



## **In Force Annuity and Life Insurance Customer Communication**

December 17, 2012

Today, Sun Life Financial announced an agreement to sell its domestic U.S. annuity business and a portion of its domestic U.S. individual life insurance business to Delaware Life Holdings, a company owned by shareholders of Guggenheim Partners. This transaction will advance Sun Life's strategy by transferring the business to a financially strong buyer that understands and is committed to the annuity and life insurance sectors. We're pleased to have identified a buyer for whom these products are a better strategic fit.

The transaction is expected to close by the end of Q2 2013, and we will operate as usual until that time. The terms and conditions of your contract or policy will not change, and you will not need to take any action. This announcement does not change the risk profile and strength of Sun Life Financial's operating insurance companies, which remain financially strong and well capitalized.

Included in this sale will be all annuity products and certain life insurance products. This transaction will not include our U.S. group insurance or the majority of non-variable individual life insurance products.

Delaware Life Holdings plans to build on the Sun Life franchise by underwriting new business, continuing to operate it as a well-capitalized insurer, and sustaining Sun Life's high-quality customer service. Plans are in place to ensure that customers experience a smooth transition.

The sale will also include systems and assets, including approximately 500 Sun Life employees, who will continue to support the acquired business. The Sun Life employees bring years of experience and significant expertise and will continue to provide you with high-quality service. We are committed to meeting ongoing customer obligations and to providing this high level of service through the close of the transaction. Sun Life will also continue to support customers of our non-variable individual life insurance products.

The attached Q&A has been developed to further assist you. If you have any questions, please contact our call center between the hours of 8:30 a.m. and 6:00 p.m. ET. For annuities, call 800-752-7216, and for life insurance, call 800-862-6266. As we proceed with this transition, we are committed to providing you with the appropriate updates.

## Questions and Answers

### **Q: Why is Sun Life selling its domestic U.S. annuity business and a portion of its domestic U.S. individual life insurance business?**

A: In December 2011, Sun Life announced that it would be closing its annuity and life businesses to new sales, and would focus its growth strategy on the group insurance and voluntary business. This transaction advances Sun Life's strategy of reducing risk and volatility and generates significant proceeds that will support our strategic growth objectives. It will also transfer the business to a financially strong buyer that understands and is committed to the annuity and life insurance sectors. We're pleased to have identified a buyer for whom these products are a better strategic fit.

### **Q: Who is Delaware Life Holdings?**

A: Delaware Life Holdings is a privately held company owned by shareholders of Guggenheim Partners. It is focused on the long term value of the business and plans to build on the Sun Life franchise by underwriting new business, continuing to operate it as a well-capitalized insurer, and sustaining the current level of high-quality customer service.

Guggenheim Partners is a privately held, diversified financial services business with operations in the investments, securities, and insurance sectors and has assets under management of US\$160 billion. Guggenheim has participated in the successful acquisition of a number of insurance entities over the last several years, earning great regard from regulators and rating agencies alike.

### **Q: Will my policy be sold as part of this transaction?**

A: Products included in the sale are variable annuities, non-variable fixed annuities, and fixed-index annuities in the U.S. Also included in the sale are certain life insurance products, primarily variable life insurance. Products included in the sale will not transfer until the transaction closes.

### **Q: Will this transaction affect Sun Life's financial strength ratings?**

A: As with similar transactions, we expect the rating agencies will review the financial strength ratings related to the businesses being sold. This announcement does not change the risk profile and strength of our operating insurance companies, which remain financially strong and well capitalized.

### **Q: How can I ensure that my policy or contract is going to be safe?**

A: Delaware Life Holdings is a strategic and financially strong buyer that understands and is committed to the annuity and life insurance businesses. You will continue to enjoy all the insurance contract benefits being provided to you because they are not affected by this transaction.

### **Q: Will I receive the same level of service that I received from Sun Life Financial?**

A: We are committed to a smooth transition for all affected customers. In fact, approximately 500 Sun Life employees will continue to support the acquired business. This team brings years of experience and significant expertise. As a result, you will continue to benefit from the high-quality service for which these businesses have been recognized over the years.

**Q: How will this impact my policy or contract? Will the investment options within the variable products be impacted?**

A: This announcement will not change the policy or contract terms.

**Q: Will there be any changes to how I work with Sun Life Financial?**

A: We expect to operate as usual until the transaction closes, which is expected to be by the end of Q2 2013. You will continue to follow the same processes you do today, such as submitting premiums and claims, as well as contacting Sun Life Financial's call center. As we proceed with this transition, we are committed to providing you with the appropriate updates.