



Field
Update



August 31, 2010

Changes in annuity crediting rates effective for applications received after September 3, 2010

Aviva is implementing rate changes on the Income Preferred Series and the Income Select Series, effective with new applications received after September 3, 2010.

See the [attached rate card](#) for more details.

Applications with cash received through the close of business on Friday, September 3, 2010, will be credited with the previous rates. Rollover applications received through September 3 will be credited with the previous rates if the rollover funds are received on or before October 4, 2010. You can fax applications to (866) 709-3921. If you choose to fax in your application, please DO NOT send the original as well.

We also want to remind you of recent changes to Aviva's fixed annuity products and annuity income riders, described in the [Annuity Product Changes](#) field update.

If you have any questions, please contact Sales Support at (800) 255-2405, ext. 6620.

Annuity Crediting Rates

September 3, 2010

Income Preferred Series

Product (Issue Age)	Initial Premium \$5,000-\$74,999	Initial Premium \$75,000+
Income Preferred Bonus (0-78) • 8% Premium Bonus on 1st Year Premium		
1-Year P-to-P S&P 500 Index (cap)	2.50% ▼	4.00% ▼
1-Year Monthly Cap Index (cap)	1.45% ▼	1.70% ▼
1-Year Average Index (cap)	2.50% ▼	4.00% ▼
Fixed Strategy (1-year guarantee)	1.25% ▼	1.80% ▼
Withdrawal Charge Duration	10 years	10 years
Income Preferred Bonus S* (0-78) 5% Premium Bonus on 1st Year Premium		
1-Year P-to-P S&P 500 Index (cap)	2.25% ▼	2.25% ▼
1-Year Monthly Cap Index (cap)	1.45% ▼	1.70% ▼
1-Year Average Index (cap)	2.50% ▼	4.00% ▼
Fixed Strategy (1-year guarantee)	1.15% ▼	1.15% ▼
Withdrawal Charge Duration	10 years	10 years
Income Preferred Ultra (0-78) 5% Interest Rate Bonus on 1st Year Crediting Rate		
Fixed Strategy (1-year guarantee)	1.25% ▼	1.85% ▼
Withdrawal Charge Duration	10 years	10 years
Income Preferred Ten (0-78)		
1-Year P-to-P S&P 500 Index (cap)	2.75% ▼	4.25% ▼
1-Year Monthly Cap Index (cap)	1.45% ▼	1.70% ▼
1-Year Average Index (cap)	2.50% ▼	4.00% ▼
Fixed Strategy (1-year guarantee)	1.25% ▼	2.05% ▼
Withdrawal Charge Duration	10 years	10 years
Income Preferred Six (0-80)		
1-Year P-to-P S&P 500 Index (cap)	2.75% ▼	4.25% ▼
1-Year Monthly Cap Index (cap)	1.45% ▼	1.70% ▼
1-Year Average Index (cap)	2.50% ▼	4.00% ▼
Fixed Strategy (1-year guarantee)	1.25% ▼	1.90% ▼
Withdrawal Charge Duration	6 years	6 years

Rider Charges

Rider	Base Product	Issue ages	Annual Charge
Income Edge Plus Optional Income Rider	Income Preferred	40-83	0.75%
Income Edge Flex Optional Income Rider	Spirit Series	40-85	0.50%
InsurePay Optional Death Benefit Rider	Spirit Series	0-85	0.60%

Spirit Series

Product (Issue Age)	Initial Premium \$5,000-\$74,999	Initial Premium \$75,000+
Spirit Bonus (0-78) • 4% Premium Bonus on 1st & 2nd Year Premium		
1-Year Guaranteed Fixed	2.00%	2.00%
Withdrawal Charge Duration	10 years	10 years
Spirit Plus (0-78) 2% Premium Bonus on 1st & 2nd Year Premium		
1-Year Guaranteed Fixed	2.00%	2.00%
Withdrawal Charge Duration	10 years	10 years
Spirit Plus S* (0-78) 2% Premium Bonus on 1st & 2nd Year Premium Approved in CT, DE, MN, OR, WA		
1-Year Guaranteed Fixed	2.00%	2.00%
Withdrawal Charge Duration	10 years	10 years
Spirit 7 (0-81)		
1-Year Guaranteed Fixed	2.00%	2.00% ▼
Withdrawal Charge Duration	7 years	7 years
Spirit 5 (0-83)		
1-Year Guaranteed Fixed	2.00%	2.00% ▼
Withdrawal Charge Duration	5 years	5 years
Spirit 3 (0-85)		
1-Year Guaranteed Fixed	2.00%	2.00%
Withdrawal Charge Duration	3 years	3 years

Any rate changes are effective for applications received after the date indicated on the rate card.

- * Please check the website for reduced withdrawal charge schedule.
- Income Preferred Bonus and Spirit Bonus: Issue ages in Indiana (0-74)

For internal use and Agent Use Only. Not intended for soliciting annuity sales from the public. Product and Strategy availability varies by state. Issued by: Aviva Life and Annuity Company, Des Moines, IA





Field
Update



August 27, 2010

UPDATE: New information regarding Spirit Series and income rider changes, effective September 3

Last week, we announced changes to our annuity products in response to falling Treasury rates. Since that announcement, the 10-Year Treasury yield has dropped even further and signs indicate it could remain at extreme lows for an extended period of time. This deeply impacts the rate of return on our investments, which affects product pricing.

As a result, we need to reduce the premium bonus on the Spirit Bonus and Spirit Plus products more than what we originally communicated. Also, we are announcing a commission reduction of 1% on the Spirit Series products heaped commission option. The semi-heaped and level commission options will also be reduced.

We want to reiterate that these actions are not meant to discourage annuity sales, but are being done to help us maintain our financial strength and keep our promises to our current and future policy holders. We appreciate your continued support of Aviva and we remain committed to providing quality, competitive products for your clients.

The reduction in commission rates will apply in all states for Spirit Series applications received after **September 3, 2010**.

Six states that require re-filing

The product changes to follow must be re-filed in six states and will therefore not be implemented on September 3. Those states are: Alaska, Delaware, Minnesota, Oregon, Texas and Utah. We will communicate those approvals once they are received; in the meantime, the current rider and premium bonus provisions will apply in those six states. Also, surrender charges will change for the Spirit Bonus in Texas and for the Spirit Plus in Texas, Alaska and Utah.

For all other states, effective for all new business received after **September 3, 2010**:

- The premium bonus on the Spirit Bonus will be 4%.
- The premium bonus on the Spirit Plus will be 2%.
- We are lowering the bonus recapture rates on the Spirit Bonus as follows:

Contract Year	1	2	3	4	5	6	7	8	9	10	11+
Recapture %	3.8%	3.8%	3.8%	3.8%	3.8%	3.8%	3.8%	3.8%	2.7%	1.3%	0%

As a reminder, the following changes on the Income Edge Flex rider will also be implemented after September 3:

- Lowering the maximum Accumulation Years from 20 to 12.
- Reducing the Income Account Value Interest Rate from 7.2% to 6% (The IAV will now double in 12 years instead of 10).
- Increasing the Annual Rider Premium Rate from 0.45% to 0.50%.
- Lowering the Maximum Annual Lifetime Income Withdrawal Percentages by 50bps.

continued

Income Rider changes on fixed indexed products

In addition to the above changes, there will be a reduction of the Maximum Withdrawal Percentages by 50bps on income riders for our fixed indexed annuities. **To clarify from our previous announcement, this applies to all income riders, including the Income Edge and Income Edge Plus on the Income Select Series**, which is still available for sale in states that have not approved the Income Preferred Series. These changes are also subject to re-filing in the previously mentioned six states.

Transition Deadlines

For all the above product changes, applications with cash received through the close of business on Friday, September 3, 2010, will be credited with the current product provisions. Rollover applications received through September 3 will be eligible for the current rider provisions if the rollover funds are received on or before October 4, 2010. You can fax applications to (866) 709-3921. If you choose to fax in your application, please DO NOT send the original as well.

Any business received after these deadlines will require new Certificates of Disclosure prior to issue. Updated Certificates of Disclosure and marketing materials reflecting these changes will be available on Aviva Live Thursday, September 2. It will take up to two weeks after this date for printed copies to be available in Supply.

If you have any questions, please contact Sales Support at (800) 255-2405, ext. 6620.