

Acquisition of Assurant Employee Benefits¹

Frequently asked questions

June 1, 2016

General Q&A

1. What changes will brokers and employers experience due to the acquisition and integration efforts?

Over the past several months, we've been working diligently to bring the Sun Life and Assurant Employee Benefits businesses together under the Sun Life brand. Our integration efforts are progressing, and they impact our customer audiences in different ways.

For brokers, June 1 marks an important milestone: we announce the availability of a broadened product portfolio that brings together strengths from both businesses. We are also excited to announce that our separate distribution and account management teams are now one unified Sun Life sales and account management team. See the broker-specific Q&A for more details.

For employers, everything stays the same in the way you manage your policy, submit claims, pay your premium, and access customer service. You can continue to consult the same websites that you do today to manage benefits and call the same toll-free telephone numbers you use today. See the Employer/Employee-specific Q&A for more details.

We will keep our brokers and employers well informed of appropriate updates as we fully integrate the two businesses to ensure a high-quality and seamless service experience.

2. To what degree will the two entities be integrated? (That is, will the acquired business be a stand-alone organization, partially consolidated, or fully integrated?)

We will fully integrate the two businesses under the Sun Life brand, and you will start to see changes over time. An integration team, composed of leaders from both Sun Life and Assurant Employee Benefits, is managing the transition and implementing plans for the combined organization, including enhancements to products and programs and the merging of teams, systems, and processes. In light of competitive and client considerations, Disability RMS will continue to operate as a dedicated business unit.

3. What is the broadened array of employee benefits solutions that is now offered?

The transaction included the purchase of a leading dental business and provider network, a successful group life and disability business, strong products and capabilities in voluntary benefits and vision, and integrated capabilities in benefits communication, deductions reporting, and administration. You will now see greater breadth and depth of product and service offerings introduced under the Sun Life brand. **These offerings include Life, AD&D, LTD, STD, Accident, Critical Illness, Cancer, Supplemental Medical Expense "Gap," Dental, Vision, and Stop-Loss insurance, and both issue-age and attained-age Voluntary products.**

4. How will the Assurant Employee Benefits brand evolve?

As we work to bring the two businesses together under the Sun Life brand, you will start to see the Sun Life logo replace the Assurant Employee Benefits logo across communications and websites. The Assurant Employee Benefits brand and logo will be phased out by March 1, 2017.

5. Who are the leaders and what is the leadership structure of the newly combined organization?

Dan Fishbein is continuing as President of Sun Life Financial U.S. The leadership team for the U.S. Group Benefits business brings together talent from both organizations. Read our [news release](#) on the key leadership appointments, which took effect on March 1, 2016.

6. Will the combined business continue to operate in all current Sun Life and former Assurant Employee Benefits locations? Will there be any office closings?

The U.S. headquarters will remain in Wellesley, MA. The combined business will continue to operate in multiple sites, including the former Assurant Employee Benefits main office in Kansas City, MO, and in Edina, MN; sales offices across the country; and Sun Life's offices in Windsor, CT; Scarborough, ME; Portsmouth, NH; Waterford, Ireland; and Hamilton, Bermuda. As part of our multisite and agile workforce strategy, we will continue to have talent across the country in key locations to support the needs of the business, including field sales offices in major markets. Disability RMS will continue to operate as an independent business unit in the South Portland, ME, area.

7. How much overlap was there between Sun Life and Assurant Employee Benefits customers?

Combined, we have a customer base of more than 60,000 groups/employers across small, middle, and large companies. Assurant Employee Benefits' business had focused mostly on small and mid-sized employers, while Sun Life's business has focused on mid-sized and large employers. Assurant Employee Benefits brought a stronger focus on Dental business, while Sun Life has a major Stop-Loss business, which Assurant Employee Benefits has not offered. The two businesses were therefore largely complementary, so we expect minimal overlap and meaningful opportunities for customers to add new lines of coverage.

8. Has the acquisition affected the financial strength ratings?

Sun Life Financial is proud of the financial strength ratings that back the claims-paying ability of our insurance subsidiaries, Sun Life Assurance Company of Canada, which issues group policies in all states except New York, and Sun Life and Health Insurance Company (U.S.), which issues group insurance policies in New York.

Assurant Employee Benefits is the brand name for insurance products underwritten by Union Security Insurance Company and for prepaid products provided by prepaid dental companies.² In New York, insurance products are underwritten and prepaid products are provided by Union Security Life Insurance Company of New York. Both of these insurance entities will continue to underwrite new and existing Assurant Employee Benefits policies and maintain solid financial ratings. Prepaid dental companies, which provide prepaid dental benefits, are not rated for financial strength.

Sun Life Assurance Company of Canada:

- Standard & Poor's: AA- Very Strong
- Moody's: Aa3 Excellent
- A.M. Best: A+ Superior

Sun Life and Health Insurance Company (U.S.):

- Standard & Poor's: AA- Very Strong
- A.M. Best: A+ Superior

Union Security Insurance Company:

- Standard & Poor's: A Strong
- Moody's: A3 Good
- A.M. Best: A- Excellent

Union Security Life Insurance Company of New York:

- A.M. Best: A- Excellent

9. What community support and philanthropic programs will continue as part of the combined organization?

Sun Life will continue to partner with organizations on initiatives that encourage healthy living, with a specific focus on diabetes prevention and on recovery from complications due to diabetes. Sun Life will also continue its comprehensive employee-giving programs and local volunteerism, both of which support a wide range of causes in the communities in which we live, work, and do business.

In 2016, these initiatives will include Assurant Employee Benefits' Project Perseverance and the Kansas City-area organizations and events previously supported by Assurant Employee Benefits, such as the American Diabetes Association's Wheels to Weston Tour de Cure, Hospital Hill Run, Team Smile, and the Children's Center for the Visually Impaired.

10. Why did Assurant sell Assurant Employee Benefits?

Assurant, Inc., announced in April 2015 that the company would sharpen its focus on housing and lifestyle protection products and services. As a result, Assurant decided to explore the sale of Assurant Employee Benefits to a company that was more focused in the employee benefits industry.

11. Why did Sun Life Financial acquire Assurant Employee Benefits?

The acquisition aligned with our strategy, and Sun Life's and Assurant's employee benefits businesses are complementary. The Assurant Employee Benefits customer base, along with its broker relationships, will benefit from being aligned with a company like Sun Life, which is dedicated to providing leading solutions and services to the employee benefits marketplace.

The acquisition increased distribution and scale and enhanced our solutions with the addition of key capabilities, including a leading dental business and provider network, a successful group life and disability business, strong products and capabilities in voluntary benefits and vision, and integrated capabilities in benefits communications, deductions reporting, and administration.

The acquisition also included Disability RMS, the leader in partnering with other insurers to provide disability products. The transaction also accelerated Sun Life's strategy to grow our U.S. group benefits business by increasing our business in force from US\$2.6 billion to approximately US\$4 billion. The increase to our existing business established Sun Life Financial as the sixth-largest group benefits carrier in the U.S. based on 2016 revenues.³

Broker-specific Q&A

12. How will my business be impacted?

Over the past several months, we've been working diligently to bring the two businesses together under the Sun Life brand. Our separate distribution and account management teams are now one unified sales and account management team. As a differentiator, our expert sales team leverages a specialized distribution model across all market segments.

If your point(s) of contact have changed, we will communicate this to you. You may also contact our Employee Benefits Internal Sales Desk directly at 877-736-4739 to inquire about your sales contact(s).

13. Have the product offerings changed?

Customers now have access to a broadened array of employee benefits solutions that include Life, AD&D, LTD, STD, Accident, Critical Illness, Cancer, Medical Gap, Dental, Vision, and Stop-Loss insurance, and both issue-age and attained-age Voluntary products.

14. What has been communicated to Assurant Employee Benefits customers?

Assurant Employee Benefits policyholders received a welcome letter from Sun Life in March outlining what to expect as a result of the acquisition. Communications occurred through one or more of the following channels: Online Advantage for Employers, billing statements, and regular mail. Any future changes impacting your customers will be communicated in a timely manner.

15. What supporting marketing materials can I use with my customers?

Brokers who worked with Assurant Employee Benefits and its respective policyholders can visit www.assurantemployeebenefits.com/announcement to stay informed about the acquisition. Similarly, existing Sun Life brokers and policyholders can visit <http://www.sunlife.com/aebacquisition> to stay informed about the acquisition.

All relevant materials for brokers and employers will be posted to these sites and, additionally, may be sent by other means to these audiences. Look for our new brochure titled "The NEW Sun Life Financial" to learn about our bigger and brighter offerings.

Our sales and service teams will work closely with both brokers and employers to support their needs and address questions.

16. How will Assurant Employee Benefits policies be administered moving forward?

Assurant Employee Benefits is the brand name for insurance products underwritten by Union Security Insurance Company and for prepaid products provided by prepaid dental companies.^{1,2} In New York,

insurance products are underwritten and prepaid products are provided by Union Security Life Insurance Company of New York. As of March 1, 2016, these policies are now administered by Sun Life Assurance Company of Canada or, in New York, by Sun Life and Health Insurance Company (U.S.). There are no changes to the administration of existing Sun Life policies.

As the administrator of Assurant Employee Benefits policies moving forward, Sun Life will manage employee claims, payments, and billing, and provide customer service—with many of the same people that Assurant Employee Benefits customers and brokers have worked with all along.

17. Will my current sales rep(s) change?

We recently combined the two distribution organizations into one unified sales and account management team. If your point or points of contact have changed, we will communicate this to you. You may also contact our Employee Benefits Internal Sales Desk directly at 877-736-4739 to inquire about your sales contact(s).

18. As a broker who has done business only with Assurant Employee Benefits to date, do I need to be appointed with Sun Life?

Sun Life may have reached out to you through e-mail or by mail to send you appointment paperwork. We want to ensure that you are appointed with Sun Life Assurance Company of Canada or Sun Life and Health Insurance Company (U.S.) to allow for future sales of products that are issued under these insurance entities.

We similarly sent appointment paperwork to brokers who have done business only with Sun Life to date, as we want to ensure that they are appointed with Union Security Insurance Company or Union Security Life Insurance Company of New York to allow for future sales of products that are still issued under these insurance entities.

19. How do I submit RFPs or other paperwork? Can I just send it to Sun Life?

Continue to send RFPs or other paperwork in as you do today through existing processes. If you have an RFP to submit, refer to our listing of current [Sun Life RFP mailboxes](#) by territory or our listing of [Assurant Employee Benefits RFP mailboxes](#) by territory.

20. How will re-quotes be handled?

For quotes that were released prior to June 1, 2016, requests to quote additional lines of life, LTD, STD, or worksite coverages will be quoted on the same platform (Sun Life or Assurant Employee Benefits) as the original quote so long as the proposed effective date is the same as the original quote as well.

If the re-quote is for Dental or Vision, the AEB Dental and Vision coverages will be quoted.

21. What happens to quotes in progress and sold but not yet issued?

These quotes will be honored for their proposed effective date after June 1, 2016, and issued on the platform on which the case was quoted (Sun Life or Assurant Employee Benefits).

22. Will there be any changes to broker incentive plans?

Brokers will participate on the Assurant Employee Benefits standard plan for any product sold on the Assurant Employee Benefits platform with case effective dates from 1/1/16 to 7/1/16. At that point, the Assurant Employee Benefits plan will be closed off to new sales. In accordance with the rules of the Assurant Employee Benefits standard plan, new business production or new business production and growth determines the appropriate payment rate to be applied for both new business and BIF. A broker's Assurant Employee Benefits BIF will continue under the plan until 12/31/16. The full award will be paid in April 2017, as usual.

Brokers will participate in the Sun Life standard plan for the 1/2/16–1/1/17 period. The Sun Life–only BIF will be eligible for this plan. Sun Life–only sales with case effective dates from 1/2/16 to 7/1/16 will be eligible. For case effective dates of 7/2/16 and later, sales from the combined organization will flow through the Sun Life standard plan. This includes sales from both Sun Life and the Assurant Employee Benefits product platforms. The Sun Life standard bonus will be paid in May 2017, as usual.

As a newly combined organization, we are committed to the consultants and brokers who provide the expertise to distribute our products.

23. Will the MVP program change?

Sun Life is committed to continuing the full complement of services, dedicated resources, and access to strategic partners that MVPs have grown accustomed to. In addition, Sun Life is fully committed to maintaining the scheduled MVP Roundtable, Academies, and Forum. Sun Life has a practice of providing strong insights and support for our broker partners, and together we expect to be an even stronger partner for our MVPs and their clients.

24. Will my access to Online Advantage or the Assurant Employee Benefits Broker Tools mobile app change?

You can continue to log into Online Advantage with your current credentials. You can also continue to use the existing Assurant Employee Benefits Broker Tools mobile app, which will be rebranded under the Sun Life name at a later date.

25. Can I put the Sun Life logo on my website?

Sun Life allows you to display a static Sun Life logo on your website as long as it does not link back to a Sun Life web property. A signed linkage agreement must be in place in order for a Sun Life logo on your website to link back to a Sun Life web property.

26. I have business with Sun Life and Assurant Employee Benefits. Whom should I work with?

If you worked with a dedicated service point of contact, that contact may have changed. We will reach out to you directly if this is the case. You can continue to call the same toll-free numbers that you do today and visit the same websites that you do today. We will also inform you if we make any changes to these resources.

27. Are we still selling Sun Life Dental supported by United Concordia Dental (UCD)?

Beginning June 1, 2016, Sun Life will begin quoting and selling the dental products and services previously offered by Assurant Employee Benefits. Sun Life dental quotes provided prior to June 1, 2016, but with an effective date June 1 or later, will be honored. Existing Sun Life Dental customers—those supported by UCD—will be offered the option to transition to a new Sun Life Dental policy in the future. As we prepare to transition existing customers, detailed plan information will be provided in advance of any change.

Employer/Employee-specific Q&A

28. Will customer service be impacted? Will my service-level agreement change?

Sun Life will remain customer driven, service oriented, and committed to providing customers with the same high-quality service they've come to expect. As we work through our integration efforts, we will ensure a smooth and seamless transition for our customers. Existing service-level agreements are not impacted. Any changes in the future will be communicated in a timely manner.

29. Will my service contacts change?

As the administrator of Assurant Employee Benefits policies moving forward, Sun Life will manage employee claims, payments, and billing, and provide customer service—with many of the same people that Assurant Employee Benefits customers and brokers have worked with all along.

If you worked with a dedicated service point of contact, that contact may have changed. We will reach out to you directly if this is the case. You should also continue to call the same toll-free numbers that you do today and visit the same websites that you do today to manage benefits. We will also inform you if we make any changes to these resources.

30. Will my systems login change?

You can continue to log into the same Sun Life or Assurant Employee Benefits systems with your current credentials. Some Assurant Employee Benefits systems have been rebranded under the Sun Life name.

31. Will there be changes to Assurant Employee Benefits customer policies or policy numbers?

Assurant Employee Benefits is the brand name for insurance products underwritten by Union Security Insurance Company and for prepaid products provided by prepaid dental companies.^{1,2} In New York, insurance products are underwritten and prepaid products are provided by Union Security Life Insurance Company of New York. As of March 1, 2016, these policies are now administered by Sun Life Assurance Company of Canada or, in New York, by Sun Life and Health Insurance Company (U.S.). There are no changes to the administration of existing Sun Life policies. Your policy numbers will not change.

32. Will my rates change or will my employee rates change as a result of this acquisition?

As a result of the acquisition, your existing plan rates will not change. Your employees' premium will also not change. As we work to integrate the two organizations, we will communicate any changes to premium payment instructions.

33. Where do I send premium payments?

We do not wish to disrupt the service or administration of current business, so please continue to send premium payments in the same manner that you do today. Former Assurant Employee Benefits customers will continue to remit premium to the current address or through the same process in use today (check, EFT, ACH, debit, or Online Advantage click-to-pay). Current Sun Life customers will continue to pay premium through e-Pay, check, or EFT. If you've done business with both Assurant Employee Benefits and Sun Life, you will continue to send premium payments to the same separate addresses.

34. Will my employees be affected? Will they get new booklets/ID cards?

No. Nothing changes for employees currently enrolled in or receiving benefits. We will continue to administer benefits under the terms of our current policies and are committed to providing the excellent service you and your employees have come to rely on. Any changes in the future will be communicated in a timely manner.

35. Do I have to re-enroll my employees or fill out new beneficiary forms?

You will not need to re-enroll employees, as the terms and conditions of their policies will stay intact.

36. Will you be reissuing or converting current Assurant Employee Benefits policies?

All policies, written and/or administered through Assurant Employee Benefits, currently in force will be honored for their duration. At a later date, we will reach out to policyholders regarding the opportunity to move to a Sun Life contract in the future with similar provisions and financial strength ratings. We will ensure that any changes are communicated clearly to you.

37. How will existing/in-process claims be handled?

Existing/in-process claims will continue to be handled in the same way that they are handled today: through existing claims management resources. Claim numbers will not change.

38. What if an employee is currently receiving short-term or long-term disability payments or if life insurance premiums are being waived because of a disability under either an Assurant Employee Benefits or Sun Life policy?

Customers will continue to receive their benefits in the same way that they are receiving them today, which includes direct deposit if they've enrolled for it. Benefits will continue as long as customers remain eligible under the policy.

Provider-specific Q&A

39. Will I continue to be part of the Assurant Dental Network?

If you are a provider currently contracted with Dental Health Alliance (DHA) or are participating through a network partner, this acquisition has no impact on your current status as an in-network provider in the Assurant Dental Network. As we work to integrate the two businesses, we are committed to communicating any changes that will impact you in a timely manner.

40. What changes?

There is nothing different you need to do operationally. You should continue to work with the same Dental Network Manager, access our systems, submit claims, verify benefits, and contact us the same way.

41. Is there a new payor ID for EDI claims?

There is no change to your current payor ID for claims submitted electronically.

42. What should I tell my patients if they ask about the acquisition?

Reinforce that there is nothing different they need to do as a result of Sun Life's acquisition of Assurant Employee Benefits. They should continue to use the same dental ID card, and there is no change in their group or member ID. They will continue to receive benefits according to the terms of their plan.

43. Will you change the network name?

In the future, our dental networks will be updated to take on the Sun Life brand. As we work to integrate the two businesses, we will continue to communicate any changes that impact you in a timely manner.

Member (Employee)-specific Q&A

44. Is my plan still with Assurant Employee Benefits?

If you have an existing plan through Assurant Employee Benefits, it has not changed. As of March 1, 2016, Sun Life now administers the policy; this, however, has no impact on your plan.

45. Is my dental plan still with Sun Life? I heard that Assurant Employee Benefits has its own dental network. Am I covered with them now? Do I need to access a new or different network?

Your existing dental plan with Sun Life will not change.

- If your dental insurance is currently through Sun Life and administered through United Concordia Dental, you will continue to use the Alliance Network. As we work to integrate the two businesses, we will communicate any changes that impact you.
- If your dental insurance through Sun Life accesses the Assurant Dental Network, Assurant Focus Dental Network, or one of our prepaid dental networks, please visit our *Find a Dentist* tool at www.assurantemployeebenefits.com under Online Advantage login.

46. I have a dental plan through Assurant Employee Benefits today. My dental provider says they do not participate in the Alliance network (used by Sun Life). What should I do?

Your dental network will continue as the Assurant Dental Network or Assurant Focus Dental Network as we work to integrate the two businesses. If your provider participates in either Assurant network, then you are eligible for dental benefits according to your plan.

47. Is my provider/dentist still in network?

There is no impact on your current network.

48. Will I have to meet a new deductible or will I get a new maximum?

There is no change to your plan's current benefits, deductibles, or maximum benefits as a result of the acquisition.

49. Do I need or will I get a new group number/ID card/member ID?

You can continue to use your current dental ID card. Reminder: if your dental plan is through Assurant Employee Benefits today, you can easily access your dental ID card through our mobile application, Benefit Tools, which is available in both the Apple App and Google Play online stores.

1. Assurant Employee Benefits (AEB) is the brand name for insurance and prepaid dental products underwritten or provided by Union Security Insurance Company (Kansas City, MO) and administered by Sun Life Assurance Company of Canada (SLOC) (Wellesley Hills, MA). In New York, insurance products and prepaid dental products are underwritten or provided by Union Security Life Insurance Company of New York (Fayetteville, NY) and are administered by Sun Life and Health Insurance Company (U.S.) (Windsor, CT). AEB is also the brand name for Group Hospital Confinement Indemnity "Gap" or Supplemental Medical Expense "Gap" insurance underwritten by Fidelity Security Life Insurance Company and administered by SLOC.

2. Certain prepaid dental plans are provided by prepaid dental companies that are now members of the Sun Life Financial family of companies. There is no change in the benefits provided, nor any action required. Prepaid dental companies are Denticare of Alabama, Inc., United Dental Care of Arizona, Inc., UDC Dental California, Inc., United Dental Care of Colorado, Inc., Union Security DentalCare of Georgia, Inc., United Dental Care of Missouri, Inc., Union Security DentalCare of New Jersey, Inc., United Dental Care of New Mexico, Inc., UDC Ohio, Inc., United Dental Care of Texas, Inc., and United Dental

Care of Utah, Inc. In New York, prepaid dental products are provided by Union Security Life Insurance Company of New York (Fayetteville, NY) and administered by Sun Life and Health Insurance Company (U.S.) (Windsor, CT).

3. The acquiring entity is Sun Life Assurance Company of Canada, a subsidiary of Sun Life Financial Inc. As a result of the transaction, Sun Life Financial's U.S. group benefits business is the sixth-largest group benefits carrier (excluding group health care) in the U.S. based on pro forma combined revenue from an internal analysis of publicly available information as of May 31, 2016.

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