> </tbody> </table> <p>Client has never taken medication for blood pressure</p>	Age	BP	18-39	130/75	40-55	135/80	56-75	140/85
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Total cholesterol/HDL ratio	<p>Must not exceed</p> <table border="1"> <thead> <tr> <th>Age</th> <th>TC/HDL ratio</th> </tr> </thead> <tbody> <tr> <td>18-39</td> <td>4.5</td> </tr> <tr> <td>40-55</td> <td>5.0</td> </tr> <tr> <td>56-75</td> <td>5.5</td> </tr> </tbody> </table> <p>With or without medication</p>	Age	TC/HDL ratio	18-39	4.5	40-55	5.0	56-75	5.5
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56-75	5.5								
Family history	No family diagnosis of cancer, coronary artery disease, or stroke/transient ischemic attack (TIA) prior to age 65 in siblings or in parents								
Personal history	No history of cancer (except basal cell carcinoma), diabetes, coronary artery disease, or stroke/TIA								
Driving record	No more than one moving violation in the past three years								
Driving while impaired (DWI), careless or reckless driving	No convictions in the past 10 years								
Alcohol/drug abuse	No history of or treatment in the past 10 years								
Sports, avocation and aviation	Recreational scuba diving (up to and including 120 feet), otherwise no rateable participation in hazardous sports, avocations or aviation*								
Occupation	No rateable occupation*								
Travel and residency	No rateable foreign travel and no rateable foreign residence* Non-landed immigrants or temporary residents may not qualify for preferred								
*Anything that would not be accepted at standard rates.									

Class 2

Class 2 (no tobacco use for 24 months, very good health and lifestyle)									
Tobacco use	No tobacco use in the past 24 months (includes any use of tobacco products, including cigarillos, cigars, and smoking cessation products)								
Physical build	For a Client's given height, his or her weight must be less than or equal to the corresponding class weight to qualify for that class								
Blood pressure (BP)	<p>Must not exceed</p> <table border="1"> <thead> <tr> <th>Age</th> <th>BP</th> </tr> </thead> <tbody> <tr> <td>18-39</td> <td>135/80</td> </tr> <tr> <td>40-55</td> <td>140/85</td> </tr> <tr> <td>56-75</td> <td>145/90</td> </tr> </tbody> </table> <p>With or without medication</p>	Age	BP	18-39	135/80	40-55	140/85	56-75	145/90
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56-75	6.0								
Family history	No more than one family member diagnosis of cancer, coronary artery disease, or stroke/transient ischemic attack (TIA) prior to age 60 in siblings or in parents								
Personal history	No history of cancer (except basal cell carcinoma), diabetes, coronary artery disease, or stroke/TIA								
Driving record	No more than two moving violation in the past three years								
Driving while impaired (DWI), careless or reckless driving	No convictions in the past five years								
Alcohol/drug abuse	No history of or treatment in the past five years								
Sports, avocation and aviation	Recreational scuba diving (up to and including 120 feet), otherwise no rateable participation in hazardous sports, avocations or aviation*								
Occupation	No rateable occupation*								
Travel and residency	No rateable foreign travel and no rateable foreign residence* Non-landed immigrants or temporary residents may not qualify for preferred								
*Anything that would not be accepted at standard rates.									

Class 3

(No tobacco use for 12 months, good health and lifestyle)

Any non-smoker who doesn't qualify for Class 1 or 2 will be considered for Class 3. To be considered for Class 3, the proposed insured must not have had any tobacco products in the past 12 months including cigarillos, cigars and smoking cessation products.



DID YOU KNOW? *Sun Life will consider an occasional large cigar smoker (up to 12 per year, with a negative cotinine test) as a non-smoker.*

Class 4

Class 4 (any nicotine use, otherwise good health and lifestyle)	
Tobacco use	Preferred smoker
Physical build	For a Client's given height, his or her weight must be less than or equal to the corresponding class weight to qualify for that class
Blood pressure (BP)	Must not exceed With or without medication
Total cholesterol/HDL ratio	Must not exceed With or without medication
Family history	No more than one family member diagnosis of cancer, coronary artery disease, or stroke/transient ischemic attack (TIA) prior to age 60 in siblings or in parents
Personal history	No history of cancer (except basal cell carcinoma), diabetes, coronary artery disease, or stroke/TIA
Driving record	No more than two moving violations in the past three years
Driving while impaired (DWI), careless or reckless driving	No convictions in the past five years
Alcohol/drug abuse	No history of or treatment in the past five years
Sports, avocation and aviation	Recreational scuba diving (up to and including 120 feet), otherwise no rateable participation in hazardous sports, avocations or aviation*
Occupation	No rateable occupation*
Travel and residency	No rateable foreign travel and no rateable foreign residence* Non-landed immigrants or temporary residents may not qualify for preferred
*Anything that would not be accepted at standard rates.	

Class 5

(Any nicotine use, otherwise fair health and lifestyle)

Any smoker who doesn't qualify for Class 4 will be considered for Class 5.

Build chart

Height (ft/in)	Maximum weight (lbs)	
	Class 1 Male and Female	Class 2 Male and Female
4' 8"	130	135
4' 9"	133	138
4' 10"	136	141
4' 11"	139	144
5' 0"	142	147
5' 1"	145	150
5' 2"	150	155
5' 3"	155	160
5' 4"	160	166
5' 5"	165	171
5' 6"	170	177
5' 7"	175	182
5' 8"	180	188
5' 9"	185	193
5' 10"	190	199
5' 11"	195	204
6' 0"	200	210
6' 1"	205	215
6' 2"	210	220
6' 3"	215	226
6' 4"	223	234
6' 5"	230	241
6' 6"	238	249
6' 7"	245	257
6' 8"	253	265
6' 9"	260	272
6' 10"	268	280
6' 11"	275	287

Optional benefits

Renewal protection benefit (RPB)

Available with SunTerm 10, the Renewal protection benefit allows Clients to pay an additional premium today to have a lower renewal premium in the future than if they had purchased a SunTerm 10 without this benefit.

With the Renewal protection benefit, Clients have the peace of mind in knowing they can have the affordable coverage they need today as well as more affordable premiums in the future if their insurance needs extend beyond ten years. The Renewal protection benefit may be suitable for Clients who are looking for added flexibility and are concerned about steeply increasing premiums at renewal. This benefit allows Clients to maintain affordability.

It's important to remember the Renewal protection benefit, while being offered as an optional benefit, is set up and administered as a separate term 10 coverage. As a result, the Renewal protection benefit cannot be cancelled without the Client surrendering term coverage.

Renewal protection benefit (RPB)	
Issue ages	<ul style="list-style-type: none">• 18-65
Availability	<ul style="list-style-type: none">• SunTerm 10 single life, joint first-to-die and multiple lives policies• Cannot be cancelled or added after issue



TIP! *The Renewal protection benefit provides greater flexibility for Clients whose insurance need continues to be temporary or who aren't ready to make the financial commitment to permanent insurance.*

Accidental death benefit (ADB)

The ADB pays an additional death benefit to the beneficiary if the insured person's death was 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">• Ages 18-65: Lesser of two times policy face amount and \$1,000,000• Maximum is across all Sun Life products
Availability	<ul style="list-style-type: none">• Single life, joint first-to-die and multiple life plans. For joint first-to-die and multiple life plans, each insured person may purchase his or her 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• Premiums are level and are payable until expiry of the benefit. Premiums do not renew with the base term plan.

If a death benefit is paid on the base plan, any ADB on the survivor will terminate.

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 the parent's life insurance policy until the child is 25 years old.



DID YOU KNOW? *The Child term benefit is 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 multiple life policies. For joint first-to-die 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 under this benefit	<ul style="list-style-type: none"> Children born to or legally adopted by the insured person Stepchildren Any children born/adopted after the date of application are automatically insured regardless of their risk class. Clients can include step-children after the benefit is in effect by applying in writing and providing evidence of insurability. Children are insured under this benefit from the date they are 15 days old until their 25th birthday <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 owner will have 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
Benefit expiry	<ul style="list-style-type: none"> 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 dies while the CTB is in effect, children remain covered under this benefit until age 25 or until they apply for a new life insurance policy as permitted under this benefit. No payments for this benefit are required. 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.*

Total disability waiver benefit (TDB)

This is an optional benefit that maintains coverage if the insured person becomes totally disabled and is unable to earn an income. With TDB, the premiums for the base insurance amount and any optional benefits attached to the policy for that disabled person will be 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, joint first-to-die and multi life plans. For joint and multi life plans, each insured is eligible to purchase TDB. • Not available after issue
How premiums are calculated	<ul style="list-style-type: none"> • Premiums for this benefit are based on each \$100 of total premium 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 premiums will be waived for	<ul style="list-style-type: none"> • For the duration of disability of the insured person under this benefit
Waiting period	<ul style="list-style-type: none"> • Six months of continuous disability
Policy conversion while premiums are being waived	<ul style="list-style-type: none"> • Conversion while on waiver is not permitted. If the disability continues, Clients may apply to convert to a permanent life insurance policy on the last day to convert coverage. Premiums for the converted policy will be waived as long as the insured person remains disabled.
Maximum amount Sun Life will waive under this benefit	<ul style="list-style-type: none"> • \$50,000 annual premium across all Sun Life policies
Exclusions	<p>Premiums 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 contract for other exclusions</p>
Making a claim	<p>For Clients to make a claim, notice must be given to us:</p> <ul style="list-style-type: none"> • 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 from time to time as required by us. <p>Payments under this benefit won't be made for any period earlier than one year before we receive the notice of total disability.</p>



TIP! *If Clients become disabled, they may be unable to pay premiums. The Total disability waiver of premium benefit provides low-cost disability protection to help 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 perform the essential tasks of their own occupation, and from then on to perform any occupation. The total disability must be continuous.

- **Disabled while a student** – If an insured person becomes disabled while they're a student, Sun Life will consider them to be disabled if they're 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 an insured person becomes disabled while unemployed, and isn't profiting from any occupation, Sun Life will consider them disabled if they're 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 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. Premiums for the base insurance amount and any optional benefits will be waived if the owner insured under this benefit becomes disabled.

Owner waiver disability benefit	
Issue ages	<ul style="list-style-type: none"> • 18-55
Availability	<ul style="list-style-type: none"> • Single life, joint first-to-die and multi-life 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 or Partner protection benefits have been selected • Not available after issue
How premiums are calculated	<ul style="list-style-type: none"> • Premiums for this benefit are based on each \$100 of total premium to be waived
Coverage period for this benefit	<ul style="list-style-type: none"> • Policy anniversary nearest the owner's 60th birthday
Length of time premiums will be waived for	<ul style="list-style-type: none"> • For the duration of disability of the insured person under this benefit
Waiting period	<ul style="list-style-type: none"> • Six months of continuous disability
Policy conversion while premiums are being waived:	<ul style="list-style-type: none"> • Conversion while on waiver is not permitted. If the disability continues, Clients may apply to convert to a permanent life insurance policy on the last day to convert coverage. Premiums for the converted policy will be waived as long as the insured person remains disabled.
Maximum amount Sun Life will waive under this benefit	<ul style="list-style-type: none"> • \$50,000 annual premium across all Sun Life policies
Exclusions	<p>Premiums 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 contract for other exclusions</p>
Making a claim	<p>For Clients to make a claim, notice must be given to us:</p> <ul style="list-style-type: none"> • 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 from time to time as required by us. <p>Payments under this benefit won't be made for any period earlier than one year before we receive the notice of total disability.</p>

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 perform the essential tasks of their own occupation, and from then on to perform any occupation. The total disability must be continuous.

- **Disabled while a student** – If an insured person becomes disabled while they're a student, Sun Life will consider them to be disabled if they're 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 an insured person becomes disabled while unemployed, and isn't profiting from any occupation, Sun Life will consider them disabled if they're 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 transferrable, and the new owner will not qualify for the owner waiver on disability benefit. In cases where the owner dies while disabled and premiums are being waived, premium charges will resume.

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.

Guaranteed insurability benefit (GIB)

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

Guaranteed insurability benefit (GIB)	
Issue ages	<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 SunTerm face amount and \$300,000 across all Sun Life policies
Availability	<ul style="list-style-type: none"> • Single life and multiple life policies • Not available if the Business value protection or Partner protection benefits have 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 within 31 days of special events (marriage, birth/legal adoption of a child) • A maximum of eight elections are available (maximum total face 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 premiums waived at the time of election
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 • Premiums 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 after special events such as marriage or the birth of a child without providing evidence of insurability.*

Business value protection benefit (BVPB)

BVPB has been designed specifically for business owners and allows the purchase of additional insurance for insured persons 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 and multiple life policies • Not available if the Owner waiver disability, Guaranteed insurability or Partner protection benefits 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 is available and the insured is not totally disabled and having premiums waived at the time of election
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 • An option can only be exercised if the value of the insured person's share of the business has increased since the BVP benefit 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 • Premiums 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.*

Partner protection benefit

This optional benefit was designed for business partners and provides guaranteed insurability if one of their insured business partners dies. The benefit allows the policy owner to purchase additional life insurance on each surviving business partner after the death of the first insured person, without providing medical evidence.

Partner protection benefit	
Issue ages	<ul style="list-style-type: none">• 18-65
Availability	<ul style="list-style-type: none">• Multiple life policies only where there are a minimum of three single life coverages• Not available if Owner waiver disability, Business value protection or Guaranteed insurability benefits have been selected
Benefit expiry	<ul style="list-style-type: none">• Policy anniversary nearest the 70th birthday of the oldest insured person• The benefit will end after the first death
Benefit maximum	<ul style="list-style-type: none">• Benefit maximum is \$10 million• The maximum combined new insurance of all surviving partners is \$10 million
Applying for new insurance	<ul style="list-style-type: none">• Must apply within 90 days of the death of the first insured person• Financial information about each insured person's interest in the business is required
The new insurance	<ul style="list-style-type: none">• Policy may be a term or permanent life insurance policy subject to product minimums• Maximum amount of new life insurance for all survivors cannot exceed the amount of insurance of the first deceased• The amount of new life insurance for each surviving life will equal the same proportion as the original death benefit amount

Determining the maximum amount of insurance that can be purchased

The maximum amount of new insurance for each surviving insured person is equal to:

$((A / B) \times C)$, where

A = a surviving insured person's basic insurance amount

B = the total of all basic insurance amounts for the insured persons, other than the one who died first

C = the basic insurance amount for the first of the insured persons who dies

Example:

XYZ Corp. valued at \$2,500,000. XYZ purchases a multi-life SunTerm policy that covers each of X, Y and Z for a face amount that is consistent with their ownership interest in XYZ.

	Ownership Interest	SunTerm Insurance
Partner X	40%	\$1,000,000
Partner Y	32%	\$800,000
Partner Z	28%	\$700,000

Using the formula from above, at X's death, XYZ Corporation may purchase \$1,000,000 of new insurance as follows on the surviving insured partners:

Partner Y

$$\begin{aligned}
 &(\$800,000 / \$1,500,000) \\
 &\times \$1,000,000 \\
 &= \$533,333
 \end{aligned}$$

Partner Z

$$\begin{aligned}
 &(\$700,000 / \$1,500,000) \\
 &\times \$1,000,000 \\
 &= \$466,666
 \end{aligned}$$



TIP! *If a business partner dies, the Partner protection benefit allows the surviving business partners to guarantee their insurability and purchase new life insurance that reflects their ownership interest in the business.*

Administrative information

Living benefit

The 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 up to 50 per cent of the death benefit, to a maximum of \$250,000. The lump sum, plus interest, is deducted from the death benefit when paid. This benefit will follow the rules of the living benefit program in effect when the policy owner applies to receive the benefit.



TIP! *Any living benefit payable will reduce the amount payable at death. Consider a critical illness insurance policy to cover those financial needs that occur while the Client is living. This will help ensure the full death benefit provided by the Client's life insurance policy will be used for what was originally intended when it was purchased.*

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.

Product disclosure requirements

You are responsible for providing Clients with a copy of the Client Guide to SunTerm. This can be found on the advisor website you use with Sun Life. Other important product disclosure information, including sample policy pages, can be found on the advisor website as well.

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.

It's important to meet with Clients regularly to review their coverage and help them with any contractual conversions or renewals to ensure they have the protection that meets their needs.

Sun Life helps Clients live healthier lives

With Sun Life, Clients have access to the largest health network in Canada — Lumino Health. This award-winning platform helps them:

- Find health-care providers from psychologists to registered massage therapists and more in seconds.
- Access health resources, products and services from across Canada with special offers.
- Reach their goals with health guides, expert tips and weekly updates from the world of health.

Learn more at luminohealth.ca

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Where to go for more information?

For more information on the features
and benefits of SunTerm, contact your
Sales Director or visit sunlife.ca/advisor.

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