



Sun Life Faces Delay in Sale of Annuity Business

Description

Initially, the deal **Sun Life Financial** ([TSX:SLF](#)) struck in December to sell its U.S. annuity portfolio and some life insurance products for \$1.35 billion to Delaware Life Holdings, a Guggenheim Partners-owned company, was scheduled to be completed by Q2 of 2013.

While the proposed deal has been approved by some regulators, including the Financial Industry Regulatory Authority (FINRA), the New York Department of Financial Services (NYDFS) is continuing its review process, making it unlikely the transaction will be completed as originally planned, Sun Life [announced](#) today.

The unexpected delay involving the NYDFS comes as it reviews private investor groups as owners of annuity business, as is the case with Delaware Life Holding's Guggenheim Partners. Though Sun Life expects the additional NYDFS review will cause delays, both parties to the deal are working with regulators in an effort to "close the transaction as soon as possible," the company said.

Foolish Takeaway

Sun Life's variable annuity business has been a pain for the company because of the declining interest rate environment in which we've been locked. With that environment potentially beginning to crack, one wonders if secretly Sun Life wouldn't be all that disappointed if this deal were to fall through.

Regardless of whether the deal goes through, Sun Life is well positioned to outperform in a rising rate environment. To learn about 5 more Canadian companies that investors can expect to produce superior long-term returns just [click here](#) and we'll send you our special **FREE** report "**5 Companies to Replace Your Canadian Index Fund**".

*The Motley Fool's purpose is to help the world invest, better. [Click here now](#) for your free subscription to **Take Stock**, The Motley Fool Canada's free investing newsletter. Packed with stock ideas and investing advice, it is essential reading for anyone looking to build and grow their wealth in the years ahead.*

[Follow us on Twitter](#) and [Facebook](#) for the latest in Foolish investing.

The original version of this post, authored by Fool.com contributor Tim Brugger, originally appeared on Fool.com.

Fool contributor Tim Brugger has no position in any stocks mentioned. The Motley Fool has no position in any stocks mentioned at this time

CATEGORY

1. Investing

TICKERS GLOBAL

1. TSX:SLF (Sun Life Financial Inc.)

Category

1. Investing

Date

2025/08/26

Date Created

2013/06/21

Author

motley-fool-staff

default watermark

default watermark