

March 1, 2016

Sun Life Financial acquires Assurant Employee Benefits

Combining leading capabilities in the U.S. group benefits market

Sun Life Financial is a leading group benefits insurer in North America that, as part of its focus on growing its U.S. business, acquired the employee benefits business of Assurant on March 1, 2016. Today, Sun Life Financial U.S. is the sixth-largest group benefits business in the United States⁽¹⁾ and serves more than 60,000 employers in small, medium, and large workplaces across the country. With the integration of products, capabilities, and talent from the two companies, Sun Life Financial's U.S. group benefits business provides one of the broadest ranges of solutions to U.S. employers and their employees.

Combined power of Sun Life Financial U.S. Group Benefits and Assurant Employee Benefits



	Sun Life Financial U.S. Group Benefits	Assurant Employee Benefits	Combined (As of Acquisition Close)
Number of Employees	~2,000	~1,700	~3,700
Key Offices	<ul style="list-style-type: none"> Wellesley Hills, MA Multi-site strategy 	<ul style="list-style-type: none"> Kansas City, MO Multi-site strategy 	<ul style="list-style-type: none"> Wellesley Hills, MA Kansas City, MO Multi-site strategy
Experience in U.S. Group Benefits	Since 1924	Since 1910	More than 100 years
Revenue Ranking⁽¹⁾	#8	#16	#6
Business In Force⁽²⁾	\$2.6 billion	\$1.4 billion	\$4 billion
Number of U.S. Group Customers	More than 30,000	More than 30,000	More than 60,000
Products	<ul style="list-style-type: none"> Life Accidental Death & Dismemberment Long-Term Disability Short-Term Disability Accident Critical Illness Dental Stop-Loss Attained-age Voluntary products 	<ul style="list-style-type: none"> Life Accidental Death & Dismemberment Long-Term Disability Short-Term Disability Accident Critical Illness Cancer Supplemental Medical Expense (Gap insurance) Dental Vision Issue-age Voluntary products 	<ul style="list-style-type: none"> Life Accidental Death & Dismemberment Long-Term Disability Short-Term Disability Accident Critical Illness Cancer Supplemental Medical Expense (Gap insurance) Dental Vision Stop-Loss Both issue-age and attained-age Voluntary products

	Sun Life Financial U.S. Group Benefits	Assurant Employee Benefits	Combined (As of Acquisition Close)
Business In Force Ranking by Product ⁽³⁾	<ul style="list-style-type: none"> • Stop-Loss: #2 • Group Term Life: #10 • Group Disability: #11 • Dental: #14 • Voluntary: #15 	<ul style="list-style-type: none"> • Group Term Life: #19 • Group Disability: #12 • Dental: #11 • Voluntary: #19 	<ul style="list-style-type: none"> • Stop-Loss: #2 • Group Term Life: #8 • Group Disability: #6 • Dental: #9 • Voluntary: #10
Key Differentiated Offerings	<ul style="list-style-type: none"> • Data analytics and benchmarking tools • Absence Management Services • Stop-Loss cost containment solutions 	<ul style="list-style-type: none"> • Fully integrated in-house capabilities that span enrollment, benefit communications, deductions reporting, and administration • Disability RMS – turnkey disability reinsurance; dedicated business unit 	<ul style="list-style-type: none"> • Data analytics and benchmarking tools • Absence Management Services • Stop-Loss cost containment solutions • Fully integrated in-house capabilities that span enrollment, benefit communications, deductions reporting, and administration • Disability RMS – turnkey disability reinsurance; dedicated business unit
Target Market Segments	<ul style="list-style-type: none"> • Employers in all market segments (2 – 25,000+ employees) • Specialized capabilities for hospitals, physicians, attorneys, and public sector 	<ul style="list-style-type: none"> • Small to mid-sized employers • Specialized capabilities for educators/schools 	<ul style="list-style-type: none"> • Small group, middle markets, and the large case market • Specialized capabilities for hospitals, physicians, attorneys, public sector, and educators/schools
Distribution Overview	<ul style="list-style-type: none"> • Products distributed exclusively through brokers and third-party-administrators for stop-loss • Specialized sales force for small business, national accounts, stop-loss, and voluntary benefits • Presence on several private exchanges 	<ul style="list-style-type: none"> • Products distributed exclusively through brokers • Specialized sales force for small business • Additional private exchange relationship (bSwift) 	<ul style="list-style-type: none"> • Products distributed exclusively through brokers and third-party-administrators for stop-loss • Specialized sales force for small business, national accounts, stop-loss, and voluntary benefits • Presence on several private exchanges

About Sun Life Financial

Sun Life Financial is a highly respected international financial services organization that was founded 150 years ago. It is headquartered in Toronto, Canada, and provides protection and wealth products and services to over 37 million people in 25 countries.

Sun Life Financial has a four-pillar strategy for growth across its operations, which includes its commitment to being a leader in U.S. group benefits.

In the U.S., Sun Life Financial's operations include the **Group Benefits** business, the **Individual Life Insurance** business, which manages a large in-force block of customers across the U.S., and **SLF International**, which is domiciled in Bermuda and provides life insurance solutions to high-net-worth clients around the world. **Dan Fishbein, MD, President, Sun Life Financial U.S.**, has headed the U.S. business since early 2014.

In Canada, Sun Life Group Benefits was ranked the #1 provider of employee benefit group insurance products for the sixth consecutive year⁽⁴⁾ and in 1919 was the first company to introduce group life insurance in the country.

As of December 31, 2015, the Sun Life Financial group of companies had total assets under management of C\$891 billion and had a strong capital position, with its primary subsidiary Sun Life Assurance Company of Canada rated AA- by Standard & Poor's and Aa3 by Moody's. Ratings details: [Sun Life Global Ratings](#).

Sun Life Financial is recognized for its strong governance and corporate social responsibility, including being named as one of the Global 100 Most Sustainable Corporations in the World.

The public company Sun Life Financial Inc. is listed on the Toronto, New York and Philippine stock exchanges and had a market cap of C\$26.4 billion as of December 31, 2015.

- (1) The acquiring entity is Sun Life Assurance Company of Canada, a subsidiary of Sun Life Financial Inc. As a result of the transaction, Sun Life Financial's U.S. group benefits business is the sixth-largest group benefits carrier (excluding group healthcare) in the U.S. based on pro forma combined revenue from an internal analysis of publicly available information. Information updated as of March 9, 2016.
- (2) Pro forma combined business in force as of December 31, 2015; includes Disability RMS premium under management
- (3) Source: LIMRA 2014 Annual Sales & In-Force reports for Group Life, Group Disability and Group Dental Plans; LIMRA 2014 Annual U.S. Worksite Sales and In-Force Survey. Eastbridge 2014 U.S. Voluntary/Worksite Sales report; NAIC 2014 Accident and Health Policy Experience Report; company statutory filings. Disability business in force includes Disability RMS premium under management.
- (4) Source: The Fraser Group, 2015 Group Universe Report, as measured by 2014 revenue

All figures are in U.S. dollars unless otherwise stated as C\$ for Canadian dollars.

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