

## SunSpectrum Accumulation Annuity

SunSpectrum Accumulation Annuity is a deferred annuity policy (the "Policy"). In this document, "you" and "your" means the policyholder(s) of the policy. "We", "our", "us" and the "Company" means Sun Life Assurance Company of Canada. We agree to provide the benefits of the Policy as set out in these provisions.

The Policy, the application, any applicable addendum and any amendments form the entire contract between the Company and you.

### Definitions

**Annuitant** is the person whose death triggers payment of the death benefit and, upon whose life the life annuity income benefit is based.

**Balance of a Guaranteed Interest Investment** is the sum of all *Premiums* paid into the *Guaranteed Interest Investment* plus interest credited to the *Guaranteed Interest Investment*, less the sum of all:

- withdrawals
- transfers out of the *Guaranteed Interest Investment(s)*
- previous *Market Value Adjustments (MVA)* on the *Guaranteed Interest Investment(s)*

**Balance of the Policy** is the *Balance of the Guaranteed Interest Investment(s)* plus the *Cash Value of the Daily Interest Investment*.

**Cash Value of a Guaranteed Interest Investment** is the *Balance of a Guaranteed Interest Investment* reduced by the amount of any *MVA*.

**Cash Value of the Daily Interest Investment** is the sum of all *Premiums* paid into the *Daily Interest Investment* and interest credited, less the sum of all withdrawals and transfers.

**Cash Value of the Policy** is the *Cash Value of the Daily Interest Investment* plus each *Cash Value of a Guaranteed Interest Investment*.

**Daily Interest Investment** is an investment which pays variable daily interest.

**End Date** is the date a *Guaranteed Interest Investment* ends.

**Guaranteed Interest Investment** is a fixed term investment with a guaranteed interest rate.

**Market Value Adjustment (MVA)** means a reduction to the *Balance of a Guaranteed Interest Investment* on early termination or partial withdrawal. We determine the amount of the reduction based on:

- the time left until the *End Date* of the *Guaranteed Interest Investment*
- the interest rate at the time the investment was purchased
- the current interest rate
- expenses for the investment

**Maturity Date** is December 31<sup>st</sup> of the year the *Annuitant* reaches age 100. You may select an earlier date by providing us notice in a form acceptable to us.

**Premiums** are all payments or transfers paid into your Policy. This does not include any interest credited by us.

### Provisions applicable before the Maturity Date

#### Premium limits

You may pay *Premiums* at any time unless we notify you otherwise. *Premiums* are subject to minimum and maximum amounts determined by us. We reserve the right to close the Policy to new *Premiums*. If we decide to do this, we will notify you in advance.

#### Daily interest investment

We apply *Premiums* to the *Daily Interest Investment*, unless you direct otherwise. The rate of interest is determined by us each day and is never less than 0.25%. Interest rates for the *Daily Interest Investment* are expressed as a rate per year compounded annually. Interest is calculated on the *Cash Value of the Daily Interest Investment* at the current interest rate and is added to the Policy at the end of each day.

#### Guaranteed interest investment

Subject to minimums and maximums determined by us, we will on your request, establish a *Guaranteed Interest Investment* using any amount (the "Amount") from *Premiums* or your *Daily Interest Investment* including any interest paid into your *Daily Interest Investment*.

The *Guaranteed Interest Investment* starts when we receive your direction and the Amount. You select the *End Date* of the investment from the investment terms we offer. We determine the interest rate for the investment when it is established. You may not select an investment term for a *Guaranteed Interest Investment* if the *End Date* would be after the *Maturity Date*.

Unless you direct otherwise, on the *End Date*, the *Balance of the Guaranteed Interest Investment* will be transferred to the *Daily Interest Investment*.

Interest is calculated on the *Balance of a Guaranteed Interest Investment* at the interest rate for the investment and is added to the Policy at the end of each day.

**Compound interest investment** - Interest rates are expressed as rates per year compounded annually and interest earned is maintained within the *Guaranteed Interest Investment*.

**Monthly interest investment** - Interest rates are expressed as rates per year compounded monthly. Each month, the interest earned during the prior investment month will be transferred to the *Daily Interest Investment* unless otherwise directed by you in a form acceptable to us.

**Annual interest investment** - Interest rates are expressed as rates per year compounded annually. Each year on the investment anniversary, interest earned for the prior investment year will be transferred to the *Daily Interest Investment* unless otherwise directed by you in a form acceptable to us.

#### Withdrawals

You may request withdrawals from your Policy, subject to minimum and maximum amounts and other administrative requirements set by us. No withdrawal may exceed the *Cash Value of the Policy*. All withdrawals will be taken from the investment you request. If no direction is provided, withdrawals will be taken from an investment within the Policy as determined by us at our discretion.

Withdrawals prior to the *End Date* of a *Guaranteed Interest Investment* may be charged an *MVA*. The cash value of the withdrawal is transferred to the *Daily Interest Investment*. Amounts withdrawn from the *Daily Interest Investment* will not be charged an *MVA*.

If the *Balance of the Policy* after the withdrawal would be less than a minimum determined by us, we reserve the right to pay the *Balance of the Policy* instead. An *MVA* may apply.

**Termination**

At any time you may request payment of the *Cash Value of the Policy*. The Policy will terminate when we receive your request in a form acceptable to us or when the *Balance of the Policy* is zero.

**Death benefit**

If the *Annuitant* dies before the *Maturity Date*, the Policy terminates and the *Balance of the Policy*, (less any applicable withholding tax) will be payable to your beneficiary(ies). If no beneficiary is designated or there is no surviving beneficiary(ies), the *Balance of the Policy* will be payable to you or your estate(s) (less any applicable withholding tax). We require proof of the claim and the right to receive the benefit in a form acceptable to us.

**Provisions applicable on or after the Maturity Date**

**Premiums**

You may not pay additional *Premiums* on or after the *Maturity Date*.

**Life annuity income benefit**

If the Policy is in force on the *Maturity Date* and you have not directed us otherwise in a form acceptable to us, the annuity payments as described below will begin. There will be no less than 120 monthly payments. Once the life annuity income benefit becomes payable, it cannot be altered, changed or cashed in.

This benefit is a monthly life annuity payable to you by us. Payments begin one month after the *Maturity Date* and continue as long as the *Annuitant* is alive.

If the *Annuitant* dies before 120 payments are made, the remainder of the 120 payments will be paid to the beneficiary as they become due. Alternatively the beneficiary may request that the present value of the remaining payments be paid in one sum unless you direct otherwise. (The present value will be calculated with the interest rate being used by us on the date of death for a new term certain annuity with the number of payments equal to those remaining at death.)

If the *Annuitant* dies after all the 120 payments have been made, the annuity terminates with the last payment before death.

**Amount of life annuity payment**

The *Cash Value of the Policy* at the *Maturity Date* is used to determine the amount of each life annuity payment. We apply the greater of our regular annuity rates, for annuities being issued by us on the *Maturity Date* or the following rates.

Age at <i>Maturity Date</i>	Monthly payment per \$1000 <i>Cash Value of the Policy</i>
0-24	\$0.50
25-39	\$0.75
40-59	\$1.00
60-69	\$1.50
70-85	\$2.00
86 and over	\$4.00

If the annuity payment determined above would be less than a minimum determined by us, we reserve the right to terminate your Policy and pay the *Cash Value of the Policy* to you in one sum (subject to withholding tax, where applicable).

**Proof of age and survival**

We may require proof of the *Annuitant's* date of birth before payments begin. For payments made during the *Annuitant's* lifetime, we may require proof that the *Annuitant* is living on the date of the payment. Similar proof may be required for your spouse if applicable.

**General Provisions**

**Policy changes**

The Policy cannot be changed nor can any of the conditions be waived except by an amendment signed by authorized officials of the Company.

**Claims**

Any claim for a death benefit must be made in writing to our head office. The claimant must provide proof of the claim and the right to receive the benefit.

**Time limit for recovery of insurance money**

Every action or proceeding against an insurer for the recovery of insurance money payable under the contract is absolutely barred unless commenced within the time set out in the Insurance Act or the provincial or territorial legislation that applies to the Policy.

**Notification**

Any notices, requests, selections or directions may be mailed to: Sun Life Assurance Company of Canada, 227 King Street South, Waterloo, Ontario N2J 1R2. Your communication will be deemed to have been given on the day it is received by us. We will use your last known address in our records for any communication we mail to you.

**Currency**

Canadian dollars.

**Participation**

This is not a participating policy. You are not eligible to receive policyholder dividends.

**Assignments**

Subject to applicable legislation, the Policy may be assigned. If the Policy is assigned, written notice of the assignment must be sent to us. We assume no responsibility for the validity of any assignment.