



Field
Update



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Aviva announces changes to NLG products in New York

Earlier this year, Aviva Life and Annuity Company and Aviva Life and Annuity Company of New York launched a new No-Lapse Guarantee portfolio. We repositioned our NLG products to provide competitive NLG premiums across age and underwriting categories. Overall, NLG premiums increased on the new versions of Guarantee UL Solution and Empire Solution to help us maintain financial stability in an environment of lower investment yields and higher capital costs.

While we received New York state approval for Guarantee UL Solution II earlier this year, the State Insurance Department has not yet approved Empire Solution III. We continue to offer the old version of Empire Solution to agents and customers in New York; however, recent sales in New York have been very concentrated in NLG products.

As a result, we are announcing product and commission changes to our No-Lapse Guarantee products in New York, designed to re-balance life insurance sales within our portfolio.

Product Feature Changes

- We will sunset the No-Lapse Guarantee Rider on Empire Solution II in New York. The base product and all other riders will continue to be available. We will continue to work with the New York State Insurance Department to obtain approval of Empire Solution III, but we do not have an anticipated release date at this time.
- We are increasing the minimum base plan face amount on Guarantee UL Solution II to \$250,000 in New York.

These changes apply only to products issued by Aviva Life and Annuity Company of New York. No other product changes are planned for No-Lapse Guarantee insurance products sold in or outside of New York. The NLG Rider will continue to be available on the Indexed Survivor UL product.

Product Feature Transition Schedule

Applications can still qualify for the NLG Rider on Empire Solution II and the current minimum face amount on Guarantee UL Solution II, provided they meet the following transition deadlines:

- The application is **signed on or before May 21, 2010**; and
- The application is **received in the Home Office on or before June 2**; and
- The policy is **issued on or before July 30, 2010**.

Different transition rules apply ONLY in the case for replacement policies issued in New York. For replacement policies, after signing the Regulation 60 replacement authorization, the applicant must wait a defined period of time before signing the application for new coverage. To accommodate the required waiting period, we will have the following transition rules only for applications subject to Regulation 60:

- The Regulation 60 Authorization Form is **signed on or before May 21, 2010**; and
- The application is **signed on or before June 18, 2010**; and
- The application is **received in the Home Office by July 9, 2010**; and
- The policy is **issued no later than September 17, 2010**.

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Commission Changes

In addition to the product changes, we are lowering both the agent and general agent commission rates on Guarantee UL Solution II in New York. Agent compensation is being reduced by ten percentage points. For example, if your commission rate was 35%, it will become 25%. Changes are also being made to the expense allowance.

Compensation changes apply only to Guarantee UL Solution II issued by Aviva Life and Annuity Company of New York. No other compensation changes are planned for No-Lapse Guarantee insurance products sold in or outside of New York.

Commission Transition Schedule

All Guarantee UL Solution II business issued by Aviva Life and Annuity Company of New York with an effective date prior to August 1, 2010, will earn commission using the existing commission schedules. Policies with issue effective dates on or after August 1, 2010, will utilize the new schedule.

Aviva remains financially strong and committed to our customers and producers in New York. We continue to offer a diverse life insurance product portfolio, which includes our industry-leading Indexed universal life, traditional universal life and term. And we continue to deliver prosperity and peace of mind to our customers, which is our most important obligation.

Thank you for your business and your continued support of Aviva.

If you have any questions, please contact Sales and Distribution at (888) 327-9898.