

Life Insurer Financial Analysis

Company Sun Life
Assur (US)

Ratings

A.M. Best Company (Best's Rating, 15 ratings)	A+
Standard & Poor's (Financial Strength, 20 ratings)	AA-
Moody's (Financial Strength, 21 ratings)	Aa3
Fitch Ratings (Financial Strength, 21 ratings)	AA-

Asset Analysis

Total Admitted Assets	42,453,649
Total Liabilities	40,703,811
Separate Accounts	27,718,124
Total Surplus & AVR	1,783,022
As % of General Account Assets	12.1%

Invested Assets	13,870,006
Bonds (%)	63.9%
Stocks (%)	2.2%
Mortgages (%)	9.4%
Real Estate (%)	1.1%
Policy Loans (%)	5.1%
Cash & Short-Term (%)	16.4%
Other Invested Assets (%)	<u>2.0%</u>
	100.0%

Net Yield on Mean Invested Assets	
2009 (Industry Average 4.63%)	2.22%
2008 (Industry Average 5.40%)	5.23%
2007 (Industry Average 5.63%)	5.02%
2006 (Industry Average 5.54%)	5.13%
2005 (Industry Average 5.52%)	4.23%
5 Year Average (Industry Average 5.34%)	4.37%

Total Investment Return	
2009 (Industry Average 4.72%)	-0.80%
2008 (Industry Average 3.36%)	1.18%
2007 (Industry Average 5.74%)	3.70%
2006 (Industry Average 6.06%)	5.20%
2005 (Industry Average 5.80%)	4.37%
5 Year Average (Industry Average 5.14%)	2.73%

Asset Growth	
2009 Total Admitted Assets	42,453,649
1-Year Growth	7.0%
3-Year Compound Growth	-0.1%
2009 Total Surplus & AVR	1,783,022
1-Year Growth	32.3%
3-Year Compound Growth	2.3%

Data for Year-End 2009 from the life insurance companies' statutory annual statements. All dollar amounts are in thousands. All ratings shown are current as of June 15, 2010.

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Asset Quality Analysis

Non-Investment Grade Bonds (Class 3 - 6)	
Non-Investment Grade Bonds/Total Bonds	11.2%
Non-Investment Grade Bonds/Surplus & AVR	70.0%
Non-Performing Bonds (Class 6)	
Non-Performing Bonds/Total Bonds	1.0%
Non-Performing Bonds/Surplus & AVR	6.2%
Non-Performing Mortgages & Real Estate	
Non-Performing Mort & R.E./ Total Mort & R.E.	0.0%
Non-Performing Mort & R.E./Surplus & AVR	0.0%
Non-Performing Assets/Surplus & AVR	
Bonds In or Near Default	6.2%
Problem Mortgages	0.0%
Real Estate Acquired by Foreclosure	<u>0.0%</u>
Total Non-Performing Assets/Surplus & AVR	6.2%
As a Percent of Invested Assets	0.8%

Bond Portfolio Analysis

Total Bonds Book Value	8,858,020
Total Bonds Market Value	8,296,561
Bonds Market Value/BookValue	93.7%
Quality	
Class 1: Highest Quality	57.4%
Class 2: Higher Quality	31.4%
Class 3: Medium Quality	7.2%
Class 4: Low Quality	1.7%
Class 5: Lower Quality	1.2%
Class 6: In or Near Default	1.0%
Weighted Bond Class	1.6
Maturity	
1 Year or Less	28.1%
1 to 5 Years	36.1%
5 to 10 Years	22.5%
10 to 20 Years	5.4%
Over 20 Years	7.8%
Weighted Bond Maturity (Years)	5.7

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Operating Income Analysis

Total Income	5,050,363
Total General Expenses	190,134
Total General Expenses/Total Income	3.8%
Earnings Before Policy Dividends & Taxes	357,218
Policy Dividends	0
Policy Dividends/Earnings	0.0%
Pretax Earnings from Operations	357,218
Federal Income Taxes	32,557
Income Taxes/Pretax Earnings	9.1%
Net Earnings from Operations	324,662
Net Realized Capital Gains	<u>-368,676</u>
Net Income	-44,014
As % of Admitted Assets	-0.1%
Unrealized Capital Gains	-34,398

Premium Growth

2009 Total Premium Income	4,207,662
1-Year Growth	48.6%
3-Year Compound Growth	3.1%
2009 Ordinary Life Premium	48,603
1-Year Growth	-105.6%
3-Year Compound Growth	-47.5%

Profitability

Return on Assets	0.8%
Return on Equity	25.6%
2009 Lapse Ratio	6.5%
3-Year Average Lapse Ratio	5.7%
Net Investment Income	310,338
Required Interest	245,877
Interest Margin	26.2%
Ordinary Life Expenses/Premiums	6.7%
General Expenses/Total Income	3.8%
Commissions & General Expenses/Total Income	10.2%

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Analysis of Face Amount of Insurance

Total Insurance In Force	39,801,659
Ordinary Life	34.4%
Group Life	65.6%
Other	0.0%
 Total Reinsurance Ceded	 33,174,932
% of In Force Ceded	
Ordinary Life	90.3%
Group Life	79.7%
Other	0.0%
 Ordinary Life Policies In Force	 29,405
Average Policy Size (in dollars)	465,004
Ordinary Life Policies Issued in 2009	1,743
Average Policy Size (in dollars)	1,135,682

Analysis by Line of Business

Net Premiums Written	4,207,662
Individual	
Life	1.2%
Annuities	27.4%
Health	0.0%
Group	
Life	-1.9%
Annuities	73.3%
Health	0.0%
Credit Life & Health	0.0%
Other Lines	0.0%
 Net Earnings from Operations	 324,662
Individual	
Life	-18.7%
Annuities	22.6%
Health	0.0%
Group	
Life	2.2%
Annuities	93.9%
Health	0.0%
Credit Life & Health	0.0%
Other Lines	0.0%

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