



Aviva Income Preferred Bonus

Fixed Indexed Annuity

We are building insurance around you.®





What is a fixed indexed annuity?

It is a contract between you and an insurance company. In return for your money, or 'premium,' the insurance company agrees to provide certain benefits, such as:

Guarantees. Your contract has a minimum guaranteed contract value.

Growth. You can receive interest credits that are linked in part to the performance of an external market index or a fixed interest rate.

Tax Deferral. Annuities provide the advantage of tax-deferred interest accumulation. You don't pay taxes on the growth until you take withdrawals.

Protection. There is no direct downside market risk to your money.

Income. At a future date, you have the option of a lump sum payment or a regular stream of income—either for a certain period of time or for the rest of your life.

Security. Annuities have a death benefit that ensures your beneficiaries receive any remaining contract value.

Save more.

With an Aviva Income Preferred Bonus Fixed Indexed Annuity, you can save more money for retirement income.

You decide how much to save.

The initial premium required to purchase an Aviva Fixed Indexed Annuity is \$5,000. Once you purchase the contract, you can continue to add money to it at any time with just a \$1,000 minimum up to \$100,000 in any year. The total premium placed in the annuity can be no more than \$1,000,000 without home office approval. You have the option to allocate your money to as many interest crediting strategies as are available in your contract.

You receive a 4% Premium Bonus.¹

With Income Preferred Bonus, a premium bonus of 4% will be credited immediately to all premiums received in the first contract year. For example, if you put a \$100,000 initial premium into your annuity, your beginning Accumulated Value would be \$104,000.

Your income taxes are deferred.²

Under current tax law, interest credited to annuities grows on a tax-deferred basis. This means that interest credited to your annuity is not taxed until you decide to take withdrawals.

You have a minimum guaranteed value.

There is a minimum value you would receive if you surrender or “cash out” your annuity. This minimum value is the greater of Minimum Guaranteed Contract Value as stated in your contract or the Accumulated Value less any withdrawal charges and Market Value Adjustment (MVA).

Your loved ones can receive a death benefit.

If you pass away prior to the annuitization of your contract, the death benefit feature guarantees that your beneficiary will receive your contract's full Accumulated Value without any withdrawal charges.

Your annuity offers a quick source of funds to settle matters after your death. Annuities with properly named beneficiaries are generally not subject to the probate process.

¹ Bonus annuities may include lower cap rates and participation rates or other limitations that are not included in similar annuities that don't offer a premium bonus feature.

² The Internal Revenue Code already provides tax deferral to IRAs under current tax law, so there is no additional tax-deferral benefit obtained by funding an IRA with an annuity.

Worry less.

With an Aviva Income Preferred Bonus Fixed Indexed Annuity, you can worry less about market fluctuations.

Your money is not directly exposed to the risks of the stock market or individual stocks.

Rather, interest is credited to your annuity through “strategies.”

Strategies are methods used to calculate how much interest will be credited to your annuity.

“Fixed” and “Indexed” strategies are the two types of interest crediting strategies available to you with this product.

Fixed Strategy

The fixed strategy provides a guaranteed annual rate of interest that is calculated and credited to your annuity daily. Aviva declares this guaranteed rate for the fixed strategy each year. There is one fixed strategy available in each Aviva fixed indexed annuity.

Indexed Strategies

With indexed strategies, you receive interest credits based in part on the performance of external market indices, such as the S&P 500®. Indexed strategies credit any earned interest to your annuity once a year on the anniversary of when you purchased the annuity contract.

Since your money is not directly exposed to the risks of the stock market, you don’t have to worry about your annuity being affected by market losses. You can benefit by receiving interest credits based on a portion of the market index’s growth when performance is up, and you benefit from a guarantee that you will never earn less than 0% when the index is down. So even though it’s possible that you may have years that you don’t have interest credited to the contract, you will not lose any money in your annuity to market losses even during economic downturns.

There are multiple indexed strategies available—each works differently and credits interest, if any, up to any applicable caps and/or participation rates. Aviva’s index-linked strategies all feature the following benefits:

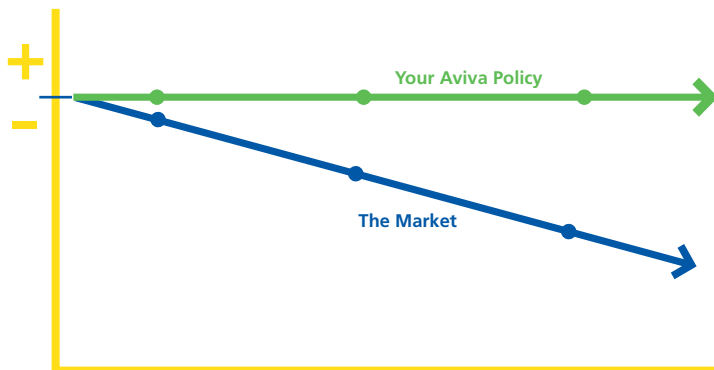
- Any interest earned is credited on each contract anniversary
- Your interest credits are “locked in” once credited, and cannot be lost due to market downturns
- Annual interest credits will never be less than 0%

Fixed indexed annuities are not stock market investments and do not directly participate in any stock or equity investments. Market Indices do not include dividends paid on the underlying stocks, and therefore do not reflect the total return of the underlying stocks. Clients who purchase indexed annuities are not directly investing in a stock market index.

Regardless of which indexed strategy you choose, your annuity value is protected from negative index performance.



When the market index rises, Income Preferred Bonus will receive interest credits based partly on the upward movement of the index, subject to any applicable caps and/or participation rates.



When the market index declines, Income Preferred Bonus is protected by contract guarantees. You may not receive any interest credits for that contract year, but you lose nothing based on a falling market.

These conceptual examples do not represent actual movements of a market index. Cap rates and participation rates vary by product and/or strategy. A downward movement in an index for a particular interest crediting period could result in zero interest being credited for that contract year.

Enjoy having options.

With Income Preferred Bonus, you can allocate your Initial Premium and Premium Bonus to any interest crediting strategy or combination of strategies that you choose.

Any additional premium you place into your annuity after your contract issue date is automatically allocated into the fixed strategy. Then at each contract anniversary you have the option to transfer your Accumulated Value between the fixed and indexed strategies.

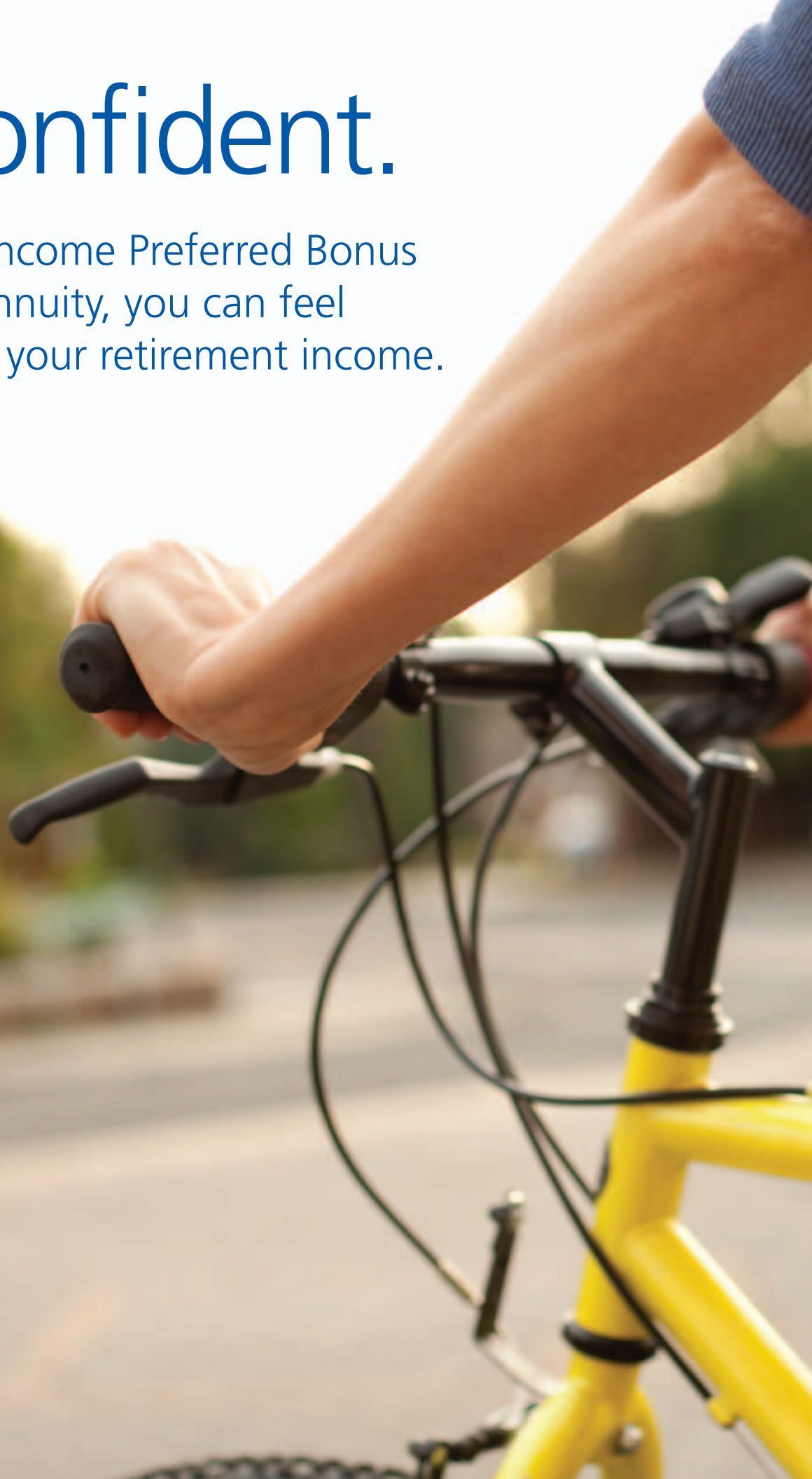
Also at each contract anniversary, any interest that is credited to your annuity is automatically locked in so it becomes part of your annuity's new Accumulated Value. Because this product features an "annual reset," the index value is reset at the beginning of each new contract year—meaning that each year's ending index value becomes the next contract year's beginning value. Even if the value of the index declines in later years, the interest that has already been credited to your contract cannot be lost to future market downturns. Your annuity's "contract year" is based on the date you purchased the contract, not on a calendar year basis.

Interest credits in any given contract year can be positive or zero—meaning that in years of market downturns, it's possible that you could have 0% interest credited to your annuity for that contract year. However, you can rest assured that you will not lose any of your premium or interest credited in previous years even if the index experiences negative returns.

There are multiple interest crediting strategies available in Aviva's fixed indexed annuities. To learn more about them and how they work, please see the strategy information sheets available from Aviva.

Feel confident.

With the Aviva Income Preferred Bonus Fixed Indexed Annuity, you can feel confident about your retirement income.



Having the flexibility to withdraw money when you need it is important. Income Preferred Bonus provides options that allow you to take withdrawals at times when you may need them the most.

Income Preferred Bonus Withdrawal Options

Free Withdrawals

You can withdraw up to 5% of your annuity's Accumulated Value in the first contract year without a withdrawal charge. Starting in the second contract year, you can withdraw up to 10% of your annuity's Accumulated Value as of your previous contract anniversary without a withdrawal charge or Market Value Adjustment (MVA).

If you are over age 70½ and are required by the IRS to take mandatory minimum withdrawals from your IRA, referred to as Required Minimum Distributions or RMDs, those distributions are free of withdrawal charges and Market Value Adjustments (MVA). Any RMD is considered part of your free withdrawal for that contract year.¹

Confinement Waiver

If you are confined to a qualified care facility for at least 60 consecutive days any time after the first contract year, you can withdraw up to 100% of your annuity's Accumulated Value without a withdrawal charge or MVA.²

Terminal Illness Waiver

Any time after your first contract anniversary, If you are diagnosed with a terminal illness that is expected to result in death within one year you can withdraw up to 100% of the annuity's prior contract anniversary Accumulated Value without a withdrawal charge or MVA.²

¹ Taxable amounts withdrawn prior to age 59½ may be subject to a 10% IRS penalty in addition to ordinary income tax. Withdrawals are not credited with index interest for that term. Withdrawals in excess of the free amount are subject to withdrawal charges, premium bonus recapture charges and a market value adjustment, which may result in the loss of principal if taken during the first 10 years of the contract.

² Waivers are not available in all states and are subject to limitations as set forth in the contract. In Texas, these benefits are available in the first year; and in Pennsylvania, the Terminal Illness Waiver is referred to as the Terminal Condition Waiver.

Understanding Withdrawal Charges.

A fixed indexed annuity is designed to be a long-term savings vehicle that has a withdrawal charge period. That means if you withdraw more money than the free amount allowed by the contract, or if you surrender or “cash out” the annuity before the withdrawal charge period ends, a withdrawal charge, premium bonus recapture charge and Market Value Adjustment (MVA) will be applied. The MVA is not applicable in all states.

The following chart outlines withdrawal charge and premium bonus recapture charge percentages for Income Preferred Bonus.

Income Preferred Bonus

Contract Year	Withdrawal Charge Percentage	Premium Bonus Recapture Charge
1	12.0%	3.8%
2	12.0%	3.8%
3	12.0%	3.8%
4	11.0%	3.8%
5	10.0%	3.8%
6	9.0%	3.8%
7	8.0%	3.8%
8	7.0%	3.8%
9	6.0%	2.8%
10	4.0%	1.4%
11+	0.0%	0.0%

Premium Bonus Recapture Charge

During the withdrawal charge period, any amount withdrawn in excess of the penalty-free amount or a full surrender will incur a premium bonus recapture charge in addition to any applicable withdrawal charges and/or Market Value Adjustments (MVA). The premium bonus recapture charge is a percentage of the annuity's Accumulated Value.

The Premium Bonus Recapture Charge will not be applied in the event of death of the Annuitant or any free withdrawal amount, including the Confinement or Terminal Illness Waivers.

Market Value Adjustment

A Market Value Adjustment applies to withdrawals in excess of the free amount during the annuity's withdrawal charge period, which is ten years for Income Preferred Bonus.

This is how the MVA works: if you take a withdrawal from your annuity before the end of your 10-year withdrawal charge period, a Market Value Adjustment (MVA) will be applied to that withdrawal. If interest rates in the market are higher than when you purchased your annuity, the MVA is negative, meaning an additional amount is deducted from your annuity. Conversely, if market interest rates are lower than when you purchased your annuity, the MVA is positive, meaning money is added to your annuity which reduces the amount of the withdrawal charge taken.

If the MVA is negative, the MVA can never decrease the amount surrendered or withdrawn by more than 75% of any Interest Credits and/or Premium Bonus(es) credited to your annuity contract.

The MVA is waived for the death benefit. Withdrawal Charges, Premium Bonus Recapture Charges and MVA are never applied to withdrawals from an IRA or qualified contract taken to satisfy the Required Minimum Distribution for that contract. The MVA is not applicable in all states.



Income Options.

In addition to taking periodic or free withdrawals, Income Preferred Bonus provides options for lifetime income.

Early Income Option

After the first contract year, the value of your annuity may be used to purchase a single premium immediate annuity without a withdrawal charge or market value adjustment. This feature is offered by Company practice and not available in all states. Where available, this option requires a minimum length of time over which payments must be taken.

Annuitization

Annuitization means that you convert part or all of the money in your annuity contract into a stream of regular income payments. There are several income options available to suit your individual needs, should you decide to annuitize your contract. These options can be based on your lifetime or the lifetimes of you and your joint annuitant or for a set period of time.

It's important to note, that once you choose to annuitize, the payment schedule and the amount is fixed and can't be altered.

Optional Income Edge Plus Lifetime Income Rider

You have the option to add a lifetime income rider to your annuity, called Income Edge Plus. This rider offers valuable benefits, including guaranteed growth during accumulation. Once you start taking income you have the flexibility to stop and start your income as your needs dictate. There is a charge for this rider and it may not be available in all states. Please see the Income Edge Plus brochure for full details.

Talk to your agent about which income option may be right for you!



At Aviva, we never forget that our business is about the people we insure.

As you read this, thousands of Aviva associates are focused on our simple three-letter mission statement:

You

You can count on us to be here when you need us.

We're making business and investment decisions that will ensure we can meet our obligations to you and your loved ones.

We're developing new ways to provide better service to you.

We're challenging ourselves to reinvent the way we look at life insurance and annuities, so we can continue to meet the financial needs of a changing world—your world.

Most of all, we're drawing on the experience of our parent company, Aviva plc, with their more than 300-year legacy. As the oldest continuously operating insurance group in the world, Aviva has endured and thrived through centuries of war and peace, booms and recessions and constant change. The highs and lows have taught us to be prepared so you can count on us, especially during times of uncertainty.

We are honored that you've put your trust in Aviva.
We won't let you down.

Guarantees provided by annuities are subject to the financial strength of the issuing insurance company; not guaranteed by any bank or the FDIC.

Aviva Income Preferred Bonus Fixed Indexed Annuity [IA10B (09/09)] or state variation] is issued by Aviva Life and Annuity Company, West Des Moines, IA. Product features, limitations and availability vary by state.

Fixed indexed annuities are not stock market investments and do not directly participate in any stock or equity investments. Market Indices do not include dividends paid on the underlying stocks, and therefore do not reflect the total return of the underlying stocks; neither an Index nor any market-indexed annuity is comparable to a direct investment in the equity markets. Clients who purchase indexed annuities are not directly investing in a stock market index.

This brochure contains highlights only – please refer to the annuity contract for a full explanation of these annuities and any charges or limitations. Neither Aviva Life and Annuity Company nor its representatives offer legal or tax advice. Please consult your personal attorney and/or advisor regarding any legal or tax matters.

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Premium bonus annuities may include lower cap rates, higher spreads or other limitations that are not found in annuities that don't have a premium bonus feature.

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