




# CARE Program

Creating Agent Retirement Earnings

# CARE

A photograph of a person's hands holding a pair of glasses in front of a window. The scene is heavily overlaid with a yellow color, creating a warm, monochromatic effect. The person appears to be sitting at a desk, with a window in the background showing an outdoor scene with trees and a building. The overall mood is contemplative and professional.

**CARE** or 'Creating Agent Retirement Earnings', is a non-qualified deferred compensation plan offered exclusively to agents appointed with Aviva Life and Annuity Company. Through CARE, you can earn credits based upon your production and remaining inforce production plus an "earnings factor" (interest) on those credits, based on Aviva Life and Annuity Company's portfolio performance. Credits and any applicable interest are payable from the general assets of Aviva Life and Annuity Company.

# Who is eligible for CARE?

To participate in CARE, and to receive allocations of CARE credits, you must meet two qualification requirements.

- 1.** You must be a currently contracted and appointed agent of Aviva Life and Annuity Company. Enrollment is not required. Agents who qualify will be notified of their eligibility within 60 days after year-end.
- 2.** You must submit \$4 million net of new annuity premium, net of any refunds, reversals, withdrawals, surrenders, or death claims, **and new for 2010**, \$20,000 net of new qualifying life insurance premium each calendar year. There is no minimum number of cases required.

Aviva Life and Annuity Company determines which products qualify for CARE. Any changes to qualifying products will be posted on the Aviva Life and Annuity Company Web site subject to specific plan provisions. Please refer to the Plan Document for details regarding qualifying products and premiums. Those Agents that were eligible under the prior plan must submit \$10,000 net of new qualifying life insurance premium each calendar year in addition to their qualifying annuity premium. See Plan Document for details.

## When you participate in CARE, you can:

- Save for the future.
- Receive monetary credits from Aviva without sacrificing your current commission structure. CARE does NOT reduce your commission.
- Benefit from competitive interest rates on your CARE credits – with a simple vesting plan.

If you submit qualifying net annuity premium of \$10 million or more in any calendar year, your CARE plan will be credited with 150% of your accumulated CARE credits for that year.

In addition, an “earnings factor” (interest) based upon, but not necessarily equal to, Aviva Life and Annuity Company’s portfolio rate of return may be applied to your accumulated CARE credits. The earnings factor for each year is declared by January 31 of the following year.

## About CARE Credits

When you qualify for CARE, credits are applied to the plan annually. The amount of CARE credits applied to the plan is based on your qualifying net annuity premium issued and paid during each calendar year net any refunds, reversals, withdrawals, surrenders or death claims. CARE credits continue to accumulate during present and past qualifying years. You also earn credits for credits earned in previous years of qualification for annuity premiums that remain in force. Premiums for other Aviva products may be included when calculating CARE credits after qualification is achieved. They will not be taken into account in determining initial qualification.

Annually, Aviva Life and Annuity Company will declare an annual CARE credit amount. One credit is applied for each \$1 million of qualifying net premium; all credits are rounded down to the nearest \$100,000. For example, if your qualifying net premium is \$4.375 million, you will earn 4.3 CARE credits. CARE is funded entirely by Aviva Life and Annuity Company.

For example:

Qualifying Net Premium Amount	CARE Credits
\$1,000,000.00	1
\$4,375,000.00	4.3

The hypothetical examples on the next page show the accumulation of CARE credits, based on qualifying net premiums, over 10-year periods.

### Example 1: \$4 Million Annual Qualifying Net Premium

Year	Annual Premium Written	Annual CARE Account Credit	CARE Accumulated Balance
1	\$4,000,000	\$7,000	\$7,000
2	\$4,000,000	\$13,650	\$20,965
3	\$4,000,000	\$20,125	\$42,033
4	\$4,000,000	\$26,425	\$70,350
5	\$4,000,000	\$32,550	\$106,066
6	\$4,000,000	\$38,500	\$149,339
7	\$4,000,000	\$44,275	\$200,334
8	\$4,000,000	\$49,875	\$259,224
9	\$4,000,000	\$55,300	\$326,189
10	\$4,000,000	\$60,550	\$401,417

### Example 2: \$10 Million Annual Qualifying Net Premium

Year	Annual Premium Written	Annual CARE Account Credit	CARE Accumulated Balance
1	\$10,000,000	\$26,250	\$26,250
2	\$10,000,000	\$51,713	\$79,144
3	\$10,000,000	\$76,388	\$159,093
4	\$10,000,000	\$100,275	\$266,527
5	\$10,000,000	\$123,375	\$401,896
6	\$10,000,000	\$145,688	\$565,668
7	\$10,000,000	\$167,475	\$758,598
8	\$10,000,000	\$188,475	\$981,210
9	\$10,000,000	\$208,950	\$1,234,315
10	\$10,000,000	\$228,900	\$1,518,759

This is an illustration only. Key assumptions used in these illustrations are as follows: 1) a 3% annual lapse rate 2) a \$1,750 value per CARE credit in every year 3) a 4.5% annual credited interest rate at 4) \$4 million, and \$10 million production amounts as listed. Changes in assumptions may yield dramatically different results. This illustration is not intended to predict actual performance. Lapse rates will vary based on actual persistency. The value per credit and credited interest rate are not guaranteed, and are determined by Aviva Life and Annuity Company annually. The actual annual CARE deposit amount will depend upon the value per credit determined by Aviva Life and Annuity Company. For 2010, the value per credit is \$1,750. The value per credit for future years may be different. The actual CARE account balance may increase or decrease from the projected amount above depending on the actual values per credit and the actual credited interest rates determined by Aviva Life and Annuity Company.



## CARE Calculator

Visit [www.avivausa.com](http://www.avivausa.com) to use the online CARE calculator. It can help you create additional examples of how CARE credits may accumulate under certain scenarios.

**Important: The CARE calculator uses assumptions to provide hypothetical examples. Please refer to your annual CARE statement for actual benefit amounts.**

# Vesting

You must qualify for CARE for five years to be 100% vested.

Vesting is determined by the following schedule:

Years of CARE Qualification	Vested Percentage
1	20%
2	40%
3	60%
4	80%
5	100%

- If you miss one year of CARE qualification, you are still eligible to participate in the plan. You will also retain credits, vesting, and accumulated CARE credits. However, no vesting occurs for that year and no credits will be deposited into your CARE plan account for premium written in that year. That year's in force premium does not receive credit in future years.
- If you miss one year and then qualify the following year, Aviva will again contribute to your CARE plan account and vesting will resume.
- If you do not meet qualification requirements for two consecutive years, your CARE plan account will be frozen but will remain a part of the CARE plan until you separate from service with Aviva Life and Annuity Company and its affiliates. No additional CARE credits will be credited to your CARE plan account.
- If you separate from service with Aviva Life and Annuity Company and its affiliates, receive a distribution of the CARE plan, and later become re-contracted/appointed with Aviva Life and Annuity Company, you may be eligible for a new CARE plan, subject to certain restrictions. Of course, you must meet qualifying requirements.

# Additional Details

## CARE Payouts

You will become entitled to receive your payout for vested CARE credits at the earlier of:

- The date you reach attained age 70; or
- If you separate from service with Aviva Life and Annuity Company and its affiliates as of the previous year end.

Payouts for vested CARE credits are made by March 15 of the year following the calendar year in which you become entitled to receive payment. "Separation from service" is determined by Aviva Life and Annuity Company and outlined in the CARE plan document. Failure to qualify for CARE is not considered separation from service.

You must complete and submit a CARE Payout qualification Election Form within 30 days after being designated as eligible, indicating your distribution option. Based on your election, CARE credits will be distributed to you, net required withholdings, in:

- a single lump sum; or
- annual installment payments over a 5-year period.

If no election is made, the lump sum payout will serve as the default.

**Remember:** Taxes are due on all dollars received when the CARE plan is distributed to you.

# CARE

## Payout Upon Death

Upon death before commencement of benefits, the CARE plan shall be distributed to your designated beneficiary in a single lump sum, net required withholdings.

Beneficiary forms are available on the Aviva Life and Annuity Company Web site.

Beneficiary designations will be effective only upon receipt by the plan administration.

## Loans and/or Withdrawals

Loans and/or withdrawals from your CARE plan are not allowed, even for financial need. In the case of a severe financial hardship, a withdrawal may be permitted if 100% vested. Please see the Plan Document for more information.

## Disputes and/or Claims for Benefits

There is a special procedure for CARE balance disputes and/or claims for benefits. Please see the Plan Document for more detailed information.

In order to begin the claims process, please submit your written inquiry to:

**Aviva Life and Annuity Company**  
c/o CARE Plan Administrator  
555 South Kansas Avenue  
Topeka, KS 66603

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

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

### You

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 we've gathered from our 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 never forget that our business is about the people we insure. It's about you. We want to help you achieve peace of mind and prosperity with Aviva.

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

This brochure represents a summary of CARE plan benefits. Please refer to the CARE plan document for details. If this document summary disagrees with the Plan document, the terms of the Plan document will control.

Interests in the CARE plan may not be sold or otherwise pledged or transferred. All interests in the CARE plan are subject to the general claims-paying ability of Aviva Life and Annuity Company and are not held in trust or otherwise guaranteed or secured.

Administration of the CARE plan will be determined by the specific terms of the CARE plan document. Aviva Life and Annuity Company reserves the absolute right, in its discretion, to decide all factual controversies and to interpret all of the terms and provisions of the CARE plan, including those facts and terms bearing upon eligibility to participate in or qualification for benefits under the CARE plan, and to amend or terminate the CARE plan.

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