

# SunUniversalLife Pro Client guide



This guide gives you an overview of SunUniversalLife Pro and outlines many features and benefits. It complements but does not form part of your policy.

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# SunUniversalLife Pro

*Designed by you, in celebration of all you will do.*

SunUniversalLife Pro provides you with permanent life insurance coverage to help meet your business, personal and estate planning goals. It can help you maximize shareholder value and meet your long-term business planning needs. If you're looking for personal protection, SunUniversalLife Pro can help offset taxes that come with a growing estate. This can help ensure you can transfer your assets efficiently to your beneficiaries.

## **SunUniversalLife Pro can help you:**

- ✓ Address your business planning needs.
- ✓ Maximize shareholder value.
- ✓ Protect your family.
- ✓ Supplement your retirement income.
- ✓ Maximize your estate for your beneficiaries.

The choice is yours. SunUniversalLife Pro can help you meet key financial planning goals today and tomorrow.

## Benefits for you

**Solutions for business owners** – If you own a private corporation, you can buy a universal life policy through the corporation on your own life. The corporation can own the policy, pay the premium and be the beneficiary. In addition to protection, your policy also provides cash value that can grow on a tax-preferred basis, and continued access to cash through policy loans.

**Choice** – SunUniversalLife Pro gives you choice of three death benefit options, three cost of insurance options and a wide variety of optional benefits. You can design a solution to help meet your needs and the needs of your business. With flexibility to make changes, you have choices to design a plan that works for you now and in the future.

**Guarantees** – You know all about taking risks. Your life insurance solution shouldn't feel like another one. With guaranteed cost of insurance and a minimum interest rate guarantee on the Sun Life Diversified Account Pro, you can benefit from the stability that SunUniversalLife Pro offers.

**Cash accessibility** – Easy access to cash built up in your policy can help you and your business. You can use your policy as an additional tax-preferred savings vehicle. Take a policy loan or withdraw cash for whatever you choose. You can even access cash in your policy tax-free if you become totally disabled, giving you extra security when you need it most. SunUniversalLife Pro gives you peace of mind knowing you have extra funds, if and when you need them.

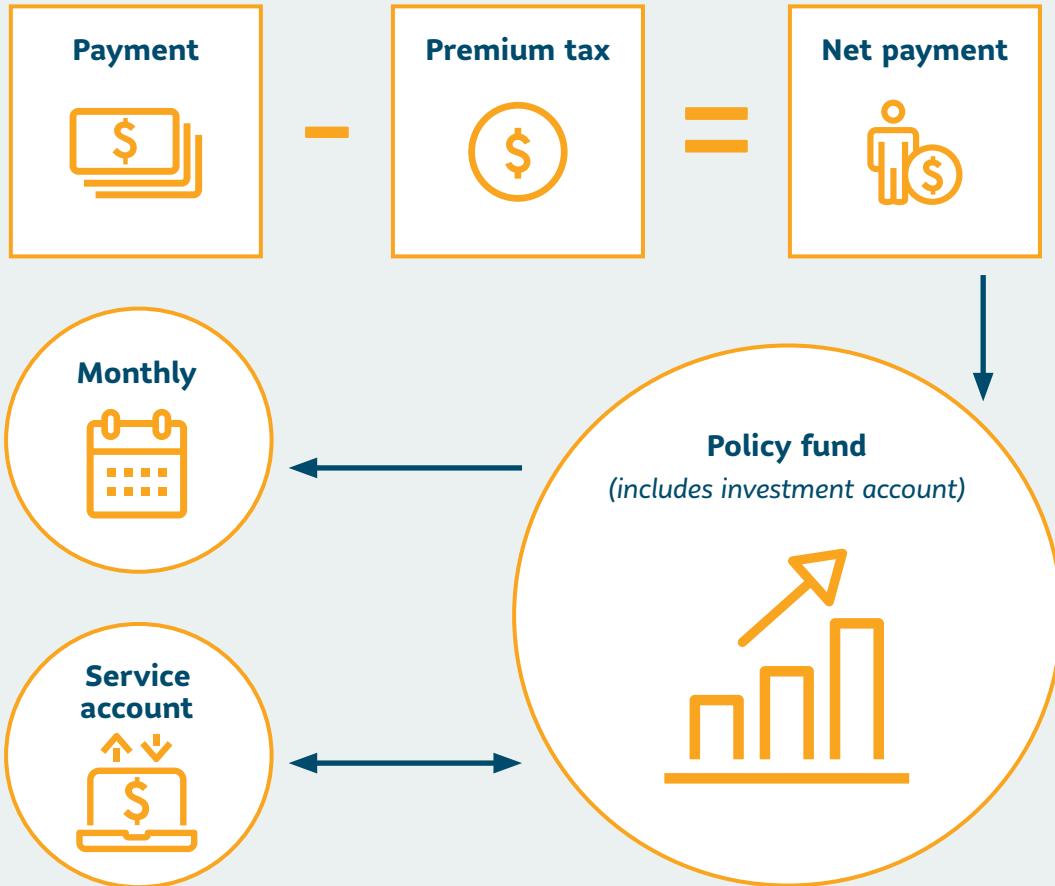
## How your plan works

When we receive a payment we deduct provincial premium tax. The net payment is added to the policy fund and, once the minimum is met, is allocated to the investment accounts you've selected to meet your savings needs. Each month we may credit interest to the investment accounts you selected. Positive returns result in a positive interest rate and will increase your policy fund value. With SunUniversalLife Pro, your returns will never be negative.

Every month, money is deducted from your policy fund to pay for the cost of insurance (COI) for your plan. The COI includes any optional benefits you've added to customize your plan.

One of the benefits of SunUniversalLife Pro is its tax-exempt status, providing you with tax-preferred savings opportunities up to specific limits. If the amount of money in your policy exceeds these limits, or you pay us more than the maximum allowed, we'll move the money to the service account. The service account is outside the SunUniversalLife Pro policy and any interest earned is taxable. When room becomes available, we'll automatically transfer the money back into your policy, less any applicable premium tax.

When the insured person dies, the death benefit can be paid to the named beneficiary tax-free.



Sun Life will credit interest based on the investment account options selected. Your interest will never be negative.

# Designing your plan

## **Selecting your life insurance coverage amount**

With SunUniversalLife Pro, you can set your life insurance coverage amount based on your needs today. And you have the flexibility to increase or decrease additional coverage amounts in the future if your needs change.

The minimum insurance coverage amount for SunUniversalLife Pro is \$100,000. The maximum insurance coverage amount for SunUniversalLife Pro is \$15,000,000.

The maximum insurance amount includes all term insurance benefits you may choose to custom design your policy.

**Your insurance coverage can grow with your business.** Adding the Business Value Protection Benefit (BVPB) now allows you to apply for additional coverage later if you need it, without providing medical evidence.



# Policy types

With SunUniversalLife Pro you have the flexibility to design your policy and choose the policy type to help meet your protection needs.

## **Single life**

- This policy insures one person and pays a tax-free death benefit on the death of the insured person.

## **Joint first-to-die**

- This policy insures two people and pays a tax-free death benefit on the first death of the insured persons. This policy type includes a survivor benefit that allows the surviving life insured to apply for a new policy within 90 days, without providing evidence of insurability.
- Are you a small business owner? This policy type may be just what you need if the surviving partner needs money to buy the deceased partner's interest in the business.

## **Joint last-to-die**

- **Cost of insurance to the first death** – This policy insures two people and pays a tax-free death benefit on the last death of the insured persons. The cost of insurance for the basic insurance amount becomes paid up on the death of the first insured person.
- **Cost of insurance to the second death** – This policy insures two people and pays a tax-free death benefit on the last death of the insured persons. The costs for this policy are payable until the last death of the insured persons, their joint age 100, or the end of the cost of insurance payment period, whichever comes first.

These policy types are a great solution for creating or protecting your estate for your beneficiaries.

Is charitable giving important to you? These policy types can provide an effective way of **leaving money to your favourite charity or alma mater.**



# Death benefit options

With SunUniversalLife Pro you can choose from three death benefit options for your policy. Your advisor can help you choose the one that's best for you today. If your circumstances change, you may be able to change your death benefit option — giving you the flexibility to design a plan for your life.

## Insurance amount plus policy fund

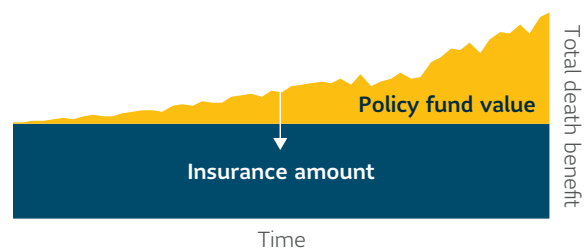
### Features

- Your death benefit may increase over time as your policy fund value increases.

### Solution

- Provides a death benefit that can help meet the changing needs of your business.

### How it works



## Level insurance amount

### Features

- Your death benefit remains level for life.
- This may be one of the most cost-effective death benefit options.

### Solution

- If your business protection need is fixed, this death benefit option may work for you.

### How it works



## Level insurance amount plus adjusted cost basis (ACB)

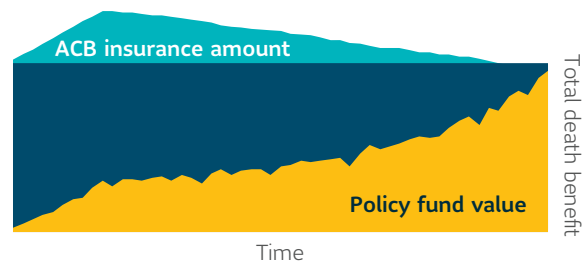
### Features

- The death benefit will always be equal to the basic insurance amount, plus the policy's adjusted cost basis.

### Solution

- This option is designed for business owners who want to optimize credits to the corporation's capital dividend account.

### How it works



The death benefit option you select for your SunUniversalLife Pro plan sets the stage for your custom designed policy. The death benefit payable will always be equal to the death benefit option you've selected, less any policy loans, cash withdrawals or indebtedness under the policy. If there's money in the service account at the insured person's death we'll pay that amount to the beneficiary.

**Death benefits are paid tax-free** and create a credit to your corporation's capital dividend account. This may allow some or all of the proceeds to be paid out as tax-free capital dividend.



# Cost of insurance options

Your SunUniversalLife Pro policy comes with three COI types to choose from. Each one provides a different structure designed to help meet your unique needs.

The COI for your policy is based on the insured person's age, health, smoking status, gender and the insurance amount you select. The age we use in calculating your COI is based on an insurance age—the age nearest the insured person's actual birthday. For example, if the insured person is 40 years and seven months old, their insurance age is 41.

## Cost of insurance types

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### Yearly renewable term to age 85 (YRT 85)

#### Solution

- Minimizes your costs in the early years.
- Allows more of your payments to go to the policy fund, increasing the potential for compounding tax-preferred interest.
- Allows for more savings room.
- Gives you the flexibility to change to Level for life in the future if your circumstances change.

#### How it works

- Based on the insured person's age, the COI increases each year as the insured person ages.
  - Rates for the initial insurance amount are set for life under the policy. They are guaranteed payable to the policy anniversary nearest the insured person's 85th birthday.
- 

### Yearly renewable term to age 100 (YRT 100)

#### Solution

- Lowest costs in the early years.
- Allows more of your payments to go to the policy fund, increasing the potential for compounding tax-preferred interest.
- Allows for more savings room.
- Gives you the flexibility to change to Level for life in the future if your circumstances change.

#### How it works

- Based on the insured person's age, the COI increases each year as the insured person ages.
  - Rates for the initial insurance amount are set for life when the policy is issued. They are guaranteed payable to the policy anniversary nearest the insured person's 100th birthday.
- 

### Level for life (LCOI)

#### Solution

- Costs more than YRT 85 or YRT 100 initially but may have a lower cost over the life of the policy.
- Depending on the death benefit option you select, your savings room may be more limited in the later years.

#### How it works

- Rates are based on the insured person's age at issue and remain level for life.
  - Rates are guaranteed and payable to the policy anniversary nearest the insured person's 100th birthday.
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# Investment account options

The investment account selections you make to help meet your investment needs are an important part of SunUniversalLife Pro.

The following are the types of investment account options available with SunUniversalLife Pro:

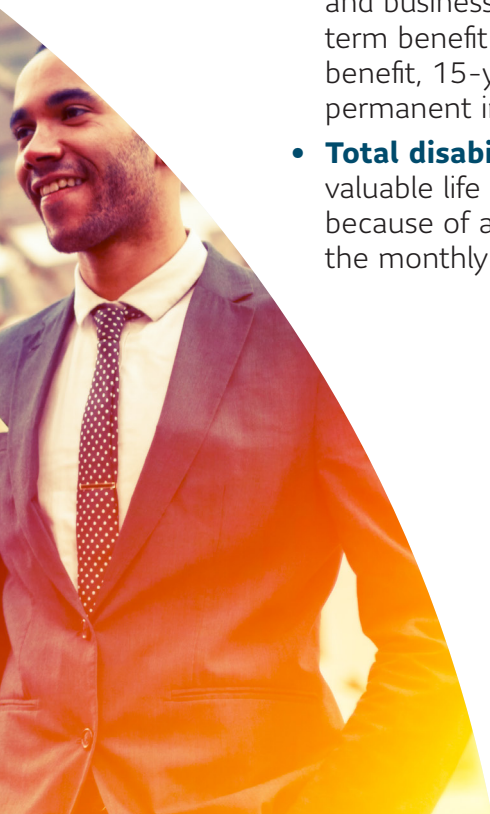
- **Daily interest account (DIA)** – Similar to a savings account, interest is calculated and credited on a daily basis. It's also available in the service account.
- **10-year Guaranteed interest account (GIA)** – 10-year term GIAs to help meet your long-term needs.
- **Sun Life Diversified Account Pro (SLDA Pro)** – The SLDA Pro gives you access to a smoothed portfolio account managed by Sun Life along with a minimum guaranteed interest rate of 2%. The account gives you access to a diversified portfolio with investments in private fixed income, bonds, mortgages, real estate and equities.

The SLDA Pro guarantees to never have a rate of return of less than 2%. SLDA Pro offers the **potential of higher returns** based on the average yield of a variety of investments including private fixed income, real estate, bonds, mortgages and equities. Changes in the market value are included over a longer period of time, **helping to reduce overall volatility or unpredictability.**

## Additional optional benefits

We don't know what the future holds. But SunUniversalLife Pro's many optional benefits can help you be prepared for wherever your future takes you.

- **Accidental death benefit (ADB)** – ADB provides you with an inexpensive way to increase the amount of death benefit if the insured person dies by accident.
- **Business value protection benefit (BVPB)** – If you're a business owner, this benefit may be for you. With BVPB you can buy more insurance on each policy anniversary up to maximums set without providing medical evidence of insurability. With this benefit your insurance coverage can grow as your business does.
- **Child term benefit (CTB)** – Gives you the opportunity to provide a small amount of term insurance on your children and future children, starting them with a solid financial plan. You can convert this term insurance when they're between the ages of 18 to 25, for up to 10 times the CTB insurance amount without providing evidence of insurability.
- **Guaranteed insurability benefit (GIB)** – GIB helps give you peace of mind knowing that whatever happens in the future, you can purchase additional life insurance every three years or on a major family event, without providing evidence of insurability.
- **Owner waiver disability/Death benefit** – What if the policy owner isn't the insured person? This benefit allows the owner to ensure the costs for the insurance protection are covered if they die or become disabled. We'll waive the monthly cost of insurance if the policy owner dies or becomes disabled.
- **Term insurance benefits** – Your need for life insurance may vary as family and business circumstances change. You can choose from a wide variety of term benefit lengths including 10-year, 10-year with Renewal protection benefit, 15-year, 20-year or 30-year. All are renewable and convertible to permanent insurance.
- **Total disability waiver benefit (TDB)** – This benefit helps ensure that your valuable life insurance remains in place if the insured person is unable to work because of an injury or illness that makes them totally disabled. We'll waive the monthly cost of insurance if the life insured becomes disabled.



We may need you to provide us with evidence of any change in your health or insurability that takes place between the time you apply for insurance and the time your policy is delivered. If you pay for your policy at the time you apply, you may receive immediate coverage under a certificate of temporary insurance while your application is being processed. The terms, conditions and exclusions of that temporary insurance are set out in the certificate. The certificate also states when and under what conditions coverage under the certificate will end.

If you don't pay at the time you apply and are not covered under a certificate of temporary insurance, then your coverage won't be effective until:

- your policy is delivered and
- you make your first payment and
- (when required) you have given us sufficient evidence that there's been no change in your insurability between the time you applied for insurance and the time your policy is delivered.

# Flexibility with your SunUniversalLife Pro policy

## **Accessing the cash within your policy**

SunUniversalLife Pro provides you with a lot of flexibility when it comes to accessing the cash surrender value of your policy. The cash surrender value is the amount you would receive if you cancel (or surrender) your policy. It's made up of the values in your policy, less any surrender charge, loans and market value adjustments that may apply. See surrender charges on page 16. You can access any available cash in your policy through withdrawals or policy loans. Or, if you don't require the valuable insurance coverage that comes with SunUniversalLife Pro, you can cancel it for its cash surrender value.

## **Withdrawals**

You can make a withdrawal from your policy's cash surrender value if there's enough value in the policy. The minimum you can withdraw is \$250. The following applies to policy withdrawals:

- A surrender charge applies for the first three years. If the surrender charge applied to the fund value makes the cash surrender value zero, a withdrawal isn't allowed.
- If you have money in the service account, you must withdraw from that account first.
- If your death benefit option is: Level insurance amount or Level insurance amount plus adjusted cost basis, a withdrawal decreases the basic insurance amount. For the Level plus ACB option your death benefit will automatically change to Level when a withdrawal is made.
- Withdrawals from your policy may be taxable.

## Policy loans

You can take a policy loan against your cash value if there's enough accumulated in the policy. The interest rate for your policy loan is the rate in effect at the time you request the loan. The rate is adjusted to current rates at each policy anniversary. You can repay your policy loan at any time. If you don't repay your policy loan, the outstanding balance is deducted from the death benefit payable. The minimum loan amount is \$250. Your policy loan may be taxable.

## Surrendering or cancelling your policy

If you no longer need your valuable life insurance, you can choose to cancel your policy. The total cash surrender value will be paid to you. Talk to your tax advisor about the tax implications of cancelling your policy.

## Surrender charges

Surrender charges apply if you cancel your policy or reduce your death benefit within the first three years. Surrender charges for your policy are based on the surrender target payment, which is based on the Level COI rate for your policy regardless of the cost of insurance option you have selected. The following are the surrender charges:

Number of years in force	Percentage of surrender target payment
1	100%
2	50%
3	0%



## Value-added benefits

The following benefits are included with your SunUniversalLife Pro policy at no additional cost to you — providing even more flexibility and security.

### Early death benefit option

The Early death benefit option can be used to provide a valuable tax-free benefit through payment of the policy fund for the survivor of a Joint last-to-die plan. On the first death of the insured persons, the survivor can access the policy fund to assist with financial needs at that time. The reduced death benefit will still be paid to beneficiaries at the second death.

### Withdrawals from the policy fund due to a disability

You may make one withdrawal from your policy each time an insured person becomes disabled by illness or injury, as defined in your policy. This provides you with access to cash when you need it most.

### Living benefit

This benefit is offered on Sun Life Assurance Company of Canada life insurance products. It's not part of your policy. We may approve it, at our discretion on a case-by-case basis. If the insured person has a terminal illness and isn't expected to live more than 24 months, this benefit can provide a lump-sum payment equal to 50% of the insurance amount, up to a maximum of \$250,000. It's yours to use as needed, providing even more security. The Living benefit is offered to you on a compassionate basis and is subject to the rules of the Living benefit program in effect at the time of your request.

If you've elected Joint last-to-die, COI to the first death as your policy type, the early death benefit works particularly well. It provides a **tax-free payout from the policy fund** without affecting the original insurance face amount. **And the surviving insured person's coverage is paid up.**



# SunUniversalLife Pro

*Designed by you, in celebration of all you will do.*

SunUniversalLife Pro provides features and benefits to design a life insurance policy to help meet your needs today and tomorrow. But you don't have to design it alone. Your advisor is there every step of the way to help you get the right mix of protection and savings you need, today and in the future.

Talk to your advisor about Sun Life today!  
For more information and resources visit [sunlife.ca](https://www.sunlife.ca) or call **1-877-786-5433**.



Life's brighter under the sun

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