



# New Pilot Expansion Program & External Term Insurance Conversion to Sun Executive UL



# Agenda

- Sun Executive Pilot Expansion
- Comparison of Original NFP Pilot and New Expansion Pilot
- External Term Conversion to Sun Executive UL

# Sun Executive Pilot Expansion - Guidelines

- Sun Executive UL can be offered to Individuals without the Employer-Employee relationship
- Full Underwriting is required
- Maximum Issue Age is 65
- \$10,000 Minimum Premium – 3 Pay Minimum
- No Single Payments allowed
- No Modified Endowments
- 5 year commission chargeback schedule
- Meets an estate planning or supplemental income need
- No CODs
- A Sun Executive illustration is required ( Sun Ascent System )
- Use state specific form #45-11 for all applications

# Suggested Estate Planning Strategies

- Private Split Dollar
- Dynasty Trusts
- Spousal Life Asset Trusts
- Leveraged Credit Shelter Trust
- Life Insurance as an Asset Class
- Maximum Funded Personally Owned Life Insurance
- Most Long Term Estate Planning Needs
- Supplemental Income Need

# Comparison of Sun Executive Programs

	Original NFP Pilot	Pilot Expansion	GI Term Conversion
<b>SUBMISSION END DATE</b>	12/31/2009	TDB	TBD
<b>PAID DATE</b>	1/31/2010	TBD	6/30/2010
<b>MAX ISSUE AGE</b>	AGE 80	AGE 65	Age 65
<b>1035 DEAD LINE - IGO</b>	1/29/2010	TBD	NA
<b>FACE AMOUNT LIMITATION</b>	Minimum to premium	\$100,000	\$100,000
<b>ANNUAL MINIMUM PREMIUM</b>	100,000	\$10,000 - 3 Pay Minimum	No
<b>1035 QUALIFICATION</b>	YES	1035 + 2 yrs of Minimum Premium Payments of \$10,000	NA
<b>MODIFIED ENDOWMENTS</b>	YES	NO	Yes
<b>Compensation (Target 7-Pay Non-Mec)</b>	34%	34%	30%
<b>MINIMUM NUMBER OF PREMIUMS</b>	NA	3	NA
<b>Commission Chargeback</b>	3 yrs	5 yrs	3yrs
<b>CASE DESIGN LIMITS</b>	NA	Estate or Supplemental income planning	Business Sponsored
<b>Premium Payer</b>	Personal	Personal	Business Sponsored
<b>Owner</b>	Business or Personal	Business or Personal	Same as original policy

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# Term Conversion Program Overview

- This program presents you the opportunity to approach small business owners about converting their existing Term Life Insurance Benefit Program to our Sun Executive UL on a Guaranteed Issue Basis
- Opportunity for Term Insurance policyholders of a select group of over 30 carriers to convert an external term policy into Sun Life's Sun Executive UL product
- Program in effect November 23, 2009 through June 30, 2010

# Rules and Guidelines

- Maximum issue amount is \$3 million, Minimum Issue amount \$100,000
- The new Sun Executive UL policy will be issued under Guaranteed Issue (GI) Rates and Guidelines
- Guaranteed Issue Guidelines
  - Smoker status will be issued on the same issue class as original carrier
  - Minimum Age 20
  - Maximum Issue Age: 65 if one life is being covered. This can be extended to age 70 if multiple lives are being covered and the average age of those covered is 60 or less.
- All Term policies must be in-force with the original insurance carrier prior to the effective date of External Term Insurance Conversion Program

# Rules and Guidelines (cont.)

- Term policies that are business owned or individually owned must be issued as a business sponsored Sun Executive UL Policy.<sup>1</sup>
- Sun Life will accept and convert only single life policies
- Term policy must be fully assigned to Sun Life Financial and will be surrendered<sup>2</sup>
- New policy ownership and face amount must be the same as on the original term policy
- Payment of one full modal premium is required with the application on or before June 30, 2010

*1. Premiums on the new Sun Executive UL product must be paid by the business entity.*

*2. If the client decides to free look the new contract they may not be able to continue or reinstate the prior coverage if it has been surrendered.*



# Rules and Guidelines (cont.)

- Original Term Policies must have been fully underwritten by our select list of insurance carriers
- Underwriting of the original Term policy must have occurred within the last three (3) years based on the issue date, must be classified as Standard, Preferred or better
- All duration periods for Term policies are eligible
- Sun Executive UL rider limitations:
  - No scheduled face amount increases
  - Waiver of Monthly Deductions and Payment of Stipulated Amount riders are not available with this program
- Death benefits: Options A and B only
- Term policy riders will not be converted
- No partial conversions are allowed

# Eligible Companies

- Allstate Life Insurance Company
- American General Life Insurance Company
- AXA/ Equitable Life Insurance Company
- Banner Life Insurance Company
- Guardian Life Insurance Company
- Genworth Life Insurance Company
- Hartford Life and Annuity Insurance Company
- ING U.S. Financial Services
- John Hancock Life Insurance Company
- Lincoln Benefit Life Company
- Lincoln National Life Insurance Company
- Manulife Financial Company
- Massachusetts Mutual Life Insurance Company
- Metropolitan Life Insurance Company
- Minnesota Life Insurance Company
- Nationwide Insurance
- New York Life Insurance Company
- Northwestern Mutual Life Insurance Company
- Ohio National Life Insurance Company
- Pacific Life Insurance Company
- Penn Mutual Life Insurance Company
- Phoenix Life Insurance Company
- Principal Life Insurance Company
- Protective Life Insurance Company
- Provident Mutual Life Insurance Company
- Prudential Life Insurance Company
- Savings Bank Life Insurance
- State Farm Life Insurance Company
- TransAmerica Insurance Company
- Union Central Life Insurance Company
- Western Reserve Life Assurance
- West Coast Life Insurance Company

# ✓ Submission Requirements Checklist

- ✓ The original term policy contract or duplicate copy issued from the prior company (must include the policy data page)
- ✓ Payment of first modal premium (from the business account)
- ✓ Completed Guaranteed Issue (GI) Application
- ✓ Completed Absolute Assignment Form
- ✓ Consent to Insure Form (for corporate-owned policies only)
- ✓ State Replacement Forms, if applicable
- ✓ Signed Sun Executive UL illustration for each participant
- ✓ No CODs

[www.salesnet.sunlife-usa.com](http://www.salesnet.sunlife-usa.com)

# Submitting Your Sun Executive External GI Term Insurance Conversion application

## Business can be submitted via

– UConnect – Overnight Mail – Regular Mail

- In order to provide you with the highest level of service, all faxes, emails, and overnight mail information are firm specific.

- Your dedicated New Business case coordinator will provide you with the information specific to your firm.

**New Business Team**  
**800-979-5126, option 4.**

# Thank You For Your Time Today!

For more information on Sun Life's External GI Term Insurance Conversion Program or Sun Executive Pilot please contact your Regional Vice President or the Sun Life Financial sales desk at 800-979-5126, option 3.

# Disclosures

The illustration used in this presentation assumes that the currently illustrated non guaranteed elements of interest rates, COLI charges and expense charges will continue for all years shown. This will not occur and actual results will be more or less favorable than illustrated. The non guaranteed elements will change over time and are dependent on the company's investment, mortality and expense experience. Please refer to a basic illustration for additional information including guaranteed policy values

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# Disclosures (cont.)

As noted in the Sun Life Financial Market Conduct Guide, it is your responsibility to ensure that any recommendation to replace a policy is in the best interest of your client based on the costs and benefits of the proposed transaction. Please consider that this program does not provide certain advantages that might apply to a term conversion with the original issuing company. Items of consideration include premium credits as well as contestability and suicide exclusion periods based on the original policy's date of issue.

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