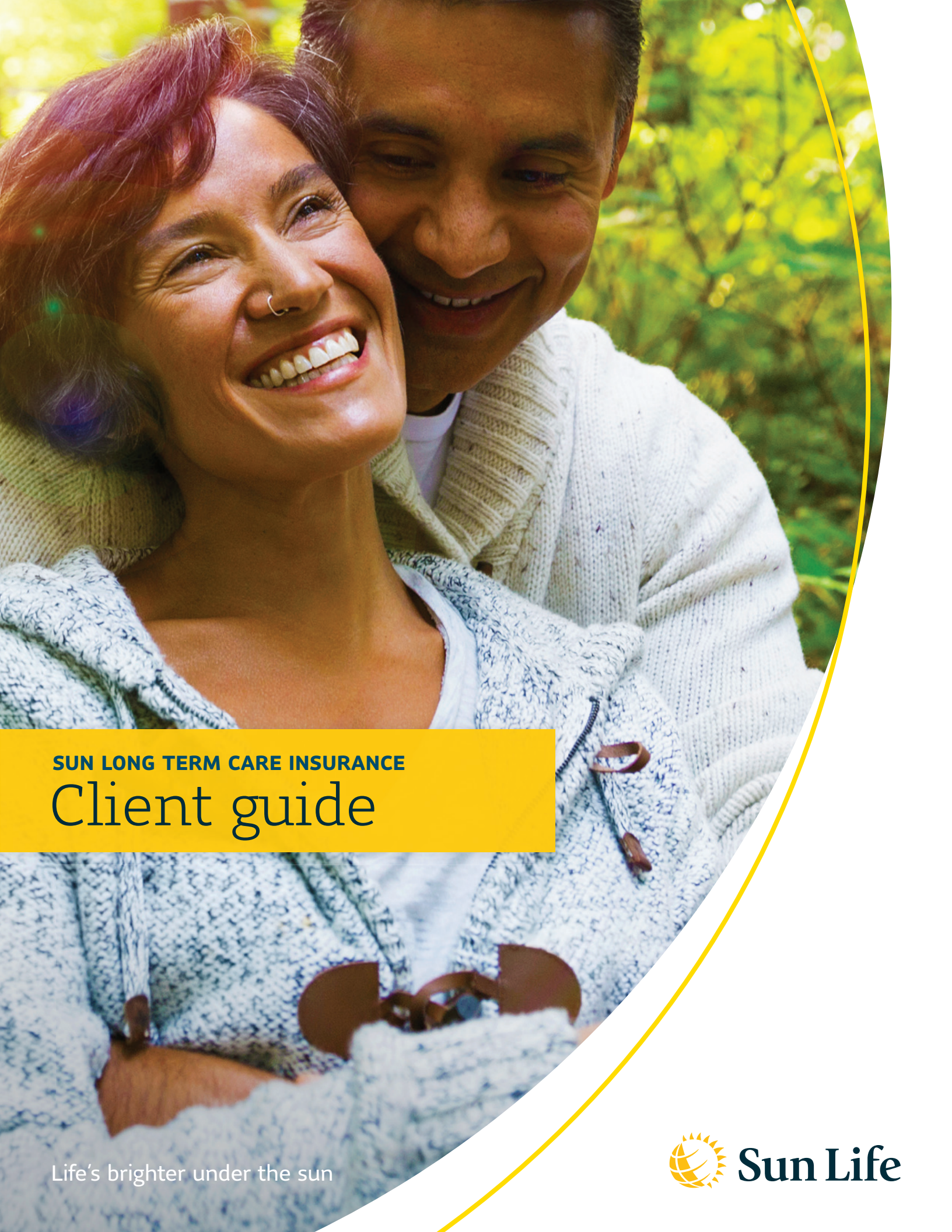




SUN LONG TERM CARE INSURANCE

Client guide

Life's brighter under the sun



Sun Life

This guide gives you an overview of Sun Long Term Care Insurance and outlines many features and benefits. It complements but does not form part of your policy.

Learn more about:

- How coverage works
- How we determine dependency
- Building your plan
- Built in features
- Optional benefits
- Paying for your plan
- Making a claim

Sun Long Term Care Insurance Client guide

Protection for the best possible retirement

Retirement is a complex time of life with changes to finances, health, and relationships. The reality is most of us will need care at some point in our lives. As you plan for your best possible retirement, consider long-term care insurance.

Sun Long Term Care Insurance provides an income-style benefit if you become unable to care for yourself due to aging, an accident, illness or deteriorated mental abilities. It can help you and your family manage the cost of care services that come from being dependent for a long period of time. The money is for you and your family to use as you wish.

With Sun Long Term Care Insurance, you get:

- ✓ **Protection** – You're building your savings to enjoy life today and in retirement. Protect those savings if you need long-term care.
- ✓ **Freedom** – You look forward to living your retirement to its fullest. Enjoy the freedom of using your money now and in retirement, without worrying about saving for future health-care needs.
- ✓ **Control** – You prefer to tailor your purchases to your needs. Choose which features are important to you.
- ✓ **Flexibility** – You value having choices. Long term care insurance offers a flexible benefit that can help pay for the type of care that's right for you. You decide on the care you receive — whether it's private home care or compensating a family member who helps with your care.

How coverage works

Sun Long Term Care Insurance helps you manage the costs associated with losing your independence due to an unexpected illness, chronic condition or dementia. It can help cover the costs of care services you need in any environment, including:

- your home (personal residence),
- a retirement home, or
- a long term care facility.

You choose your coverage amount. If you become dependent, you'll receive a benefit that's calculated weekly and paid monthly.

To qualify for the benefit,

- you must be dependent, and
- you must be dependent for longer than the waiting period.

You are considered dependent if you require:

Constant supervision by another person because of deteriorated mental ability

OR

Substantial physical assistance with at least two activities of daily living

OR

Stand-by assistance to perform bathing and transferring



Definitions

Deteriorated mental ability is defined as a deterioration in or a loss of:

- short- or long-term memory,
- orientation as it relates to people, place and time,
- reasoning, or
- judgment, as it relates to safety awareness.

Deteriorated mental ability must result from an organic brain disorder such as Alzheimer's disease, irreversible dementia, or brain injury.

Activities of daily living are defined as:

- **Bathing** – Bathing means washing yourself with or without the aid of assistive devices in a bathtub or shower, including getting in and out of the bathtub or shower, or by sponge bath (Bathing doesn't include the ability to reach and wash the back or feet).
- **Dressing** – Dressing means putting on, taking off, fastening and unfastening, with or without the aid of assistive devices: clothing, and medically necessary braces or artificial limbs. You're not dependent for dressing if reasonable alterations to or changes in the clothing you usually wear would let you dress yourself without substantial physical assistance.
- **Toileting** – Toileting means getting to and from and on and off the toilet, with or without the aid of assistive devices, and performing associated personal hygiene.
- **Transferring** – Transferring means moving into or out of a bed, chair or wheelchair, with or without the aid of assistive devices.
- **Continence** – Continence means the ability to control both bladder and bowel functions, or maintain a reasonable level of personal hygiene (including caring for catheter or colostomy bag) when not able to control bowel or bladder functions.
- **Feeding** – Feeding means the ability to get food into your body, with or without the aid of assistive devices, through your mouth, or by feeding tube. Feeding does not include cooking or preparing a meal.
- **Assistive devices** – Assistive devices are aids that could be used to improve your functioning. If using an assistive device allows you to perform an activity of daily living safely and completely, you're not dependent for that activity. Assistive devices are: adjustable beds, buttonhooks, canes, crutches, grab bars, handheld showerheads, bath brushes, seat lifts, transfer benches, walkers and wheelchairs.

Stand-by assistance means another person must always be within arm's reach so you can safely and completely perform the activities of bathing and transferring. If you require stand-by assistance for only one of bathing or transferring, we consider you dependent when you also require substantial physical assistance to perform one of the other activities of daily living.

Building your plan

Sun Long Term Care Insurance is available to individuals age 21 to 80.

- 1 Choose your benefit amount** – We'll pay you this amount for every week that you qualify for a benefit.
 - Minimum weekly benefit amount: \$150
 - Maximum weekly benefit amount: \$2,300 (for all long-term care insurance combined)
- 2 Choose your benefit period** – The length of time we may pay a claim once you're dependent.
 - 100 weeks (1.9 years),
 - 150 weeks (2.8 years),
 - 250 weeks (4.8 years), or
 - unlimited benefit period.
- 3 Choose your waiting period** – The length of time you must be continuously dependent before we'll pay a claim.
 - 90 days, or
 - 180 days.



Built-in features

With Sun Long Term Care Insurance, you get extra features at no added cost.

First payment bonus

When we approve your claim, your first payment includes a bonus amount that's equal to 12 times the weekly amount.

Palliative care (end-of-life care)

Regardless of the waiting period you've selected, you may submit a claim 30 days after you:

- require substantial physical assistance for at least four activities of daily living,
- have been diagnosed with a terminal disease, or illness by a qualified physician or another healthcare professional, and
- are receiving palliative care that's supportive and provides comfort.

If you qualify, the first payment bonus is equal to four times the weekly amount.

Spousal waiver of premium

If you and your spouse each have policies that include spousal waiver, you may be eligible for spousal waiver of premium. This means if one spouse dies, the surviving spouse doesn't have to pay premiums for their policy. Also, if we're paying benefits on either policy, the other spouse doesn't have to pay premiums.

To qualify for the benefit, each spouse must have a policy that has been continuously in effect with no approved claim, from the start of the policies until:

- both policies have reached their 10th policy anniversaries, or
- both spouses have had their 86th birthdays.

Extended term insurance

If you miss a payment, the coverage may automatically continue for a fixed length of time. The length of time is shown in the extended term insurance schedule in your policy. The weekly amount, waiting period and benefit period will not change. But, we won't pay a first payment bonus and any optional benefits on the policy will end.

Optional benefits

Adding optional benefits to your policy can help you enhance your coverage.

Inflation protection

There are two options to protect the weekly benefit against inflation:

- **Option A** – Your weekly benefit increases by 3% on each policy anniversary while the weekly benefit is payable.
- **Option B** – Your weekly benefit increases by 2% on each policy anniversary while your weekly benefit is not payable. And it increases by 3% on each policy anniversary while the weekly benefit is payable.

There's no limit on increases; they're compounded annually and rounded to the nearest dollar.

Return of premium on death

Available if you are between ages 21 and 65.

If you die while the policy is in effect, we'll pay the returnable premium amount to your estate or any beneficiary you name in writing.

The returnable premium amount is:

- the sum of all the premiums paid,
- minus any unpaid premiums and interest,
- minus any benefit payments we made.

Your **policy date**
is the start date of
your insurance policy.

Your **policy anniversary**
is the month and
day every year that
is the same as
your policy date.



When does my coverage begin?

Your coverage begins when:

- the policy is delivered,
- you make the first payment, and
- you have given us all required evidence that there's been no change in your insurability between the time you applied for insurance and the time your policy is delivered.

Paying for your plan

A premium is the monthly or annual amount to be paid for your insurance policy.

You can choose to pay premiums:

- until the policy anniversary following your 100th birthday, or
- to the latest of 25 years, or to the policy anniversary after age 65.

You can choose to pay:

- annually, by cheque, or
- monthly, by pre-authorized chequing.

If you pay monthly, premiums are slightly higher to help cover additional costs for processing monthly transactions. To calculate monthly premiums, we multiply the total annual premium by .09. For example, if the annual premium is \$400, the monthly premium is $\$400 \times .09$, which equals \$36.

Your premium won't change for the first five policy years.

After that, we may increase or decrease the premium on a policy anniversary. This may happen if our experience with claims, interest rates, other investment returns, taxes or expenses varies. If we do make a change, we'll give advance notice of the change. The new premium will be guaranteed for at least another five years.

Making a claim

To request benefits to be paid, you must submit a claim. You can submit a claim if you are dependent for longer than the waiting period. Your waiting period could be 90 days or 180 days, unless you qualify for benefits under the Palliative care benefit.

You must continue to pay premiums until we've approved the claim. Once we approve a claim, you no longer have to pay premiums for the policy. You don't need to send us receipts for reimbursement.

To submit a claim, you must be in Canada or the United States. After we approve a claim, if you leave Canada or the United States, we will pay benefits for eight consecutive weeks. For benefits to continue, you will need to return to Canada or the United States for an assessment.



LIFESTAGECARE™ – A day 1 benefit providing care resources for you and your family

From the moment the policy is issued and as long as it remains in force, you can access valuable resources through LifestageCare. This is a national, bilingual service, available by phone or online, 24 hours a day, seven days a week. LifestageCare offers unbiased information about local, qualified health care and personal care providers that help meet your individual and family needs, at every stage of life.

- **Seniors** – for information on aging, retirement residences, nursing homes, home care, and community care.
- **Self-care** – for personal advice and well-being, treatment, counselling, and physical rehabilitation.
- **Children and teens** – for parenting, child care, and special needs services.

LifestageCare is available to new and existing Sun Life long-term care insurance policy owners.

It's not a guaranteed feature of the product and may be withdrawn at any time.

LifestageCare is a trademark of Sykes Assistance Services Corporation.

Making the decision to buy Sun Long Term Care Insurance can be an important part of planning for independence as you age, and protecting your retirement.

Your advisor can help you choose the options that can work for you.



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This information is being presented with the understanding that it is intended for information purposes only.
Unless specifically stated, the values/rates presented are not guaranteed.

Sun Life Assurance Company of Canada is the insurer of these products and is a member of the Sun Life group of companies.
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