

**SunSpectrum Permanent Life
Joint last-to-die**

Policy number: LI-1234,567-8

**Owner: John Doe
Mary Doe**

SAMPLE

The following policy wording is provided solely for your convenience and reference. It is incomplete and reflects only some of the general provisions that may be found in some of our insurance policies. We periodically make changes to policy wording and therefore this incomplete sample may not duplicate the wording of any actual issued policy. It is not to be construed or interpreted in any manner as a contract or an offer to contract. The actual policy issued to any given client will govern that relationship.

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Policy particulars

In this document, *you* and *your* mean the owner of this policy. *We, us, our,* and *the company* mean Sun Life Assurance Company of Canada.

Your policy is issued and underwritten by Sun Life Assurance Company of Canada, a member of the Sun Life Financial group of companies.

It's important that you read your entire policy carefully. It sets out the benefits payable and has exclusions and limitations. To help you understand insurance terms, refer to the explanations described under the heading, *Insurance terms*.

SunSpectrum Permanent Life Joint last-to-die

Your policy number is: LI-1234,567-8

Your policy date is: September 17, 2012

Owner: John Doe
Mary Doe

Insured person(s): John Doe
born on May 10, 1975
Mary Doe
born on June 15, 1976

Beneficiary: is named on your application, unless you make a change in writing to us.

This is a permanent life insurance policy.

The premium schedule included in this policy describes your premium guarantees.

Any excess payments are held in the withdrawable premium fund, unless you make a change in writing to us.

This is not a participating policy. You are not eligible to receive policyholder dividends.

Policy particulars (continued)

Principal insurance death benefit:

\$XXX,XXX is payable when all of the insured persons have died.

Equivalent joint age:

Age XX

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Premium schedule

Premiums are due monthly, on the 17th day of the month, starting on September 17, 2012.

The premiums shown in this schedule are guaranteed while this policy is in effect.

(include this sentence if premiums are payable to the first death)

Premiums are payable until one of the insured persons dies.

(include this sentence if premiums are payable to the last death)

Premiums are payable until all of the insured persons die.

If this policy is still in effect, we will stop charging premiums for the principal insurance on September 17, XXXX.

(1) Principal insurance

Beginning on	(1)	Annual Premium (\$)	Monthly Premium (\$)
17 Sept XXXX	XXX.XX	XXX.XX	XXX.XX

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Guaranteed cash value schedule

The amount of the guaranteed cash value is determined from the table shown below.

Guaranteed cash value per \$1,000 of Principal insurance death benefit	
September 17	(\$)
2012	XXX.XX
XXXX	XXX.XX
XXXX	XXX.XX
XXXX	XXX.XX
XXXX	XXX.XX
XXXX	XXX.XX
XXXX	XXX.XX
XXXX	XXX.XX
XXXX	XXX.XX
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XXXX	XXX.XX

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If you change your mind within 10 days

You may send us a written request to cancel your policy within:

- 10 days of receiving it from us, or
- 60 days after the policy is issued, whichever date is earlier.

You are considered to have received your policy 5 days after it's mailed from our office, or on the date your advisor delivers it to you.

When we receive your written request we'll refund any amount paid. This is called rescission.

Your decision to cancel your policy is your personal right. When we receive your request to cancel it, all of our obligations and liabilities under this policy end immediately. The cancellation is binding on you and any person entitled to make a claim under this policy, whether their entitlement is revocable or irrevocable.

To cancel your policy, send your request in writing to:

Sun Life Assurance Company of Canada
227 King Street South
PO Box 1601, Stn. Waterloo
Waterloo ON Canada N2J 4C5

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Contesting the policy

The incontestability provisions set out in the provincial or territorial insurance legislation applicable to this policy apply.

Limit on contesting

We cannot challenge the validity of the policy after it has been in effect continuously for two years from the later of the date it took effect and the date it was last reinstated. If the policy is amended to increase or change a benefit or improve a rating, we cannot challenge the validity of the amendment after it has been in effect continuously for two years from the later of the date the amendment took effect and the date the policy was last reinstated.

Exception to the limit on contesting

We can challenge the validity of the policy or an amendment at any time in cases of fraud or cases involving a disability benefit.

Death benefit

If all of the insured persons die while this policy is in effect, we pay the following amount to the beneficiary:

- the principal insurance death benefit shown at the beginning of your policy under the heading, *Policy particulars*
- **plus** the balance of any premium fund on the date the last surviving insured person dies
- **minus** any indebtedness on the date the last surviving insured person dies.

For the purposes of your policy, indebtedness means the total of any premiums that you owe us plus any loan, including accrued interest.

How we determine survivorship

If more than one of the insured persons die in circumstances where it is uncertain which of them survived the other, we deem that the younger insured person survived the older insured person.

When we will not pay the principal insurance death benefit (Exclusions and reductions of coverage)

We will not pay the principal insurance death benefit, if one of the insured persons takes their own life, while sane or insane, within 2 years of the later of:

- the date the application for this policy was signed
- the policy date, or
- the most recent date your policy was put back into effect, if your policy has been reinstated.

The policy ends on the date the insured person dies and instead of paying the death benefit, we will pay:

- all the premiums you paid. If your policy has been put back into effect, we'll refund the premiums you paid since the most recent date the policy was reinstated
- **plus** the balance of any premium fund on the date the insured person dies
- **less** any loan including accrued interest determined as of the date the insured person dies.

If this policy is a replacement of insurance

If the death benefit is the result of a replacement of life insurance that was issued by us, we determine the amount payable for the part that is a replacement based on the effective date or dates of your previous insurance and any additional benefits.

When this policy ends

If your policy hasn't ended for any other reason, your policy automatically ends on the date the last surviving insured person dies.

Making a claim for the death benefit

To make a claim, first contact us at the toll free phone number shown at the beginning of this policy. We will then send you the appropriate form to be completed. The person making the claim must complete the form and give us the information we need to assess the claim, including proof that the insured person died while this policy was in effect.

The form and information must be sent to this address:

Life Claims Services
Sun Life Assurance Company of Canada
227 King St. S.
PO Box 1601, Stn. Waterloo
Waterloo ON Canada N2J 4C5

Physicians may charge a fee to complete certain forms. The person making the claim is responsible for any fees for this information.

Before we pay the death benefit, the ages of the insured persons must be verified. If the age given on the application is incorrect, we adjust the amount we pay to reflect the insured persons' correct age.

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Paying for your policy

Premiums for this policy

We will provide you with the benefits described in this policy if you pay the premiums shown in the premium schedule. The premium schedule in this policy describes your premium guarantees. You must pay all premiums by the due date. Payment must be made to Sun Life Assurance Company of Canada. We reserve the right to refuse cash payments.

If you do not pay a premium when it is due, we will withdraw the unpaid premium from your premium fund if it has enough funds to pay the premium.

Your premium funds

Two premium funds are available with your policy:

- a withdrawable premium fund, or
- a non-withdrawable premium fund.

When you applied for your policy, you chose one of these funds as your main premium fund. Your premium fund selection is shown at the beginning of your policy under the heading, *Policy particulars*, unless you make a change in writing to us.

If you send us more money than you owe us we will move the excess amount to your main premium fund.

Money in your premium fund earns interest daily at our posted rates. These rates are not guaranteed and change periodically to reflect investment performance.

Withdrawable premium fund

According to current Canadian tax law, interest earned on the withdrawable premium fund is taxable.

We may set a maximum amount you can have in the withdrawable premium fund.

You may withdraw money from this fund at any time. We may set a minimum amount you may withdraw and there may be a charge for withdrawing your money.

Non-withdrawable premium fund

According to current Canadian tax law, interest earned on the non-withdrawable premium fund is not taxable provided the money in this fund does not exceed the tax-exempt limit.

You may not withdraw money from your non-withdrawable premium fund.

If your main premium fund is the non-withdrawable premium fund, at each policy anniversary we compare the amount of the non-withdrawable premium fund to the tax-exempt limit and move any excess amount to your withdrawable premium fund.

At the start of each policy year, the tax-exempt limit will increase, and we will transfer as much money as the tax-exempt limit allows from your withdrawable premium fund to your non-withdrawable premium fund. This minimizes the tax you pay on your withdrawable premium fund.

If premiums are not paid

If you do not pay a premium when it's due, we will deduct the amount due as follows:

- if there's money in your withdrawable premium fund, we will withdraw the amount owed from this fund
- if there is not enough in your withdrawable premium fund and there is money in your non-withdrawable premium fund, we will then withdraw any remaining amount owed from the non-withdrawable premium fund
- any remaining unpaid premium will be paid by automatic premium loan, reducing the net cash value of your policy.

Automatic premium loan

The automatic premium loan is initiated by us and is only available to pay unpaid premiums. The amount of the automatic premium loan cannot be more than the net cash value of your policy.

We charge interest on the loan each day. The interest is compounded annually. This means the interest accumulates and we add it to the balance of the loan at the end of the policy year. We set the interest rate at the time the loan is taken and notify you of the interest rate charged on the loan. At each policy anniversary, we change the interest rate charged on the loan to the rate we would charge on new loans on your policy at that time whether a new loan is taken or not.

If the amount of your loan, including interest, becomes greater than the net cash value, your policy will end 31 days later unless we receive a payment within that period. We set the minimum amount of this payment.

You may repay your loan at any time.

Borrowing money from your policy (policy loan)

You may borrow money against your policy. The maximum loan value is:

- net cash value
- **minus** interest on the guaranteed cash value for 1 year at our current loan interest rate.

We set the minimum amount you can borrow.

We charge interest on the loan each day. The interest is compounded annually. This means the interest accumulates and we add it to the balance of the loan at the end of the policy year. We set the interest rate at the time the loan is taken and notify you of the interest rate charged on the loan. At each policy anniversary, we change the interest rate charged on the loan to the rate we would charge on new loans on your policy at that time whether a new loan is taken or not.

If the amount of your policy loan, including interest, becomes greater than the net cash value, your policy will end 31 days later unless we receive a payment within that period. We set the minimum amount of this payment.

We may charge a fee when you borrow money against your policy and we determine the amount of any fee we charge.

You may repay your policy loan at any time.

If premiums are not received (lapse)

We will tell you that you need to make a payment if:

- the unpaid premium is greater than the net cash value, or
- the indebtedness on your policy is greater than the guaranteed cash value.

If the amount you are required to pay is still not paid within 31 days after it is due, your policy will end. If your policy ends this way, it is called lapse.

Putting your policy back into effect (reinstatement)

If your policy ended because it lapsed, you may apply to have it put back into effect if both of the insured persons are alive. This process is called reinstatement.

If you want to put your policy back into effect, you must:

- apply within 2 years of the policy ending
- give us new evidence of insurability, for both of the insured persons, that we consider satisfactory, and
- make a payment equal to the reinstatement charge set by us.

If we don't approve your application, we'll refund the amount you paid when you applied to put your policy back into effect.

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Your right to change this policy to paid-up life insurance

You may request that your policy be changed to a paid-up life insurance policy. This means you no longer need to pay premiums. The earliest you may request this change is 20 years after the policy date shown at the beginning of your policy under the heading, *Policy particulars*.

The paid-up life insurance policy

You may choose one of the following:

- your policy will continue with a reduction in the principal insurance death benefit, or
- your policy will continue for a limited period of time with a principal insurance death benefit that is the same as the principal insurance death benefit of this policy less any indebtedness on the date you apply for paid-up life insurance.

The net cash value will determine the reduction in the principal insurance death benefit or the period of time for which the paid-up life insurance policy will be in effect.

When your policy is changed to a paid-up life insurance policy:

- you cannot put money into any premium fund, and
- all benefits under this policy end except the principal insurance death benefit.

Your policy will change to paid-up life insurance on the date we receive your written request for this change or on any later date you indicate in your request.

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Your right to cancel this policy

You may cancel your policy at any time. Your policy will end on the date we receive your request or any later date you indicate in your request. All of our obligations and liabilities under this policy end on that date. The cancellation is binding on you and any beneficiaries you've named, whether the beneficiaries are revocable or irrevocable.

To cancel your policy, send your request in writing to:

Sun Life Assurance Company of Canada
227 King St. S.
PO Box 1601, Stn. Waterloo
Waterloo ON N2J 4C5

If you cancel your policy within the first 10 days of receiving it from us, we will treat this as a rescission. This is described earlier in your policy under the heading, *If you change your mind within 10 days*.

If you cancel your policy after the 10th day of receiving it from us, we'll refund the net cash value plus the balance of any premium fund.

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Other information about your policy

Information about our contract with you

Once your policy is in effect, the following documents make up our entire contract with you:

- your application for insurance, including any evidence of insurability, and
- this policy, including any amendments.

All of our obligations to you are contained in the documents described above. Any other document or oral statement does not form part of this contract. This policy or any part of this policy may not be amended or waived except by a written amendment signed by two authorized signing officers of the company.

Time limit for recovery of insurance money

Every action or proceeding against an insurer for the recovery of insurance money payable under the contract is absolutely barred unless commenced within the time set out in the Insurance Act or the provincial or territorial legislation that applies to this policy.

Currency of this policy

All amounts of money referred to in this policy are in Canadian dollars.

Transferring your policy (assignment)

You may be able to transfer your rights under this policy to someone else by assigning the policy. We are not responsible for ensuring that the assignment of your policy is legally valid. If you transfer this policy, send a notice of the assignment to:

Sun Life Assurance Company of Canada
227 King St. S.
PO Box 1601, Stn. Waterloo
Waterloo ON Canada N2J 4C5

Insurance terms

The following explanations describe insurance terms that may or may not apply to this policy.

Beneficiary

The person or persons you name in writing to receive the death benefit.

Benefits

We offer a variety of insurance coverages. Some, such as the principal insurance are standard features of your policy and are included automatically. Additional benefits may be available. An example of an additional benefit is the Disability waiver benefit.

Contingent owner

The person or persons you name in writing to take ownership of this policy, if you die before the insured person.

What happens if no contingent owner is named when a policy owner dies?

- If there is only one policy owner at the time of death, then the policy owner's estate becomes the new policy owner.
- If there are two or more policy owners at the time of death, then the deceased policy owner's estate along with the surviving policy owner(s) own the policy.

Equivalent joint age

This is the age we use to determine the premium for the joint principal insurance benefit, as shown on the *Policy particulars*. We determine the equivalent joint age based on the date the benefit takes effect and use the age, smoking status and sex of each of the insured persons.

Evidence of insurability

This may include medical, financial, lifestyle, and family medical history information and other personal history information needed to approve your application for life insurance.

Guaranteed cash value

The guaranteed cash value is an amount we determine when your policy is issued. It is part of the amount that we pay to you if you cancel this policy.

Indebtedness

Indebtedness means the total of any premiums that you owe us plus any loan, including accrued interest.

Net cash value

The net cash value is the guaranteed cash value minus any indebtedness.

Permanent insurance

A type of insurance that provides protection for the entire lifetime of the insured person.

Policy anniversary

The month and day every year that is the same as your policy date.

Policy date

The policy date is the start date of your insurance policy. This date is shown at the beginning of your policy under the heading, *Policy particulars*.

Premium

The amount paid by a customer to purchase or maintain an insurance policy.

Term insurance

A type of insurance that provides protection for a limited number of years.

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