



Life's brighter under the sun

*Committed to customers –
our annual report 2008*



**Sun Life Financial
of Canada**



Introduction

Welcome to the third annual report of our results from the 2008 Association of British Insurer's (ABI) Customer Impact Survey.

We are pleased to be a part of this industry-wide initiative to put customers at the heart of our business. The results help us to:

- measure what you think about us
- target our time and efforts in areas that are important to you
- understand any areas of our service you are not satisfied with.

We continue to learn from the issues raised in this survey and from comments we receive from you. We remain committed to improving your experience when dealing with us.

Janet Fuller
Chief Executive Officer
Sun Life Financial of Canada



2008 summary

The economic uncertainty and market turbulence has been of greatest concern to customers over this past year. We know this from your calls and letters. We think this has also impacted this year's results and particularly for customers exposed to the stock market through pensions and savings plans such as endowments and unit-linked investments. This has had a greater impact on our results than some firms as, for example, 45% of our customer base has personal pension plans compared to the industry average of 18%. Some of our scores therefore have reduced since 2007.

We have noticed again a marked difference in satisfaction levels between customers directly engaged with us and customers who have infrequent queries. The former show much greater levels of satisfaction and provides us with some evidence that we are providing good service.

We completed the transition of some investment manager mandates in 2008, which we had announced in our 2007 report. In July 2008 we commenced an 'Investment News' mailing to all unit-linked customers as an additional activity to keep customers informed. We also contacted a small group with a new business offering to stay in touch with our customers better.

We have also established a major new programme to actively track those customers with whom we have lost touch. As an existing customer, you should hear from us at least once a year. If you are not, please get in touch to make sure we have your up-to-date address at uk.customerservice@sunlife.com.

We are pleased that those who would recommend us has increased from 47% to 50%, nevertheless we are carefully assessing what we can learn from this survey and what we can do better.

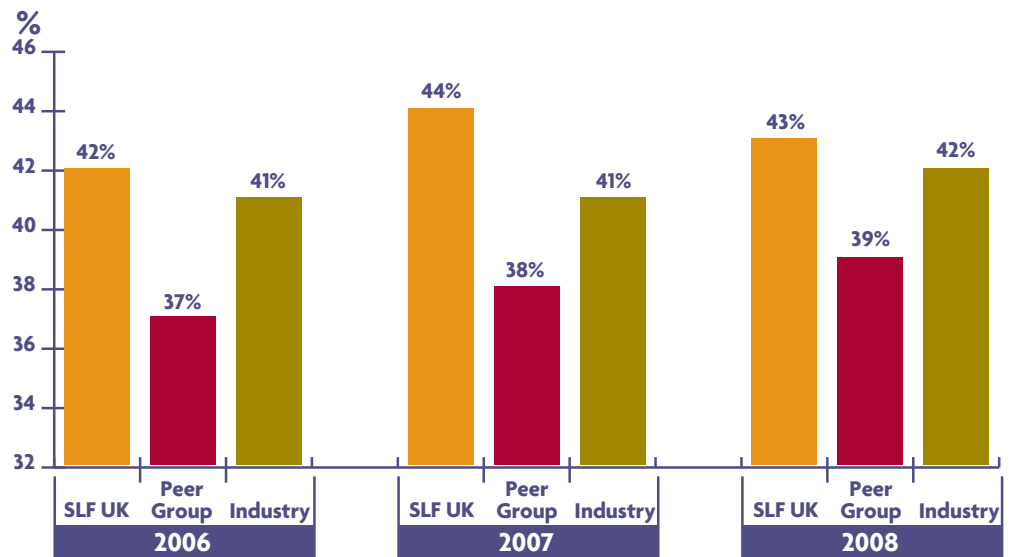


2008 summary

Our key commitment to you, as described in the Customer Impact Scheme is:

"To maintain appropriate and effective relationships with customers, providing them with a good service after they have bought a product"

Your assessment of how we met this commitment is shown in this graph:



We have seen a small 1% decline to 43% of customers who have rated us as either very good or excellent. This is still ahead of both our peer group and the industry.

We continue to learn from customer feedback about what matters to customers and will outline later in this report activity in progress to make further improvements in this area.

What else we have learned

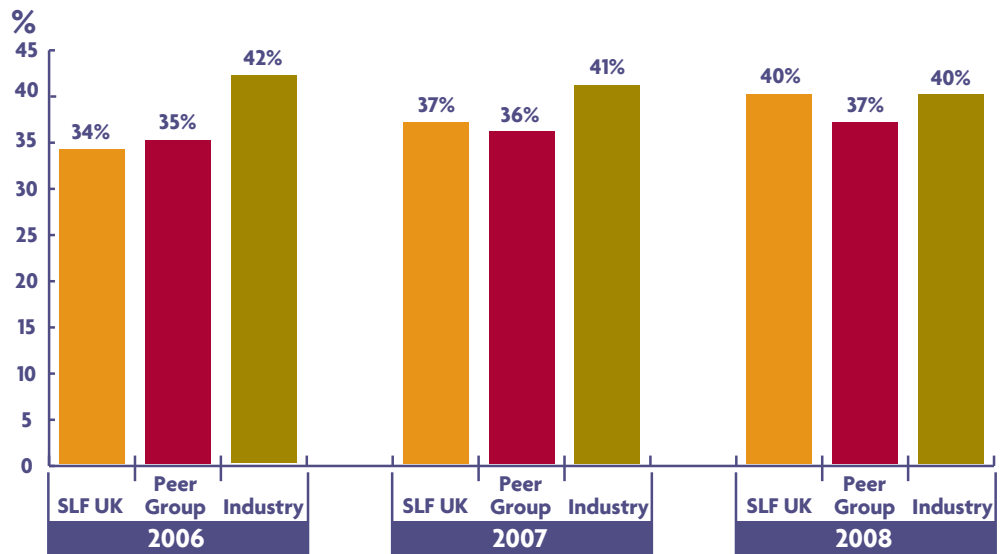
Customer focus

We are moderately pleased to see the customer focus scores as this is of real concern to us. 71% agreed that we really cared about customers, 79% agreed that we are easy to do business with and 83% agreed that we treated customers fairly. These results show a slight decline over the 2007 scores. Other than the difficult economic conditions, there was no obvious reason for the drop. We will consider some more targeted research to understand what else we can do to improve customers satisfaction further.





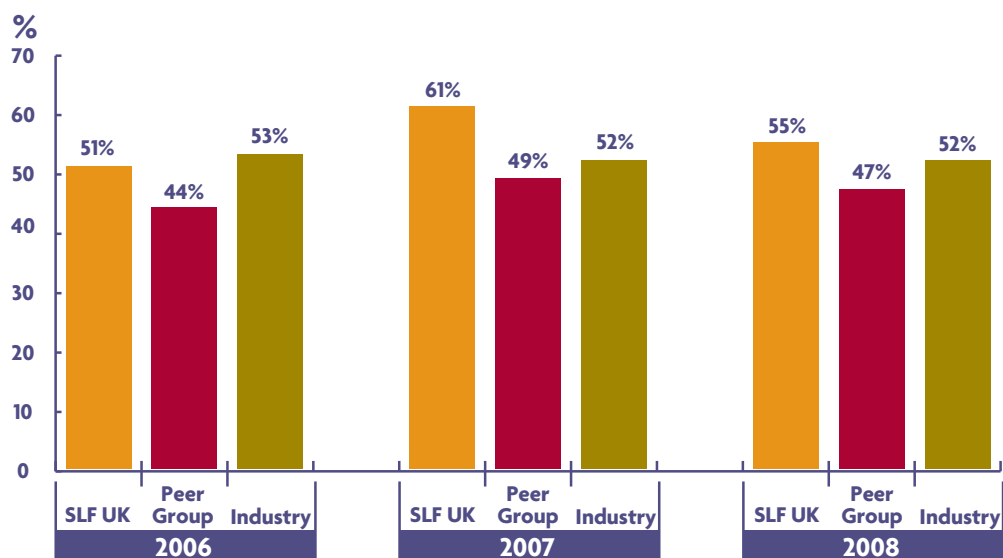
Written communications



We are encouraged at the further improvement in the overall scores for our written communications although we have noted the reduced scores for clarity and relevance. In 2008, we completed a review of all our pension communication in the lead-up to customers taking benefits as we promised in our last report.

This led to much clearer letters, more information and easier forms to complete. We are currently reviewing all letters sent to our annuity customers and those transferring their pension arrangement to another firm. We hope this will feature in further improved scores in 2009.

Customer service centre

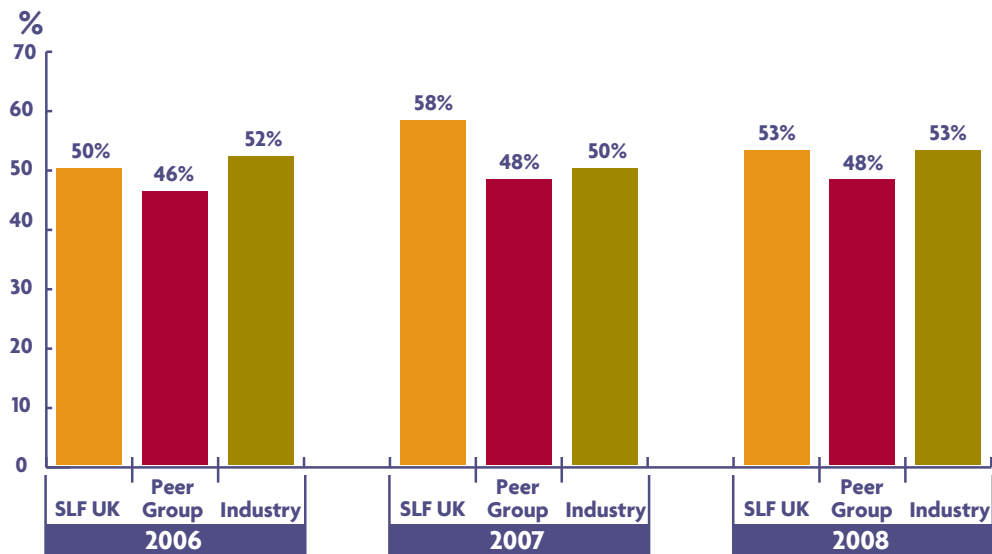


We are disappointed at the overall reduced satisfaction with our customer service centre. However, we are pleased that so many of the individual scores showed an improvement. For example, a 7% higher rating for 'feeling like a valued customer', 6% higher for 'appropriate knowledge', 9% higher for 'being courteous and

professional' and 8% higher for 'ease of getting through'. We continue to emphasise the importance of this facility to our customers and will work with the management team using customer feedback to understand what else we can do to improve customer satisfaction.



Claims and payments



We understand that paying money to you quickly when your plan ends is very important to you. Our service standard was to pay out proceeds to you in 5 days, since October we have improved that to pay within 3 days. This will not have been in place soon enough to feature in these results, although 'speed of payment' did improve by 2%.

One of the reasons for the reduction in satisfaction from 2007 to 2008 is our new procedures to ensure we are paying the right person. We recognise this has caused concerns and have introduced a new brochure to explain this and are working with our Customer Service Centre staff to ensure this is explained to you earlier.

We hope that the work we have done on our pension communication when taking benefits will improve the score for 'simplicity' although we know that this is a complex subject.

Handling complaints

We are concerned at what this report is telling us about the way we handle complaints. Whilst the number who felt like complaining increased by only 1% to 10% and is broadly in line with the industry and peer group, we are disappointed that just 19% are content the complaint has been resolved satisfactorily. This has reduced from 31% in 2007. We have robust quality checking procedures to ensure we treat customers fairly in reaching our decision and in 80% or more of cases that are referred to the Financial Ombudsman Service, they agree with our decision.

Nevertheless, we need to better understand this measure as this is a difficult area to judge. The outcome of the complaint often colours people's satisfaction with the process to reach that decision. We have commissioned a survey to run for 3 months from April to June 2009. This survey will contact all customers who receive a response to their complaint and we will seek to learn what parts of the process we need to improve. We have also recently completed complaint identification training with all customer facing staff to ensure that we are not failing to recognise a complaint.



In conclusion

Each year this survey tells us more about what customers want and what is important to them. We really appreciate all those who have taken part and the valuable messages you have given to us.

My management team and I will keep focused on them and will do our best to ensure we deliver on what you've told us.

Thank you for maintaining your relationship with Sun Life Financial of Canada.

Janet Fuller
Chief Executive Officer
Sun Life Financial of Canada, U.K.

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