

## Sun Universal Protector® UL and Sun Survivorship UL® discontinued effective August 4, 2010

Sun Life has announced the withdrawal of their No-Lapse Guarantee life insurance products. This announcement impacts both our Sun Universal Protector UL and Sun Survivorship UL products. Below are the transition rules regarding any pending cases. This announcement does not impact Sun Protector VUL.

### Transition rules

Formal Applications\* received prior to August 4, 2010 will be processed. Formal Applications for Sun Universal Protector UL or Sun Survivorship UL received at Sun Life on or after August 4, 2010 will not be accepted, except those informal cases where the underwriting evaluation has been completed and a FINAL OFFER has been communicated, and the FORMAL APPLICATION (including 1035 exchange paperwork in good order, if applicable) and a signed ILLUSTRATION are received and accepted in the Sun Life home office by September 3, 2010. The policy must be placed and paid for by September 30. We will not consider any other informals which have any other outstanding requirements. We will continue to provide service and process claims on our in force No-Lapse Guarantee block of business.

If you have any questions, please contact your Sun Life Financial representative at:  
Sun Life sales desk: 866-990-2399 or  
New Business & Underwriting: 800-432-1102, ext. 6202

\*Formal Application is defined as a contract state specific Part I (14-750) completed, currently dated and properly signed by all insured(s), owner(s) and producer(s).

*Universal life insurance products are issued by Sun Life Assurance Company of Canada (Wellesley Hills, MA) and in New York, by Sun Life Insurance and Annuity Company of New York (New York, NY). Both companies are members of the Sun Life Financial group of companies. All guarantees are based on the claims-paying ability of the issuing company.*

**NOT FDIC/NCUA INSURED • MAY LOSE VALUE • NO BANK/CREDIT UNION GUARANTEE • NOT A DEPOSIT •  
NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY**

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August 4, 2010

To: Sun Life Financial Distribution Partners

For many years, Sun Life has enjoyed a reputation for steady, focused growth and financial strength. We are committed to helping consumers achieve lifetime financial security and this means prudently managing our risks so Sun Life can deliver on our promises well into the future.

To that end, we have been diversifying our product mix and de-emphasizing our No-Lapse Guarantee (NLG) products. NLG continues to be a price driven market which compresses margins and presents limited opportunities to differentiate our offerings. In addition, a number of external factors continue to negatively impact this business, including:

- Continued low interest rates,
- The risk of significant increases to capital and reserving requirements, and
- High costs of funding structures.

To further accelerate our shift away from this business, Sun Life is exiting the NLG market so that we can focus our capital on markets with greater potential for sustainable, profitable growth.

Sun Life has gained market share by focusing on needs-based products, such as small business solutions with our Sun Executive product suite and larger business solutions through our COLI business. We also offer solutions that can provide supplemental income for retirement and college-planning needs through our new cash accumulation product, Sun AccumULator<sup>SM</sup>. Sun Life will continue to offer VUL solutions focused on estate planning and wealth transfer. Please note that Sun Protector VUL is not impacted by this decision.

As Sun Life accelerates our focus on these markets and products, we will be reviewing our distribution partners to ensure they align with our product portfolio and profit expectations.

This decision is in the best interest of our shareholders and future customers. Sun Life is dedicated to maintaining our financial strength, growing responsibly and delivering on our promises to all our stakeholders. We will continue to provide high quality service and claims processing on our in force NLG business. The attached Insurance Bulletin provides the transition rules on the closing of these products.

We look forward to working with you to provide solutions for your customers' needs. Thank you for your continued support.

Sincerely,

A handwritten signature in cursive script that reads "Janet V. Whitehouse".

Janet Whitehouse  
SVP & GM, Sun Life Financial Individual Life