

# Sun Life Assurance Company of Canada

## Beneficiary Supplement

Administrative Office: P.O. Box 506, Keene, N.H. 03431-0506

As a Policy/Certificate Owner one of the most important contractual rights you have is the right to designate a beneficiary.

The primary beneficiary is the person who shall receive the death benefit if he/she is living at the time of the Insured's death. One or more primary beneficiaries may be designated and would share equally or in proportions specified by the Owner.

It is wise to designate a contingent beneficiary who would receive proceeds if the primary beneficiary(ies) were not living at the time of the Insured's death.

If no beneficiary is designated or living, then the Policy/Certificate specifies as to the distribution of the proceeds.

- **Your child as Minor Beneficiary:** Some states permit limited amounts of money to be paid to minors under certain circumstances. If there is no such law in your state, proceeds will be paid only to a guardian of a minor's estate appointed by a court. In most states, a parent is not automatically the guardian of the minor's estate, even where the parent has legal custody. Application must be made to the court to obtain appointment as guardian. One alternative to naming a minor as beneficiary is to create a trust for the benefit of the minor and name the trustee as beneficiary. The trustee may be one or more individuals, a bank or other institution that handles trusts.

If you do decide to name a minor as beneficiary you should provide the full name and birth date of the minor. For unborn children it is preferable to describe exactly whose children are to be included, such as: "All children born of the marriage of John Smith and Mary Smith."

- **Divorced Spouse as Beneficiary:** In the absence of a statute to the contrary, the divorce of an Owner and a beneficiary does not, in itself, affect the beneficiary designation or the Owner's right to change the beneficiary designation. However, applicable law is in effect in a few states. In this case, the beneficiary designation of the former spouse is revoked and proceeds will not be paid. Generally, these laws do not apply if a divorce decree or annulment requires that the Insured designate the former spouse or a former spouse's family members as a beneficiary or if there is an irrevocable beneficiary designation.
- **Insurable Interest:** In cases in which the Owner has insured the life of another person, the beneficiary ordinarily must have an insurable interest in the life of the Insured. Therefore, the choice of beneficiaries is restricted to those persons with insurable interest. Insurable interest has been defined as "any reasonable expectation of benefit or advantage from the continued life of another person." Usually, certain family relationships such as spouse, parent, child, stepchild/parent, fiancée, and grandchild/grandparent all have insurable interest. An Owner has unlimited insurable interest in his own life and usually may name anyone as beneficiary. When in doubt, you should check the laws of your state to determine whether or not your designation complies with your state laws.