

December 27, 2011

Re: Closing our U.S. Variable Annuity and Individual Life Products to New Business

Dear Distributor:

Last week, Sun Life Financial announced we will be closing our U.S. variable annuity and individual life products to new business. This does not impact products offered by our Bermuda operations.

With interest rates at historic lows, and new capital requirements double those of our American competitors, our outlook on variable annuities has changed. The risks now outweigh the rewards. Similarly, our linked benefits and individual life insurance business is dependent upon our variable annuity wholesale distribution and service model and is not sustainable otherwise.

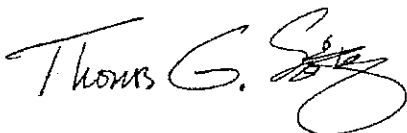
These changes position Sun Life to pursue strategic growth opportunities in the U.S. Group Insurance and the Voluntary markets, where we have lower capital requirements and similar regulatory and accounting guidelines as our U.S. competitors.

With this significant news, I wanted to reach out to our distribution partners. This decision in no way alters our firm commitment to the promises we have made to existing policyholders.

I have attached an FAQ with a high level list of product closures, general new business transition rules, and other information that may be helpful. Also attached are the new business transition rules for individual life and variable annuity products.

If you have any further questions please contact our Service Center at 877-736-4751.

Sincerely,



Thomas Seitz
Executive Vice President

Frequently Asked Questions

1. Why is Sun Life choosing to no longer sell Annuity and Life products?

The decision to stop selling new variable annuity and individual life products is an outcome of a recent strategic review of the Company's operations. The Company's U.S. operations will focus on becoming a leader in group insurance and voluntary benefits in the U.S. marketplace. Discontinuing the sale of variable annuity and individual life products reflects the Company's focus on reducing volatility in its operations and improving the return of shareholders' equity by shifting capital to businesses with superior growth, risk and return characteristics.

2. Why now?

With interest rates at historic lows, and new capital requirements double those of our American competitors, our outlook on variable annuities is different. The risks now outweigh the rewards.

3. What products are being discontinued?

This announcement impacts the sale of Sun Life Financial Masters VA, Sun Life Solutions VA, Sun Care WL, Sun Executive UL and VUL, Sun Accumulator UL, and Corporate Owned Life Insurance. We will continue to provide service and process claims on these products and our other inforce annuity and life business.

4. When is the last day to submit an application for either U.S. Annuity or Life products?

Annuity Product Transition Rules

- Sun Life Solutions Variable Annuities has been closed to new business effective December 16, 2011. Sun Life Masters Variable Annuities will close to new sales effective December 30, 2011. (Note: no changes are being made to the previously announced transition rules for the Magnastar PPVA product.)

Life Product Transition Rules

- Sun Care WL and Sun Executive UL and VUL and Sun Accumulator UL will be closed to new business on December 30, 2011; applications received in good order by December 30, 2011 must be paid within 60 days. Sun Care interviews must be completed by January 31, 2012. Please note: interviews must be scheduled at least two weeks prior to January 31, 2012 to meet the deadline.
- COLI will be closed to new business on January 31, 2012; applications received in good order by January 31, 2012 must be paid by March 31, 2012.

5. What does this mean to the financial strength of Sun Life?

Sun Life Financial is strong and well-capitalized, with a diverse group of businesses across multiple geographies and ratings that place its operating companies among the highest-rated insurance companies in North America. The changes position Sun Life for greater success to pursue strategic growth opportunities in the U.S. and around the world.

Annuity Product Closings Effective December 16, 2011

The Sun Life Solutions product has been closed to new business effective December 16, 2011. Add on payments to existing accounts will continue to be accepted. The chart below lists the impacted products and their corresponding CUSIP number.

Product Name	Product CUSIP Number
Sun Life Solutions	86680A194
Sun Life Solutions New York	866799182

- *Electronic Applications:* new business, including 1035 Exchange/Qualified Transfers and initiations of the New York Regulation 60 process for transfers submitted In Good Order by December 16th will be honored.
- *Paper Applications:* new business, including 1035 Exchange/Qualified Transfers and initiations of the New York Regulation 60 process for transfers received In Good Order by December 16th will be honored.
- Transfer payments must be received by or on February 29, 2012.
- If you have any further questions please contact our Service Center at 877-736-4751

Annuity Product Closings Effective December 30, 2011

The Sun Life Financial Masters II product suite will close to new business effective December 30, 2011. Add on payments to existing accounts will continue to be accepted. The chart below lists the impacted products and their corresponding CUSIP number.

Product Name	Product CUSIP Number
Sun Life Financial Masters Choice II	86680A186
Sun Life Financial Masters Extra II	86680A178
Sun Life Financial Flex II	86680A137
Sun Life Financial Masters I Share	86680A129
Sun Life Financial Masters Choice II New York	866799364
Sun Life Financial Masters Extra II New York	866799166
Sun Life Financial Flex II New York	866799158
Sun Life Financial Masters I Share New York	866799174

- *Electronic Applications:* new business, including 1035 Exchange/Qualified Transfers and initiations of the New York Regulation 60 process for transfers submitted In Good Order by December 30th will be honored.
- *Paper Applications:* new business, including 1035 Exchange/Qualified Transfers and initiations of the New York Regulation 60 process for transfers received In Good Order by December 30th will be honored.
- Transfer payments must be received by or on February 29, 2012.
- If you have any further questions please contact our Service Center at 877-736-4751

Life Product Closings Effective December 30, 2011

Effective December 30, 2011, we will no longer be selling the Life products listed in the chart below.

Product Name	Product CUSIP Number
Sun Accumulator	86680A111
Sun Accumulator New York	866799141
Sun Care Whole Life	86679L128
Sun Executive Universal Life	86680A871
Sun Executive Variable Universal Life	86680A509
Sun Executive Universal Life New York	866799398
Sun Executive Variable Universal Life New York	866799570

- Sun Care WL and Sun Executive UL and VUL and Sun Accumulator UL will be closed to new business on December 30, 2011; applications received in good order by December 30, 2011 must be paid within 60 days. Sun Care interviews must be completed by January 31, 2012. Please note: interviews must be scheduled at least two weeks prior to January 31, 2012 to meet the deadline.
- COLI will be closed to new business on January 31, 2012; applications received in good order by January 31, 2012 must be paid by March 31, 2012.
- If you have any further questions please contact our Service Center at 877-736-4751.