

## **Client questions and answers: Sun Adjustable Whole Life Reprice, 2019**

### **Why are you adjusting my policy now?**

We review your policy's cost basis every three years. Since the last review, interest rates on your policy have declined and mortality has changed.

As a result, an adjustment to your policy is now necessary.

### **Is this the last time you'll adjust my policy?**

It is not possible to predict if we'll need to make another adjustment. Whether an adjustment is needed continues to depend on our future expectations of interest rates, mortality, expenses and taxes. After the anniversary following the insured's 100<sup>th</sup> birthday, we will no longer negatively adjust your policy.

For example, it is possible that the cost basis could decrease. If this happens, then your basic insurance benefit would increase. Your premium would not change.

It is also possible the cost basis could increase again. If this happens, your premium may increase or the basic insurance benefit may reduce, depending on which option you choose to manage this year's adjustment. Your basic insurance benefit will never decrease below the minimum stated in your policy.

However, as explained in the adjustment provision of your policy, your policy is only adjustable every third policy anniversary.

### **What are cash values and why are only three years shown?**

The cash value of your policy is the amount that may be available to you in cash if you cancel your policy. This is also known as a surrender. A portion of your cash value may be taxable on surrender. You can see the cash value of your policy on each policy anniversary on your annual statement. The letter that you received with the information on the changes to your policy have cash values provided for the next three years.

Since your policy is adjustable every third policy anniversary, cash values beyond the next three years are not guaranteed. We'll deduct any policy loans and any premium arrears from this cash value prior to payment.

### **What are paid-up values and why are only three years shown?**

The paid-up value of your policy is the amount of basic insurance benefit that will remain in force if you decide to stop making premium payments.

Since your policy is adjustable every third policy anniversary, paid-up values beyond the next three years are not guaranteed. Cash values are used in the calculation of paid-up values, therefore policy loans and any arrears which impact cash values will also impact paid-up values.

### **I can't pay my premiums now. What can I do?**

You have options:

- If you no longer need as much life insurance, you can choose to reduce your coverage amount, which will offset the increase in your premium.
- Your policy allows you to reduce your coverage amount to a reduced paid-up benefit, and no further premiums will be required. This is called reduced paid-up insurance. This could be an option if you decide you no longer need as much life insurance.

If you haven't met with your/an advisor in a while, it could be a good time to meet with them to discuss the best option based on your finances and insurance needs.

### **Do I still need this policy?**

Your life insurance policy death benefit can help your beneficiaries after you're gone. If you haven't met with your/an advisor in a while, it could be a good time to meet with them to take a look at your financial picture.