

# Application for Premium Offset payment arrangement

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Policy number \_\_\_\_\_ Policy owner \_\_\_\_\_

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I request that premiums for my policy be paid through the Sun Life Assurance Company of Canada (the Company) premium offset payment arrangement. Under this arrangement, my premiums will be paid through a combination of yearly dividends allotted to the policy and, if necessary, the surrender of additional life insurance purchased by previous dividends (Paid-Up additions). If a dividend is insufficient to pay a premium, I authorize the Company to cancel additional life insurance which was purchased by previous dividends to pay the balance of the premiums.

## Premium Offset start date

The election of the premium offset payment arrangement will be effective as of the current qualifying premium offset date and not as of the date this form is signed.

## Impacts on policy

- By signing this form, I understand the following changes will be made to my policy as applicable. These changes have to be made in order for the policy to be on the premium offset payment arrangement and are in accordance with the policy contract. I understand these changes to my policy will remain in effect even if premium offset ends and I have to resume paying out of pocket premiums:
  - If my policy is a Whole Life Plus, the Plus feature will be cancelled. The policy will be changed to Whole Life.
  - If my policy has a Plus Premium rider or an Enhancement rider, the premium for these riders will be stopped while under premium offset.
  - If my policy has an increasing Cost of Living rider, the rider will be changed to a level basis.
  - If my policy is a pre-Series 86 PEP (Prudential Economic Protection), the PEP benefit will be cancelled. The additional term insurance that had been purchased by dividends will be cancelled and the policy will be changed to Whole Life with paid-up additions.
  - If my policy is an Economatic, the Economatic Option will be cancelled. The additional term insurance that had been purchased by dividends will be cancelled and the policy will be changed to Modified Life with paid-up additions.
- The premium payment frequency under the premium offset payment arrangement must be annual. If this is not the current frequency, it will be changed to annual. Any premiums already paid will not be refunded, they will be applied against the annual premium.

## Cancellation of the premium offset payment arrangement

I understand premium offset is not guaranteed and future dividends may be higher or lower than the current dividend. Even a small decrease in dividends can significantly reduce the time the policy remains on premium offset. A lower dividend scale may mean that dividends and additional life insurance bought by previous dividends may be insufficient to pay a full premium. I understand this would result in the cancellation of the premium offset payment arrangement and future premiums would be billed to me for payment to the Company.

Signed at \_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_ 20 \_\_\_\_\_

**X**

\_\_\_\_\_  
Signature of Policy owner

**X**

\_\_\_\_\_  
Signature of Beneficiary (if preferred or irrevocable)

**X**

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Signature of Assignee (if collaterally assigned)