



## **Sun Life Financial to Sell U.S. Annuity and Variable Life Business**

Sun Life Financial announced yesterday (to view the press release, please [click here](#)) the execution of a definitive agreement whereby Delaware Life Holdings, a company owned by shareholders of Guggenheim Partners, will purchase Sun Life's domestic U.S. annuity and variable life businesses. Guggenheim Partners, a privately held global financial services firm with more than \$160 billion in assets under management, provides asset management, investment banking and capital markets services, insurance, institutional finance, and investment advisory solutions to institutions, governments and agencies, corporations, investment advisors, family offices, and individuals.

Employees of Sun Life Financial U.S. in Wellesley, Massachusetts; Lethbridge, Alberta; and Waterford, Ireland, will continue to support the acquired businesses, which will be renamed Delaware Life Insurance Company. Guggenheim Partners will provide services to the company, including investment management.

Subsequent to the sale announcement, Moody's downgraded the insurance financial strength rating of Sun Life U.S. two notches, to Baa2 from A3. Moody's also affirmed the Aa3 IFS rating of Sun Life Financial's Canadian insurance subsidiary, Sun Life Assurance Company of Canada (SLA), and the ratings of other Canadian affiliates, with the outlook for the Canadian ratings (excluding Sun Life Financial) remaining negative. Sun Life U.S. issued annuity and variable life business while SLA issued NLG and current assumption universal life business.

Commenting on the downgrade of Sun Life U.S. to Baa2 from A3 IFS, Moody's said it had lowered the company's rating to its intrinsic, stand-alone credit profile, in anticipation of the removal of financial support from Sun Life Financial once the transaction closes, as well as the lower financial flexibility of the entity under its new ownership. Sun Life U.S.'s rating had previously benefitted from two notches of uplift from its stand-alone credit profile due to its ownership and support by Sun Life Financial, which will fall away with the divestiture, causing its financial profile to weaken.

Below is a summary of the Sun Life products that will be sold to Guggenheim:

- All M Proprietary Variable Life Products
  - Prime VUL (Accumulator and Performance)
  - Prime SVUL
  - MAGNASTAR® Private Placement Life Insurance (single, joint, and COLI)
- M Proprietary Annuity Product
  - MAGNASTAR® PPVA
- All Shelf Variable Life Products
  - Variable COLI/BOLI – Large Case PPVUL, Large Case VUL, Sun Executive VUL, and Futurity Corporate VUL
  - All Variable UL
- All Annuity Products
  - PPVA
  - Variable Deferred



- Fixed Deferred
- Fixed Immediate
- All New York Products – Life and Annuity

To contact a member of the Sun Life In-force Service team, please [click here](#).

M Financial Group is currently in discussions with Sun Life regarding the transaction and the impact on blocks of business sold by M Member Firms. Sun Life has represented to M Financial that Guggenheim Partners has a good track record of managing life and annuity blocks, including the purchase of a \$4 billion general account life block from Security Benefit Life.

M Financial will also be contacting Guggenheim to begin discussions regarding in-force policies sold by M Member Firms and our expectations regarding service and in-force management going forward.

The Sun Life/Guggenheim transaction is of great importance and is a high priority for M Financial. M Financial will provide additional information as discussions with Sun Life and Guggenheim progress. In the meantime, questions may be directed to Wayne Toning (503.414.7430 or [wayne.toning@mfin.com](mailto:wayne.toning@mfin.com)).