

Positive financial results to keep Aviva strong and reliable for **You!**



Chris Littlefield
Chief Operating Officer

August 11, 2009

To Our Valued Producers:

As you may have seen, Aviva plc, our parent company, recently announced strong financial results for the first six months of 2009.

Highlights include

- Operating profit of £1,049 million (US\$1,563 million);
- After tax profit of £747 million (US\$1,113 million);
- 9% reduction (£0.5 billion or US\$0.8 billion annualized) in our operating cost base; and
- Regulatory capital surplus of £3.2 billion (US\$5.2 billion) — a substantial increase over the £2.0 billion (US\$2.9 billion) reported at the end of 2008.

Aviva plc also shared several steps that are being taken to further strengthen its financial position and provide added flexibility to take advantage of growth opportunities in the coming year. Among these initiatives is a 31% reduction in the dividend paid to Aviva shareholders, the upcoming sale of Aviva Australia (which will generate £452 million or US\$738 million and augment our regulatory capital surplus position), and plans for a partial initial public offering of Aviva's Dutch business, Delta Lloyd, when market conditions allow. These actions will significantly increase Aviva's strategic flexibility.

In the U.S., our sales of life insurance and annuities in the first half of 2009 grew 8% from the same period last year. Our strategy in 2009 has been focused on conserving capital, moderating the pace of growth in indexed annuities and accelerating the growth of our life insurance business.

We recognize that these are challenging times for our producers, customers and employees. As you well know, we've made some tough decisions to ensure that we emerged from this economic environment with strength to exploit the opportunities that will arise. Now more than ever, we are determined to remain in the best possible financial position to provide ongoing value to all of our stakeholders.

We know that none of our success would happen without your support and we want to sincerely thank you for your business and commitment during these times. We have the best distribution partners in the U.S. and we are committed to doing what is necessary to earn your business every day.

To learn more, take a look at our mid-year **"Strength & Experience"** brochure, by clicking [here](#).

The result and cash flows of the operations have been translated using the average rates: \$1.49 (£1 equal) for the first half of 2009 and \$1.85 (£1 equal) for full year 2008; the assets and liabilities have been translated using the period-end rates: \$1.63 (£1 equal) for the first half of 2009 and \$1.44 (£1 equal) for full year 2008.



Strength & Experience

YOU Can Count On

We are Aviva. Delivering prosperity and peace of mind to 50 million customers worldwide.

Aviva plc is financially strong. The diversity of our business and innovative products and services continue to add value for our customers and bring them peace of mind.

Aviva by the Numbers*

The **5th** largest insurance group in the world¹

50 million customers worldwide

54,000 employees worldwide

Total sales of **\$95.1 billion**²

\$573.8 billion in funds under management³

¹ Based on gross worldwide premium as of December 31, 2008.

² Amounts measured December 31, 2008, on an International Financial Reporting Standards Basis.

³ Represents all assets managed or administered by the Group, including funds held on behalf of third parties as of June 30, 2009.

“ While the economic environment continues to be uncertain, there will be opportunities from which strong companies like Aviva will benefit. Our increasing financial flexibility will strengthen Aviva’s position, enabling us to seize new opportunities as they arise and generate long-term value. ”

Andrew Moss, Aviva Group CEO
August 6, 2009

Our Financial Strength*

Interim update, June 30, 2009

- Aviva is committed to financial strength and a strong capital position.
- In the first six months of 2009, Aviva plc achieved a strong capital position. Aviva’s capital surplus grew to **\$5.2 billion** from **\$2.9 billion**.
- Our investment strategy is driven by the knowledge that our decisions impact the ability to meet our obligations to our customers.
- Aviva’s global scope and diversified products provide ongoing financial strength and accessible capital for Aviva USA.
- The diversity of our business has been a strength through a range of geographies, products and distribution channels.

* The result and cash flows of the operations have been translated at the average rates for the year and the assets and liabilities have been translated at the year-end rates as follows:

United States	2008	1HY 09
Average rate (£1 equal)	\$1.85	\$1.49
Period end rate (£1 equal)	\$1.44	\$1.63

www.aviva.com



Strength & Experience

YOU Can Count On

We are Aviva USA. Delivering prosperity and peace of mind to more than one million customers across all 50 states.

We are a valued member of Aviva plc, the world's fifth-largest insurance group.¹

Our issuing companies include:

Aviva Life and Annuity Company Des Moines, IA

Aviva Life and Annuity Company of New York Woodbury, NY

American Investors Life Insurance Company Topeka, KS

Aviva USA Financial Highlights² (in USD millions)

(Financial Highlights as of June 30, 2009)

	Aviva Life and Annuity Company ³	Aviva Life and Annuity Company of NY ³	American Investors Life Insurance Company ³	Total
Total assets	\$24,910	\$1,436	\$16,103	\$42,449
Policyholder reserves	\$21,622	\$1,303	\$13,681	\$36,606
Other liabilities	\$2,228	\$36	\$1,623	\$3,887
Capital and surplus	\$1,060	\$97	\$799	\$1,956
Gross premium	\$2,315	\$88	\$2,949	\$5,352

Aviva USA Ratings

A.M. Best:

A (Excellent) for financial strength, the third highest of 15 rating classes

Standard & Poor's:

AA- (Very Strong), the fourth highest of 24 rating classes

Moody's Investors Service*:

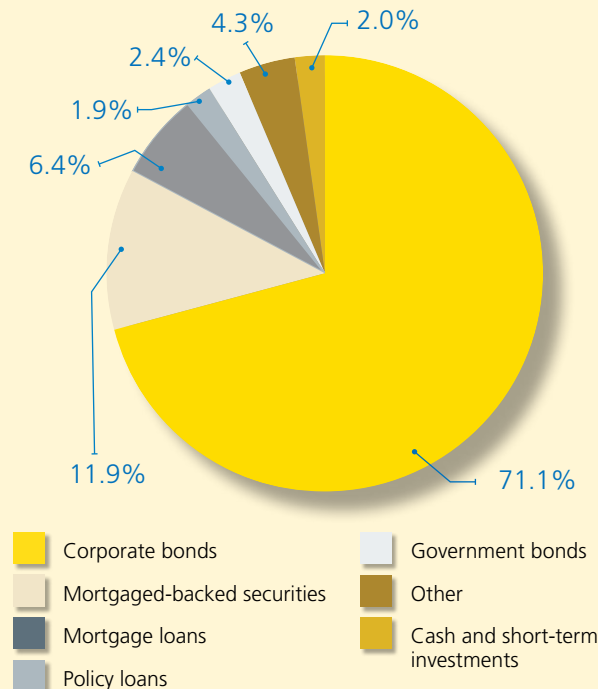
A1, the eighth highest of 28 rating classes

*No Moody's rating has been assigned to Aviva Life and Annuity Company of New York.

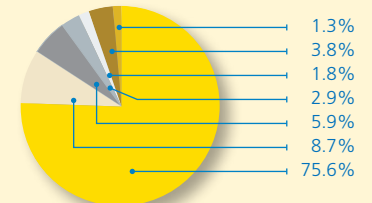
Aviva USA Invested Assets²

(Invested Assets as of June 30, 2009)

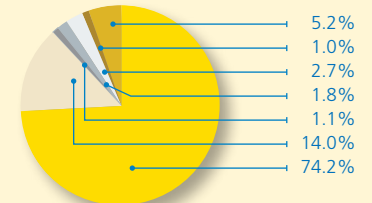
Aviva USA Total



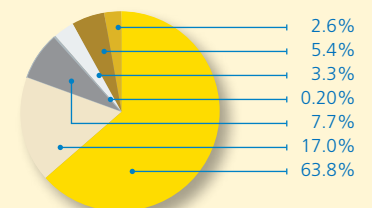
Aviva Life and Annuity Company



Aviva Life and Annuity Company of NY



American Investors Life Insurance Company



¹ Based on gross worldwide premium as of December 31, 2008.

² Amounts measured on the basis used to prepare the Company's Statutory Annual Statements.

³ Each individual company is solely responsible for the policy benefits and obligations to its policyholders. In New York, products are issued by Aviva Life and Annuity Company of New York, which is the only Aviva life insurance company authorized to do business in the state of New York.