



Field
Update



December 22, 2009

Number: 0225

Changes to Term Products Effective January 25, 2010

In response to your feedback, Aviva will be making product improvements and rate changes to our broad portfolio of Term products, effective January 25, 2010.

Product improvements will include:

- **Relaxed Teleapp requirements:** You can now choose between submitting Teleapp or a paper application, giving you more control over the sale and underwriting. Paper applications will be accepted for face amounts of \$1 million and above or annual premiums of at least \$10,000.
- **Extended issue ages for 20 Year and 30 Year Term:**
 - o 20-Year – Issue ages extended to age 65 for Non Tobacco and 60 for Tobacco.
 - o 30-Year – Issue ages extended to age 55 for Non Tobacco and 50 for Tobacco.
- **Enhanced term conversion:** To enhance an already-attractive feature of the Term Portfolio, 2010 Term policyowners will be able to convert 2010 Term policies to Indexed Survivor Universal Life if:
 - o There is another Aviva term policyholder eligible for term conversion, or
 - o A second individual without an eligible term policy undergoes full underwriting

Rate Changes

We will be adjusting Term premium rates, due primarily to higher capital costs, while maintaining current competitive positioning. Term rates will increase an average of 2% to 3% on Annual Renewal, 10-Year and 20-Year Term. Premiums for 30-Year Term will remain unchanged.

Transition Rules

Transition 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 January 24, 2010, and
- The application is received in the home office by February 5, 2010, and
- The policy is issued no later than March 31, 2010.

continued

All applications signed on or after January 25, 2010 will receive the new term rates. All applications received in the Home Office after February 5, 2010, or policies issued after March 31, 2010, 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 six months 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 January 25, 2010, the new 2010 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.

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