

Sun Executive VUL and Executive Bonus— perfect together

Companies implementing an Executive Bonus program are looking for specific product features that maximize the benefits their key executives receive. Sun Executive Variable Universal Life is specifically designed to meet the needs of the executive benefits market. Detailed below are plan design elements that are essential to an Executive Bonus plan and how Sun Executive VUL can help meet those design elements.

PLAN DESIGN ESSENTIALS	SUN EXECUTIVE VARIABLE UNIVERSAL LIFE
Long-Term Cash Value Growth	Sun Executive VUL provides participants with the potential for policy cash value growth through investment in any of the 67 underlying investment options, many of which are classified by Morningstar as 4- or 5-star funds.
Access to Cash Value	Since the policies are individually owned, the plan participants may access the cash value on a tax-free basis through a combination of withdrawals and loans at any time. Sun Executive VUL has wash loans beginning in policy year 11. Loans and withdrawals will reduce the policy's death benefit and cash surrender value and will have tax consequences if the policy should lapse. Depending on the performance of the underlying investment option, the cash value available for loans or surrenders may be more or less than the original amount invested in the contract.
High Early Cash Values	The Sun Executive VUL product has a built-in enhancement to the cash surrender value and no surrender charges, making it possible for the asset to reflect favorably on the company's balance sheet. As a result, the plan participants recognize the potential for long-term cash accumulation; in cases where access to the cash has been temporarily restricted by the company, the plan creates an outstanding "golden handcuffs" tool.
Permanent Insurance Coverage	Sun Executive VUL is a permanent product that can be structured to meet a variety of needs, from supplementing retirement income to estate planning.
Minimal Underwriting Requirements	Through the XGI (simplified issue) and GI (guaranteed issue) programs, it is possible to use Sun Executive VUL with plans that have as few as five and ten participants, respectively.
Flexibility in Ownership	Depending on long-term needs, the plan participants may choose to own the policy themselves or to have a trust own the policy, thereby removing the death benefit from their estate.
Additional Benefits to Participants	Sun Executive VUL includes the Assist America® feature and the Charitable Giving Benefit rider at no additional cost. Assist America provides insureds and their dependents with 24/7 access to emergency travel assistance for sickness or injury sustained 100 miles or more from home. Also, the Charitable Giving Benefit rider will pay a sum equal to 1% of the death benefit to a qualified charity of the policyowner's choosing, up to a limit of \$100,000. This benefit is provided above and beyond the policy's death benefit.*

*The Assist America feature and the Charitable Giving Benefit rider are not available in all states. Contact your Sun Life Financial representative or visit www.sunlifesales.com for current state availability.

Single bonus scenario (bonus equals the insurance premium)

Fully underwritten — Preferred Nonsmoker Risk Class — assuming 8.00% gross (7.20% net) rate of return

Sex	Age	Annual Bonus/Premium	Annual Employee Pre-Retirement Net Outlay	Initial Death Benefit	15-Year Net Distributions (Ages 65–80)	Employee IRR on Net Distributions and Death Benefit	Pre-Tax Equivalent IRR*
Male	35	\$20,000	\$6,800	\$697,943	\$181,199	10.92%	16.55%
Female	35	20,000	6,800	954,898	181,846	10.92%	16.55%
Male	45	30,000	10,200	709,900	116,004	12.50%	18.94%
Female	45	30,000	10,200	998,311	115,254	12.45%	18.86%
Male	55	40,000	13,600	705,673	43,616	14.79%	22.41%
Female	55	40,000	13,600	908,150	38,333	14.44%	21.88%

Guaranteed issue — Standard Nonsmoker Risk Class — assuming 8.00% gross (7.20% net) rate of return

Sex	Age	Annual Bonus/Premium	Annual Employee Pre-Retirement Net Outlay	Initial Death Benefit	15-Year Net Distributions (Ages 65–80)	Employee IRR on Net Distributions and Death Benefit	Pre-Tax Equivalent IRR*
Male	35	\$20,000	\$6,800	\$691,313	\$179,252	10.88%	16.48%
Female	35	20,000	6,800	957,786	179,633	10.88%	16.48%
Male	45	30,000	10,200	690,148	113,828	12.39%	18.77%
Female	45	30,000	10,200	1,000,657	112,917	12.34%	18.70%
Male	55	40,000	13,600	706,484	40,878	14.33%	21.71%
Female	55	40,000	13,600	908,732	34,028	13.77%	20.86%

Double bonus scenario (bonus equals the insurance premium plus any tax due)

In a double bonus scenario, the bonus is equal to the annual premium and the employee tax on the bonus. Employees are still entitled to access the cash value and death proceeds; however, they maintain a zero after-tax cost during the premium-paying years. The calculation for a double bonus for the above example would be as follows:

Annual Bonus	Tax Due Bonus	Annual Premium	Annual Employee Pre-Retirement Net Outlay
\$30,303	\$10,303	\$20,000	\$0
45,455	15,455	30,000	0
60,606	20,606	40,000	0

For more information, contact Sun Life Financial's Advanced Markets Group at 800-432-1102, ext. 1756 or 1838. For Advanced Case Design, ext. 2450 or 1817.

*Assumes a 34% executive tax rate and death at age 85. Lower maximum tax rates on capital gains and dividends would make the investment return for the taxable investment more favorable, thereby reducing the difference in performance between the accounts shown. Customers should be advised to consider their personal investment horizon and income tax brackets, both current and anticipated, when making an investment decision as these may further impact the results of the comparison.

The Emergency Travel Assistance feature is managed through an independent service provider, which is currently Assist America. Sun Life Financial may not be able to provide this benefit in the future if we determine that Assist America or any other independent service provider is no longer able to provide it. Certain restrictions may apply and are described in a brochure delivered with the policy.

All guarantees are based on the claims-paying ability of the issuing company: Sun Life Assurance Company of Canada (U.S.) (Wellesley Hills, MA) or, in New York, Sun Life Insurance and Annuity Company of New York (New York, NY). Variable products are distributed through Sun Life Financial Distributors, Inc. All are members of the Sun Life Financial group of companies.

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