



Field
Update



June 18, 2009

Term premiums increasing July 19

Current economic conditions have increased the cost of capital required to support the reserves on the industry's term products. Carriers have addressed the issue by repricing or discontinuing term products, or reducing commissions.

Aviva is not immune to these conditions. As a result, we will roll out new term premiums effective **July 19, 2009**. Aviva remains committed to this market and is well positioned to reprice as needed to maintain financial strength while meeting consumers' needs for low-cost life insurance protection.

Rate increases will average 10% to 15% across all classes and bands. Compensation rates will not be impacted by this adjustment. Aviva will continue to offer competitive premiums and commissions, in addition to providing clients the flexibility to convert their term policy to any of Aviva's industry-leading permanent products.

Transition Schedule

As we transition to the updated Term rates, guidelines have been established and will be driven by the application signed date. This will allow you to know at the time the application is taken which rates will apply.

Under the transition schedule, applicants will receive the old Term rates if ALL the following conditions are met:

- The application is signed on or before July 18, and
- The application is received in the home office by July 31, and
- The policy is issued no later than September 15.

All applications signed on or after July 19 will receive the new, higher term rates. All applications received in the Home Office after July 31 or policies issued after September 15 will also receive the new term rates. There will be no exceptions.

The timely completion of all outstanding requirements is extremely important and New Business teams will make every effort to ensure all term applications eligible for the old term rates are processed as soon as possible.

Backdating to save age will be allowed within 60 days of the issue date; however, the application signed date will determine which set of rates are applied. If the application is signed on or after July 19, the new 2009 Term rates will be used even if backdating causes the policy effective date to occur prior to the date the new rates take effect. The backdated effective date may never precede the state approval date.

Our Life Portraits Sales Solutions software will be updated on July 18. An updated version of the software will be required to quote both old and new Term rates. After July 18, E-App will no longer allow you to submit an application with the old Term rates.

If you have questions, contact your Sales Vice President or Marketing Organization.

Key Transition Dates

July 18	Term applications must be signed on or before this date to receive lower Term rates.
July 18	New Term rates will be available on LPSS and on Aviva Live.
July 31	Term applications must be received in the Home Office to receive lower rates.
September 15	Term policies signed and received by the above deadlines must be issued by this date to receive lower rates.
September 15	Current Term rates will no longer be available on LPSS.