

SECURITIES AND EXCHANGE COMMISSION

FORM 10-Q

Quarterly report pursuant to sections 13 or 15(d)

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FILER

SUN LIFE INSURANCE & ANNUITY CO OF NEW YORK

CIK: **779955** | IRS No.: **042845273** | State of Incorporation: **NY** | Fiscal Year End: **1231**
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-Q
QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended
June 30, 2004

Commission File Numbers:
33-1079, 33-58482 and 333-09141

SUN LIFE INSURANCE AND ANNUITY COMPANY OF NEW YORK
(Exact name of registrant as specified in its charter)

New York 04-2845273
(State or other jurisdiction of incorporation or organization) (IRS Employer Identification No.)

122 East 42nd Street, Suite 1900 New York, NY 10017
(Address of principal executive offices) (Zip Code)

(212) 922-9242
(Registrant's telephone number, including area code)

NONE

(Former name, former address, and former fiscal year, if changed since last report.)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15 (d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Act). Yes No

Indicate the number of shares outstanding of each of the issuers classes of common stock, as of the last practicable date.

Registrant has 6,001 shares of common stock outstanding on August 12, 2004, all of which are owned by Sun Life Assurance Company of Canada (U.S.).

THE REGISTRANT MEETS THE CONDITIONS SET FORTH IN GENERAL INSTRUCTIONS H(1)(a) AND (b) OF FORM 10-Q AND IS THEREFORE FILING THIS FORM WITH THE REDUCED DISCLOSURE FORMAT PERMITTED BY GENERAL INSTRUCTION H.

SUN LIFE INSURANCE AND ANNUITY COMPANY OF NEW YORK
(A Wholly Owned Subsidiary of Sun Life Assurance Company of Canada (U.S.))
QUARTERLY REPORT ON FORM 10-Q FOR THE PERIOD ENDED JUNE 30, 2004

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PART I - FINANCIAL INFORMATION**Item 1. Financial Statements**

SUN LIFE INSURANCE AND ANNUITY COMPANY OF NEW YORK
(A Wholly Owned Subsidiary of Sun Life Assurance Company of Canada (U.S.))

CONDENSED STATEMENTS OF INCOME

(in thousands)

For the six-month periods ended June 30,

	Unaudited	
	2004	2003
Revenues		
Premiums and annuity considerations	\$ 16,656	\$ 13,795
Net investment income	47,182	42,187
Net realized investment gains	2,978	7,456
Fee and other income	7,311	6,251
Total revenues	74,127	69,689
Benefits and Expenses		
Policyowner benefits	13,404	12,449
Interest credited	38,866	40,092
Other operating expenses	10,209	7,857
Amortization of deferred policy acquisition costs	2,063	1,211
Total benefits and expenses	64,542	61,609

Income before income tax expense and cumulative effect of accounting changes		9,585		8,080
Income tax expense		3,437		2,828
Income before cumulative effect of accounting changes, net of tax		6,148		5,252
Cumulative effect of accounting changes, net of tax benefit of \$96		(179)		-
Net income	\$	5,969	\$	5,252

The accompanying notes are an integral part of the financial statements.

SUN LIFE INSURANCE AND ANNUITY COMPANY OF NEW YORK
(A Wholly Owned Subsidiary of Sun Life Assurance Company of Canada (U.S.))

CONDENSED STATEMENTS OF INCOME

(in thousands)

For the three-month periods ended June 30,

	Unaudited	
	2004	2003
Revenues		
Premiums and annuity considerations	\$ 8,519	\$ 7,371
Net investment income	24,379	21,694
Net realized investment (losses) gains	(1,080)	4,700
Fee and other income	3,086	3,614
Total revenues	34,904	37,379
Benefits and Expenses		
Policyowner benefits	5,931	6,789
Interest credited	19,169	19,805
Other operating expenses	5,048	3,345
Amortization of deferred policy acquisition costs	564	255
Total benefits and expenses	30,712	30,194
Income before income tax expense	4,192	7,185
Income tax expense	1,467	2,516
Net income	\$ 2,725	\$ 4,669

SUN LIFE INSURANCE AND ANNUITY COMPANY OF NEW YORK
 (A Wholly Owned Subsidiary of Sun Life Assurance Company of Canada (U.S.))

CONDENSED BALANCE SHEETS

(in thousands, except share data)

	Unaudited			
	June 30, 2004		December 31, 2003	
ASSETS				
Investments:				
Fixed maturity securities available-for-sale at fair value (amortized cost of \$1,762,608 and \$1,747,123 in 2004 and 2003, respectively)	\$ 1,771,665		\$ 1,796,351	
Equity securities	709		-	
Mortgage loans	126,596		107,996	
Policy loans	212		274	
Total investments	1,899,182		1,904,621	
Cash and cash equivalents	85,912		60,310	
Accrued investment income	21,397		22,520	
Deferred policy acquisition costs	65,771		49,496	
Deferred federal income taxes	7,382		-	
Goodwill	37,788		37,788	
Receivable for investments sold	13,165		33,640	
Other assets	17,211		14,196	
Separate account assets	602,462		580,203	
Total assets	\$ 2,750,270		\$ 2,702,774	
LIABILITIES				
Future contract and policy benefits	\$ 50,760		\$ 48,760	
Contractholder deposit funds and other policy liabilities	1,771,391		1,720,732	
Deferred federal income taxes	-		304	
Payable for investments purchased and loaned	41,195		58,682	
Other liabilities and accrued expenses	7,153		2,513	
Separate account liabilities	602,462		580,203	
Total liabilities	\$ 2,472,961		\$ 2,411,194	
Commitments and contingencies - Note 5				
STOCKHOLDER'S EQUITY				
Common stock, \$350 par value - 6,001 shares authorized;				
6,001 shares issued and outstanding	\$ 2,100		\$ 2,100	

Additional paid-in capital		239,963		239,963
Accumulated other comprehensive income		4,506		24,746
Retained earnings		30,740		24,771
Total stockholder's equity	\$	277,309	\$	291,580
Total liabilities and stockholder's equity	\$	2,750,270	\$	2,702,774

The accompanying notes are an integral part of the financial statements.

SUN LIFE INSURANCE AND ANNUITY COMPANY OF NEW YORK
(A Wholly Owned Subsidiary of Sun Life Assurance Company of Canada (U.S.))
CONDENSED STATEMENTS OF COMPREHENSIVE INCOME

(in thousands)

For the six-month periods ended June 30,

	Unaudited	
	2004	2003
Net income	\$ 5,969	\$ 5,252
Other comprehensive income:		
Net unrealized holding (losses) gains on available-for-sale securities, net of tax and policyholder amounts	(12,221)	25,650
Reclassification adjustments of realized investment (gains) into net income, net of tax	(8,019)	(6,551)
Other comprehensive (loss) income	(20,240)	19,099
Comprehensive (loss) income	\$ (14,271)	\$ 24,351

For the three-month periods ended June 30,

	Unaudited	
	2004	2003
Net income	\$ 2,725	\$ 4,669
Other comprehensive income:		
Net unrealized holding (losses) gains on available-for-sale securities, net of tax and policyholder amounts	(26,629)	18,849
Reclassification adjustments of realized investment (gains) into net income, net of tax	(4,292)	(4,165)
Other comprehensive (loss) income	(30,921)	14,684
Comprehensive (loss) income	\$ (28,196)	\$ 19,353

The accompanying notes are an integral part of the financial statements.

(A Wholly Owned Subsidiary of Sun Life Assurance Company of Canada (U.S.))
CONDENSED STATEMENTS OF CHANGES IN STOCKHOLDER'S EQUITY

(in thousands)

For the six-month periods ended June 30, 2004 and 2003

(Unaudited)

	Common Stock	Additional Paid-In Capital	Accumulated Other Comprehensive Income	Retained Earnings	Total Stockholder's Equity
Balance at December 31, 2002	\$ 2,100	\$ 239,963	\$ 25,316	\$ 24,689	\$ 292,068
Net income				5,252	5,252
Other comprehensive income			19,099		19,099
Balance at June 30, 2003	\$ 2,100	\$ 239,963	\$ 44,415	\$ 29,941	\$ 316,419
Balance at December 31, 2003	\$ 2,100	\$ 239,963	\$ 24,746	\$ 24,771	\$ 291,580
Net income				5,969	5,969
Other comprehensive (loss)			(20,240)		(20,240)
Balance at June 30, 2004	\$ 2,100	\$ 239,963	\$ 4,506	\$ 30,740	\$ 277,309

The accompanying notes are an integral part of the financial statements.

SUN LIFE INSURANCE AND ANNUITY COMPANY OF NEW YORK
(A Wholly Owned Subsidiary of Sun Life Assurance Company of Canada (U.S.))
CONDENSED STATEMENTS OF CASH FLOWS

(in thousands)

For the six-month periods ended June 30,

	Unaudited	
	2004	2003
Cash Flows From Operating Activities:		
Net income	\$ 5,969	\$ 5,252
Adjustments to reconcile net income to net cash provided by (used in)		
operating activities:		
Amortization of discount and premiums	5,724	6,046
Amortization of deferred policy acquisition costs	2,063	1,211
Net realized (gains) on investments	(2,978)	(7,456)
Interest credited to contractholder deposit funds	38,866	40,092
Deferred federal income taxes	3,437	1,581
Cumulative effect of changes in accounting principle, net of tax	179	-
Changes in assets and liabilities:		

Deferred acquisition costs	(8,948)		(17,762)
Accrued investment income	1,123		(1,841)
Net change in other assets and liabilities	1,625		(31,301)
Future contract and policy benefits	2,000		3,955
Net cash provided by (used in) operating activities	49,060		(223)
Cash Flows From Investing Activities:			
Sales, maturities and repayments of:			
Available-for-sale fixed maturities	777,297		391,767
Mortgage loans	8,014		2,015
Purchases of:			
Available-for-sale fixed maturities	(795,392)		(656,882)
Equity securities	(623)		-
Mortgage loans	(26,749)		(9,866)
Net change in payable/receivable of investments purchased and sold	2,988		-
Net change in policy loans	62		28
Net change in short-term investments	-		4,390
Net cash used in investing activities	\$ (34,403)	\$	(268,548)

The accompanying notes are an integral part of the financial statements.

SUN LIFE INSURANCE AND ANNUITY COMPANY OF NEW YORK
(A Wholly Owned Subsidiary of Sun Life Assurance Company of Canada (U.S.))
CONDENSED STATEMENTS OF CASH FLOWS (continued)
(in thousands)

For the six-month periods ended June 30,

	Unaudited	
	2004	2003
Cash Flows From Financing Activities:		
Deposits to contractholder deposit funds	\$ 98,494	\$ 257,562
Withdrawals from contractholder deposit funds	(87,549)	(67,807)
Net cash provided by financing activities	10,945	189,755
Net change in cash and cash equivalents	25,602	(79,016)
Cash and cash equivalents, beginning of period	60,310	157,563

Cash and cash equivalents, end of period	\$	85,912	\$	78,547
Supplemental Cash Flow Information				
Income taxes (refunded)	\$	(401)	\$	(1,919)

The accompanying notes are an integral part of the financial statements.

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SUN LIFE INSURANCE AND ANNUITY COMPANY OF NEW YORK
(A Wholly Owned Subsidiary of Sun Life Assurance Company of Canada (U.S.))
Notes to the Unaudited Condensed Financial Statements

I. DESCRIPTION OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General

On October 9, 2002, Sun Life Insurance and Annuity Company of New York ("Sun NY Predecessor"), which was a wholly-owned subsidiary of Sun Life Assurance Company of Canada (U.S.) ("Sun Life U.S."), and Keyport Benefit Life Insurance Company ("KBL"), which was a wholly-owned subsidiary of Keyport Life Insurance Company ("Keyport"), an affiliate, filed an Agreement and Plan of Merger ("Merger Agreement") with the New York State Insurance Department. On December 31, 2002 at 5:00 p.m., Sun NY Predecessor and KBL completed the merger. Pursuant to the Merger Agreement, KBL merged with and into Sun NY Predecessor, with Sun NY Predecessor as the surviving company ("SLNY"), and SLNY issued 4,001 additional shares of common stock to Keyport in exchange for the assets and liabilities of KBL. As a result of the additional common stock issuance, SLNY became a subsidiary of both Keyport and Sun Life U.S., with Keyport owning 67% of the common stock of SLNY.

SLNY is licensed and authorized to write all the business that was previously being written by KBL and SLNY. The merger had no effect on the existing rights and benefits of policyholders or contract holders of either company. Keyport, KBL, Sun Life U.S., Sun NY Predecessor, and SLNY were at all times relevant to the merger indirect wholly-owned subsidiaries of Sun Life Assurance Company of Canada ("SLOC"). SLOC is an indirect wholly-owned subsidiary of Sun Life Financial Inc. ("SLF"), a reporting company under the Securities Exchange Act of 1934.

SLNY is engaged in the sale of fixed and variable annuity contracts, group life, variable universal life, stop loss and group disability insurance contracts. These contracts are sold by insurance agents, some of whom are registered representatives of national and regional stock brokerage firms and brokers. On October 21, 2003, SLNY announced that it was introducing a portfolio of Variable Universal Life ("VUL") insurance products to customers in New York State.

On December 31, 2003, Keyport was merged into Sun Life U.S. with Sun Life U.S. being the surviving company. Consequently, SLNY is now a wholly-owned subsidiary of Sun Life U.S.

Basis of Presentation

The accompanying unaudited condensed financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP") for stock life insurance companies and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements. In the opinion of management, all adjustments, consisting of normal recurring accruals, considered necessary for a fair presentation have been included. Operating results for the three and six-month periods ended June 30, 2004 are not necessarily indicative of the results that may be expected for the year ending December 31, 2004. These financial statements should be read in conjunction with the financial statements and notes thereto included in SLNY's Annual Report on Form 10-K for the year ended December 31, 2003.

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SUN LIFE INSURANCE AND ANNUITY COMPANY OF NEW YORK
(A Wholly Owned Subsidiary of Sun Life Assurance Company of Canada (U.S.))
Notes to the Unaudited Condensed Financial Statements

I. DESCRIPTION OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates. The most significant estimates are those used in determining the fair value of financial instruments, deferred policy acquisition costs ("DAC"), goodwill, other-than-temporary impairments of investment and the liabilities for future contract and policyholder benefits.

Reclassifications

Certain amounts in the prior period's financial statements have been reclassified to conform to the 2004 presentation.

New Accounting Pronouncements

On January 1, 2004, SLNY adopted American Institute of Certified Public Accountants' Statement of Position 03-01 ("SOP 03-01"), "Accounting and Reporting by Insurance Enterprises for Certain Nontraditional Long-Duration Contracts and for Separate Accounts." The major provisions of the SOP that affect SLNY require:

- Establishment of reserves primarily related to death benefit and income benefit guarantees provided under variable annuity contracts.
- Deferral of sales inducements that meet certain criteria, and amortization using the same method used for DAC.

Effects of Adoption

The cumulative effect, reported after tax and net of related effects on DAC, upon adoption of SOP 03-01 at January 1, 2004, decreased net income and stockholder's equity by \$0.2 million. The reduction in net income was comprised of an increase in benefit reserves (primarily for variable annuity contracts) of \$0.5 million, pretax, and an increase in DAC of \$0.3 million, pretax.

Liabilities for contract guarantees

SLNY offers various guarantees to certain policyholders including a return of no less than (a) total deposits made on the contract less any customer withdrawals, (b) total deposits made on the contract less any customer withdrawals plus a minimum return or (c) the highest contract value on a specified anniversary date minus any customer withdrawals following the contract anniversary. These guarantees include benefits that are payable in the event of death, upon annuitization, or at specified dates during the accumulation period of an annuity.

The table below represents information regarding SLNY's variable annuity contracts with guarantees at June 30, 2004 (in 000's):

Benefit Type	Account balance		Net Amount at Risk		Average Attained Age
	\$		\$		
Minimum Death	\$	776,105	\$	88,256	64.1
Minimum Income	\$	-	\$	-	-
Minimum Accumulation or Withdrawal	\$	17,090	\$	-	57.6

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SUN LIFE INSURANCE AND ANNUITY COMPANY OF NEW YORK
(A Wholly Owned Subsidiary of Sun Life Assurance Company of Canada (U.S.))
Notes to the Unaudited Condensed Financial Statements

I. DESCRIPTION OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Liabilities for contract guarantees (continued)

The reserve for minimum guaranteed death benefit was \$0.6 million at January 1, 2004 and \$0.5 million at June 30, 2004. SLNY did not have a liability for minimum income benefits or any asset or liability associated with the minimum accumulation or withdrawal benefits as of January 1, 2004 and June 30, 2004.

The liability for death and income benefit guarantees is established equal to a benefit ratio multiplied by the cumulative contract charges earned, plus accrued interest and less contract benefit payments. The benefit ratio is calculated as the estimated present value of all expected contract benefits divided by the present value of all expected contract charges. The benefit ratio may be in excess of 100%. For guarantees in the event of death, benefits represent the current guaranteed minimum death payments in excess of the current account balance. For guarantees at annuitization, benefits represent the present value of the minimum guaranteed annuity benefits in excess of the current account balance.

Projected benefits and assessments used in determining the liability for guarantees are developed using models and stochastic scenarios that are also used in the development of estimated expected future gross profits. Underlying assumptions for the liability related to income benefits include assumed future annuitization elections based upon factors such as eligibility conditions and the annuitant's attained age.

The liability for guarantees will be re-evaluated periodically, and adjustments will be made to the liability balance through a charge or credit to policyowner benefits.

Guaranteed minimum accumulation benefits or withdrawal benefits are considered to be derivatives under Financial Accounting Standards Board Statement of Financial Accounting Standards (SFAS) No. 133, "Accounting for Derivative Instruments and Hedging Activities," and are recognized at fair value through earnings.

Sales Inducements

SLNY currently offers enhanced or bonus crediting rates to policyholders on certain of its annuity products. Through December 31, 2003, the expenses associated with certain of these bonuses were deferred and amortized. Others were expensed as incurred. Effective January 1, 2004, upon adoption of SOP 03-01, the expenses associated with offering a bonus are deferred and amortized over the life of the related contract in a pattern consistent with the amortization of DAC.

Other Accounting Pronouncements

In June 2004, the Financial Accounting Standards Board ("FASB") issued FASB Staff Position ("FSP") FAS 97-1 to address questions that exist in practice regarding when it is appropriate to recognize an unearned revenue liability under SFAS No. 97. FSP FAS 97-1 is effective for financial statements for fiscal periods beginning after June 18, 2004. SLNY is currently evaluating the effect of FSP FAS 97-1.

In November 2003, the FASB ratified a consensus on the disclosure provisions of Emerging Issues Task Force ("EITF") Issue 03-1, "The Meaning of Other-Than-Temporary Impairment and Its Application to Certain Investments." SLNY complied with the disclosure provisions of this rule in Note 4 to the Financial Statements included in its Annual Report on Form 10-K for the year ended December 31, 2003. In March 2004, the FASB reached a consensus regarding the application of a three-step impairment model to determine whether cost method investments are other-than-temporarily impaired. The provisions of this rule are required to be applied prospectively to all current and future investments accounted for in accordance with SFAS No. 115, "Accounting for Certain Investments in Debt and Equity Securities," and other cost method investments for the fiscal reporting periods beginning after June 15, 2004.

SUN LIFE INSURANCE AND ANNUITY COMPANY OF NEW YORK
(A Wholly Owned Subsidiary of Sun Life Assurance Company of Canada (U.S.))
Notes to the Unaudited Condensed Financial Statements

1. DESCRIPTION OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

SLNY is currently evaluating the impact of this new accounting standard on its process for determining other-than-temporary impairment of equity and fixed maturity securities. Adoption of this standard may cause SLNY to recognize impairment losses in the Condensed Statements of Income which would not have been recognized under the current guidance or to recognize such losses in earlier periods, especially those due to increases in interest rates, and will likely also impact the recognition of investment income on impaired securities. Since fluctuations in the fair value for available-for-sale securities are already recorded in Accumulated Other Comprehensive Income, adoption of this standard is not expected to have a significant impact on equity.

2. RELATED PARTY TRANSACTIONS

SLNY has agreements with Sun Life U.S. and certain other affiliates, under which SLNY receives, as requested, certain investment and administrative services on a cost reimbursement basis. Expenses under these agreements amounted to approximately \$3.7 million and \$6.5 million for the three and six-month periods ended June 30, 2004, respectively, and \$2.9 million and \$5.5 million for the three and six-month periods ended June 30, 2003, respectively.

SLNY paid \$91,000 and \$171,000 for the three and six-month periods ended June 30, 2004, respectively, and \$31,000 and \$50,000 for the three and six-month periods ended June 30, 2003, respectively, in commission fees to MFS/Sun Life Financial Distributors, Inc., an affiliate.

SLNY paid \$0.6 million and \$1.4 million for the three and six-month periods ended June 30, 2004, respectively, and \$1.2 million and \$2.0 million for the three and six-month periods ended June 30, 2003, respectively, in commission fees to Independent Financial Marketing Group, Inc., an affiliate.

Management believes intercompany expenses are calculated on a reasonable basis. However, these amounts may not necessarily be indicative of the costs that would be incurred if SLNY operated on a stand-alone basis.

3. REINSURANCE

The effects of reinsurance for the six-month periods ended June 30 were as follows (in 000's):

	2004	2003
Insurance premiums:		
Direct	\$ 17,753	\$ 16,192
Ceded - Affiliated	-	1,707
Ceded - Non-affiliated	1,097	690
Net Premiums	\$ 16,656	\$ 13,795
Insurance and other individual policy benefits, and claims:		
Direct	\$ 15,138	\$ 14,446
Ceded - Affiliated	1,181	1,593
Ceded - Non-affiliated	553	404
Net policy benefits and claims	\$ 13,404	\$ 12,449

SUN LIFE INSURANCE AND ANNUITY COMPANY OF NEW YORK
(A Wholly Owned Subsidiary of Sun Life Assurance Company of Canada (U.S.))
Notes to the Unaudited Condensed Financial Statements

3. REINSURANCE (continued)

The effects of reinsurance for the three-month periods ended June 30 were as follows (in 000's):

	2004	2003
Insurance premiums:		
Direct	\$ 9,074	\$ 8,633
Ceded - Affiliated	-	921
Ceded - Non-affiliated	555	341
Net Premiums	\$ 8,519	\$ 7,371
Insurance and other individual policy benefits, and claims:		
Direct	\$ 6,401	\$ 8,033
Ceded - Affiliated	186	985
Ceded - Non-affiliated	284	259
Net policy benefits and claims	\$ 5,931	\$ 6,789

SLNY is contingently liable for the portion of the policies reinsured under each of its existing reinsurance agreements in the event the reinsurance companies are unable to pay their portion of any reinsured claim. Management believes that any liability from this contingency is unlikely. However, to limit the possibility of such losses, SLNY periodically evaluates the financial condition of its reinsurers and monitors concentration of credit risk.

4. SEGMENT INFORMATION

SLNY conducts business principally in three operating segments and maintains a corporate segment to provide for the capital needs of the various operating segments and to engage in other financing-related activities. Net investment income is allocated based on segmented assets. SLNY does not materially depend on one or a few customers, brokers or agents for a significant portion of its operations. Management evaluates the results of the operating segments on an after-tax basis.

The Wealth Management Segment markets and administers both individual and group fixed and variable annuity products.

The Group Protection Segment markets and administers group life insurance, stop loss insurance, long-term disability and short-term disability products. These products are sold to companies that provide group benefits for their employees.

The individual insurance products offered by the Individual Protection Segment are primarily conversions from SLNY's group life products. On October 21, 2003, SLNY announced that it received approval to sell Variable Universal Life ("VUL") insurance products to customers in New York State.

The Corporate Segment includes the unallocated capital of SLNY and items not otherwise attributable to the other segments.

SUN LIFE INSURANCE AND ANNUITY COMPANY OF NEW YORK
 (A Wholly Owned Subsidiary of Sun Life Assurance Company of Canada (U.S.))
 Notes to the Unaudited Condensed Financial Statements

4. SEGMENT INFORMATION (continued)

The following amounts pertain to the various business segments (in 000's):

Six-month period ended June 30, 2004						
	Wealth	Group	Individual			
	Management	Protection	Protection	Corporate	Totals	
Total Revenues	\$ 57,501	\$ 16,207	\$ 405	\$ 14	\$	\$ 74,127
Total Expenditures	49,067	15,148	335	(8)	(8)	64,542
Pretax Income	8,434	1,059	70	22	22	9,585
Net Income	\$ 5,221	\$ 688	\$ 46	\$ 14	\$	\$ 5,969
Total Assets	\$ 2,626,248	\$ 52,862	\$ 1,615	\$ 69,545	\$	\$ 2,750,270

Six-month period ended June 30, 2003						
Total Revenues	\$ 54,514	\$ 13,587	\$ 381	\$ 1,207	\$	\$ 69,689
Total Expenditures	49,215	12,385	159	(150)	(150)	61,609
Pretax Income	5,299	1,202	222	1,357	1,357	8,080
Net Income	\$ 3,423	\$ 840	\$ 155	\$ 834	\$	\$ 5,252
December 31, 2003						
Total Assets	\$ 2,619,362	\$ 46,535	\$ 1,460	\$ 35,417	\$	\$ 2,702,774

Three-month period ended June 30, 2004						
	Wealth	Group	Individual			
	Management	Protection	Protection	Corporate	Totals	
Total Revenues	\$ 26,542	\$ 8,256	\$ 148	\$ (42)	\$	\$ 34,904
Total Expenditures	23,885	6,692	171	(36)	(36)	30,712
Pretax Income (Loss)	2,657	1,564	(23)	(6)	(6)	4,192
Net Income (Loss)	\$ 1,728	\$ 1,016	\$ (14)	\$ (5)	\$	\$ 2,725
Total Assets	\$ 2,626,248	\$ 52,862	\$ 1,615	\$ 69,545	\$	\$ 2,750,270
Three-month period ended June 30, 2003						

Total Revenues	\$ 29,199	\$ 7,262	\$ 128	\$ 790	\$ 37,379
Total Expenditures	23,901	6,297	60	(64)	30,194
Pretax Income	5,298	965	68	854	7,185
Net Income	\$ 3,430	\$ 647	\$ 47	\$ 545	\$ 4,669
December 31, 2003					
Total Assets	\$ 2,619,362	\$ 46,535	\$ 1,460	\$ 35,417	\$ 2,702,774

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SUN LIFE INSURANCE AND ANNUITY COMPANY OF NEW YORK
(A Wholly Owned Subsidiary of Sun Life Assurance Company of Canada (U.S.))
Notes to the Unaudited Condensed Financial Statements

5. COMMITMENTS AND CONTINGENT LIABILITIES

Regulation and Regulatory Developments

SLNY's variable annuity contracts and variable life insurance policies are subject to various levels of regulation, including certain federal securities laws administered by the Securities and Exchange Commission (the "SEC") and certain state securities laws. On or about October 30, 2003, SLNY received a request from the SEC for information regarding its policies, practices and procedures with respect to subaccount "market timing," its policies, practices and procedures with respect to receiving and processing exchange orders from contract owners, and its oversight of such activities in SLNY's separate accounts. SLNY responded to this request and an additional related request. On March 4, 2004, the Boston District Office of the SEC notified SLNY that it intended to commence an examination of SLNY and certain of its affiliates pursuant to Section 31(b) of the Investment Company Act of 1940 and the Securities Exchange Act of 1934 relating to these and certain other subjects. SLNY is cooperating with the SEC in these matters. In addition, the SEC and other regulators have conducted or are conducting investigations and examinations of certain of SLNY's affiliates relating to various issues, including market timing and late trading of mutual funds and variable insurance products, directed brokerage, revenue-sharing and other arrangements with distributors.

Litigation, Income Taxes and Other Matters

SLNY is not aware of any contingent liabilities arising from litigation, income taxes or other matters that could have a material effect upon the financial condition, results of operations or cash flows of SLNY.

Indemnities

In the normal course of business, SLNY has entered into agreements that include indemnities in favor of third parties, such as engagement letters with advisors and consultants, outsourcing agreements, underwriting and agency agreements, information technology agreements, distribution agreements and service agreements. SLNY has also agreed to indemnify its directors and certain of its officers and employees in accordance with SLNY's by-laws. Due to the nature of these indemnification agreements, it is not possible to estimate SLNY's potential liability.

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SUN LIFE INSURANCE AND ANNUITY COMPANY OF NEW YORK
(A Wholly Owned Subsidiary of Sun Life Assurance Company of Canada (U.S.))
Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Pursuant to General Instruction H(2)(a) to Form 10-Q, the registrant ("SLNY") elects to omit the Management's Discussion and Analysis of Financial Condition and Results of Operations. Below is an analysis of SLNY's results of operations that explains material changes in the Condensed Statements of Income between the six-month periods ended June 30, 2004 and June 30, 2003.

Cautionary Statement

This discussion includes forward-looking statements by SLNY under the Private Securities Litigation Reform Act of 1995. These statements are not matters of historical fact; they relate to such topics as volume growth, market share, market risk and financial goals. It is important to understand that these forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from those that the statements anticipate. These risks and uncertainties may concern, among other things:

o Heightened competition, particularly in terms of price, product features and distribution capability, which could constrain SLNY's growth and profitability.

o Changes in interest rates and market conditions.

o Regulatory and legislative developments.

o Developments in consumer preferences and behavior patterns.

CRITICAL ACCOUNTING POLICIES

Goodwill

Goodwill represents the difference between the purchase price paid and the fair value of the net assets acquired in connection with the acquisition of SLNY. In accordance with Statement of Financial Accounting Standards No. 142, "Goodwill and Other Intangible Assets," goodwill is tested for impairment on an annual basis. SLNY completed the required impairment tests of goodwill and indefinite-lived intangible assets during the second quarter of 2004 and concluded that these assets are not impaired.

RESULTS OF OPERATIONS

Six-month period ended June 30, 2004 compared to the six-month period ended June 30, 2003:

Net income was \$6.0 million and \$5.3 million for the six-months ended June 30, 2004 and 2003, respectively. The increase in income was primarily attributed to the increase in the Wealth Management Segment, as discussed below.

Net Income From Operations By Segment

SLNY's net income from operations reflects the operations of its four business segments: Wealth Management, Individual Protection, Group Protection and Corporate.

The following provides a summary of operations by segment for the six-month periods ended June 30, 2004 and 2003, respectively (in 000's):

SUN LIFE INSURANCE AND ANNUITY COMPANY OF NEW YORK
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Wealth Management Segment

	2004		2003	
Total Revenues	\$	57,501	\$	54,514
Total Expenditures		49,067		49,215
Pretax Income		8,434		5,299
Net Income	\$	5,221	\$	3,423

The Wealth Management Segment focuses on the savings and retirement needs of individuals preparing for retirement or who have already retired. It primarily markets to affluent consumers, selling individual and group fixed and variable annuities. Its major product lines are fixed and variable annuities. In certain variable annuities, contractholders have the choice of allocating payments either to a fixed account, which provides a guaranteed rate of return, or to variable accounts. In the variable accounts, the contractholder can choose from a range of investment options and styles. The return depends upon investment performance of the options selected.

The Wealth Management Segment has been significantly impacted by changes in the financial markets. The pre-tax income was \$8.4 million and \$5.3 million for the six-month periods ended June 30, 2004 and 2003, respectively. The increase in income over the same period in 2003 was primarily due to improvements in net investment income while interest credited to contractholders declined.

REVENUES

Total revenues were \$57.5 million and \$54.5 million for the six-month periods ended June 30, 2004 and 2003, respectively. The increase of \$3.0 million was primarily due to an increase in net investment income and fee income partially offset by a decrease in realized gains on sales of investments. The significant changes for the six months ended June 30, 2004, as compared to the six months ended June 30, 2003 were as follows:

Investment income

e - was \$45.9 million and \$40.0 million for the six-month periods ended June 30, 2004 and 2003, respectively. The increase of \$5.9 million during 2004, as compared to 2003, was the result of a higher average investment yield of \$1.1 million and an increase in average invested assets of \$4.8 million.

Realized investment gains

- were \$3.0 million and \$7.2 million for the six-month periods ended June 30, 2004 and 2003, respectively. Sales of investments generally are made to maximize total return and take advantage of prevailing market conditions. SLNY incurred write-downs of fixed maturities for other-than-temporary impairments of \$0.2 million and \$33,000 for the six-month periods ended June 30, 2004 and 2003, respectively.

Fee and other income

- were \$7.6 million and \$6.6 million for the six-month periods ended June 30, 2004 and 2003, respectively. Fee and other income consist primarily of separate account fees and similar charges, including mortality and expense ("M&E") charges earned on variable annuity balances. M&E charges, which are based on the market values of the assets in the separate accounts supporting the contracts, were \$4.2 million and \$3.5 million for the six-month periods ended June 30, 2004 and 2003, respectively. Variable product fees represented 1.41% and 1.36% of the average variable annuity separate account balances for the six-month periods ended June 30, 2004 and 2003, respectively. The increase in separate account income was due to an increase in average separate account assets. Average separate account assets were \$593.8 million and \$510.4 million for the six-month periods ended June 30, 2004 and 2003, respectively.

Surrender charges are also included in fee and other income. Surrender charges represent revenues earned on the early withdrawal of fixed and variable annuity policyholder balances. Surrender charges on fixed, equity-indexed and variable annuity surrenders generally are assessed at declining rates applied to policyholder surrenders during the first five to seven years of the contract. Total surrender charges were \$1.4 million and \$1.6 million for the six-month periods ended June 30, 2004 and 2003, respectively.

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Wealth Management Segment (continued)**BENEFITS AND EXPENSES**

Total benefits and expenditures were \$49.1 million and \$49.2 million for the six-month periods ended June 30, 2004 and 2003, respectively. The decrease of \$0.1 million was primarily due to the following:

Policyholder benefits

- were \$2.8 million and \$3.9 million for the six-month periods ended June 30, 2004 and 2003, respectively. The \$1.1 million decrease in 2004 compared to 2003 was primarily due to a decrease in minimum death benefits on variable annuity contracts.

Interest credited

- to policyholders was \$38.9 million and \$40.1 million for the six-month periods ended June 30, 2004 and 2003, respectively. The decrease of \$1.2 million during the six-month period ended June 30, 2004, as compared to the six-month period ended June 30, 2003, was the result of a lower average interest credited rate (\$2.1 million) and an increase in average policyholder balances (\$3.4 million). In addition, interest credited was increased during the first quarter of 2003 by a reserve adjustment of \$2.5 million, which was recorded as a component of interest credited to policyholders. (Interest credited to policyholders was accurately recorded at the policy level at all times.)

Other Operating Expenses

- were \$5.4 million and \$4.0 million for the six-month periods ended June 30, 2004 and 2003, respectively. The increase of \$1.4 million occurred primarily within general operating expenses due to higher allocated operating expenses.

Amortization of deferred policy acquisition costs

- relates to the costs of acquiring new business, which vary with and are primarily related to, the production of new annuity business. Such acquisition costs included commissions, costs of policy issuance, underwriting and selling expenses. Amortization expense was \$2.1 million and \$1.2 million for the six-month periods ended June 30, 2004 and 2003, respectively. The increase in deferred policy acquisition costs ("DAC") amortization for the six months ended June 30, 2004 was primarily due to higher profits in 2004.

Cumulative effect of accounting changes

- on January 1, 2004, SLNY adopted American Institute of Certified Public Accountants' Statement of Position 03-01 ("SOP 03-01"), "Accounting and Reporting by Insurance Enterprises for Certain Nontraditional Long-Duration Contracts and for Separate Accounts." The major provisions of the SOP that affect SLNY require: (a) establishment of reserves primarily related to death benefit and income benefit guarantees provided under variable annuity contracts; and, (b) deferral of sales inducements that meet certain criteria and amortization using the same method used for DAC.

The cumulative effect, reported after tax and net of related effects on DAC, upon adoption of SOP 03-01 at January 1, 2004, decreased net income and stockholder's equity by \$0.2 million. It was comprised of an increase in benefit reserves (primarily for variable annuity contracts) of \$0.5 million, pretax, and an increase in DAC of \$0.3 million, pretax.

Group Protection Segment

	2004		2003	
Total Revenues	\$	16,207	\$	13,587
Total Expenditures		15,148		12,385
Pretax Income		1,059		1,202
Net Income	\$	688	\$	840

The Group Protection Segment markets and administers group life insurance, stop loss insurance and long-term and short-term disability products. These products are sold to companies that provide group benefits for their employees. The Group Protection Segment had a pretax income of approximately \$1.1 million and \$1.2 million for the six-month periods ended June 30, 2004 and 2003, respectively.

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Group Protection Segment (continued)

Total revenues in 2004 increased by approximately \$2.6 million in comparison to 2003. The increase in revenue was primarily attributed to higher premiums in the group life insurance and long-term disability lines of business of approximately \$2.2 million and \$0.3 million, respectively.

Total expenditures in 2004 increased by approximately \$2.8 million in comparison to 2003. The expense increase is due to increased benefits to policyholders of approximately \$1.9 million due primarily to the growing insurance block of business, particularly group life. As associated with the growth in business, the expense increase is also attributed to higher operating expenses and commission payments of approximately \$0.5 million and \$0.3 million, respectively.

Individual Protection Segment

	2004		2003	
Total Revenues	\$	405	\$	381
Total Expenditures		335		159
Pretax Income		70		222
Net Income	\$	46	\$	155

The Individual Protection Segment products offered by SLNY are primarily conversions from its group life products. Pretax income was approximately \$70,000 and \$0.2 million for the six-month periods ended June 30, 2004 and 2003, respectively. The decrease in income is primarily due to an increase in policyowner death benefits of \$0.2 million.

Corporate Segment

	2004		2003	
Total Revenues	\$	14	\$	1,207
Total Expenditures		(8)		(150)
Pretax Income		22		1,357
Net Income	\$	14	\$	834

The Corporate Segment includes the unallocated capital of SLNY and items not otherwise attributable to the other segments. Pretax income within the Corporate Segment was approximately \$22,000 and \$1.4 million for the six-month periods ended June 30, 2004 and 2003, respectively. The decrease in net income was mainly due to a decrease in net investment income of approximately \$1.0 million.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Omitted pursuant to Instruction H(2)(c) of Form 10-Q.

SUN LIFE INSURANCE AND ANNUITY COMPANY OF NEW YORK
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Item 4. Controls and Procedures

Based on an evaluation as of the end of the period covered by this report, SLNY's management, including SLNY's principal executive officer and principal financial officer, have concluded that SLNY's disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) are effective. There has been no change in SLNY's internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) that occurred during the quarter ended June 30, 2004 that has materially affected, or is reasonably likely to materially affect, SLNY's internal control over financial reporting.

PART II: OTHER INFORMATION

Item 1. Legal Proceedings

SLNY is engaged in various kinds of routine litigation incidental to the business which, in management's judgment, is not expected to be material to SLNY's business or financial condition.

Item 2. Changes in Securities and Use of Proceeds

Omitted pursuant to Instruction H(2)(b) of Form 10-Q.

Item 3. Defaults Upon Senior Securities

Omitted pursuant to Instruction H(2)(b) of Form 10-Q.

Item 4. Submission of Matters to a Vote of Security Holders

Omitted pursuant to Instruction H(2)(b) of Form 10-Q.

Item 5. Other Information

SLNY's variable annuity contracts and variable life insurance policies are subject to various levels of regulation including certain federal securities laws administered by the Securities and Exchange Commission (the "SEC") and certain state securities laws. On or about October 30, 2003, SLNY received a request from the SEC for information regarding its policies, practices and procedures with respect to subaccount "market timing," its policies, practices and procedures with respect to receiving and processing exchange orders from contract owners, and its oversight of such activities in SLNY's separate accounts. SLNY responded to this request and an additional related request. On March 4, 2004, the Boston District Office of the SEC notified SLNY that it intended to commence an examination of SLNY and certain of its affiliates pursuant to Section 31(b) of the Investment Company Act of 1940 and the Securities Exchange Act of 1934 relating to these and certain other subjects. SLNY is cooperating with the SEC in these matters. In addition, the SEC and other regulators have conducted or are conducting investigations and examinations of certain of SLNY's affiliates relating to various issues, including market timing and late trading of mutual funds and variable insurance products, directed brokerage, revenue-sharing and other arrangements with distributors.

SUN LIFE INSURANCE AND ANNUITY COMPANY OF NEW YORK
(A Wholly Owned Subsidiary of Sun Life Assurance Company of Canada (U.S.))

Item 6. Exhibits and Reports on Form 8-K

(a) The following Exhibits are incorporated herein by reference unless otherwise indicated:

Exhibit No.

3.1 Charter of Sun Life Insurance and Annuity Company of New York, as amended through May 10, 2004 (Incorporated herein by reference to Registrant's Form 10-Q, File No. 033-01079, filed on May 14, 2004)

3.2 By-laws of Sun Life Insurance and Annuity Company of New York, as amended April 30, 2004 (Incorporated herein by reference to Registrant's Form 10-Q, File No. 033-01079, filed on May 14, 2004)

4.1 Single Payment Deferred Combination Variable and Fixed Individual Annuity Contract [Regatta NY] (Incorporated herein by reference to Post-Effective Amendment No. 5 to Registration Statement on Form N-4, File No. 033-41629, filed on April 28, 1998)

4.2 Flexible Payment Deferred Combination Variable and Fixed Individual Annuity Contract [Regatta Gold NY and Fidelity NY] (Incorporated herein by reference to Post-Effective Amendment No. 2 to Registration Statement on Form N-4, File No. 333-05037, filed on April 28, 1998)

31.1 Certification pursuant to Rule 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

31.2 Certification pursuant to Rule 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

32.1 Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

32.2 Certification Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

(b) Reports on Form 8-K:

SLNY did not file any reports on Form 8-K during the quarter ended June 30, 2004.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, SLNY has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Sun Life Insurance and Annuity Company of New York

August 12, 2004

/s/ Robert C. Salipante

Robert C. Salipante, President

August 12, 2004

/s/ Gary Corsi

Gary Corsi, Vice President and Chief Financial Officer

CERTIFICATION

I, Robert C. Salipante, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Sun Life Insurance and Annuity Company of New York;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 12, 2004

/s/Robert C. Salipante

Robert C. Salipante

President

Exhibit 31.2

CERTIFICATION

I, Gary Corsi, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Sun Life Insurance and Annuity Company of New York;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 12, 2004

/s/Gary Corsi

Gary Corsi

Vice President and Chief Financial Officer

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Robert C. Salipante, Principal Executive Officer of Sun Life Insurance and Annuity Company of New York (the "Company"), hereby certify, to the best of my knowledge, that the Quarterly Report on Form 10-Q of the Company for the period ended June 30, 2004, filed with the Securities and Exchange Commission on the date hereof (the "Report"), fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)) and that the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Robert C. Salipante _____

Robert C. Salipante

President

August 12, 2004

The foregoing certification is being furnished solely pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350 ("Section 906"), and shall not be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934 (the "Exchange Act") or otherwise subject to liability under that section. This certification shall not be deemed to be incorporated by reference into any filing under the Securities Act of 1933 or the Exchange Act except to the extent that this certification is expressly incorporated by reference into any such filing.

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

I, Gary Corsi, Principal Financial Officer of Sun Life Insurance and Annuity Company of New York (the "Company"), hereby certify, to the best of my knowledge, that the Quarterly Report on Form 10-Q of the Company for the period ended June 30, 2004, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)) and that the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Gary Corsi _____

Gary Corsi

Vice President and Chief Financial Officer

August 12, 2004

The foregoing certification is being furnished solely pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350 ("Section 906"), and shall not be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934 (the "Exchange Act") or otherwise subject to liability under that section. This certification shall not be deemed to be incorporated by reference into any filing under the Securities Act of 1933 or the Exchange Act except to the extent that this certification is expressly incorporated by reference into any such filing.

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.