ADVISOR USE ONLY

ADVISOR GUIDE

Sun Life Term Insurance for Diabetes

Your guide to solutions for Canadians living with diabetes

What's inside

Sun Life Essential Term
Sun Life Achievers Term
Sun Life 1-Year Bridge Term

Sun Life

We help. You grow.

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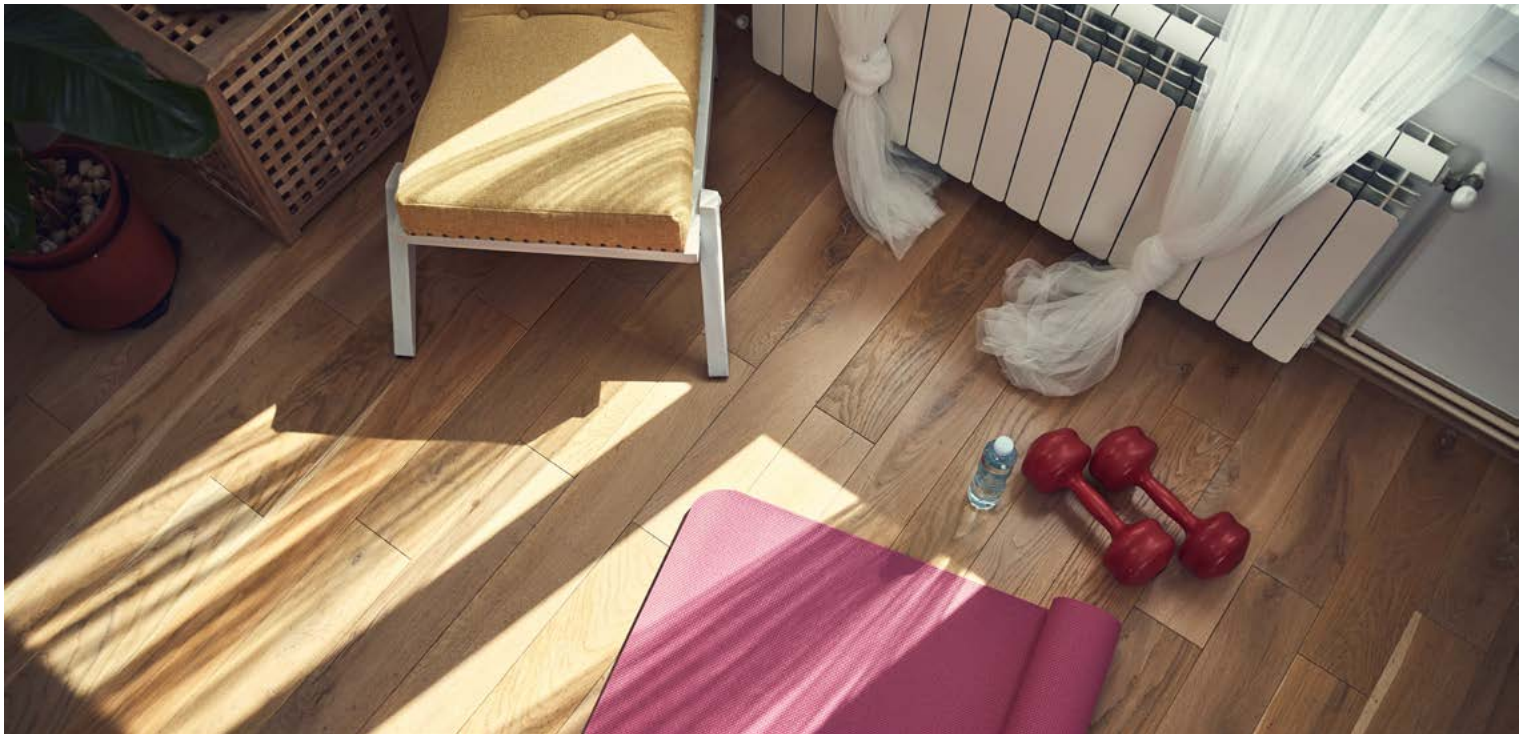


Overview

For Canadians living with Type 1, Type 2, gestational diabetes or pre-diabetes, getting life insurance can be a challenge. Helping Canadians achieve lifetime financial security is at the heart of everything you do. For many Clients living with diabetes, our suite of term insurance solutions can be the first step toward reaching that goal.

Type 1 diabetes	Type 2 diabetes	Common points
Cannot be prevented/cured	Can be prevented through lifestyle modification	Can lead to other serious health problems Requires a healthy lifestyle and medical supervision Symptoms: thirst, frequent urination, blurry vision
Body doesn't create enough insulin	Body doesn't create enough insulin or develops insulin resistance	
Causes unknown. Genetics may play a role.	Causes include genetics, aging, inactivity, obesity and more	
Requires insulin injections for life	Requires insulin as prescribed	

Source: Diabetes Canada

Gestational diabetes

Gestational diabetes is a condition where blood sugar levels are high during pregnancy, but usually stabilize after giving birth. Mothers with gestational diabetes have a 60% probability of having type 2 diabetes in the future.

Source: Diabetes Canada

Prediabetes

Prediabetes is a condition where blood sugar levels are higher than normal, but not yet high enough to be diagnosed as type 2 diabetes.

Source: Diabetes Canada

Please note that the information presented above is not medical advice.

Solutions for Clients

Sun Life Term Insurance for Diabetes can be the right solution for Clients who are:

- diagnosed with Type 1, Type 2, gestational diabetes or pre-diabetes
- looking for practical guidance to help manage their health
- struggling to find some financial protection for their loved ones.

How it works

If you submit an application for Sun Life Evolve Term Insurance, and the Client shares they have diabetes, we may offer the client one of four solutions.

Important! The Client must give Sun Life authorization to disclose medical information to you. If the Client does not give authorization to disclose medical information to you, their advisor, at the time of sale, we may not be able to offer Term Insurance for Diabetes solutions.

Product	When is it offered	Eligibility	What happens next
Evolve Term • Renewable and convertible • Choice of optional benefits • T5 – T40 • Single or joint • Available for ages 0-80	Client applies for Evolve Term	Clients who have disclosed they have any form of diabetes: Type 1, Type 2, gestational, high blood sugar	1. Underwriting assesses the Client with a rating of 150%-350% for Evolve Term.
Essential Term • Non-convertible, non-renewable • More affordable than Evolve with a rating • T5 – T20 • Available for ages 18-65	Client applies for Evolve Term Owner and insured are the same	Clients who have disclosed they have any form of diabetes: Type 1, Type 2, gestational, high blood sugar	1. Underwriting assesses the Client with a rating of 175%-350% for Evolve Term and makes an offer for Essential Term. 2. You illustrate Essential Term to provide the option. Refer to the "How to illustrate" page on the advisor website. 3. Client can choose either Evolve Term or Essential Term. 4. Sun Life issues the policy the Client selected.

Product	When is it offered	Eligibility	What happens next
Achievers Term • Non-convertible, non-renewable • T5 – T20 • Available for ages 18-60 • Same rates as Evolve with a 250% rating if the Client meets or maintains health goals.	Client applies for Evolve Term, Sun Permanent Life or SunSpectrum Permanent Life* Owner and insured are the same Non-smoker Clients only	Only for Clients who have disclosed they have Type 2 diabetes	1. Underwriting assesses the Client and may offer Achievers Term, with a term length closest to what they applied for, and 7 health metrics to maintain or work towards. 2. You illustrate Achievers Term to provide the option. Refer to the "How to illustrate" page on the advisor website. 3. Client signs an amendment agreeing to submit labs within one year. 4. We issue the policy. Coverage starts from the underwriting decision date. 5. Within one year, Client re-submits labs: • If the Client meets or maintains the health metrics, the policy continues. • If the Client doesn't meet the health metrics or doesn't re-submit labs, we will reduce their face amount by half and increase their rating from 250% to 400%. The initial term length will continue.
Bridge Term • 1 year term for postponed applications for Sun Life products • Available for ages 18-65	Client applies for any life insurance product: • Term • Permanent Life • Participating Life • Universal Life • Owner and insured are the same	Clients who have disclosed they have any form of diabetes: Type 1, Type 2, gestational, high blood sugar or other postpone reasons determined by underwriting may be eligible. Note: If a Client has a combination of diabetes and other health history or risk factors, there are unfortunately instances where we will be unable to offer coverage.	1. Underwriting assesses the Client resulting in a 'postpone'. 2. We may offer the Client a 1-Year Bridge Term policy. 3. You illustrate Bridge Term to provide the option. Refer to the "How to illustrate" page on the advisor website. 4. If the Client accepts, we issue the policy. Coverage starts from the underwriting decision date. 5. Within one year, the Client re-applies for life insurance: • If the Client is insurable, we may offer the life insurance product applied for. This will be handled as a replacement.

*SunSpectrum Permanent Life and Sun Permanent life are identical products. SunSpectrum is the brand name of products sold exclusively by Sun Life Financial Distribution advisors.

Did you know?

The owner and the insured must be the same person for Essential Term, Achievers Term and Bridge Term.

How it works: the application process

Client application	Underwriting	Outcome
Client applies for **Evolve Term** and discloses that they have diabetes	Underwriting may come back with **three** possibilities*	Application for Evolve Term may be rated due to diabetes. Client is offered the choice of **Evolve Term** with a rating, or **Essential Term**
		Client has Type 2 diabetes and may be offered **Achievers Term**
		Underwriting assessment results in a postponement and Client may be offered a **1-Year Bridge Term** policy
Client applies for **Sun Permanent Life** or **SunSpectrum Permanent Life** and discloses they have diabetes	Underwriting can come back with **two** possibilities*	Client has Type 2 diabetes and may be offered **Achievers Term**
		Underwriting assessment results in a postponement and Client may be offered a **1-Year Bridge Term** policy
Client applies for **UL** or **Par** and discloses they have diabetes or they're waiting on outstanding medical tests or diagnoses	Underwriting can come back with **one** possibility*	Underwriting assessment results in a postponement and Client may be offered a **1-Year Bridge Term** policy

* If a Client has a combination of diabetes and other health history or risk factors, unfortunately there may be instances where we will be unable to offer coverage.

Did you know?

We'll try to match the Client with the closest term length that they applied for. If the Client applies for an Evolve Term length of 20 years or higher, we will provide them with a T20 Essential Term or Achievers Term – whichever is applicable to their situation.

Did you know?

While Sun Permanent Life and SunSpectrum Permanent Life cover a permanent insurance need, Clients who might otherwise be declined or postponed may enjoy some peace of mind knowing they may be covered by Achievers Term or Bridge Term instead.

Resubmitting labs and outstanding requirements for Achievers and Bridge

We will manage the follow-ups with the Client. Here's how it will work:

For Achievers Term

In the 10th policy month we'll contact the Client to complete labs. We'll order labs and follow up with the Client for 1 month.

If the Client meets the required health metrics, we won't change their policy. We'll let you know.

If we don't receive labs after the 1 month follow up, we'll send the Client another request and let them know there are outstanding requirements.

At the 12-month mark:

- if labs are still outstanding, we'll send a final outstanding requirements email to you.
- if we still have not received the labs at 13 months, we'll adjust the Achievers Term plan per the terms of the contract and increase the rating to 400% and reduce the face amount by half. We'll send an amendment to the Client confirming the changes and send a notification to you.

For Bridge Term

Six months after we issue Bridge Term, we'll contact the Client to remind them to complete any outstanding requirements.

In the 11th policy month, we'll contact the Client again to remind them to complete any outstanding requirements if they haven't done so already and let them know their policy is ending soon.

The Client has the option to re-apply for insurance once the outstanding requirements are complete. If we receive the application within 12 months from the original Bridge Term issue date, we'll handle the transaction as a replacement.

At the 12 month mark the insurance coverage will end.

Supporting Clients on their health journey

In addition to providing valuable insurance protection, Sun Life Term Insurance for Diabetes can help Clients live healthier lives. Clients who have diabetes and who purchase Essential Term, Achievers Term, Sun Permanent Life, SunSpectrum Permanent Life or Bridge Term will receive access to wellness resources. These wellness resources are not part of the contract and are subject to change.

Products at a glance

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

For all Term Insurance for Diabetes solutions, the owner and insured must be the same person.

Evolve Term

We may offer Sun Life Evolve Term Insurance to standard or rated applicants. In exchange for higher premiums due to a rating, Clients will benefit from the full features of Evolve Term.

These Clients will also receive an offer for Essential Term. This may be a solution for Clients who need coverage that's truly temporary and within a budget.

Evolve Term is renewable and convertible, with choice of optional benefits and term lengths from 5 to 40 years. For more details see the Evolve Term insurance advisor guide.

As the Client's advisor you can help determine whether it makes sense to accept the Evolve Term policy with a rating or the Essential Term policy with no renewable or convertibility privileges to ensure their coverage meets their needs.

Essential Term

A more affordable solution than Evolve with a rating

Plan details		
Term lengths	5 – 20 years inclusive	
Smoking Classification	• Non-smoker • Smoker	
Issue ages and ownership	• Minimum issue age: 18 • Maximum issue age: 65 • Policy owner and insured must be the same person • The policy owner cannot transfer ownership of the policy to someone else in the future, except in Quebec	
Coverage options	**Single life only** • Coverage is based on one insured person • The death benefit is payable on the death of that insured person • Joint and multi-life plans not available	
Rate bands	$50,000 - $99,999 $100,000 - $249,999 $250,000 - $499,999	$500,000 - $999,999 $1,000,000 - $1,999,999 $2,000,000 (maximum insurance amount)
Underwriting classes	**Smoker / non-smoker** • Class 3: no nicotine for 12 months, good health and lifestyle • Class 5: any nicotine use, fair health and lifestyle Note: occasional large cigar smokers (12/year) will be considered class 3	
Changes to coverage amounts	• Decreases are allowed any time after policy issue • Increases to the insurance amount are not available	
Convertibility and renewability	• Non-renewable and non-convertible • The policy can't be converted to permanent insurance • The policy can't be converted to a new term policy with a longer term length	
Policy fees and premium payment options	**Premium mode** • Annual • Monthly	**Policy fee** • $25.00 • $2.25
Optional benefits	• Not available	
Special features	• We'll send Clients emails with access to wellness resources to support their health journey*	

*These wellness resources are not part of the contract and are subject to change

Achievers Term

A solution tailored for Clients with Type 2 diabetes

Plan details		
Term lengths	5 – 20 years inclusive	
Smoking Classification	• Non-smoker only	
Issue ages and ownership	• Minimum issue age: 18 • Maximum issue age: 60 • Policy owner and insured must be the same person • The policy owner cannot transfer ownership of the policy to someone else in the future, except in Quebec.	
Coverage options	**Single life only** • Coverage is based on one insured person • The death benefit is payable on the death of that insured person • Joint and multi-life plans not available.	
Rate bands	$50,000 - $99,999 $100,000 - $249,999	$250,000 - $499,999 $500,000 (maximum insurance amount)
Underwriting classes	• Class 3: no nicotine for 12 months, good health and lifestyle	
Changes to coverage amounts	• Decreases are allowed any time after policy issue. • Increases to the insurance amount are not available.	
Convertibility and renewability	• Non-renewable • The policy can't be converted to permanent insurance. • The policy can't be converted to a new term policy with a longer term length.	
Policy fees and premium payment options	**Premium mode** • Annual • Monthly	**Policy fee** • $25.00 • $2.25
Optional benefits	• Not available	
Health metrics to work toward	• 7 health metrics • Depending on the outcome of the health assessment completed by the first anniversary, we may reduce the policy's face amount and increase the rating, effective on the first policy anniversary. We will only ask for the health assessment to be completed once and will not assess the Client again.	
Special features	• We'll send Clients emails with access to wellness resources to support their health journey*	

*These wellness resources are not part of the contract and are subject to change

Achievers Term health goals

During the underwriting process, we'll determine health metrics for Achievers Term Clients to work towards. We'll include these in the Client's policy. Meeting or maintaining these health goals before the first policy anniversary will help the Client maintain their coverage.

If the Client doesn't meet or maintain the health metrics, or re-submit labs by the first policy anniversary, we'll reduce their face amount by half. This is outlined in the Client's policy.

Health metric	Definition	Target	Why
HbA1C	Measurement of average blood sugar level over the past 2-3 months	8.5% or less	An indicator of insulin resistance
Blood pressure	Measurement of the force of blood through the circulatory system	140 systolic/90 diastolic or less	An indicator of heart health
Cholesterol LDL	Measure of risk for cardiovascular disease	130mg/dl or less	An indicator of heart health
eGFR – Estimated glomerular filtration rate	Measurement of kidney function	60/ml/min per 1.73m2 or more	An indicator of kidney health
Albumin-to-creatinine ratio (ACR)	Measurement of elevated albumin in urine	Albuminuria 30mg/dl or less	An indicator of kidney health
Build **(Body mass index or BMI)**	Measurement of BMI calculated using height and weight details provided at application	If BMI 36 or less at application, must maintain weight If BMI 36.1 or more at the time of application, a weight loss of_____ lbs is required	An indicator of overall health
Cotinine in urine	Measurement of a by-product (metabolite) of nicotine	Negative	A biomarker for exposure to tobacco or nicotine products

Bridge Term

We may offer Sun Life Bridge Term Insurance as a solution for Clients who have applied for life insurance at Sun Life and have had their application postponed during the underwriting process.

Bridge Term provides coverage for 1 year and is not renewable or convertible. If the Client has disclosed diabetes, we'll provide them with wellness resources during the 1-year coverage period.

We'll only offer a Client Bridge Term once and only for one application. If the Client accepts the Bridge Term coverage, we won't offer them the product again if we postpone a future insurance application.

Note: Bridge Term, Achievers Term and Essential Term will only be available for new business applications and not for conversions where the policy is being underwritten due to a face amount increase.

For more details, see the Bridge Term advisor guide.

Backdating to save age

Backdating to save age is not available for Bridge Term or Achievers Term. You can backdate Essential Term up to 12 months. We'll date the policy to the day before the age nearest age change and charge premiums for the Client's younger age. Clients must pay all back premiums.

For example:

Client's birthday:	Turned 40 on November 15th
Application date:	July 1st

On the application date, consider the Client's age on their nearest birthday, which was 7.5 months ago. Their next (41st) birthday is in 4.5 months. The Client is closer to their 41st birthday than their 40th birthday, so their insurance age is 41.

Now backdate the application by three months to April 1. The Client's birthday (when they turned 40) was 4.5 months ago and their next birthday is in 7.5 months. The Client's 40th birthday is closer to the backdated application date, so their insurance age is now 40.

Risk classes and underwriting

We offer two risk classes for Essential Term and Bridge Term. Achievers Term is only available as non-smoker. Preferred underwriting is not available.

- Non-smoker: Class 3
- Smoker: Class 5

Class 3

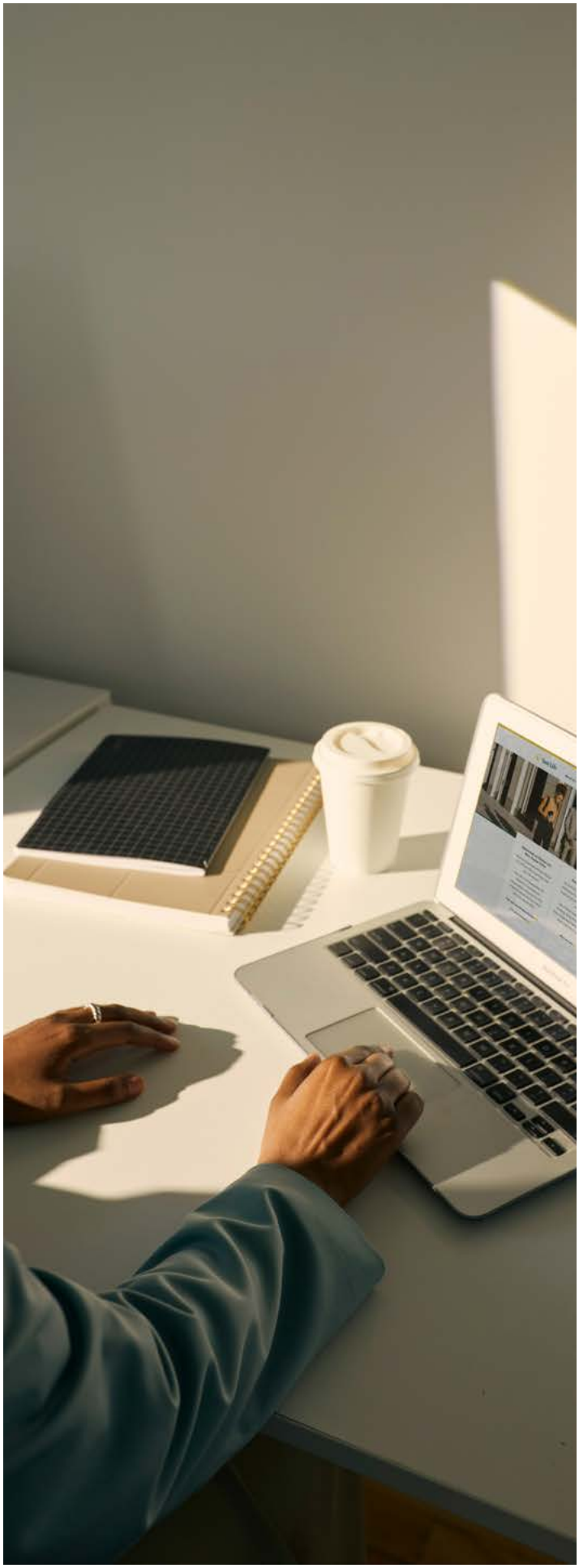
No tobacco use for 12 months, good health and lifestyle.

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.

Class 5

Any nicotine use, otherwise fair health and lifestyle.

> **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.



Premiums

Clients can pay premiums monthly through a pre-authorized cheque (PAC) or they can choose to pay annually. For each policy, the premium will vary by term length, premium band, gender, issue age and risk class.

Policy fees

The annual policy fee is $25, or $2.25 when the Client is paying monthly.

Rate bands

- $50,000 - $99,999
- $100,000 - $249,999
- $250,000 - $499,999
- $500,000* - $999,999
- $1,000,000** - $1,999,999
- $2,000,000***

*$500,000 is the maximum issue amount for Achievers Term
**$1,000,000 is the maximum issue amount for Bridge Term
***$2,000,000 is the maximum issue amount for Essential Term

Changes to smoking status

For Essential Term only, an insured person can change from smoker to non-smoker class by completing a Declaration of smoking status form, E18. Evidence of insurability is required and must be approved by Sun Life before non-smoker rates are applied. The premium will be lower under a non-smoker classification.

Policy lapse and reinstatement

Policy lapse

If Clients don't pay their required premium amount within 31 days after it's due, the policy 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.

Administrative information

Living benefit

Sun Life Assurance Company of Canada offers this benefit on life insurance products. It's a non-contractual arrangement that we may approve at our discretion on a case-by-case basis. It can help if an insured person is diagnosed with a terminal illness. The policy owner can apply for a lump sum advance of the death benefit. They can apply for up to 50% of the death benefit, to a maximum of $100,000. We'll deduct the lump sum, plus interest from the death benefit when we pay it. This benefit is subject to the rules of the living benefit program in effect when the policy owner applies.

Note: The living benefit is not available for Bridge Term.

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. This includes proof of the insured person's death.

Product disclosure requirements

You are responsible for providing Clients with a copy of the Client Guide (Evolve Term, Essential Term, Achievers Term or Bridge Term). This is required for the Client to make an informed decision about the right policy for their needs. The Client Guide should be shared once the product offer is made. You can find these on the advisor website.

You can also find other important product disclosure information, including sample policy pages, on the advisor website as well. It's important to meet with Clients regularly to review their coverage to ensure they have the protection that meets their needs.

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.

Where to go for more information?

For more information about Term Insurance for Diabetes contact your Sun Life relationship manager or visit the advisor website.

Sun Life

We help. You grow.

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