



BROKER REWARDS

2019 Broker Incentive Program

Stop-Loss

Thank you for the vital contribution you make to our group business. Deliver outstanding results, and we'll reward you for it with either our New Sales Award and/or our Block Management Award.

Refer to the **Definitions** section at the end of this document for an explanation of capitalized terms used throughout.

New Sales Award

To be eligible for this award, you must, during the 2019 Production Year:

- Generate at least \$750,000 of annualized premium in new sales

Plan design

New Sales Award	
New Sales	Award rate
\$750,000–\$2,499,999	2.00%
\$2,500,000–\$4,999,999	3.00%
\$5,000,000+	4.00%

Block Management Award

Plan design

Block Management Award			
Beginning BIF Min	Beginning BIF Max	Persistency Threshold & Award Rate	
		75.00%–84.99%	85%+
\$2,000,000	\$3,999,999	0.75%	1.50%
\$4,000,000	\$5,999,999	1.25%	2.00%
\$6,000,000+		2.00%	3.00%



Calculating the New Sales Award

The award amount is calculated based on new annualized premium, multiplied by the corresponding award rate, subject to the premium cap.

$$\text{New Sales Award} = ((\text{new sales} + \text{Additional Business}) \times \text{award rate percentage})$$

New Sales Award example

New sales and Additional Business during 2019 Production Year: \$1,800,000

New Sales Award: $\$1,800,000 \times 2.0\% = \mathbf{\$36,000}$

Calculating the Block Management Award

The award amount is the award rate percentage multiplied by the premium generated by the block on January 2, 2019, subject to the premium cap.

$$\text{Block Management Award} = ((\text{premium} \times \text{persistence threshold}) \times \text{award rate percentage})$$

Block Management Award Example

Beginning BIF: \$6,000,000

Maintains persistency threshold of 80%

Block Management Award premium: $\$6,000,000 \times 80\% = \$4,800,000$

Block Management Award: $\$4,800,000 \times 2.00\% = \mathbf{\$96,000}$

New Sales Award and Block Management Award details¹

- A line of coverage is considered to be a new sale, and new annualized premium is considered to be generated during the 2019 Production Year, if Sun Life Financial (1) receives the application or the Benefit Confirmation e-mail for the line of coverage in good order (as determined by Sun Life Financial) by December 31, 2019, (2) completes its risk approval review of, and approves, the application on or before January 31, 2020, and (3) the effective date of coverage for the line of coverage is April 1, 2020 or earlier.
- Qualifying new lines of coverage include new lines of coverage sold to an existing or new policyholder.
- Additional Business counts toward the new annualized premium requirement 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
- A \$1,500,000 premium cap is applied to the award in the following manner:
 - The premium cap does not apply to the annualized premium used to determine the eligibility for the award.
 - The total amount of the annualized premium for any coverage that is applied to the calculation of the award is the applicable premium cap.

1. Sun Life Stop-Loss business issued or transferred under any captive program is excluded from any and all Sun Life incentive, bonus or override programs.



Broker of record (BOR) changes

For new cases written on or after January 2, 2019:

- If a broker adds a new case during the 2019 Production Year and loses that case to another broker because of a BOR change, and the case remains with Sun Life Financial throughout the 2019 Production Year, the original broker will be credited with the new business in the 2019 Production Year. We will add the case to the new broker's 2020 beginning block.
- If a broker adds a new case in the 2019 Production Year and loses that case to another broker because of a BOR change, and the case terminates from Sun Life Financial during the 2019 Production Year, no broker will receive credit or a bonus award for this new business.

For in force cases written prior to January 2, 2019:

- If, prior to January 1, 2020, a broker loses an in force case from his or her block of business because of a BOR change, the case will be removed from the broker's 2019 Beginning BIF.
- If, prior to January 1, 2020, a broker adds an in force case to his or her block of business as a result of a BOR change, we will add the case to the new broker's 2019 Beginning BIF.
- Case cancellations that are effective on or prior to the date of a BOR change will be counted in the persistency calculation for the broker of record that is on the case on the effective date of the cancellations (as determined by Sun Life Financial).

Definitions

"2019 Production Year" means the period beginning January 2, 2019, through January 1, 2020.

"Additional Business" means additional premium generated by increasing the insurance provided under an existing line of coverage, and other policy events or circumstances that Sun Life Financial, in its sole discretion, considers to be Additional Business.

"Beginning BIF" means the amount of annualized premium generated by the lines of coverage in your in force block of business with Sun Life Financial as of January 2, 2019, and adjusted for broker of record changes that occur during the 2019 Production Year (adjustments will be made in accordance with the Broker of record changes section).

"Persistency" means a percentage calculation as the annualized premium generated by the policies that were part of your block as of January 2, 2019, that remain in your block as of January 1, 2020, divided by the annualized premium generated by the policies that were part of your block as of January 2, 2019, that remain in your block as of January 1, 2020.



To learn more, call your local Sun Life Stop-Loss Specialist.

The 2019 Broker Incentive Program is subject to state approvals and regulatory requirements. For New York-issued cases, producers must comply with the specific compensation requirements of New York Regulation 194.

If a broker is eligible for another bonus program offered through Sun Life Financial, he/she is not eligible for this standard incentive program.

The 2019 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.), or Sun Life Assurance Company of Canada.

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.) (Lansing, MI) in New York. Group insurance policies are underwritten by Sun Life Assurance Company of Canada (Wellesley Hills, MA) in all states except New York.

Product offerings may not be available in all states and may vary depending on state laws and regulations.

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