

Sun Life Financial Employee Benefits Group¹ 2009 Broker Incentive Program

More Rewards for Outstanding Performance

Brokers make a vital contribution to our group business. Thank you. Deliver outstanding new sales and persistency, and we'll reward you for it.

Take a look:

New Sales Award

- To be eligible for this Award, you must do one of the following during the period from January 2, 2009 through January 1, 2010:
 - Sell at least 10 new lines of coverage and generate at least \$200,000 or more in new annual premium; or
 - Sell 15 or more new lines of coverage; or
 - Generate \$600,000 or more in new annual premium.
- A line of coverage will be considered to be sold and new annual premium will be considered to be generated during the period from January 2, 2009 through January 1, 2010 if the initial premium check and application for the line of coverage are each dated January 1, 2010 or earlier.
- Qualifying new lines of coverage include new lines of coverage sold to an existing or new policyholder. Increasing the amount of an existing line of coverage does not qualify as the sale of a new line of coverage and the premium from such an increase will not qualify as new annual premium. The premium will, however, be counted in the Award calculation as described below.
- Qualifying lines of coverage include: Basic Life, Voluntary AD&D, Short Term Disability (STD), SunAdvisor®, Long Term Disability (LTD), Dental, and Medical Stop-Loss.
- Lines of coverage that insure fewer than 10 lives will count as one-half of a line of coverage.
- A premium cap of \$500,000 will be applied to the New Sales Award in the following manner:
 - The total amount of New Annual Premium for any new Line of Coverage that will be applied to the calculation of the Award amount is \$500,000 (the Award amount is the Award Rate multiplied by the New Annual Premium).
 - The premium cap will not apply to the New Annual Premium used to determine the eligibility for the Award.
- The New Sales Award amount is the qualifying premium amount multiplied by the corresponding Award Rate, subject to the premium cap.

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¹ The Sun Life Financial Employee Benefits Group companies include Sun Life and Health Insurance Company (U.S.), Sun Life Insurance and Annuity Company of New York, and Sun Life Assurance Company of Canada (collectively, "Sun Life Financial").

New Annual Premium		New Lines of Coverage	Award Rate
\$200,000 to \$599,999	AND	10-14	1.00% of New Annual Premium
\$600,000 to \$1,199,999	OR	15-24	2.00% of New Annual Premium
\$1,200,000 to \$2,399,999	OR	25-39	4.00% of New Annual Premium
\$2,400,000+	OR	40+	6.00% of New Annual Premium

Note:

- Additional premium generated by increasing the insurance provided under an existing line of coverage will be included in the New Sales Award only if the increase does at least one of the following:
 - Extends coverage to employees of the policyholder's affiliated or subsidiary companies not previously covered under the policy
 - Covers classes of employees not insured under the policy as of the policy's effective date
 - Increases the amount of insurance provided under the policy

If the above criteria are met, the additional premium will count as "New Annual Premium" for the purpose of determining whether the New Sales Award criteria has been met. It will not, however, count as "New Annual Premium" for the purpose of determining the Award Rate.

New Sales Award Example

Take a look at the examples below to see how we calculate the New Sales Award.

Examples: Calculating the SLF New Sales Award

Example 1: In this example, the total New Annual Premium of \$1,220,000 qualifies for the Award but 4 New Lines of Coverage do not. For the Medical Stop-Loss line of coverage, the premium cap applies, and so the New Annual Premium is calculated at \$500,000. Thus, the Award is determined as follows:

Coverage	2009 New Annual Premium	Premium Cap	Multiplied By	Award Rate	Equals	Award
Medical Stop-Loss	\$850,000	\$500,000	X	4.00%	=	\$20,000
Life	\$200,000	Does not apply	X	4.00%	=	\$8,000
Dental	\$120,000	Does not apply	X	4.00%	=	\$4,800
STD	\$50,000	Does not apply	X	4.00%	=	\$2,000
Total	\$1,220,000					\$34,800

Example 2: In this example, 30 New Lines of Coverage qualifies for the Award, but New Annual Premium of \$120,000 does not. This example assumes that no line of coverage is subject to the premium cap. Thus, the Award is determined as follows:

2009 New Lines of Coverage	2009 New Annual Premium	Multiplied By	Award Rate	Equals	Award
30	\$120,000	X	4.00%	=	\$4,800

Example 3: In this example, both New Annual Premium of \$2,500,000 and 38 New Lines of Coverage qualify for the Award. The Award paid is the greater of the New Annual Premium award amount and the New Lines of Coverage award amount. Since the New Lines of Coverage award amount at 4% is less than the New Annual Premium award amount at 6%, we will pay the New Annual Premium award amount as it is the greater of the two. This example assumes that no line of coverage is subject to the premium cap. Thus, the Award is determined as follows:

2009 New Lines of Coverage	2009 New Annual Premium	Multiplied By	Award Rate	Equals	Award
38	\$2,500,000	X	6.00%	=	\$150,000

Block Management Award

To be eligible for this Award, you must meet all of the following requirements:

- As of January 2, 2009, have a block of business (the "Block") that has at least 15 lines of coverage and generates a minimum of \$750,000 in annual premium.
- Sell new lines of coverage during 2009 that generate at least \$300,000 of premium.
- Maintain an 82% or greater persistency level for your Block during the period from January 2, 2009 through January 1, 2010. The persistency calculation is based upon the greater of line of coverage persistency or premium persistency.
- The Award is based upon the size of your Block as of January 2, 2009 and the persistency of that Block as of January 1, 2010
 - Your Block as of January 2, 2009 consists of the annual premium generated by it and the lines of coverage within it.
 - Your Block as of January 1, 2010 consists of: (a) the annual premium generated by the policies that were part of your Block as of January 2, 2009 that remain in your Block as of January 1, 2010; and (b) the lines of coverage that were part of your Block as of January 2, 2009 that remain in your Block as of January 1, 2010.
 - Premium rate increases, and premium increases due to changes in existing lines of coverage or an increase in the number of lives insured under a policy are not included in the Award calculation.
- Lines of coverage that insure fewer than 10 lives will count as one-half of a line of coverage.
- A premium cap of \$500,000 will be applied to the Block Management Award in the following manner:
 - The total amount of annual premium generated by any Line of Coverage in the Block that will be applied to the calculation of the Award amount is \$500,000 (the Award amount is the Award Rate percentage multiplied by the annual premium generated by the Block as of January 1, 2010).

Block	Persistency Level	
	82.00% to 87.90% Award Rate	88.00% to 100.00% Award Rate
\$750,000 to \$1,500,000	0.75%	1.50%
\$1,500,001 to \$3,000,000	1.25%	2.00%
\$3,000,001 to \$5,000,000	2.00%	2.50%
\$5,000,001 +	2.75% ²	4.00% ³

^{2,3} The premium cap will not apply to the annual premium used to determine the Beginning Eligible Block, the Ending Block, or the eligibility for the Award.

The Block Management Award amount is the Award Rate percentage multiplied by the annual premium generated by the Block as of January 1, 2010, subject to the premium cap.

Block Management Award Example

Take a look at the example below to see how we calculate the Block Management Award. The Award Rate is calculated by the eligible block annual premium multiplied by the corresponding persistency level percentage.

Block Management Example		
	Annual Premium	Lines of Coverage
Beginning Block 2009	\$1,600,000	30
Terminations 2009	-\$150,000	-6
Ending Block (1/1/10)	= \$1,450,000	= 24
Persistency Ratio	90.60 %	80.00 %
Award calculated at 2% x \$1,450,000	= \$29,000	
(Based upon premium persistency since it is higher than lines of coverage persistency)		

Helpful Tips to Remember

Awards

- Awards earned for 2009 will be paid in Q2, 2010.
- The Awards described in this document apply to business written with:
 - Sun Life and Health Insurance Company (U.S.),
 - Sun Life Insurance and Annuity Company of New York, and
 - Sun Life Assurance Company of Canada

First-Time Qualifiers

If you have not qualified for a Sun Life Financial Incentive Award in the past, and if you sell a policy with Sun Life Financial for the first time in 2009 with an effective date of January 1, 2010 or later, we will provide you with the option to count the sale toward the 2009 New Sales Award or the 2010 New Sales Award.

Broker of Record (BOR) Changes

- If a broker loses a current case from its block of business because of a BOR change, the case will be treated as a cancellation for 2009.
- If a broker adds a case to its block of business as a result of a BOR change, the case will be credited as a new case, and will be counted toward the New Sales Award, if it is in-force as of January 1, 2010.
- Cases that terminate due to policyholder bankruptcy, merger, or acquisition will not be included in the Block Management Award calculation.

Example 1: When a BOR Change Occurs on a New Case

If Broker A adds a new case in 2009 and later loses that case to Broker B, and the case remains with Sun Life Financial, that case will be attributed to Broker B's new business in 2009.

In 2010, the case will belong to Broker B's in-force block.

Example 2: Calculating a Block after BOR Losses and Coverage Terminations

Sun Life Financial will calculate a Block Management Award based upon the size of the broker's Block as of January 2, 2009. The Block will then be adjusted for any canceled cases or lines of coverage, including those that result from BOR changes.

The following example demonstrates how cancellations resulting from BOR changes are factored into the Award calculation.

	Cases	Premium
Beginning Block as of 1/2/09	25	\$3,500,000
Coverages lost due to BOR	1	\$200,000
Coverages cancelled during year	2	\$300,000
Ending Block as of 1/1/10	22	\$3,000,000
Persistency level	88.00%	85.70%
Calculation	$\$3,000,000 \times 2.50\%$	
Award	\$75,000	

Questions?

If you have questions, please contact your local Sun Life Financial Group Sales Representative.

The 2009 Broker Incentive Program, subject to state approvals and regulatory requirements, applies to new business with effective dates after January 1, 2009 underwritten by Sun Life and Health Insurance Company (U.S.) Sun Life Assurance Company of Canada, and Sun Life Insurance and Annuity Company of New York.

The 2009 Broker Incentive Program is subject to change without advance notice. If a broker earns an Award, and owes any Sun Life Financial company any amount of money, the amount of the Award will be reduced by the amount owed by the broker. All decisions regarding payment of commissions and awards are made by the underwriting insurance company and are final. Brokers must be properly licensed to sell insurance and be appointed with Sun Life and Health Insurance Company (U.S.) Sun Life Assurance Company of Canada, and Sun Life Insurance and Annuity Company of New York for products underwritten by those companies to receive payment under this Program.

We encourage brokers and their clients to discuss what commissions or other compensation may be paid in connection with the purchase of our products and services.

To ensure accurate and timely commission payments, the policyholder is required to submit a completed premium statement with payment on or before the premium due date each month. To speed processing, we encourage the policyholder to write the group policy number on the check.

Group insurance policies are underwritten by Sun Life and Health Insurance Company (U.S.) (Wellesley Hills, MA) in all states. Group insurance policies are underwritten by Sun Life Assurance Company of Canada (Wellesley Hills, MA) in all states except New York. In New York, group insurance policies are underwritten by Sun Life Insurance and Annuity Company of New York (New York, NY). Product offerings may not be available in all states and may vary depending on state laws and regulations.

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