



Aviva *MultiChoice* **FreedomXtra**



# Saving for retirement just got **easier.**

With all of the choices you have today, saving for retirement can seem complex, challenging, and confusing.

**At Aviva, we think you should spend less time planning for retirement and more time enjoying it.** That's why we're dedicated to making it easier for you – by providing innovative products that fit your lifestyle and long-term planning needs.



One product that can serve a valuable part of your overall retirement plan is an **Aviva *MultiChoice* FreedomXtra Fixed Annuity.**

A FreedomXtra Fixed Annuity can give you a tax-deferred savings option with an innovative combination of benefits including:

- **Freedom** from stock market fluctuations
- **Flexibility** of withdrawals and income options
- **Functionality** to transfer wealth
- **Financial strength & experience** that add up

Read on to learn more about the FreedomXtra Fixed Annuity. This brochure provides product highlights only. Refer to the certificate of disclosure for more details.



# Freedom from stock market fluctuations

Without time to recover from downturns, market losses near or during retirement can be devastating. Saving a portion of your retirement dollars in a fixed-money option, like a FreedomXtra Fixed Annuity, can give you freedom from these losses.

## What is a **fixed annuity**?

A fixed annuity is a contract between an owner and a life insurance company. In exchange for the money, or premium, that is used to purchase the contract, the life insurance company agrees to provide certain benefits, including:

- Guaranteed interest;
- Income payouts for a certain amount of time or life;
- Death benefits that pay survivors; and
- Other benefits as outlined in the contract.

## With a **FreedomXtra Fixed Annuity...**

### **You decide how much to save.**

The initial minimum premium required to purchase a FreedomXtra Fixed Annuity is \$5,000. The maximum initial premium allowed is \$1 million without home office approval. Once you purchase the contract, you can continue to add money to it. Additional premiums must be at least \$1,000 and not more than \$100,000 annually. The issue ages are 0-80.

### **You receive a 10% Premium Bonus.**

With a FreedomXtra Fixed Annuity, a premium bonus of 10% will be credited to all premiums received in the first and second contract years. For example, if you have \$100,000 initial premium, your Day 1 Accumulated Value would be \$110,000.

### **Your taxes are deferred.<sup>1</sup>**

Under current tax law, interest in a FreedomXtra Fixed Annuity grows on a tax-deferred basis. This means that interest credited to the annuity is not taxed until it is withdrawn.

### **You have a minimum interest rate guarantee.**

Rather than exposing your retirement assets to market losses, you can save a portion of your money in a FreedomXtra Fixed Annuity and receive a guaranteed amount of interest. The amount of interest credited will never be lower than the minimum guaranteed interest rate of 2%, as specified in your annuity contract. In fact, it may be higher than the minimum guaranteed interest rate.

### **You have a choice of interest strategies.**

The FreedomXtra Fixed Annuity offers a 1-Year Guaranteed Fixed Strategy and additional multi-year guarantee strategies.

### **No matter which strategy you choose:**

- An initial interest rate is guaranteed for a certain number of contract years, or term period.
- After the initial term period, interest rates are guaranteed never to be lower than the guaranteed minimum rate.
- Interest is credited daily.

<sup>1</sup> 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.





## Understanding **withdrawal charges** & **premium bonus recapture charges**

A fixed annuity is a long-term savings vehicle that includes a withdrawal charge period. This period is the length of time you agree to save money in the annuity in exchange for the benefits the annuity contract provides.

If you withdraw more money than the annuity contract allows, or if you surrender or “cash out” the annuity before the withdrawal charge period ends, a total charge, comprised of both a withdrawal charge AND a premium bonus recapture charge will be applied to the annuity.

**Therefore, it is very important to select a product with a withdrawal charge period that fits your needs.**

The following charts outline the FreedomXtra withdrawal charge and premium bonus recapture charge schedules. It also shows an example of how this total charge is applied.

### FreedomXtra Withdrawal Charge Percentages

Contract Year										
1	2	3	4	5	6	7	8	9	10	11+
12%	12%	12%	11%	10%	9%	8%	7%	6%	4%	0%

### + FreedomXtra Premium Bonus Recapture Charge Percentages

Contract Year										
1	2	3	4	5	6	7	8	9	10	11+
10%	10%	10%	10%	8%	7%	6%	5%	4%	2%	0%

### Example

If you surrender your FreedomXtra contract at the end of the second contract year...

**Initial Premium:** \$100,000 + 10% Premium Bonus = \$110,000

**Hypothetical Interest Rate:** 2%

**Current Accumulated Value at time of surrender:** \$114,444  
(assumes no additional premiums and no withdrawals)

**20% Free Withdrawal amount  
available at time of surrender:** \$22,888

**Accumulated Value subject to total charge:** \$91,556

$$\$114,444 - \$22,888 = \$91,556$$

12% Withdrawal Charge  
+ 10% Premium Bonus Recapture Charge

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22% Total charge based on Accumulated Value subject to total charge \$91,556

$$\$91,556 \times 22\% = \$20,142$$

**\$114,444 - \$20,142 = \$94,302 - Total amount paid to contract owner at time of surrender**

The entire Accumulated Value, which includes the 10% premium bonus and any interest credits, is available in the event of death of the annuitant, any free withdrawal amount, or under the Confinement, Home Health Care, or Terminal Illness Waivers.

# Flexibility of withdrawals and income options

Having flexibility to withdraw money when you need it is important. A FreedomXtra Fixed Annuity provides a number of ways to take withdrawals and/or to receive regular income payments. [Checkbook access is available!](#)



## FreedomXtra Withdrawal Options

<b>10% Free Withdrawal</b>	Each contract year, you can withdraw up to 10% of your annuity's prior contract anniversary Accumulated Value without a withdrawal charge.
<b>20% Free Withdrawal</b>	You have access to a 20% free withdrawal in the current contract year if you did not take a withdrawal in the previous contract year. A 20% withdrawal is the maximum amount you can take in one contract year without excess withdrawal charges. <sup>1</sup>
<b>Checkbook Access Withdrawal</b>	For your convenience, checkbook withdrawals are available. You may write up to two drafts each contract year. Each draft must be a minimum of \$500 and must be made payable to you or to your financial institution.
<b>Confinement Waiver</b>	If you are confined to a qualified care facility any time after the first contract year, you can withdraw up to 100% of your annuity's Accumulated Value without a withdrawal charge. Subject to limitations. <sup>2</sup>
<b>Home Health Care Waiver</b>	If you need qualified home health care services any time after the first contract year, you can withdraw up to 20% of the annuity's prior contract anniversary Accumulated Value without a withdrawal charge. Subject to limitations. <sup>2</sup>
<b>Terminal Illness Waiver</b>	If you are diagnosed with a terminal illness any time after the first contract year, you can withdraw up to 100% of the annuity's prior contract anniversary Accumulated Value without a withdrawal charge. Subject to limitations. <sup>2</sup>

## FreedomXtra Income Options

<b>Early Income Option</b>	After the first contract year, the value of your annuity may be used to purchase a single premium immediate annuity without a withdrawal charge. <sup>1</sup>
<b>Annuitization Option</b>	Annuitization is the process of converting an annuity into a series of periodic income payments. Annuities may be annuitized over a period of time or for life. Refer to your contract for an outline of these options.
<b>Guaranteed Purchase Option</b>	Anytime after the tenth contract year, a 10% bonus will be credited to the value of your annuity if you elect an income payout option that lasts at least 10 years. The bonus is based on any remaining first-year premium.
<b>LifetimePay<sup>SM</sup> Flex (optional rider)</b>	As early as Day 1, <b>LifetimePay<sup>SM</sup> Flex</b> allows you to take Lifetime Income Withdrawals without annuitizing your annuity contract. It is available for an additional charge and can only be added when the contract is issued. It cannot be added at a later time. It cannot be purchased without buying a FreedomXtra Fixed Annuity. <b>LifetimePay<sup>SM</sup> Flex</b> is not available in all states. Review the annuity contract and read the <b>LifetimePay<sup>SM</sup> Flex</b> rider brochure for more details.

<sup>1</sup> Not available in all states.

<sup>2</sup> These benefits may not be available in all states. Benefits are subject to limitations as described in the contract. In Massachusetts, the Confinement and Terminal Illness Waivers are not available. In Texas, these benefits are available in the first year; in Pennsylvania, the Terminal Illness Waiver is referred to as the Terminal Condition Waiver. In Connecticut, the Home Health Care Waiver is not available.

Taxable amounts withdrawn prior to 59½ may be subject to a 10% IRS penalty in addition to ordinary income tax. Withdrawals in excess of the free amount are subject to withdrawal charges and may result in the loss of principal if taken during the first 10 years of the contract.

# **LifetimePay<sup>SM</sup> Flex** is an optional income rider that gives you a way to receive regular income payments from your FreedomXtra Fixed Annuity.

When your annuity contract is issued, and you've purchased **LifetimePay<sup>SM</sup> Flex**, an Income Account Value is established. The Income Account Value determines the amount of income available for Lifetime Income Withdrawals.

## **LifetimePay<sup>SM</sup> Flex** can give you:

- **Guaranteed 7.2% compound interest** on the Income Account Value prior to rider withdrawals for the first 20 years of the contract. Using the "Rule of 72", your Income Account Value can DOUBLE in 10 years and QUADRUPLE in 20 years!<sup>1</sup>

It is important to understand that the Income Account Value is not the same thing as the annuity's Accumulated Value. **It is not an account you can cash out.** The 7.2% guarantee on the Income Account Value assumes no rider withdrawals. Rider withdrawals stop the 7.2% guaranteed growth.

- **Flexibility** You decide when to start your Lifetime Income Withdrawals. Single or joint payout options are available.
- **Increasing Benefit Option** When you select the Increasing Benefit Option, your Lifetime Income Withdrawal will go up 3% annually once you begin withdrawals - helping you keep up with the cost of living.
- **Income Doubler Benefits** If you require confined care in a nursing home, hospital, or hospice facility, you can access up to double your Lifetime Income Withdrawal amount.<sup>2</sup>
- **A 5-Year Payout Option** Instead of taking the base contract death benefit, your beneficiaries may elect to receive the **LifetimePay<sup>SM</sup> Flex** Income Account Value over a 5-year period.<sup>3</sup>

See the **LifetimePay<sup>SM</sup> Flex** product brochure for more details.

<sup>1</sup> The 7.2% guaranteed rate on the Income Account Value stops once withdrawals are elected under the rider. Until withdrawals under the rider are elected, the 7.2% growth on the Income Account Value is guaranteed for the first 20 contract years, not to exceed age 85, but never less than 5 years. The guaranteed rate is available only with the purchase of **LifetimePay<sup>SM</sup> Flex** and must be purchased in conjunction with the annuity contract. The annual rider charge is 0.30% of the Accumulated Value and is guaranteed in all years.

<sup>2</sup> Please see the contract for qualifying confinement criteria.

<sup>3</sup> Amount and timing of payments under this benefit are subject to IRS limits.

**LifetimePay<sup>SM</sup> Flex** also includes:



When you select **LifetimePay<sup>SM</sup> Flex**, you'll receive wellness resources from Mayo Clinic Health Solutions that can help you live longer and feel better.<sup>4</sup>

## **This unique program provides:**

- Mayo Clinic Health Risk Assessment
- Your personal health management website
- Ask Mayo Clinic nurse line
- Quarterly Mayo Clinic newsletter and calendar
- Mayo Clinic special offers

<sup>4</sup> It is anticipated that Wellness for Life services will be provided by Mayo Clinic Health Solutions for the life of the Program. It is possible that the provider and/or menu of Wellness Services may change or be enhanced at some future date.

# Functionality to transfer wealth

Most of us don't want to place a financial hardship on the people we leave behind. The functionality of a FreedomXtra Fixed Annuity death benefit can provide security for your heirs.

## **A basic death benefit is included on every FreedomXtra Fixed Annuity.**

Upon death and prior to annuitization of your contract, the basic death benefit gives you peace of mind by guaranteeing that your beneficiary will receive the full Accumulated Value of the contract in a lump sum. Other settlement options may also be available.

### **The basic death benefit can provide:**

- An additional way to transfer wealth;
- A quick source of funds to settle matters after your death (annuities are not part of the probate process<sup>1</sup>); and
- The ability to transfer wealth to your heirs if you do not qualify for traditional life insurance.

<sup>1</sup>Annuities generally avoid the probate process when you have a current, properly named beneficiary designation. You should consult your own personal attorney and/or tax advisor regarding any legal or tax matters.



# InsurePay<sup>SM</sup> Optional Death Benefit Rider

InsurePay<sup>SM</sup> is an optional rider that can provide an enhanced death benefit, including a guaranteed death benefit floor. InsurePay<sup>SM</sup> is available for an additional charge and can only be added when the contract is issued. The annual rider charge is 0.40% of the Accumulated Value and is guaranteed in all years. It cannot be purchased without buying a FreedomXtra Fixed Annuity. InsurePay<sup>SM</sup> is not available in all states.

InsurePay<sup>SM</sup> provides an enhanced death benefit including:

- **A 6% Simple Interest Guarantee**

The rider death benefit is guaranteed to grow at 6% simple interest each year based on the amount of premium and premium bonus remaining in your annuity. This means that the longer you own your annuity, the more your InsurePay<sup>SM</sup> death benefit can grow.

- **No Exams or Underwriting**

The InsurePay<sup>SM</sup> death benefit rider can be added to your annuity contract without any medical evidence of insurability, health questions, or exams.

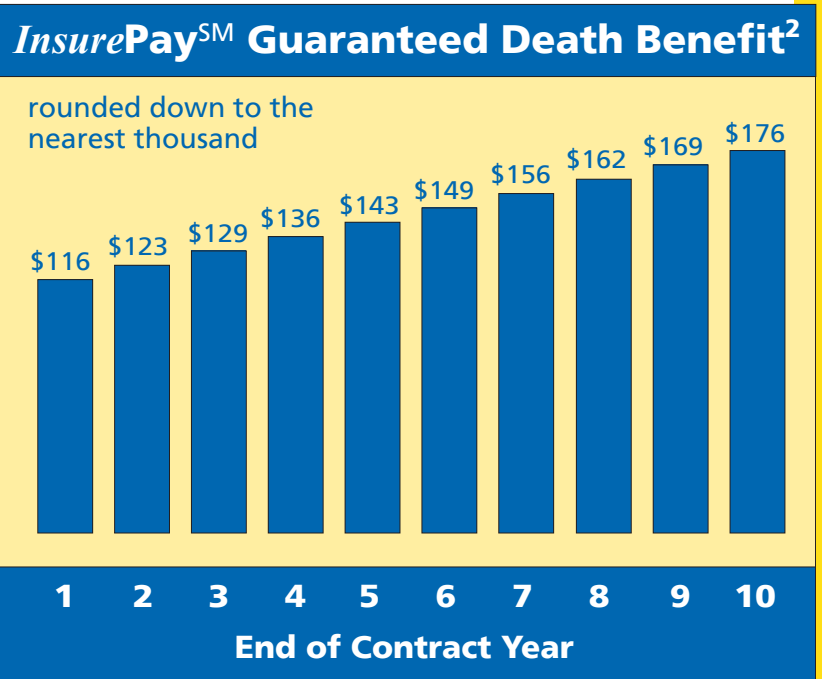
- **Spousal Continuation of the Rider**

If the surviving spouse is the sole primary beneficiary of the contract, he or she will have the option of continuing the contract and this rider.

## InsurePay<sup>SM</sup> Hypothetical Example:

Name: Mary      Age: 60

Initial Premium of \$100,000 + 10% Premium Bonus: \$110,000



<sup>2</sup> Guaranteed death benefits illustrated under the InsurePay<sup>SM</sup> rider assume \$100,000 initial premium, a 10% premium bonus, no additional premiums, and no withdrawals. This hypothetical example is for illustration purposes only. The rider death benefit will no longer increase at 6% simple interest when one of the following events occurs: when the death benefit has reached 250% of the premiums paid, or; after reaching attained age 90. When this happens, the rider remains intact; however, no additional accumulation will take place. It is important to note that withdrawals from the base contract reduce the death benefit of this rider on a pro-rata basis.

# Financial strength & experience that add up

## Who is Aviva?

Aviva Life and Annuity Company is a wholly owned subsidiary of Aviva plc. Aviva plc is the fifth-largest insurance group in the world<sup>1</sup>, with a strong history dating back over 300 years. Aviva plc has 57,000 employees and 45 million customers worldwide.

Aviva plc has been known as a progressive company for over 300 years with a reputation for creating better ways to understand and meet people's needs. It's this insight, this ability to think beyond the immediate and the everyday that makes us who we are.

**The financial strength of Aviva Life and Annuity Company has been recognized by independent insurance rating agencies as shown below.<sup>2</sup>**

### **A.M. Best: A+ (SUPERIOR)**

This rating reflects the company's financial strength and ability to meet obligations to contract holders. (2nd highest rating out of 15)

### **Standard and Poor's: AA- (VERY STRONG)**

This rating is based on the company's financial strength. (4th highest rating out of 24)

<sup>1</sup> Based on gross worldwide premiums for the year ended 31 December 2007

<sup>2</sup> Ratings current as of November 2008



# Aviva has been delivering on promises since 1696.

Over the years Aviva has made some historic underwriting decisions.



Sir Winston Churchill  
An Aviva plc company approved the application of this promising young officer and presented him with a fully paid-up policy in 1960.



Queen Victoria  
Her Royal Majesty asked one of Aviva plc's companies to be her insurer 140 years ago. The company graciously complied.



Napoleon Bonaparte  
Over 180 years ago, Napoleon Bonaparte applied for life insurance with an Aviva plc company. He was turned down. The rest is history.

For more than 300 years, Aviva plc has kept its promises.

Centuries of customers (both the famous and not-so-famous) have relied upon us for financial security and peace of mind, helping to make the Aviva companies the fifth largest and oldest continuously operating insurance group in the world.<sup>1</sup>

Today, we take all that we've learned in those many years and focus on tomorrow. Our experience guides us as we strive to anticipate and meet people's needs for the future...to help them make the most out of life.



## If you're looking for a great company for your future, look to Aviva.

### Come be a part of our history.

<sup>1</sup> Based on gross worldwide premiums for the year ended 31 December 2007

The guarantees provided by annuities described in this brochure are subject to the stability and claims-paying ability of the issuing company. **LifetimePay<sup>SM</sup> Flex** [form MCAIRW (08/08) or state variation] and **InsurePay<sup>SM</sup>** [form MCDDBR (08/08) or state variation], are optional riders for which annual premium is charged. Aviva **MultiChoice FreedomXtra** [form MCFX (08/08) or state variation] is issued by Aviva Life and Annuity Company, Des Moines, IA. Product features, limitations, and availability vary by State.

Bonus annuities may feature lower rates or other restrictions that are not included in similar annuities that don't offer a premium bonus feature. We recommend learning about all product options available to you to find ones that best suit your long-term needs.

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



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