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Update



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## Aviva to reposition NLG products in January

Aviva Life and Annuity Company of New York is repositioning its product portfolio to offer our agents and customers value and versatility while navigating an environment of lower investment yields and higher capital costs.

Many carriers have dealt with this economic climate by limiting the No-Lapse Guarantees available or discontinuing their No-Lapse Guarantee products entirely. Aviva recognizes the benefits of No-Lapse Guarantee products for your customers and is choosing to remain an industry leader in this market.

To stay competitive while effectively managing our portfolio, we are planning to launch Empire Solution III and Guarantee UL Solution II on Monday, January 25, 2010, subject to approval from the New York State Insurance Department.

**This revised portfolio will provide top-level competitive NLG premiums in every age category, especially in single pay or limited premium payment designs.** In general, Empire Solution III will be the preferred product for customers 65 and under, while Guarantee UL Solution II will generally be the better product for customers over the age of 65.

Here are the steps Aviva is taking to reposition its No-Lapse Guarantee portfolio:

- Required NLG premiums and policy charges are being updated. We are increasing NLG premiums an average of 5% overall for both products.
- We are making Guarantee UL Solution more competitive at age 70 and above by lowering the NLG premium at those issue ages. The product redesign will make limited pay scenarios more competitive than lifetime pay across age categories.
- We are increasing expense charges and target premiums across age categories on Guarantee UL Solution to align with lifetime NLG premiums. Lifetime NLG premiums will be fully commissionable through approximately age 65.
- Target premiums and expense charge will also be increased on Empire Solution III to align with lifetime pay NLG premiums, which will be fully commissionable through approximately age 65.

New rates will be based on application signed date. We will communicate full transition guidelines in early January.

Aviva is determined to remain in the best possible financial position to provide ongoing value to all of our stakeholders, especially to our valued distribution partners. Thank you for all of your support this year.

If you have any questions about the upcoming No-Lapse Guarantee repositioning, please contact your Sales Vice President or Sales Support Team.