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July 18, 2008

Subject: Partial Plan Wind-up of the General Accident Indemnity Staff Pension Plan (now the Aviva Canada Inc. Pension Plan) (the “Plan”) Effective December 31, 1999

Dear Plan Member or Former Plan Member:

Since the partial wind-up of the Plan effective December 31, 1999 was declared, we have written to you periodically to keep you informed of discussions related to the distribution of the surplus assets relating to the partial wind-up. Our last letter was sent in November 2005. As well, a Committee of current and former plan members has also written to you, most recently in September 2006. The September letter referred to a proposal being brought forward on how best to share the partial wind up surplus.

Now that Aviva and the Committee have reached agreement on the conditions of this proposed distribution, this letter outlines the specifics of the agreed proposal for your review. Before any final distribution can proceed, it must be approved by at least 70% of eligible members affected by the proposal. Background information, proposal details and an approval form are included with this mailing.

A brief review

Over the past 18 months, Aviva and the Committee members, with the assistance of their respective legal and actuarial advisors, have reviewed and discussed the details of various surplus distribution proposals to ensure that any final proposal would be fair and equitable for all eligible members. We are pleased to tell you that on October 30, 2007, we reached an agreement in principle on all aspects of the proposed sharing of the surplus assets.

The proposal that Aviva and the Committee have agreed on provides all eligible members with a 5% one-time increase to their pension benefit. Each member of the surplus sharing group who is in receipt of a pension and all deferred vested members will receive a one-time, 5% increase to his or her pension beginning once regulatory approval to the proposal is obtained. Members who are already paid-out will receive a lump sum payment that is equal to 5% of the value of his or her liabilities as at December 31, 1999. Aviva has agreed to pay this ad hoc increase to all eligible members in recognition of the time that has passed since the partial wind-up was declared.

As outlined in the proposal, the remaining assets in the Plan fund that were set aside with respect to the partial wind-up will be shared equally (50/50) between Aviva and eligible members after all expenses related to the final settlement of benefits (including the ad hoc increase) have been paid. Aviva and the eligible members represented by the Committee will each be responsible for their respective share of the expenses associated with the negotiation and implementation of the proposal.

What happens now

We now wish to present the details of the agreed proposal to you and other eligible members for your approval. It is important to remember that in addition to approval by a significant majority of eligible members – at least 70% – this proposal also requires regulatory approval (and possibly court approval) before it can move forward. Please review the details of the proposal and ensure that you understand them. When you have completed your review, we hope that you will support the proposal, and send in your approval as described in the enclosed material.

We realize that this package includes a great deal of information, and a lot of it is quite technical. The “Authorization and Retainer Form” (the **green** form), in particular, is very technical because it is a legal document. Please make sure you take the time to read through the package carefully so that you fully understand the proposal and be sure to call one of the numbers set out below if you have any questions at all about any of the documents. An Instruction Sheet lists the various documents included in this package and explains what you need to do next. We are very pleased with this surplus sharing proposal, as we feel that it is a fair and equitable agreement for everyone involved.

The most important thing for you to know and remember is that all current pension benefit entitlements from the Aviva Plan (that is, the pension benefits not already paid out in full), any pension benefits which you have earned under the Plan, as well as any pension payments you are now receiving are completely safe and are currently secured by pension assets held in trust.

Before any surplus distribution can occur, Aviva must settle pension benefits which have already been earned. This settlement may occur as the purchase of an annuity for a pension that is already being paid, or as a transfer of the value of your entitlement to a prescribed retirement arrangement in the case of a deferred vested member or terminated member with a remaining pension entitlement. No matter what decision is ultimately made regarding this proposal or any other decision on the distribution of remaining Plan assets, you will remain entitled to those pension benefits, and your right to receive them will not be diminished. Benefits under other Aviva programs to which you are entitled will also not be affected.

Remember, it is important that you read the enclosed material carefully, and if you agree to the proposal, please provide your consent by returning the approval form as outlined in the instructions. We strongly encourage you to show your support for this proposal because we believe it is a fair agreement for everyone concerned, but it cannot be implemented without a high level of support from eligible members.

If and when we have received the required support from eligible members, Aviva and the Committee will proceed with the necessary legal steps to implement the proposal. We cannot predict how long this will take, and we encourage you to return your consent form by **August 18, 2008** to help ensure a timely conclusion to this process. In the meantime, Aviva and the Committee will make all reasonable efforts to obtain the necessary approvals as soon as possible. Please note that the surplus distribution will likely not occur before the end of 2008 because of the complex nature of this undertaking.

Questions or more information

If you have any questions about the proposal to share the surplus, we encourage you to call Koskie Minsky LLP, the legal advisors to the Committee, using the contact information provided in the Committee's report, which is enclosed in this package. If you have any questions about your pension benefits or would like to consent to the proposal but do not wish to use the Committee's legal advisors, you may call Roberston, Eadie – Human Resources Consulting (RE-HRC) at (905) 337-2259 or toll-free at 1-866-444-4082. RE-HRC provides administrative services to the Aviva Canada Inc. Pension Plan/General Accident Indemnity Staff Pension Plan on behalf of Aviva Canada Inc.

Thank you for your patience throughout this long process. We look forward to working with you and all eligible members of the Aviva Plan as we shepherd this proposal through its final stages.

Yours very truly,



Nancy Sudbury
Vice-President, Total Rewards
Aviva Canada Inc.