ATHENE ANNUITY AND LIFE COMPANY
ALAC Separate Account 1

Supplement Dated April 22, 2016
to the Prospectus and Statement of Additional Information Dated October 1, 2008 for

Visionary Variable Annuity

Visionary Choice Variable Annuity

This supplement amends certain information in the prospectus and statement of additional information for the variable annuity contracts listed above (each a "Contract"). Please read this supplement carefully and retain it for future reference.

Rebranding of Van Eck Global: Certain funds of the Van Eck VIP Trust have been available as investment options under the Contracts. Effective May 1, 2016, Van Eck Global and all of its businesses and investment offerings—including the Van Eck VIP Trust and each of its funds—will operate under the single global brand "VanEck." Consequently, the names of the Van Eck VIP Trust and its funds will change and all references to the Van Eck VIP Trust and its funds in your Contract prospectus and statement of additional information shall mean and refer to the new names set forth below.

Current Name	New Name
Van Eck VIP Trust (formerly, Van Eck Worldwide Insurance Trust)	VanEck VIP Trust
Van Eck VIP Global Hard Assets Fund (formerly, Worldwide Hard Assets Fund)	VanEck VIP Global Hard Assets Fund

* * * * *

If you have questions about this supplement, please write to or call our Service Center at P.O. Box 82594, Lincoln , NE 68501, 1-888-232-6486.

PIMCO

Your Global Investment Authority®

PIMCO High Yield Fund

SUMMARY PROSPECTUS

July 31, 2014 (as supplemented October 14, 2014)

Share Class:	Inst	P	Admin	D	A	B	C	R
Ticker:	PHIYX	PHLPX	PHYAX	PHYDX	PHDAX	PHDBX	PHDCX	PHYRX

Before you invest, you may want to review the Fund's prospectus, which, as supplemented, contains more information about the Fund and its risks. You can find the Fund's prospectus and other information about the Fund online at http://investments.pimco.com/prospectuses. You can also get this information at no cost by calling 888.87.PIMCO or by sending an email request to pimcoteam@bfdsmidwest.com. The Fund's prospectus and Statement of Additional Information, both dated July 31, 2014, as supplemented, along with the financial statements included in the Fund's most recent annual report to shareholders dated March 31, 2014, are incorporated by reference into this Summary Prospectus.

Investment Objective

The Fund seeks maximum total return, consistent with preservation of capital and prudent investment management.

Fees and Expenses of the Fund

This table describes the fees and expenses that you may pay if you buy and hold shares of the Fund. You may qualify for sales charge discounts if you and your family invest, or agree to invest in the future, at least $100,000 in Class A shares of eligible funds offered by PIMCO Equity Series and PIMCO Funds. More information about these and other discounts is available in the "Classes of Shares" section on page 47 of the Fund's prospectus or from your financial advisor.

Shareholder Fees (fees paid directly from your investment):

	Inst Class	Class P	Admin Class	Class D	Class A	Class B	Class C	Class R
Maximum Sales Charge (Load) Imposed on Purchases (as a percentage of offering price)	None	None	None	None	3.75%	None	None	None
Maximum Deferred Sales Charge (Load) (as a percentage of the lower of the original purchase price or redemption price)	None	None	None	None	1.00%	3.50%	1.00%	None

Annual Fund Operating Expenses (expenses that you pay each year as a percentage of the value of your investment):

	Inst Class	Class P	Admin Class	Class D	Class A	Class B	Class C	Class R
Management Fees	0.55%	0.65%	0.55%	0.65%	0.65%	0.65%	0.65%	0.65%
Distribution and/or Service (12b-1) Fees	N/A	N/A	0.25%	0.25%	0.25%	1.00%	1.00%	0.50%
Total Annual Fund Operating Expenses	**0.55%**	**0.65%**	**0.80%**	**0.90%**	**0.90%**	**1.65%**	**1.65%**	**1.15%**

Example. The Example is intended to help you compare the cost of investing in Institutional Class, Class P, Administrative Class, Class D, Class A, Class B, Class C or Class R shares of the Fund with the costs of investing in other mutual funds. The Example assumes that you invest $10,000 in the noted class of shares for the time periods indicated and then redeem all your shares at the end of those periods. The Example also assumes that your investment has a 5% return each year and that the Fund's operating expenses remain the same. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

If you redeem your shares at the end of each period:

	1 Year	3 Years	5 Years	10 Years
Institutional Class	$56	$176	$307	$689
Class P	$66	$208	$362	$810
Administrative Class	$82	$255	$444	$990
Class D	$92	$287	$498	$1,108
Class A	$463	$651	$855	$1,441
Class B	$518	$720	$947	$1,485
Class C	$268	$520	$897	$1,955
Class R	$117	$365	$633	$1,398

If you do not redeem your shares:

	1 Year	3 Years	5 Years	10 Years
Institutional Class	$56	$176	$307	$689
Class P	$66	$208	$362	$810
Administrative Class	$82	$255	$444	$990
Class D	$92	$287	$498	$1,108
Class A	$463	$651	$855	$1,441
Class B	$168	$520	$897	$1,485
Class C	$168	$520	$897	$1,955
Class R	$117	$365	$633	$1,398

Portfolio Turnover

The Fund pays transaction costs when it buys and sells securities (or "turns over" its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when Fund shares are held in a taxable account. These costs, which are not reflected in the Annual Fund Operating Expenses or in the Example tables, affect the Fund's performance. During the most recent fiscal year, the Fund's portfolio turnover rate was 25% of the average value of its portfolio.

Principal Investment Strategies

The Fund seeks to achieve its investment objective by investing under normal circumstances at least 80% of its assets in a diversified portfolio of high yield securities ("junk bonds"), which may be represented by forwards or derivatives such as options, futures contracts or swap agreements, rated below investment grade by Moody's Investors Services, Inc. ("Moody's"), or equivalently rated by Standard & Poor's Ratings Services ("S&P") or Fitch, Inc. ("Fitch") or, if unrated, determined by Pacific Investment Management Company LLC ("PIMCO") to be of comparable quality. The Fund may invest up to 20% of its total assets in securities rated Caa or below by Moody's, or equivalently rated by S&P or Fitch, or, if unrated, determined by PIMCO to be of comparable quality. The remainder of the Fund's assets may be invested in investment grade Fixed Income Instruments. "Fixed Income Instruments" include bonds, debt securities and other similar instruments issued by various U.S. and non-U.S. public- or private-sector entities. The average portfolio duration of this Fund normally varies within one year (plus or minus) of the portfolio duration of the securities comprising the BofA Merrill Lynch U.S. High Yield BB-B Rated Constrained Index, as calculated by PIMCO, which as of June 30, 2014 was 4.05 years. Duration is a measure used to determine the sensitivity of a security's price to changes in interest rates. The longer a security's duration, the more sensitive it will be to changes in interest rates. The Fund may invest up to 20% of its total assets in securities denominated in foreign currencies and may invest without limit in U.S. dollar-denominated securities of foreign issuers. The Fund will normally limit its foreign currency exposure (from non-U.S. dollar-denominated securities or currencies) to 20% of its total assets. The Fund may invest up to 15% of its total assets in securities and instruments that are economically tied to emerging market countries (this limitation does not apply to investment grade sovereign debt denominated in the local currency with less than 1 year remaining to maturity).

The Fund may invest, without limitation, in derivative instruments, such as options, futures contracts or swap agreements, or in mortgage- or asset-backed securities, subject to applicable law and any other restrictions described in the Fund's prospectus or Statement of Additional Information. The Fund may purchase or sell securities on a when-issued, delayed delivery or forward commitment basis and may engage in short sales. The Fund may, without limitation, seek to obtain market exposure to the securities in which it primarily invests by entering into a series of purchase and sale contracts or by using other investment techniques (such as buy backs or dollar rolls). The "total return" sought by the Fund consists of income earned on the Fund's investments, plus capital appreciation, if any, which generally arises from decreases in interest rates, foreign currency appreciation, or improving credit fundamentals for a particular sector or security. The Fund may also invest up to 10% of its total assets in preferred stocks.

Principal Risks

It is possible to lose money on an investment in the Fund. The principal risks of investing in the Fund, which could adversely affect its net asset value, yield and total return are:

Interest Rate Risk: the risk that fixed income securities will decline in value because of an increase in interest rates; a fund with a longer average portfolio duration will be more sensitive to changes in interest rates than a fund with a shorter average portfolio duration

Call Risk: the risk that an issuer may exercise its right to redeem a fixed income security earlier than expected (a call). Issuers may call outstanding securities prior to their maturity for a number of reasons (*e.g.*, declining interest rates, changes in credit spreads and improvements in the issuer's credit quality). If an issuer calls a security that the Fund has invested in, the Fund may not recoup the full amount of its initial investment and may be forced to reinvest in lower-yielding securities, securities with greater credit risks or securities with other, less favorable features

Credit Risk: the risk that the Fund could lose money if the issuer or guarantor of a fixed income security, or the counterparty to a derivative contract, is unable or unwilling to meet its financial obligations

High Yield Risk: the risk that high yield securities and unrated securities of similar credit quality (commonly known as "junk bonds") are subject to greater levels of credit, call and liquidity risks. High yield securities are considered primarily speculative with respect to the issuer's continuing ability to make principal and interest payments, and may be more volatile than higher-rated securities of similar maturity

Market Risk: the risk that the value of securities owned by the Fund may go up or down, sometimes rapidly or unpredictably, due to factors affecting securities markets generally or particular industries

Issuer Risk: the risk that the value of a security may decline for a reason directly related to the issuer, such as management performance, financial leverage and reduced demand for the issuer's goods or services

Liquidity Risk: the risk that a particular investment may be difficult to purchase or sell and that the Fund may be unable to sell illiquid securities at an advantageous time or price or achieve its desired level of exposure to a certain sector. Liquidity risk may result from the lack of an active market, reduced number and capacity of traditional market participants to make a market in fixed income securities, and may be magnified in a rising interest rate environment or other circumstances where investor redemptions from fixed income mutual funds may be higher than normal, causing increased supply in the market due to selling activity

Derivatives Risk: the risk of investing in derivative instruments (such as futures, swaps and structured securities), including liquidity, interest rate, market, credit and management risks, mispricing or valuation complexity. Changes in the value of the derivative may not correlate perfectly with, and may be more sensitive to market events than, the underlying asset, rate or index, and the Fund could lose more than the principal amount invested. The Fund's use of derivatives may result in losses to the Fund, a reduction in the Fund's returns and/or increased volatility. Derivatives are also subject to the risk that the other party in the transaction will not fulfill its contractual obligations

Equity Risk: the risk that the value of equity securities, such as common stocks and preferred stocks, may decline due to general market conditions which are not specifically related to a particular company or to factors affecting a particular industry or industries. Equity securities generally have greater price volatility than fixed income securities

Mortgage-Related and Other Asset-Backed Securities Risk: the risk of investing in mortgage-related and other asset-backed securities, including interest rate risk, extension risk, prepayment risk, and credit risk

Foreign (Non-U.S.) Investment Risk: the risk that investing in foreign (non-U.S.) securities may result in the Fund experiencing more rapid and extreme changes in value than a fund that invests exclusively in securities of U.S. companies, due to smaller markets, differing reporting, accounting and auditing standards, increased risk of delayed settlement of portfolio transactions or loss of certificates of portfolio securities, and the risk of unfavorable foreign government actions, including nationalization, expropriation or confiscatory taxation, currency blockage, or political changes or diplomatic developments. Foreign securities may also be less liquid and more difficult to value than securities of U.S. issuers

Emerging Markets Risk: the risk of investing in emerging market securities, primarily increased foreign (non-U.S.) investment risk

Currency Risk: the risk that foreign currencies will decline in value relative to the U.S. dollar and affect the Fund's investments in foreign (non-U.S.) currencies or in securities that trade in, and receive revenues in, or in derivatives that provide exposure to, foreign (non-U.S.) currencies

Leveraging Risk: the risk that certain transactions of the Fund, such as reverse repurchase agreements, loans of portfolio securities, and the use of when-issued, delayed delivery or forward commitment transactions, or derivative instruments, may give rise to leverage, magnifying gains and losses and causing the Fund to be more volatile than if it had not been leveraged. This means that leverage entails a heightened risk of loss

Management Risk: the risk that the investment techniques and risk analyses applied by PIMCO will not produce the desired results and that legislative, regulatory, or tax restrictions, policies or developments may affect the investment techniques available to PIMCO and the individual portfolio manager in connection with managing the Fund. There is no guarantee that the investment objective of the Fund will be achieved

Short Sale Risk: the risk of entering into short sales, including the potential loss of more money than the actual cost of the investment, and the risk that the third party to the short sale may fail to honor its contract terms, causing a loss to the Fund

Please see "Description of Principal Risks" in the Fund's prospectus for a more detailed description of the risks of investing in the Fund. An investment in the Fund is not a deposit of a bank and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency.

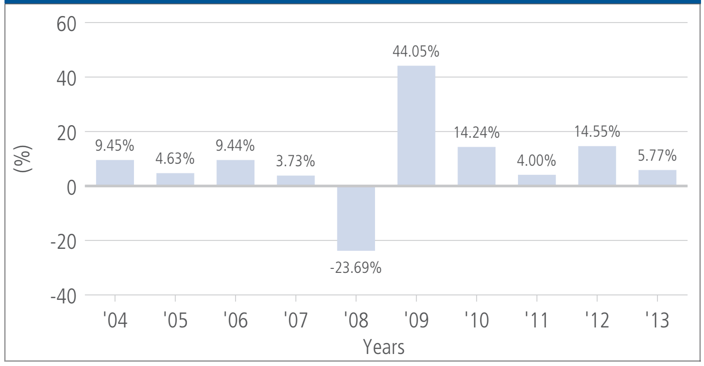
Performance Information

The performance information shows summary performance information for the Fund in a bar chart and an Average Annual Total Returns table. The information provides some indication of the risks of investing in the Fund by showing changes in its performance from year to year and by showing how the Fund's average annual returns compare with the returns of a broad-based securities market index and an index of similar funds. Absent any applicable fee waivers and/or expense limitations, performance would have been lower. The bar chart shows performance of the Fund's Institutional Class shares. For periods prior to the inception date of Class P shares (April 30, 2008), performance information shown in the table for Class P shares is based on the performance of the Fund's Institutional Class shares, adjusted to reflect the actual distribution and/or service (12b-1) fees and other expenses paid by the Class P shares. Performance for Class A, Class B and Class C shares in the Average Annual Total Returns table reflects the impact of sales charges. *The Fund's past performance, before and after taxes, is not necessarily an indication of how the Fund will perform in the future.*

The BofA Merrill Lynch U.S. High Yield, BB-B Rated, Constrained Index tracks the performance of BB-B Rated U.S. Dollar-denominated corporate bonds publicly issued in the U.S. domestic market. Qualifying bonds are capitalization-weighted provided the total allocation to an individual issuer (defined by Bloomberg tickers) does not exceed 2%. Issuers that exceed the limit are reduced to 2% and the face value of each of their bonds is adjusted on a pro-rata basis. Similarly, the face value of bonds of all other issuers that fall below the 2% cap are increased on a pro-rata basis. The Lipper High Yield Funds Average is a total return performance average of funds tracked by Lipper, Inc. that aim at high (relative) current yield from fixed income securities, have no quality or maturity restrictions, and tend to invest in lower grade debt issues.

Performance for the Fund is updated daily and quarterly and may be obtained as follows: daily updates on the net asset value and performance page at http://investments.pimco.com/DailyPerformance and quarterly updates at http://investments.pimco.com/QuarterlyPerformance.

Calendar Year Total Returns — Institutional Class*



*The year-to-date return as of June 30, 2014 is 4.62%. For the periods shown in the bar chart, the highest quarterly return was 17.11% in the Q2 2009, and the lowest quarterly return was -13.07% in the Q4 2008.

Average Annual Total Returns (for periods ended 12/31/13)

	1 Year	5 Years	10 Years
Institutional Class Return Before Taxes	5.77%	15.70%	7.48%
Institutional Class Return After Taxes on Distributions(1)	3.10%	12.70%	4.72%
Institutional Class Return After Taxes on Distributions and Sales of Fund Shares(1)	3.23%	11.30%	4.69%
Class P Return Before Taxes	5.67%	15.59%	7.37%
Administrative Class Return Before Taxes	5.51%	15.42%	7.21%
Class D Return Before Taxes	5.40%	15.30%	7.08%
Class A Return Before Taxes	1.45%	14.42%	6.67%
Class B Return Before Taxes	1.13%	14.39%	6.52%
Class C Return Before Taxes	3.62%	14.45%	6.29%
Class R Return Before Taxes	5.14%	15.02%	6.81%
BofA Merrill Lynch U.S. High Yield, BB-B Rated, Constrained Index (reflects no deductions for fees, expenses or taxes)	6.31%	16.46%	7.73%
Lipper High Yield Funds Average (reflects no deductions for taxes)	6.83%	16.17%	7.21%

(1) After-tax returns are calculated using the highest historical individual federal marginal income tax rates and do not reflect the impact of state and local taxes. Actual after-tax returns depend on an investor's tax situation and may differ from those shown, and the after-tax returns shown are not relevant to investors who hold their Fund shares through tax-deferred arrangements, such as 401(k) plans or individual retirement accounts. In some

cases the return after taxes may exceed the return before taxes due to an assumed tax benefit from any losses on a sale of Fund shares at the end of the measurement period. After-tax returns are for Institutional Class shares only. After-tax returns for other classes will vary.

Investment Adviser/Portfolio Manager

PIMCO serves as the investment adviser for the Fund. The Fund's portfolio is managed by Andrew Jessop. Mr. Jessop is an Executive Vice President of PIMCO, and he has managed the Fund since January 2010.

Purchase and Sale of Fund Shares

Fund shares may be purchased or sold (redeemed) on any business day (normally any day when the New York Stock Exchange is open). Generally, purchase and redemption orders for Fund shares are processed at the net asset value next calculated after an order is received by the Fund.

Institutional Class, Class P, Administrative Class and Class D

The minimum initial investment for Institutional Class, Class P or Administrative Class shares of the Fund is $1 million, except that the minimum initial investment may be modified for certain financial firms that submit orders on behalf of their customers.

The minimum initial investment for Class D shares of the Fund is $1,000, except that the minimum initial investment may be modified for certain financial firms that submit orders on behalf of their customers. The minimum subsequent investment for Class D shares is $50.

You may sell (redeem) all or part of your Institutional Class, Class P, Administrative Class and Class D shares of the Fund on any business day. If you are the registered owner of the shares on the books of the Fund, depending on the elections made on the Account Application, you may sell by:

- Sending a written request by mail to:
  PIMCO Funds c/o BFDS Midwest
  330 W. 9th Street, Kansas City, MO 64105
- Calling us at 888.87.PIMCO and a Shareholder Services associate will assist you
- Sending a fax to our Shareholder Services department at 816.421.2861
- Sending an e-mail to pimcoteam@bfdsmidwest.com

Class A, Class B, Class C and Class R

The minimum initial investment for Class A, Class B and Class C shares of the Fund is $1,000. The minimum subsequent investment for Class A, Class B and Class C shares is $50. The minimum initial investment may be modified for certain financial firms that submit orders on behalf of their customers. Effective November 1, 2009, Class B shares are no longer available for purchase, except through exchanges and dividend reinvestments as described in "Purchasing Shares – Class B" in the Fund's prospectus. You may purchase or sell (redeem) all or part of your Class A, Class B and Class C shares through a broker-dealer, or other financial firm, or, if you are the registered owner of the shares on the books of the Fund, by regular mail to PIMCO Funds, P.O. Box 55060, Boston, MA 02205-5060 or overnight mail to PIMCO Funds, c/o Boston Financial Data Services, Inc., 30 Dan Road, Canton, MA 02021-2809. The Fund reserves the right to require payment by wire or U.S. Bank check in connection with accounts opened directly with the Fund by Account Application.

There is no minimum initial or minimum subsequent investment in Class R shares because Class R shares may only be purchased through omnibus accounts for specified benefit plans. Specified benefit plans that wish to invest directly by mail should send a check payable to the PIMCO Family of Funds, along with a completed Account Application, by regular mail to PIMCO Funds, P.O. Box 55060, Boston, MA 02205-5060 or overnight mail to PIMCO Funds, c/o Boston Financial Data Services, Inc., 30 Dan Road, Canton, MA 02021-2809.

Tax Information

The Fund's distributions are generally taxable to you as ordinary income, capital gains or a combination of the two, unless you are investing through a tax-deferred arrangement, such as a 401(k) plan or an individual retirement account, in which case distributions may be taxable upon withdrawal.

Payments to Broker-Dealers and Other Financial Firms

If you purchase shares of the Fund through a broker-dealer or other financial firm (such as a bank), the Fund and/or its related companies (including PIMCO) may pay the financial firm for the sale of those shares of the Fund and/or related services. These payments may create a conflict of interest by influencing the broker-dealer or other financial firm and your salesperson to recommend the Fund over another investment. Ask your salesperson or visit your financial firm's Web site for more information.

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PIMCO

Your Global Investment Authority®

PIMCO Real Return Portfolio

SUMMARY PROSPECTUS

April 30, 2014 (as supplemented October 14, 2014)

Share Class: Administrative	Summary Prospectus

Before you invest, you may want to review the Portfolio's prospectus, which, as supplemented, contains more information about the Portfolio and its risks. You can find the Portfolio's prospectus and other information about the Portfolio online at http://pvit.pimco-funds.com/FundReports.aspx. You can also get this information at no cost by calling 1.800.927.4648 or by sending an email request to pimcoteam@bfdsmidwest.com. The Portfolio's prospectus and Statement of Additional Information, both dated April 30, 2014, as supplemented, along with the financial statements included in the Portfolio's most recent annual report to shareholders dated December 31, 2013, are incorporated by reference into this Summary Prospectus.

Investment Objective

The Portfolio seeks maximum real return, consistent with preservation of real capital and prudent investment management.

Fees and Expenses of the Portfolio

This table describes the fees and expenses that you may pay if you buy and hold Administrative Class shares of the Portfolio. Overall fees and expenses of investing in the Portfolio are higher than shown because the table does not reflect variable contract fees and expenses.

Shareholder Fees (fees paid directly from your investment): None

Annual Portfolio Operating Expenses (expenses that you pay each year as a percentage of the value of your investment):

	Administrative Class
Management Fees	0.50%
Distribution and/or Service (12b-1) Fees	0.15%
Other Expenses[1]	0.05%
Total Annual Portfolio Operating Expenses[2]	**0.70%**

1 "Other Expenses" reflect interest expense and is based on the amount incurred during the Portfolio's most recent fiscal year as a result of entering into certain investments, such as reverse repurchase agreements. Interest expense is required to be treated as a Portfolio expense for accounting purposes and is not payable to PIMCO. The amount of interest expense (if any) will vary based on the Portfolio's use of such investments as an investment strategy.

2 Total Annual Portfolio Operating Expenses excluding interest expense is 0.65% for Administrative Class shares.

Example. The Example is intended to help you compare the cost of investing in Administrative Class shares of the Portfolio with the costs of investing in other mutual funds. The Example assumes that you invest $10,000 for the time periods indicated, and then redeem all your shares at the end of those periods. The Example also assumes that your investment has a 5% return each year and that the Portfolio's operating expenses remain the same. Although your actual costs may be higher or lower, the Example shows what your costs would be based on these assumptions. The Example does not reflect fees and expenses of any variable annuity contract or variable life insurance policy, and would be higher if it did.

	1 Year	3 Years	5 Years	10 Years
Administrative Class	$72	$224	$390	$871

Portfolio Turnover

The Portfolio pays transaction costs when it buys and sells securities (or "turns over" its portfolio). A higher portfolio turnover rate may indicate higher transaction costs. These costs, which are not reflected in the Annual Portfolio Operating Expenses or in the Example tables, affect the Portfolio's performance. During the most recent fiscal year, the Portfolio's portfolio turnover rate was 34% of the average value of its portfolio.

Principal Investment Strategies

The Portfolio invests under normal circumstances at least 80% of its net assets in inflation-indexed bonds of varying maturities issued by the U.S. and non-U.S. governments, their agencies or instrumentalities and corporations, which may be represented by forwards or derivatives such as options, futures contracts or swap agreements. Assets not invested in inflation-indexed bonds may be invested in other types of Fixed Income Instruments. "Fixed Income Instruments" include bonds, debt securities and other similar instruments issued by various U.S. and non-U.S. public- or private-sector entities. Inflation-indexed bonds are fixed income securities that are structured to provide protection against inflation. The value of the bond's principal or the interest income paid on the bond is adjusted to track changes in an official inflation measure. The U.S. Treasury uses the Consumer Price Index for Urban Consumers as the inflation measure. Inflation-indexed bonds issued by a foreign government are generally adjusted to reflect a comparable inflation index, calculated by that government. "Real return" equals total return less the estimated cost of inflation, which is typically measured by the change in an official inflation measure. Duration is a measure used to determine the sensitivity of a security's price to changes in interest rates. The longer a security's duration, the more sensitive it will be to changes in interest rates. Effective duration takes into account that for certain bonds expected cash flows will fluctuate as interest rates change and is defined in nominal yield terms, which is market convention for most bond investors and managers. Because market convention for bonds is to use nominal yields to measure duration, duration for real return bonds, which are based on real yields, are converted to nominal durations through a conversion factor. The resulting nominal duration typically can range from 20% and 90% of the respective real duration. All security holdings will be measured in effective (nominal) duration terms. Similarly, the effective duration of the Barclays U.S. TIPS Index will be calculated using the same conversion factors. The effective duration of this Portfolio normally varies within three years (plus or minus) of the effective portfolio duration of the securities comprising the Barclays U.S. TIPS Index, as calculated by PIMCO, which as of March 31, 2014 was 6.91 years.

The Portfolio invests primarily in investment grade securities, but may invest up to 10% of its total assets in high yield securities ("junk bonds") rated B or higher by Moody's Investors Service, Inc. ("Moody's"), or equivalently rated by Standard & Poor's Rating Services ("S&P") or Fitch, Inc. ("Fitch"), or, if unrated, determined by Pacific Investment Management Company LLC ("PIMCO") to be of comparable quality. The Portfolio may invest up to 10% of its total assets in securities and instruments that are economically tied to emerging market countries (this limitation does not apply to investment grade sovereign debt denominated in the local currency with less than 1 year remaining to maturity). The Portfolio also may invest up to 30% of its total assets in securities denominated in foreign currencies, and may invest beyond this limit in U.S. dollar denominated securities of foreign issuers. The Portfolio will normally limit its foreign currency exposure (from non-U.S. dollar-denominated securities or currencies) to 20% of its total assets.

The Portfolio is non-diversified, which means that it may invest its assets in a smaller number of issuers than a diversified fund.

The Portfolio may invest, without limitation, in derivative instruments, such as options, futures contracts or swap agreements, or in mortgage- or asset-backed securities, subject to applicable law and any other restrictions described in the Portfolio's prospectus or Statement of Additional Information. The Portfolio may purchase and sell securities on a when-issued, delayed delivery or forward commitment basis and may engage in short sales. The Portfolio may, without limitation, seek to obtain market exposure to the securities in which it primarily invests by entering into a series of purchase and sale contracts or by using other investment techniques (such as buy backs or dollar rolls). The Portfolio may invest up to 10% of its total assets in preferred stocks.

Principal Risks

It is possible to lose money on an investment in the Portfolio. The principal risks of investing in the Portfolio, which could adversely affect its net asset value, yield and total return are:

Interest Rate Risk: the risk that fixed income securities will decline in value because of an increase in interest rates; a portfolio with a longer average portfolio duration will be more sensitive to changes in interest rates than a portfolio with a shorter average portfolio duration

Call Risk: the risk that an issuer may exercise its right to redeem a fixed income security earlier than expected (a call). Issuers may call outstanding securities prior to their maturity for a number of reasons (*e.g.,* declining interest rates, changes in credit spreads and improvements in the issuer's credit quality). If an issuer calls a security that the Portfolio has invested in, the Portfolio may not recoup the full amount of its initial investment and may be forced to reinvest in lower-yielding securities, securities with greater credit risks or securities with other, less favorable features

Credit Risk: the risk that the Portfolio could lose money if the issuer or guarantor of a fixed income security, or the counterparty to a derivative contract, is unable or unwilling to meet its financial obligations

High Yield Risk: the risk that high yield securities and unrated securities of similar credit quality (commonly known as "junk bonds") are subject to greater levels of credit, call and liquidity risks. High yield securities are considered primarily speculative with respect to the issuer's continuing ability to make principal and interest payments, and may be more volatile than higher-rated securities of similar maturity

Market Risk: the risk that the value of securities owned by the Portfolio may go up or down, sometimes rapidly or unpredictably, due to factors affecting securities markets generally or particular industries

Issuer Risk: the risk that the value of a security may decline for a reason directly related to the issuer, such as management performance, financial leverage and reduced demand for the issuer's goods or services

Liquidity Risk: the risk that a particular investment may be difficult to purchase or sell and that the Portfolio may be unable to sell illiquid securities at an advantageous time or price or achieve its desired level of exposure to a certain sector. Liquidity risk may result from the lack of an active market, reduced number and capacity of traditional market participants to make a market in fixed income securities, and may be magnified in a rising interest rate environment or other circumstances where investor redemptions from fixed income mutual funds may be higher than normal, causing increased supply in the market due to selling activity

Derivatives Risk: the risk of investing in derivative instruments (such as futures, swaps and structured securities), including liquidity, interest rate, market, credit and management risks, mispricing or valuation complexity. Changes in the value of the derivative may not correlate perfectly with, and may be more sensitive to market events than, the underlying asset, rate or index, and the Portfolio could lose more than the principal amount invested. The Portfolio's use of derivatives may result in losses to the Portfolio, a reduction in the Portfolio's returns and/or increased volatility. Derivatives are also subject to the risk that the other party in the transaction will not fulfill its contractual obligations

Equity Risk: the risk that the value of equity or equity-related securities may decline due to general market conditions which are not specifically related to a particular company or to factors affecting a particular industry or industries. Equity or equity-related securities generally have greater price volatility than fixed income securities

Mortgage-Related and Other Asset-Backed Securities Risk: the risks of investing in mortgage-related and other asset-backed securities, including interest rate risk, extension risk, prepayment risk, and credit risk

Foreign (Non-U.S.) Investment Risk: the risk that investing in foreign (non-U.S.) securities may result in the Portfolio experiencing more rapid and extreme changes in value than a portfolio that invests exclusively in securities of U.S. companies, due to smaller markets, differing reporting, accounting and auditing standards, and nationalization, expropriation or confiscatory taxation, currency blockage, or political changes or diplomatic developments. Foreign securities may also be less liquid and more difficult to value than securities of U.S. issuers

Emerging Markets Risk: the risk of investing in emerging market securities, primarily increased foreign (non-U.S.) investment risk

Currency Risk: the risk that foreign (non-U.S.) currencies will decline in value relative to the U.S. dollar and affect the Portfolio's investments in foreign (non-U.S.) currencies or in securities that trade in, and receive revenues in, or in derivatives that provide exposure to, foreign (non-U.S.) currencies

Issuer Non-Diversification Risk: the risks of focusing investments in a small number of issuers, including being more susceptible to risks associated with a single economic, political or regulatory occurrence than a more diversified portfolio might be. Portfolios that are "non-diversified" may invest a greater percentage of their assets in the securities of a single issuer (such as bonds issued by a particular state) than portfolios that are "diversified"

Leveraging Risk: the risk that certain transactions of the Portfolio, such as reverse repurchase agreements, loans of portfolio securities, and the use of when-issued, delayed delivery or forward commitment transactions, or derivative instruments, may give rise to leverage, magnifying gains and losses and causing the Portfolio to be more volatile than if it had not been leveraged. This means that leverage entails a heightened risk of loss

Management Risk: the risk that the investment techniques and risk analyses applied by PIMCO will not produce the desired results and that legislative, regulatory, or tax developments may affect the investment techniques available to PIMCO and the individual portfolio manager in connection with managing the Portfolio. There is no guarantee that the investment objective of the Portfolio will be achieved

Short Sale Risk: the risk of entering into short sales, including the potential loss of more money than the actual cost of the investment, and the risk that the third party to the short sale may fail to honor its contract terms, causing a loss to the Portfolio

Please see "Description of Principal Risks" in the Portfolio's prospectus for a more detailed description of the risks of investing in the Portfolio. An investment in the Portfolio is not a deposit of a bank and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency.

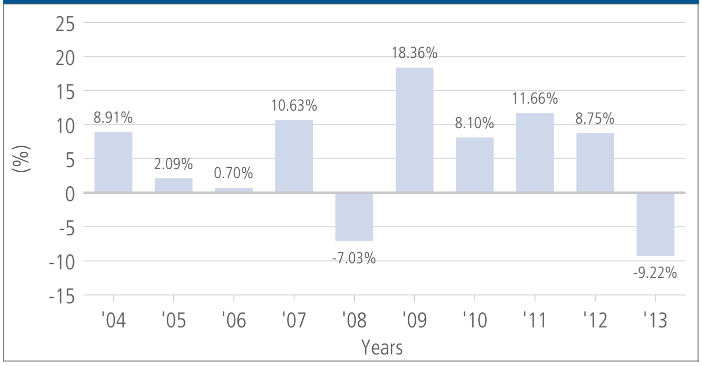
Performance Information

The performance information below shows summary performance information for the Portfolio in a bar chart and an Average Annual Total Returns table. The information provides some indication of the risks of investing in the Portfolio by showing changes in its performance from year to year and by showing how the Portfolio's average annual returns compare with the returns of a broad-based securities market index. The Portfolio's performance information reflects applicable fee waivers and/or expense limitations in effect during the periods presented. Absent such fee waivers and/or expense limitations, if any, performance would have been lower. Performance shown does not reflect any charges or expenses imposed by an insurance company and if it did, performance shown would be lower. The bar chart and the table show performance of the Portfolio's Administrative Class shares. *The Portfolio's past performance is not necessarily an indication of how the Portfolio will perform in the future.*

The Barclays U.S. TIPS Index is an unmanaged market index comprised of all U.S. Treasury Inflation-Protected Securities rated investment grade (Baa3 or better), having at least one year to final maturity, and at least $250 million par amount outstanding.

Performance for the Portfolio is updated daily and monthly and may be obtained as follows: daily updates on the net asset value may be obtained by calling 1-888-87-PIMCO and monthly performance may be obtained at http://pvit.pimco-funds.com.

Calendar Year Total Returns — Administrative Class*



*For the periods shown in the bar chart, the highest quarterly return was 6.39% in the 1st quarter of 2009, and the lowest quarterly return was -8.44% in the 2nd quarter of 2013.

Average Annual Total Returns (for periods ended 12/31/13)

	1 Year	5 Years	10 Years
Administrative Class Return	-9.22%	7.12%	4.97%
Barclays U.S. TIPS Index (reflects no deductions for fees, expenses or taxes)	-8.61%	5.63%	4.85%

Investment Adviser/Portfolio Manager

PIMCO serves as the investment adviser for the Portfolio. The Portfolio's portfolio is managed by Mihir Worah. Mr. Worah is CIO Real Return and Asset Allocation and Managing Director of PIMCO, and he has managed the Portfolio since December 2007.

Purchase and Sale of Portfolio Shares

Shares of the Portfolio currently are sold to segregated asset accounts ("Separate Accounts") of insurance companies that fund variable annuity contracts and variable life insurance policies ("Variable Contracts"). Investors do not deal directly with the Portfolio to purchase and redeem shares. Please refer to the prospectus for the Separate Account for information on the allocation of premiums and on transfers of accumulated value among sub-accounts of the Separate Account.

Tax Information

The shareholders of the Portfolio are the insurance companies offering the variable products. Please refer to the prospectus for the Separate Account and the Variable Contract for information regarding the federal income tax treatment of distributions to the Separate Account.

Payments to Insurance Companies and Other Financial Intermediaries

The Portfolio and/or its related companies (including PIMCO) may pay the insurance company and other intermediaries for the sale of the Portfolio and/or other services. These payments may create a conflict of interest by influencing the insurance company or intermediary and your salesperson to recommend a Variable Contract and the Portfolio over another investment. Ask your insurance company or salesperson or visit your financial intermediary's Web site for more information.

FIRST EAGLE VARIABLE FUNDS

First Eagle Overseas Variable Fund

1345 AVENUE OF THE AMERICAS
NEW YORK, NEW YORK 10105
(212) 698-3000

SUPPLEMENT DATED OCTOBER 9, 2014
TO PROSPECTUS DATED APRIL 30, 2014

This Supplement is intended to highlight certain changes to the Prospectus dated April 30, 2014. Please review these matters carefully.

Matthew McLennan and Kimball Brooker, Jr. are the Portfolio Managers for First Eagle Overseas Variable Fund.

Mr. Abhay Deshpande has resigned from his portfolio management positions with First Eagle Investment Management, LLC and the First Eagle Variable Funds. Please disregard any references in this Prospectus to Mr. Deshpande.

* * * *

The information in this Supplement modifies the First Eagle Variable Funds' Prospectus dated April 30, 2014. In particular, and without limitation, the information contained in this Supplement modifies (and if inconsistent, replaces) information contained in that section of the Prospectus entitled "The Adviser".

PIMCO

Your Global Investment Authority®

PIMCO Real Return Portfolio

SUMMARY PROSPECTUS

April 30, 2014 (as supplemented September 29, 2014)

Share Class: Administrative	Summary Prospectus

Before you invest, you may want to review the Portfolio's prospectus, which, as supplemented, contains more information about the Portfolio and its risks. You can find the Portfolio's prospectus and other information about the Portfolio online at http://pvit.pimco-funds.com/FundReports.aspx. You can also get this information at no cost by calling 1.800.927.4648 or by sending an email request to pimcoteam@bfdsmidwest.com. The Portfolio's prospectus and Statement of Additional Information, both dated April 30, 2014, as supplemented, along with the financial statements included in the Portfolio's most recent annual report to shareholders dated December 31, 2013, are incorporated by reference into this Summary Prospectus.

Investment Objective

The Portfolio seeks maximum real return, consistent with preservation of real capital and prudent investment management.

Fees and Expenses of the Portfolio

This table describes the fees and expenses that you may pay if you buy and hold Administrative Class shares of the Portfolio. Overall fees and expenses of investing in the Portfolio are higher than shown because the table does not reflect variable contract fees and expenses.

Shareholder Fees (fees paid directly from your investment): None

Annual Portfolio Operating Expenses (expenses that you pay each year as a percentage of the value of your investment):

	Administrative Class
Management Fees	0.50%
Distribution and/or Service (12b-1) Fees	0.15%
Other Expenses[1]	0.05%
Total Annual Portfolio Operating Expenses[2]	**0.70%**

1 "Other Expenses" reflect interest expense and is based on the amount incurred during the Portfolio's most recent fiscal year as a result of entering into certain investments, such as reverse repurchase agreements. Interest expense is required to be treated as a Portfolio expense for accounting purposes and is not payable to PIMCO. The amount of interest expense (if any) will vary based on the Portfolio's use of such investments as an investment strategy.

2 Total Annual Portfolio Operating Expenses excluding interest expense is 0.65% for Administrative Class shares.

Example. The Example is intended to help you compare the cost of investing in Administrative Class shares of the Portfolio with the costs of investing in other mutual funds. The Example assumes that you invest $10,000 for the time periods indicated, and then redeem all your shares at the end of those periods. The Example also assumes that your investment has a 5% return each year and that the Portfolio's operating expenses remain the same. Although your actual costs may be higher or lower, the Example shows what your costs would be based on these assumptions. The Example does not reflect fees and expenses of any variable annuity contract or variable life insurance policy, and would be higher if it did.

	1 Year	3 Years	5 Years	10 Years
Administrative Class	$72	$224	$390	$871

Portfolio Turnover

The Portfolio pays transaction costs when it buys and sells securities (or "turns over" its portfolio). A higher portfolio turnover rate may indicate higher transaction costs. These costs, which are not reflected in the Annual Portfolio Operating Expenses or in the Example tables, affect the Portfolio's performance. During the most recent fiscal year, the Portfolio's portfolio turnover rate was 34% of the average value of its portfolio.

Principal Investment Strategies

The Portfolio invests under normal circumstances at least 80% of its net assets in inflation-indexed bonds of varying maturities issued by the U.S. and non-U.S. governments, their agencies or instrumentalities and corporations, which may be represented by forwards or derivatives such as options, futures contracts or swap agreements. Assets not invested in inflation-indexed bonds may be invested in other types of Fixed Income Instruments. "Fixed Income Instruments" include bonds, debt securities and other similar instruments issued by various U.S. and non-U.S. public- or private-sector entities. Inflation-indexed bonds are fixed income securities that are structured to provide protection against inflation. The value of the bond's principal or the interest income paid on the bond is adjusted to track changes in an official inflation measure. The U.S. Treasury uses the Consumer Price Index for Urban Consumers as the inflation measure. Inflation-indexed bonds issued by a foreign government are generally adjusted to reflect a comparable inflation index, calculated by that government. "Real return" equals total return less the estimated cost of inflation, which is typically measured by the change in an official inflation measure. Duration is a measure used to determine the sensitivity of a security's price to changes in interest rates. The longer a security's duration, the more sensitive it will be to changes in interest rates. Effective duration takes into account that for certain bonds expected cash flows will fluctuate as interest rates change and is defined in nominal yield terms, which is market convention for most bond investors and managers. Because market convention for bonds is to use nominal yields to measure duration, duration for real return bonds, which are based on real yields, are converted to nominal durations through a conversion factor. The resulting nominal duration typically can range from 20% and 90% of the respective real duration. All security holdings will be measured in effective (nominal) duration terms. Similarly, the effective duration of the Barclays U.S. TIPS Index will be calculated using the same conversion factors. The effective duration of this Portfolio normally varies within three years (plus or minus) of the effective portfolio duration of the securities comprising the Barclays U.S. TIPS Index, as calculated by PIMCO, which as of March 31, 2014 was 6.91 years.

The Portfolio invests primarily in investment grade securities, but may invest up to 10% of its total assets in high yield securities ("junk bonds") rated B or higher by Moody's Investors Service, Inc. ("Moody's"), or equivalently rated by Standard & Poor's Rating Services ("S&P") or Fitch, Inc. ("Fitch"), or, if unrated, determined by Pacific Investment Management Company LLC ("PIMCO") to be of comparable quality. The Portfolio may invest up to 10% of its total assets in securities and instruments that are economically tied to emerging market countries. The Portfolio also may invest up to 30% of its total assets in securities denominated in foreign currencies, and may invest beyond this limit in U.S. dollar denominated securities of foreign issuers. The Portfolio will normally limit its foreign currency exposure (from non-U.S. dollar-denominated securities or currencies) to 20% of its total assets.

The Portfolio is non-diversified, which means that it may invest its assets in a smaller number of issuers than a diversified fund.

The Portfolio may invest, without limitation, in derivative instruments, such as options, futures contracts or swap agreements, or in mortgage- or asset-backed securities, subject to applicable law and any other restrictions described in the Portfolio's prospectus or Statement of Additional Information. The Portfolio may purchase and sell securities on a when-issued, delayed delivery or forward commitment basis and may engage in short sales. The Portfolio may, without limitation, seek to obtain market exposure to the securities in which it primarily invests by entering into a series of purchase and sale contracts or by using other investment techniques (such as buy backs or dollar rolls). The Portfolio may invest up to 10% of its total assets in preferred stocks.

Principal Risks

It is possible to lose money on an investment in the Portfolio. The principal risks of investing in the Portfolio, which could adversely affect its net asset value, yield and total return are:

Interest Rate Risk: the risk that fixed income securities will decline in value because of an increase in interest rates; a portfolio with a longer average portfolio duration will be more sensitive to changes in interest rates than a portfolio with a shorter average portfolio duration

Call Risk: the risk that an issuer may exercise its right to redeem a fixed income security earlier than expected (a call). Issuers may call outstanding securities prior to their maturity for a number of reasons (*e.g.,* declining interest rates, changes in credit spreads and improvements in the issuer's credit quality). If an issuer calls a security that the Portfolio has invested in, the Portfolio may not recoup the full amount of its initial investment and may be forced to reinvest in lower-yielding securities, securities with greater credit risks or securities with other, less favorable features

Credit Risk: the risk that the Portfolio could lose money if the issuer or guarantor of a fixed income security, or the counterparty to a derivative contract, is unable or unwilling to meet its financial obligations

High Yield Risk: the risk that high yield securities and unrated securities of similar credit quality (commonly known as "junk bonds") are subject to greater levels of credit, call and liquidity risks. High yield securities are considered primarily speculative with respect to the issuer's continuing ability to make principal and interest payments, and may be more volatile than higher-rated securities of similar maturity

Market Risk: the risk that the value of securities owned by the Portfolio may go up or down, sometimes rapidly or unpredictably, due to factors affecting securities markets generally or particular industries

Issuer Risk: the risk that the value of a security may decline for a reason directly related to the issuer, such as management performance, financial leverage and reduced demand for the issuer's goods or services

Liquidity Risk: the risk that a particular investment may be difficult to purchase or sell and that the Portfolio may be unable to sell illiquid securities at an advantageous time or price or achieve its desired level of exposure to a certain sector. Liquidity risk may result from the lack of an active market, reduced number and capacity of traditional market participants to make a market in fixed income securities, and may be magnified in a rising interest rate environment or other circumstances where investor redemptions from fixed income mutual funds may be higher than normal, causing increased supply in the market due to selling activity

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Leveraging Risk: the risk that certain transactions of the Portfolio, such as reverse repurchase agreements, loans of portfolio securities, and the use of when-issued, delayed delivery or forward commitment transactions, or derivative instruments, may give rise to leverage, magnifying gains and losses and causing the Portfolio to be more volatile than if it had not been leveraged. This means that leverage entails a heightened risk of loss

Management Risk: the risk that the investment techniques and risk analyses applied by PIMCO will not produce the desired results and that legislative, regulatory, or tax developments may affect the investment techniques available to PIMCO and the individual portfolio manager in connection with managing the Portfolio. There is no guarantee that the investment objective of the Portfolio will be achieved

Short Sale Risk: the risk of entering into short sales, including the potential loss of more money than the actual cost of the investment, and the risk that the third party to the short sale may fail to honor its contract terms, causing a loss to the Portfolio

Please see "Description of Principal Risks" in the Portfolio's prospectus for a more detailed description of the risks of investing in the Portfolio. An investment in the Portfolio is not a deposit of a bank and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency.

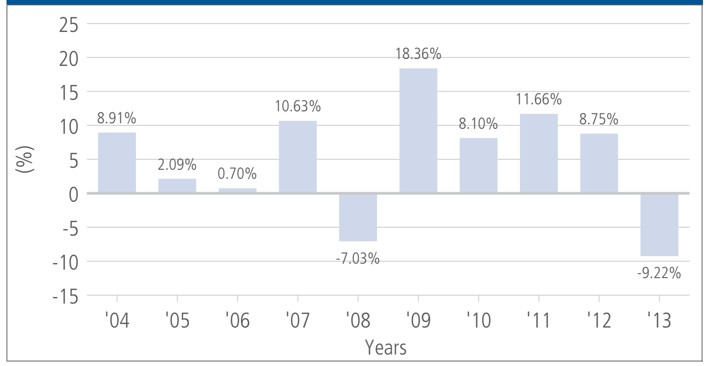
Performance Information

The performance information below shows summary performance information for the Portfolio in a bar chart and an Average Annual Total Returns table. The information provides some indication of the risks of investing in the Portfolio by showing changes in its performance from year to year and by showing how the Portfolio's average annual returns compare with the returns of a broad-based securities market index. The Portfolio's performance information reflects applicable fee waivers and/or expense limitations in effect during the periods presented. Absent such fee waivers and/or expense limitations, if any, performance would have been lower. Performance shown does not reflect any charges or expenses imposed by an insurance company and if it did, performance shown would be lower. The bar chart and the table show performance of the Portfolio's Administrative Class shares. *The Portfolio's past performance is not necessarily an indication of how the Portfolio will perform in the future.*

The Barclays U.S. TIPS Index is an unmanaged market index comprised of all U.S. Treasury Inflation-Protected Securities rated investment grade (Baa3 or better), having at least one year to final maturity, and at least $250 million par amount outstanding.

Performance for the Portfolio is updated daily and monthly and may be obtained as follows: daily updates on the net asset value may be obtained by calling 1-888-87-PIMCO and monthly performance may be obtained at http://pvit.pimco-funds.com.

Calendar Year Total Returns — Administrative Class*



*For the periods shown in the bar chart, the highest quarterly return was 6.39% in the 1st quarter of 2009, and the lowest quarterly return was -8.44% in the 2nd quarter of 2013.

Average Annual Total Returns (for periods ended 12/31/13)

	1 Year	5 Years	10 Years
Administrative Class Return	-9.22%	7.12%	4.97%
Barclays U.S. TIPS Index (reflects no deductions for fees, expenses or taxes)	-8.61%	5.63%	4.85%

Investment Adviser/Portfolio Manager

PIMCO serves as the investment adviser for the Portfolio. The Portfolio's portfolio is managed by Mihir Worah. Mr. Worah is CIO Real Return and Asset Allocation and Managing Director of PIMCO, and he has managed the Portfolio since December 2007.

Purchase and Sale of Portfolio Shares

Shares of the Portfolio currently are sold to segregated asset accounts ("Separate Accounts") of insurance companies that fund variable annuity contracts and variable life insurance policies ("Variable Contracts"). Investors do not deal directly with the Portfolio to purchase and redeem shares. Please refer to the prospectus for the Separate Account for information on the allocation of premiums and on transfers of accumulated value among sub-accounts of the Separate Account.

Tax Information

The shareholders of the Portfolio are the insurance companies offering the variable products. Please refer to the prospectus for the Separate Account and the Variable Contract for information regarding the federal income tax treatment of distributions to the Separate Account.

Payments to Insurance Companies and Other Financial Intermediaries

The Portfolio and/or its related companies (including PIMCO) may pay the insurance company and other intermediaries for the sale of the Portfolio and/or other services. These payments may create a conflict of interest by influencing the insurance company or intermediary and your salesperson to recommend a Variable Contract and the Portfolio over another investment.

PIMCO Real Return Portfolio

Ask your insurance company or salesperson or visit your financial intermediary's Web site for more information.

PIMCO

Supplement Dated April 14, 2014
to the Prospectuses and Statement of Additional Information
Dated October 1, 2008 for

Visionary Variable Annuity
Visionary Choice Variable Annuity

Issued By
Athene Annuity and Life Company (formerly known as Aviva Life and Annuity Company)
through its
ALAC Separate Account 1

This supplement updates certain information in the prospectuses and statement of additional information for the variable annuity contracts listed above (each a "Contract"). Please read this supplement carefully and keep it with your Contract prospectus for future reference.

The principal underwriter for the Contracts has changed its name from Aviva Securities, LLC to Athene Securities, LLC. The principal business address of Athene Securities, LLC is 841 Apollo Street, Suite 150, El Segundo, CA 90245.

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If you have any questions regarding this supplement, please contact the registered representative who sold you your Contract, or write to or call our Service Center at P.O. Box 82594, Lincoln, NE 68501, 1-888-232-6486.

Supplement Dated March 3, 2014
to the Prospectuses and Statement of Additional Information
Dated October 1, 2008 for

Visionary Variable Annuity
Visionary Choice Variable Annuity

Issued By
Athene Annuity and Life Company (formerly known as Aviva Life and Annuity Company)
through its
ALAC Separate Account 1

This supplement updates certain information in the prospectuses and statement of additional information for the variable annuity contracts listed above (each a "Contract"). Please read this supplement carefully and keep it with your Contract prospectus for future reference.

Effective March 3, 2014, Aviva Life and Annuity Company ("ALAC"), successor in interest to IL Annuity and Insurance Company (the company that originally issued your Contract), changed its name to Athene Annuity and Life Company ("AALC"). The effective date of the name change may vary by state. As a result of the name change of the insurance company, all references to Aviva Life and Annuity Company and ALAC are deleted from your prospectus and statement of additional information and replaced with references to Athene Annuity and Life Company and AALC, respectively.

The name change of the insurance company from ALAC to AALC does not change or alter any of the terms or provisions of your Contract. AALC will continue to honor all its obligations under your Contract. AALC remains organized under the laws of the State of Iowa. AALC is a direct, wholly-owned subsidiary of Athene Annuity and Life Assurance Company, a Delaware insurance company, which in turn is an indirect, wholly-owned subsidiary of Athene Holding Ltd., a Bermuda-based insurance holding company.

* * *

If you have any questions regarding this supplement, please call or contact the registered representative who sold you your Contract, or write to or call our Service Center at P.O. Box 82594, Lincoln, NE 68501, 1-888-232-6486.

Supplement Dated April 30, 2010 to
Prospectus Dated October 1, 2008

ALAC Separate Account I
Visionary Variable Annuity

Issued By
Aviva Life and Annuity Company

SPECIAL NOTICE

This supplement contains important information you should know about your Visionary variable annuity contract (the "Contract"). Please read this supplement carefully and keep it with your Contract prospectus for future reference. The following information amends the prospectus for your Contract.

On April 30, 2010, two funding choices available for investment through your contract -- the **Premier VIT OpCap Managed Portfolio** and the **Premier VIT NACM Small Cap Portfolio** (collectively, the "Portfolios"), were liquidated. As of April 30, 2010 (the "Liquidation Date"), the Portfolios ceased operations. As a result, at the close of business on April 30, 2010:

- We closed the variable account that invests in the Premier VIT OpCap Managed Portfolio funding choice under your Contract, so that you will no longer be able to allocate net premium payments or transfer contract value to it, or take withdrawals from it.

- We closed the variable account that invests in the Premier VIT NACM Small Cap Portfolio funding choice under your Contract, so that you will no longer be able to allocate net premium payments or transfer contract value to it, or take withdrawals from it.

Also on the Liquidation Date, we automatically moved your contract value then allocated to the variable account linked to the Premier VIT OpCap Managed Portfolio ("Premier VIT OpCap Managed Variable Account"), and your contract value then allocated to the variable account linked to the Premier VIT NACM Small Cap Portfolio ("Premier VIT NACM Small Cap Variable Account"), to the variable account that invests in the **Fidelity Variable Insurance Products Funds Money Market Portfolio** (the "Money Market Variable Account"). You will receive a confirmation of the automatic transfer transaction(s).

You may direct the transfer of any of such contract value from the Money Market Variable Account to one or more of the other variable accounts and/or the fixed account available as funding choices under your Contract. No transfer fees will apply to the transfers described above that are made in connection with the liquidation of the Premier VIT OpCap Managed Portfolio and the Premier VIT NACM Small Cap Portfolio, and none of such transfers will count toward the number of transfers that you can make during this Contract year without a transfer fee, provided that we receive your transfer request **by September 1, 2010**. After that date, you may still direct the transfer of contract value from the Money Market Variable Account to any other funding choices available under your Contract, but such transfers will count toward the maximum number of transfers that you can make during the Contract year without a transfer fee and may be subject to a transfer fee.

Keep in mind that, currently, you can make twelve free transfers each Contract year. We generally impose a $25 charge per transfer on each transfer from and among the variable accounts after the twelfth transfer during a Contract year before the Annuity Start Date. Transfers from the fixed account are always free of charge. You can direct the transfer of your contract value among the variable accounts and any fixed account option available as funding choices under your Contract: (i) by mailing written instructions to our Service Center (at the address listed below); (ii) by faxing instructions to our Service Center (toll free at 800-334-2023); or (iii) if you have provided proper authorization and validating information for making telephone transfers, by calling our Service Center (at the toll free number listed below).

The prospectus for your Contract includes descriptions of each of the funding choices available under your Contract. The funding choices available through the variable accounts of your Contract are a variety of underlying funds with different investment objectives and strategies, and that are advised by an array of money managers. More detailed information about those funding choices can be found in the current prospectuses for those funding choices, which are being sent to you in early May. You may order additional copies of current underlying fund prospectuses (as well as a Contract prospectus) by contacting our Service Center by telephone at 888-232-6486, or by writing to P.O. Box 82594, Lincoln, NE 68501. ***You should read those prospectuses carefully, and carefully consider the investment objectives, charges, expenses and risks of any funding choice to which you allocate net premium payments or transfer or allocate contract value.***

Impact on Allocation of Premium Payments and Systematic Investment Options. If your new premium payments were automatically allocated to the Premier VIT OpCap Managed Variable Account or to the Premier VIT NACM Small Cap Variable Account, then on and after April 30, 2010, the portion of net premiums you had previously allocated to the Premier VIT OpCap Managed Variable Account or to the Premier VIT NACM Small Cap Variable Account will be allocated instead to the Money Market Variable Account (until we receive new allocation instructions from you).

If you used the Premier VIT OpCap Managed Variable Account or the Premier VIT NACM Small Cap Variable Account in connection with systematic investment options such as Dollar Cost Averaging, Automatic Account Balancing, or the interest sweep programs available under your Contract, then on and after April 30, 2010, transfers that were previously directed to the Premier VIT OpCap Managed Variable Account or to the Premier VIT NACM Small Cap Variable Account under any of those optional programs will go instead to the Money Market Variable Account (until we receive new transfer instructions from you).

You may change your premium payment allocation instructions and your elections to any of the systematic investment options noted above at any time: (i) by mailing a written request to our Service Center (at the address listed below); (ii) by faxing instructions to our Service Center (at 800-334-2023, toll free); or (iii) if you have provided proper authorization and validating information for making telephone transfers, by calling our Service Center (at the toll free telephone number listed below). ***Please review your allocation instructions for premium payments and in connection with any of the systematic options noted above to determine whether you need to provide new instructions to us.***

Impact on Requests for Loans and Withdrawals. After the Liquidation Date, any loan or withdrawal request we receive that directs the amount of the loan or withdrawal to be deducted, in whole or in part, from the Premier VIT OpCap Managed Variable Account or the Premier VIT NACM Small Cap Variable Account is being treated as not in good order. We will contact you and require a new request before we process the loan or withdrawal.

Impact on Loan Repayments. Loan repayments are processed in accordance with the current premium payment allocation instructions in effect for your Contract on the date of the repayment. If your premium payment allocation instructions direct that some or all of your net premium payments be allocated to the Premier VIT OpCap Managed Variable Account or to the Premier VIT NACM Small Cap Variable Account, then, after April 30, 2010, the amount of such repayment will be allocated to the Money Market Variable Account instead (until we receive new allocation instructions from you).

Impact on the Maturity Benefit. If your contract value in the Premier VIT OpCap Managed Variable Account or in the Premier VIT NACM Small Cap Variable Account qualifies for the Maturity Benefit guarantee on April 30, 2010, then we are crediting your contract value with the amount of the Maturity Benefit as of April 30, 2010, when we automatically transfer all of your contract value that remains in the Premier VIT OpCap Managed Variable Account or in the Premier VIT NACM Small Cap Variable Account to the Money Market Variable Account. The Maturity Benefit guarantee equals the amount, if any, by which: (i) the current value of your total Eligible Premium Payments for the Premier VIT OpCap Managed Variable Account exceeds the value of the Premier VIT OpCap Managed Variable Account on the Liquidation Date; and (ii) the current value of your total Eligible Premium Payments for the Premier VIT NACM Small Cap Variable Account exceeds the value of the Premier VIT NACM Small Cap Variable Account on the Liquidation Date.

Any transfers you make in connection with this liquidation may have a negative impact on other Maturity Benefit guarantees for which you are eligible. The value of the Maturity Benefit guarantee on any Eligible Variable Account is equal to the amount, if any, by which (i) the sum of Eligible Premium Payments for that particular Eligible Variable Account *minus* a percentage of all prior withdrawals and transfers from that Eligible Variable Account exceeds (ii) the contract value in that Eligible Variable Account on the date the Maturity Benefit is calculated. Amounts that you transfer to an Eligible Variable Account in connection with this liquidation of the Premier VIT OpCap Managed Portfolio or the Premier VIT NACM Small Cap Portfolio—including amounts that you transfer after we automatically transferred those amounts to the Money Market Variable Account—will increase the contract value in that Eligible Variable Account, but may not increase the current value of the total Eligible Premium Payments for that Eligible Variable Account, depending upon your age. As a result, any transfers that you make into an Eligible Variable Account may make it less likely that you will benefit from the Maturity Benefit guarantee on that Eligible Variable Account. See "The Maturity Benefit" in your Contract prospectus.

* * * * *

Thank you for choosing Aviva Life and Annuity Company. We appreciate your business. If you have questions about this special notice, then please contact the registered representative who sold you your Contract, or write or call our Service Center at P.O. Box 82594, Lincoln, NE 68501, 1-888-232-6486 (Monday—Thursday, 7:45 a.m.—6:00 p.m. Central Time; Friday, 7:45 a.m.--4:30 p.m. Central Time).

Supplement Dated February 15, 2010 to
Prospectus Dated October 1, 2008

ALAC Separate Account 1
Visionary Variable Annuity
Visionary Choice Variable Annuity

Issued By
Aviva Life and Annuity Company

This supplement amends certain information in your variable annuity contract prospectus. **Please read this supplement carefully and keep it with your prospectus for future reference.**

The trustees of The Alger American Fund (the "Fund") voted to change the name of The Alger American Fund to The Alger Portfolios, and to rename the underlying portfolios of the Fund. In addition, Class O shares of those underlying portfolios were redesignated as Class I-2 shares.

Therefore, all references in your prospectus to the Fund are changed to The Alger Portfolios and all references to the Fund portfolios are changed to reflect the following new names and class designations:

Former Portfolio Name and Share Class	New Portfolio Name and New Share Class
Alger American MidCap Growth Portfolio Class O	Alger Mid Cap Growth Portfolio Class I-2
Alger American SmallCap Growth Portfolio Class O	Alger Small Cap Growth Portfolio Class I-2

You can find more information about the Fund and the underlying portfolios of the Fund in the current prospectus for the Fund.

* * * * *

If you have questions regarding this supplement, please contact the registered representative who sold you your variable annuity contract, or write to or call our Service Center at P.O. Box 82594, Lincoln, NE 68501, 1-888-232-6486.

Supplement Dated June 22, 2009 to
Prospectus Dated October 1, 2008

ALAC Separate Account 1
Visionary Variable Annuity
Visionary Choice Variable Annuity

Issued By
Aviva Life and Annuity Company

This supplement amends certain information in your variable annuity contract prospectus. (The Visionary Variable Annuity and the Visionary Choice Variable Annuity are each referred to herein as the "Contract.") **Please read this supplement carefully and keep it with your prospectus for future reference.** All terms not defined in this supplement have the meanings ascribed to those terms in your prospectus.

All references in your prospectus to the Asset Manager℠ Growth Portfolio of the Fidelity Variable Insurance Products Funds (Initial Class) are changed to the Asset Manager℠ Portfolio. Only the Asset Manager℠ Portfolio is available as an investment option under your Contract.

* * * * *

The following replaces the listing of Fidelity Variable Insurance Products Funds (Initial Class) portfolios available as investment options under the Contract found on the cover page, and—for the Visionary Choice prospectus only—under the heading "Investment Options" in the "Highlights" section, of your prospectus:

Fidelity Variable Insurance Products Funds (Initial Class)
Asset Manager℠ Portfolio
Contrafund® Portfolio
Equity-Income Portfolio
Growth Portfolio
Index 500 Portfolio
Investment Grade Bond Portfolio
Money Market Portfolio

* * * * *

The following amends the annual portfolio operating expenses information for each investment option available under the Contract, and replaces the presentation of annual portfolio operating expenses for the Asset Manager℠ Growth Portfolio, that is provided under the heading "Range of Expenses for the Portfolios" in the "Annuity Contract Fee Table" section of your prospectus.

Name of Portfolio	Management Fees	Acquired Fund Fees and Expenses(1)	12b-1 Fees/Service Fees(2)	Other Expenses	Gross Total Annual Portfolio Operating Expenses	Contractual Fee Waivers and Reimbursements	Net Total Annual Portfolio Operating Expenses
Fidelity Variable Insurance Products Funds (Initial Class)(3)							
Asset Manager℠ Portfolio	0.51%	N/A	N/A	0.12%	0.63%	N/A	0.63%

(3) FMR has voluntarily agreed to reimburse Initial Class shares of the Asset Manager℠ Portfolio, the Contrafund® Portfolio, the Equity-Income Portfolio, the Growth Portfolio and the Investment Grade Bond Portfolio to the extent that total operating expenses (excluding interest, taxes, certain securities lending costs, brokerage commissions, extraordinary expenses, and acquired fund fees and expenses, if any), as a percentage of average net assets, exceeds 0.80%. This arrangement may be discontinued by FMR at any time.

* * * * *

The following replaces the information regarding the Fidelity Variable Insurance Products Fund Asset Manager: Growth Portfolio (Initial Class) found under the heading "Investment Objectives of the Portfolios" in the "The Portfolios" section of your prospectus.

Portfolio	**Investment Objective/Investment Adviser**
Fidelity Variable Insurance Products Fund Asset Manager℠ Portfolio (Initial Class)	Seeks to obtain high total return with reduced risk over the long term by allocating its assets among stocks, bonds, and short-term instruments. Investment adviser is Fidelity Management & Research Company; sub-advisers are Fidelity Investments Money Management, Inc., FMR Co., Inc., Fidelity Management & Research (U.K.) Inc., Fidelity Management & Research (Hong Kong) Limited, Fidelity Management & Research (Japan) Inc., FIL Investment Advisors, FIL Investment Advisors (U.K.) Ltd., and Fidelity Investments Japan Limited.

* * * * *

In "Appendix A—Condensed Financial Information," the heading "Fidelity VIP Fund: Asset Manager℠ Variable Account" should replace the heading "Fidelity VIP Fund: Asset Manager: Growth Variable Account." The presentation of accumulation unit values and the number of accumulation units that follows the heading should remain the same.

* * * * * *

If you have questions regarding this supplement, then please contact the registered representative who sold you your Contract, or write to or call our Service Center at P.O. Box 82594, Lincoln, NE 68501, 1-888-232-6486.

Supplement Dated April 23, 2009 to
Prospectus Dated October 1, 2008

Visionary Choice Variable Annuity
Investing in
ALAC Separate Account 1
Issued By
Aviva Life and Annuity Company

This supplement contains important information you should know about your Visionary Choice variable annuity contract (the "Contract"). Please read this supplement carefully and keep it with your Contract prospectus for future reference. The following information amends the prospectus for your Contract.

The Board of Trustees of the PIMCO Variable Insurance Trust (the "Trust") recently approved the liquidation of the **PIMCO StocksPLUS Growth and Income Portfolio** (the "PIMCO StocksPLUS Portfolio"), an investment option under your Contract. The liquidation (the "Liquidation") will occur on or about July 17, 2009, unless the Trust's officers determine to effect the Liquidation on a different date (the "Liquidation Date"). In addition, the PIMCO StocksPLUS Portfolio will no longer sell shares to new investors or existing shareholders (except through reinvested dividends), effective June 19, 2009. As a result of these actions:

- On June 19, 2009, we will close the variable account that invests in the PIMCO StocksPLUS Portfolio (the "PIMCO StocksPLUS Variable Account") as an investment option under your Contract, and you will no longer be able to allocate net premium payments or transfer contract value into it; and

- On the Liquidation Date, we will automatically transfer any of your contract value that remains in the PIMCO StocksPLUS Variable Account to the variable account that invests in the Fidelity Variable Insurance Products Funds Money Market Portfolio (the "Money Market Variable Account").

If you currently have contract value allocated to the PIMCO StocksPLUS Variable Account, you should consider moving your entire contract value in the PIMCO StocksPLUS Variable Account to one or more other variable accounts and/or the fixed account before the Liquidation Date. You should also consider terminating any plans to make additional allocations to the PIMCO StocksPLUS Variable Account between now and June 19, 2009 when that variable account will be closed. Any contract value that remains invested in the PIMCO StocksPLUS Variable Account on the Liquidation Date will be transferred automatically to the Money Market Variable Account.

At any time before the Liquidation Date, you may transfer your entire contract value in the PIMCO StocksPLUS Variable Account to any of the other variable accounts or the fixed account of your Contract. If you wish to transfer your contract value in the PIMCO StocksPLUS Variable Account to any other variable account or the fixed account available under your Contract, then you may either:

- submit written instructions by mail to our Service Center, or
- provide instructions to our Service Center by facsimile transmission at (800) 334-2023 (toll free), or
- if you have provided proper authorization and validating information for making telephone transfers to our Service Center, by calling at (888) 232-6486 (toll free).

If we transfer your contract value in the PIMCO StocksPLUS Variable Account to the Money Market Variable Account on the Liquidation Date, then, thereafter, you may transfer such contract value from the Money Market Variable Account to any of the other available variable accounts or to the fixed account.

Currently, you may make twelve free transfers each Contract year. We generally impose a $25 charge per transfer on each transfer from and among the variable accounts after the twelfth transfer during a Contract year before the Annuity Start Date. Transfers from the fixed account are always free of charge. However, there will be no charge if you transfer your entire contract value out of the PIMCO StocksPLUS Variable Account on a date before the Liquidation Date in response to this supplement, or if, on the Liquidation Date, we transfer your entire contract value from the PIMCO StocksPLUS Variable Account to the Money Market Variable Account. In addition, if we transfer your contract value to the Money Market Variable Account on the Liquidation Date, there will be no charge if you thereafter, in one transaction, move that contract value from the Money Market Variable Account to one or more available variable accounts or to the fixed account within 60 days of the Liquidation Date. None of the transfers described above that are made in connection with the Liquidation will count toward the number of free transfers available to you during this Contract year.

Contract owners who have given us instructions to automatically allocate new net premium payments to the PIMCO StocksPLUS Variable Account, or who have selected the dollar cost averaging, interest sweep, or automatic account rebalancing programs to make allocations to the PIMCO StocksPLUS Variable Account, should provide us with new allocation instructions. If we receive no new instructions, then any such allocations made after June 19, 2009 will be invested in the Money Market Variable Account until we receive other instructions.

The Living Benefit. If your contract value in the PIMCO StocksPLUS Variable Account qualifies for the Living Benefit guarantee, we will pay that Living Benefit guarantee either: (i) as of the date before the Liquidation Date when you transfer your entire contract value in the PIMCO StocksPLUS Variable Account to one or more available variable accounts or to the fixed account, or (ii) as of the Liquidation Date, if on that date any contract value that qualifies for the Living Benefit remains in the PIMCO StocksPLUS Variable Account and we transfer that amount automatically to the Money Market Variable Account.

The Living Benefit guarantee will equal the amount, if any, by which the current value of the Eligible Premium Payment allocated to the PIMCO StocksPLUS Variable Account exceeds the value of the PIMCO StocksPLUS Variable Account on either the date in (i) above (if you transfer the entire contract value in the PIMCO StocksPLUS Variable Account to one or more available variable accounts or to the fixed account before the Liquidation Date), or the date in (ii) above (if we transfer the remaining contract value in the PIMCO StocksPLUS Variable Account to the Money Market Variable Account). We will credit the amount of the Living Benefit on a pro-rata basis to the variable account(s) to which the value in the PIMCO StocksPLUS Variable Account was transferred.

Keep in mind that, if you transfer the contract value in the PIMCO StocksPLUS Variable Account to another Eligible Variable Account that qualifies for the Living Benefit guarantee under your Contract, you may risk losing the Living Benefit on that Eligible Variable Account, because the value of the Eligible Variable Account will be increased by the amount of the transfer. See "The Living Benefit" in your Contract prospectus.

The Funds. Detailed information about the other underlying funds available as investment options under your Contract can be found in the current prospectuses for those funds. **You should read the prospectuses carefully and carefully consider the investment objectives, charges, expenses and risks of any investment option to which you allocate net premium payments or transfer or allocate contract value.** You may order a fund and/or Contract prospectus by calling our Service Center at 1-888-232-6486 or writing our Service Center at P.O. Box 82594, Lincoln, NE 68501.

* * *

If you have any questions regarding this supplement, please contact the registered representative who sold you your Contract, or write to or call our Service Center at P.O. Box 82594, Lincoln, NE 68501, 1-888-232-6486.

Flexible Premium Deferred Variable Annuity
issued by
Aviva Life and Annuity Company ("ALAC")
(formerly Indianapolis Life Insurance Company ("ILICO"))
through the
ALAC Separate Account 1
(formerly ILICO Separate Account 1)
699 Walnut Street
Des Moines, IA 50309-3929

Direct all payments made by check, and all correspondence and notices to ALAC Variable Administration at the Service Center:

P.O. Box 82594
Lincoln, NE 68501
Telephone: 1-888-232-6486
Fax: 1-800-334-2023
www.variable.ameritas.com

Prospectus
October 1, 2008

VISIONARY CHOICE

This Prospectus describes Visionary Choice, a flexible premium deferred annuity contract ("Contract") offered by ALAC (we, our, us, or the Company). It contains important information about the Visionary Choice variable annuity. **Please read this prospectus carefully before investing, and keep it for future reference.**

Investments in the variable accounts are not guaranteed. You (the Owner) could lose your money. Money you direct into the fixed account is guaranteed to earn interest at a minimum rate of 3%.

Variable annuity contracts involve certain risks, and you may lose some or all of your investment.
- The investment performance of the underlying portfolios in which the variable accounts invest will vary.
- We do not guarantee how any of the portfolios will perform.
- The Contract is not a deposit or obligation of any bank, and no bank endorses or guarantees the Contract.
- Neither the U.S. Government nor any federal agency insures your investment in the Contract.

The Contract has 24 funding choices—one fixed account (paying a guaranteed minimum fixed rate of interest) and 23 variable accounts that invest in the following underlying portfolios:

The Alger American Fund (Class O Shares)
- MidCap Growth Portfolio
- SmallCap Growth Portfolio

Fidelity Variable Insurance Products Funds (Initial Class)
- Asset Manager℠ Growth Portfolio
- Contrafund® Portfolio
- Equity-Income Portfolio
- Growth Portfolio
- Index 500 Portfolio
- Investment Grade Bond Portfolio
- Money Market Portfolio

First Eagle Variable Funds, Inc.
- First Eagle Overseas Variable Fund

Neuberger Berman Advisers Management Trust (Class I)
- Mid-Cap Growth Fund
- Socially Responsive Fund

PIMCO Variable Insurance Trust (Administrative Class)
- High Yield Portfolio
- Real Return Portfolio
- StocksPLUS Growth and Income Portfolio

Pioneer Variable Contracts Trust (Class I)
- Pioneer Fund VCT Portfolio
- Pioneer Growth Opportunities VCT Portfolio

Premier VIT (formerly PIMCO Advisors VIT)
- OpCap Managed Portfolio
- NACM Small Cap Portfolio (formerly OpCap Small Cap Portfolio)

Royce Capital Fund (Investment Class)
- Royce Micro-Cap Portfolio

T. Rowe Price Fixed Income Series, Inc.
- Limited-Term Bond Portfolio

T. Rowe Price International Series, Inc.
- International Stock Fund

Van Eck Worldwide Insurance Trust (Initial Class)
- Worldwide Hard Assets Fund

Note: The Living Benefit described in this prospectus is not available if you purchased this Contract after December 31, 2001.

To learn more about the Contract, you may want to read the Statement of Additional Information dated October 1, 2008 (known as the “SAI”). For a free copy of the SAI, contact us at:

ALAC Variable Administration
P.O. Box 82594
Lincoln, NE 68501

The SEC has not approved or disapproved these securities or passed upon the adequacy of this prospectus. Any representation to the contrary is a criminal offense.

We have filed the SAI with the U.S. Securities and Exchange Commission (“SEC”) and have incorporated it by reference into this prospectus (It is legally part of this prospectus.) The SAI’s table of contents appears at the end of this prospectus.

The SEC maintains an Internet website (http://www.sec.gov) that contains the SAI, material incorporated by reference, and other information. You may also read and copy these materials at the SEC’s public reference room in Washington, D.C. Call 1-800-SEC-0330 for information about the SEC’s public reference room.

This prospectus must be accompanied or preceded by a current prospectus for each of the Funds listed above.

NOT FDIC INSURED **MAY LOSE VALUE** **NO BANK GUARANTEE**

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glossary

For your convenience, we are providing a glossary of the special terms we use in this prospectus.

accumulation unit — The measurement we use before the Annuity Start Date to calculate the value of each variable account at the end of each business day.

annuitant — You are the annuitant, unless you state otherwise in your application. The annuitant is the person (or persons) whose life (or lives) we use to determine the dollar amount and duration of the annuity payments that we will pay under the Contract and whose death determines the death benefit. You may choose joint annuitants in some cases. Unless we permit otherwise, you may not change the annuitant you name in the application unless you transfer ownership of the Contract.

Annuity Start Date — The date when we will begin to pay annuity payments to the annuitant.

annuity unit — The measurement we use to calculate the value of your annuity payments if you choose to receive annuity payments from the variable accounts.

beneficiary — The person you name to receive the death benefit if the annuitant dies during the pay-in period. If there are joint owners, and one joint owner dies before the Annuity Start Date, then the surviving joint owner becomes the sole beneficiary.

business day — Each day on which the New York Stock Exchange is open for business.

Company ("we," "us," "our," and "ALAC") — Aviva Life and Annuity Company.

Contract Anniversary — The same date in each year as the date of issue.

contract value — The total amount you have accumulated under the Contract. It is equal to the money you have under the Contract in the separate account and the fixed account.

date of issue — The date we issue your Contract. It is shown on the specifications page of the Contract. We measure contract years and contract anniversaries from the date of issue, and it is the date on which the first contract year begins.

Death Benefit Anniversary — Every third contract anniversary beginning on the date of issue.

due proof of death — Proof of death that we find satisfactory, such as a certified copy of the death record, or a certified copy of a court decree reciting a finding of death.

Eligible Premium Payment — That portion of your Initial Net Premium Payment that you allocate to a particular Eligible Variable Account on the date of issue. We use it as a benchmark for calculating the Living Benefit.

Eligible Variable Account — Variable accounts the Company designates to be guaranteed by the Living Benefit. Currently all variable accounts are so designated.

Enhanced Dollar Cost Averaging ("Enhanced DCA") — If you choose the Enhanced DCA program, we will transfer a specified amount of money automatically each month from the Enhanced DCA account to your choice of variable accounts. We will credit a rate of interest in excess of the current fixed account rate to the diminishing balance of your Initial Net Premium Payment remaining in the Enhanced DCA account for a specified amount of time, depending upon the Enhanced DCA program you chose.

fixed account — An option to which you can direct your money under the Contract. It provides a guarantee of principal and interest. The assets supporting the fixed account are held in our general account.

Free Withdrawal Amount — The amount that may be withdrawn from the Contract without being assessed a withdrawal charge.

Funds — The open-end management investment companies listed on the front page of this Prospectus. This Contract allows you to invest in certain investment portfolios of the Funds.

Initial Net Premium Payment — The sum of all net premium payments received pursuant to, and as a result of, a Section 1035 Exchange of another Contract at the time of application and any net premium payments received with the application for this Contract.

Living Benefit — A guarantee we provide regarding your Contract's value in the Eligible Variable Accounts on the Living Benefit Date, provided you select the Living Benefit option on your application. This feature is not available if you purchased this Contract after December 31, 2001.

Living Benefit Date — 10 years after the date of issue.

net premium payment — A premium payment less any applicable premium taxes.

Owner or Owners ("you" or "your") — The person(s) having the privileges of ownership stated in the Contract. Joint owners may be permitted.

payee — The person(s) entitled to receive annuity payments. You may name a "Successor Payee" to receive any guaranteed annuity payments after the death of the sole surviving payee.

pay-in period — The period that begins when we issue your Contract and ends on the Annuity Start Date. During the pay-in period, earnings accumulate on a tax-deferred basis.

payout period — The period that begins on the Annuity Start Date during which you receive annuity payments based on the money you have accumulated under your Contract.

payout plan — The arrangement you choose under which we pay annuity payments to you after the Annuity Start Date. You may choose whether the dollar amount of the payments you receive will be fixed, or will vary with the investment experience of the variable accounts in which you are invested at that time.

portfolio — A separate investment portfolio of a Fund in which a variable account invests. The portfolios available for investment through this Contract are listed on the cover page of this prospectus.

premium payment year — The twelve-month period beginning on the date we receive any premium payment. It is used to calculate the withdrawal charge if you choose the date of premium payment withdrawal charge option.

Qualified Contract — A Contract issued in connection with retirement plans that qualify for special federal income tax treatment under sections 401(a), 403(b), 408, 408A, or 457 of the tax code.

separate account — ALAC Separate Account 1, a separate investment account divided into variable accounts that we established to receive and invest the premium payments we receive under the Contract. Assets in the separate account are not part of our general account.

Service Center — The mailing address for the Service Center is P.O. Box 82594, Lincoln, NE 68501.

tax code — The Internal Revenue Code of 1986, as amended.

variable account — A subdivision of the separate account that invests exclusively in shares of a single portfolio of a Fund. The investment performance of each variable account is linked directly to the investment performance of the portfolio in which it invests.

written request — Your signed, written notice or request. We must receive your written request at the Service Center and it must be in a form we find satisfactory.

highlights

These highlights provide only a brief overview of the more important features of the Visionary Choice Contract. You may obtain more detailed information about the Contract later in this prospectus. Please read this prospectus carefully.

The Contract

An annuity is a contract where you agree to make one or more premium payments to us and, in return, we agree to pay a series of payments to you at a later date chosen by you. The Visionary Choice Contract is a special kind of annuity that is:

- **Flexible Premium** — you may add premium payments at any time.
- **Tax-Deferred** — you generally do not have to pay taxes on earnings until you take money out by full or partial cash withdrawals, or we make annuity payments to you, or we pay the death benefit.
- **Variable** — its value fluctuates with the performance of the mutual fund portfolios in which you invest. You bear the investment risk on the amounts you invest.
- **Available with Retirement Plans** — you may purchase this annuity in connection with retirement plans, including those that qualify for favorable federal tax treatment.

Like all deferred annuities, the Contract has two phases: the "pay-in" period and the "payout" period. During the pay-in period, you can allocate money to any combination of investment alternatives. Any earnings on your investments accumulate tax-deferred. The payout period begins once you start receiving regular annuity payments from your contract value. The money you can accumulate during the pay-in period, as well as the payout plan you choose, will determine the dollar amount of any annuity payments you receive.

If you are purchasing the Contract through a tax-favored arrangement, including IRAs and Roth IRAs, you should carefully consider the costs and benefits of the Contract (including the annuity income benefits) before purchasing the Contract, since the tax-favored arrangement itself provides tax-sheltered growth.

Who Should Purchase the Contract?

We have designed this Contract for people seeking long-term tax deferred accumulation of assets, generally for retirement. This includes persons who have maximized their use of other retirement savings methods, such as 401(k) plans. The tax-deferred feature is most attractive to people in higher federal and state income tax brackets. You should not buy this Contract if you are looking for a short-term investment or if you cannot take the risk of getting back less money than you put in.

If you are purchasing the Contract through a tax-favored arrangement, including IRAs, Roth IRAs, 401(k), 403(b) or 457 plans, you should carefully consider the costs and benefits of the Contract (including annuity income benefits) before purchasing the Contract, since the tax-favored arrangement itself provides for tax-sheltered growth.

How to Invest

You may purchase the Contract with a single payment of $1,000 or more under most circumstances. We will not issue a Contract if you are older than age 85 on the date of issue.

You can pay additional premiums of $1,000 or more with some limitations. Send your premium payments to ALAC Variable Administration at the Service Center. We will not begin processing any premium payment until we receive it at our Service Center.

Cancellation — the Free-Look Period

After you receive your Contract, you have a limited period of time during which you may cancel your Contract and receive a refund. This period of time is referred to as a "free-look" period and is established by state law. Usually, this period is either 10 or 20 days. Depending on your state of residence, if you cancel your Contract during the "free-look" period you will generally receive: 1) the value of your Contract as of the date we receive your notice of cancellation at the Service Center; or 2) the greater of: a) the total of any premium payments you have made, or b) the value of your Contract as of the date we receive your notice of cancellation at the Service Center. Please return your Contract with your notice of cancellation. We will pay the refund within 7 days after we receive your Contract and written or faxed request for cancellation at the Service Center. Your Contract will be deemed void once we issue your refund.

If your state requires that we return your premium payments, we will put your premium payment(s) into the Money Market variable account for fifteen days following the date of issue. See "Cancellation — The Free-Look Period."

Investment Options

You may currently invest your money in any of 23 portfolios by directing it into the corresponding variable account. The portfolios now available to you under the Contract are:

The Alger American Fund (Class O Shares)
- MidCap Growth Portfolio
- SmallCap Growth Portfolio

Fidelity Variable Insurance Products ("VIP") Funds (Initial Class)
- Asset Manager: Growth Portfolio
- Contrafund® Portfolio
- Equity-Income Portfolio
- Growth Portfolio
- Index 500 Portfolio
- Investment Grade Bond Portfolio
- Money Market Portfolio

First Eagle Variable Funds, Inc.
- First Eagle Overseas Variable Fund

Neuberger Berman Advisers Management Trust ("AMT") (Class I)
- Mid-Cap Growth Fund
- Socially Responsive Fund

Pioneer Variable Contracts Trust (Class I)
- Pioneer Fund VCT Portfolio
- Pioneer Growth Opportunities VCT Portfolio

PIMCO Variable Insurance Trust (Administrative Class)
- High Yield Portfolio
- Real Return Portfolio
- StocksPLUS Growth and Income Portfolio

Premier VIT
- OpCap Managed Portfolio
- NACM Small Cap Portfolio (formerly OpCap Small Cap Portfolio)

Royce Capital Fund
- Royce Micro-Cap Portfolio

T. Rowe Price Fixed Income Series, Inc.
- Limited-Term Bond Portfolio

T. Rowe Price International Series, Inc.
- International Stock Portfolio

Van Eck Worldwide Insurance Trust
- Worldwide Hard Assets Fund

Each variable account invests exclusively in shares of one portfolio of a Fund. Each portfolio's assets are held separately from the other portfolios and each portfolio has separate investment objectives and policies. The portfolios are described in the prospectuses for the Funds that accompany this prospectus.

The value of your investment in the variable accounts will fluctuate daily based on the investment results of the portfolios in which you invest, and on the fees and charges deducted.

Depending on market conditions, you can make or lose money in any of the variable accounts. We reserve the right to offer other investment choices in the future.

You may also direct your money to the fixed account and receive a guaranteed rate of return. Money you place in the fixed account will earn interest for one-year periods at a fixed rate that is guaranteed by us never to be less than 3.0%.

Transfers

You have the flexibility to transfer assets within your Contract. At any time during the pay-in period, you may transfer amounts among the variable accounts and between the fixed account and any variable account. Certain restrictions apply to transfers to and from the fixed account.

You may make 12 free transfers each contract year. We impose a $25 charge per transfer on each transfer from and among the variable accounts after the twelfth during a contract year before the Annuity Start Date. Transfers from the fixed account are always free of charge.

Transfers will reduce the value of the Living Benefit guarantee.

Once you begin to receive annuity payments, you may make one transfer among the variable accounts each contract year.

Enhanced Dollar Cost Averaging

If you choose the Enhanced Dollar Cost Averaging ("Enhanced DCA") program, we will transfer a specified amount of money automatically each month from the Enhanced DCA account to your choice of variable accounts. We will credit a rate of interest in excess of the current fixed account rate to the diminishing balance of your Initial Net Premium Payment remaining in the Enhanced DCA account for a 6-month period.

Amounts you allocate to the Enhanced DCA program will not be included in the Living Benefit.

Access to Your Money

During the pay-in period, you may receive a cash withdrawal of all or part of your contract value by sending a written request to the Service Center. The minimum amount you can withdraw is $250. You may also fully withdraw all your value from the Contract and receive its surrender value.

Full and partial withdrawals may be subject to a withdrawal charge, depending upon the withdrawal charge option you chose at the time of purchase and the timing of the withdrawal. In any contract year after the first contract year, you may withdraw a portion of your contract value, called the free withdrawal amount, without incurring a withdrawal charge.

Withdrawals will reduce the value of the Living Benefit guarantee, and may affect any enhanced death benefit you select.

You may have to pay federal income taxes on amounts you withdraw, and a federal penalty tax may be assessed on any money you withdraw from the Contract before age 59½. Access to amounts held in Qualified Contracts may be restricted or prohibited.

Death Benefit

We will pay the death benefit to the beneficiary on the last surviving annuitant's death before the Annuity Start Date.

The basic death benefit will equal the greater of:

- the sum of premium payments made under the Contract, **less** partial withdrawals as of the date we determine the death benefit; or
- the contract value as of the date we determine the death benefit.

If you elect the enhanced death benefit option, the enhanced death benefit will be the greater of:

- the contract value as of the date we determine the enhanced death benefit; or
- the highest contract value on any Death Benefit Anniversary, adjusted for any premium payments received, withdrawals taken and charges incurred between such Death Benefit Anniversary and the date we determine the enhanced death benefit.

We set the value of the enhanced death benefit initially on the first Death Benefit Anniversary (that is, every third Contract Anniversary beginning on the date of issue) and reset it on each Death Benefit Anniversary if the value is greater. Once reset, this value will never decrease unless you make a partial withdrawal.

In determining both the enhanced and the basic death benefit, we will subtract any applicable premium taxes not previously deducted.

The enhanced death benefit expires at the annuitant's age 75. After that time, the enhanced death benefit is equal to the basic death benefit.

Living Benefit

The Living Benefit guarantees a minimum value in the variable accounts on the Contract's tenth anniversary, provided certain conditions are met. The Living Benefit is based on the first premium payment that you direct into the Eligible Variable Accounts at the time of premium payment.

We will not credit your Contract with any Living Benefit if you elect to receive annuity payments before the Living Benefit Date.

Transfers and withdrawals from an Eligible Variable Account will reduce the value of the Living Benefit.

The Living Benefit is not available if you purchased this Contract after December 31, 2001.

Fees and Charges

Withdrawal Charge. We will deduct a withdrawal charge if you withdraw all or part of your contract value during certain time periods. The amount of the withdrawal charge depends on the withdrawal charge option and free withdrawal option you choose at the time you purchase the Contract.

We do not assess a withdrawal charge on the death benefit or on annuity payments under an annuity payout plan with a life contingency or an annuity payout plan with at least 10 years of guaranteed payments.

You may choose between two withdrawal charge options. If you choose the **date of issue withdrawal charge option**, we will calculate the withdrawal charge from the date of issue. The date of issue withdrawal charge is 7% in the first six contract years, decreasing to 6% in the seventh contract year, and then declining by 2% in each subsequent contract year, until it is zero in contract year ten. If you choose the **date of premium payment withdrawal charge option**, we will calculate the withdrawal charge from the date you make a premium payment. The date of premium payment withdrawal charge is 7% in the first premium payment year, decreasing by 1% in each subsequent premium payment year, until it is zero in premium payment year eight.

In any contract year after the first contract year, you may withdraw a portion of your contract value without incurring a withdrawal charge. This amount is called the free withdrawal amount.

The withdrawal charge may be waived in cases of extended hospitalization, long-term care, terminal illness, or to pay for post-secondary education, as provided in the Contract.

Contract Fee. We deduct a quarterly contract fee of $7.50 from your contract value at the end of each contract quarter during the pay-in period and on the date of full withdrawal. Certain exceptions apply.

Transfer Fee. You may make 12 free transfers each contract year. We impose a $25 charge per transfer on each transfer from and among the variable accounts after the twelfth during a contract year before the Annuity Start Date. Transfers from the fixed account are always free of charge.

Mortality and Expense Risk Charge. We will deduct a daily mortality and expense risk charge from your value in the variable accounts at an annual rate of 1.25%. We will continue to deduct this charge after you begin to receive annuity payments if you choose to receive variable annuity payments.

Asset-Based Administrative Charge. We will deduct a daily administrative charge from your value in the variable account at an annual rate of 0.15%. We will continue to assess this charge after you begin to receive annuity payments if you choose to receive variable annuity payments.

Premium Taxes. We will deduct state premium taxes, which currently range from 0% up to 3.5%, if your state requires us to pay the tax. If necessary, we will make the deduction either: (a) from premium payments as we receive them, (b) from your contract value upon partial or full withdrawal, (c) when annuity payments begin, or (d) upon payment of a death benefit.

Portfolio Fees and Charges. Each portfolio deducts portfolio management fees and charges from the amounts you have invested in the portfolios. You pay these fees indirectly. For 2007, these charges ranged from 0.10% to 1.31% annually (including contractual fee waivers and/or reimbursements). See the Fee Table in this Prospectus and the prospectuses for the portfolios.

Compensation. For information concerning compensation paid for the sale of the Contracts, see "Distribution of Contracts."

Annuity Provisions

Payout Plans. The Contract allows you to receive fixed or variable periodic annuity payments beginning on the Annuity Start Date you select. You may choose among several payout plans. You may receive income payments for a specific period of time or for life, with or without a guaranteed number of payments.

We will use your adjusted contract value on the Annuity Start Date to calculate the amount of your annuity payments under the payment plan you choose. If you select a variable payout plan, the dollar amount of your payments may go up or down depending on the investment results of the portfolios you invest in at that time.

Federal Tax Status

In general, you are not taxed on earnings on your investment in the Contract until you withdraw money from the Contract or receive annuity payments. Earnings are taxed as ordinary income. During the pay-in period, for tax purposes under non-qualified contracts, withdrawals are taken first from earnings and then from your investment in the Contract. If you receive money from the Contract before age 59½, you may have to pay a 10% federal penalty tax on the earnings portion you received. Death benefits are taxable and generally are included in the income of the recipient. For a further discussion of the federal tax status of the Contract, see "Federal Tax Status."

Inquiries

If you need additional information or access to your account, please contact us at our Service Center.

Addresses:
ALAC Variable Administration
P.O. Box 82594
Lincoln, NE 68501-2594

Telephone:
1-888-232-6486 (toll-free)
Monday-Thursday, 7:45 a.m. – 6:00 p.m. Central Time
Friday, 7:45 a.m. – 4:30 p.m. Central Time

Automated Voice Response System:
1-888-232-6486 (toll-free)
24 hours a day, 7 days a week

Fax:
1-800-334-2023 (toll-free)

Website:
www.variable.ameritas.com
24 hours a day, 7 days a week

annuity contract fee table

The following tables describe the fees and expenses that you will pay when buying, owning, and withdrawing from the Contract. The first table describes the fees and charges that you will pay at the time that you buy the Contract, take a loan from the Contract, partially or fully withdraw from the Contract, or transfer contract value among the variable accounts and/or the fixed account. State premium taxes may also be deducted.

Owner Transaction Expenses

Sales Load on Premium Payments	None
Maximum Withdrawal Charge (as a% of premium payments)[1]	7%
Transfer Charge	$25 after 12 per year
Maximum Loan Interest Spread[2]	3%

The next table describes the fees and expenses that you will pay periodically during the time that you own the Contract, not including Portfolio fees and expenses.

Periodic Charges other than Portfolio Expenses

Annualized Contract Fee[3]	$30 per Contract year
Separate Account Annual Expenses (as a% of average separate account value during the pay-in period)[4]	
Mortality and Expense Risk Charge	1.25%
Administrative Charge	0.15%
Total Separate Account Annual Expenses	1.40%

[1] The amount of the withdrawal charge depends upon the withdrawal charge option and free withdrawal option you choose at the time you purchase the Contract. If you chose the date of issue withdrawal charge option, the withdrawal charge is 7% of premium payments in the first through sixth contract year, 6% in the seventh contract year, and declines by 2% in each subsequent contract year, until it is zero in the tenth contract year. If you chose the date of premium payment withdrawal charge option, the withdrawal charge decreases every contract year based on the number of years since each premium payment was made, from 7% in the first year to 0% in the eighth year after you made the premium payment. A withdrawal charge may not apply in certain circumstances. For more information, see the "Withdrawal Charge" section of this prospectus.
[2] If your Contract is a Qualified Contract issued in connection with a Section 403(b) retirement program, then you may borrow against the surrender value of your Contract. The loan interest spread is the difference between the amount of interest we charge for a loan (6% annually) and the amount of interest we credit to the loan account (a minimum interest rate of 3% annually). We may credit a higher rate of interest to the loan account from time to time.
[3] We deduct $7.50 at the end of each Contract quarter or on the date of full withdrawal from the Contract before the Annuity Start Date. We waive this fee for Qualified Contracts. We also waive this fee for Non-Qualified Contracts with cumulative premium payments of $100,000 or more.
[4] We will continue to deduct this charge after the Annuity Start Date if annuity payments are made on a variable basis.

The next table shows the range of total operating expenses charged by the portfolios for the fiscal year ended December 31, 2007. Expenses of the portfolios may be higher or lower in the future. You may obtain more details concerning each portfolio's fees and expenses in the prospectus for each portfolio.

Range of Expenses for the Portfolios[1]

	Minimum	Maximum
Total Annual Portfolio Operating Expenses (total of all expenses that are deducted from portfolio assets, including management fees, 12b-1 fees, and other expenses)	0.10%	1.31%

[1] The portfolio expenses used to prepare this table were provided to ALAC by the Fund(s). ALAC has not independently verified such information. The expenses shown are those incurred for the year ended December 31, 2007. Current or future expenses may be greater or less than those shown.

Name of Portfolio	Management Fees	Acquired Fund Fees and Expenses[(1)]	12b-1 Fees/ Service Fees[(2)]	Other Expenses	Gross Total Annual Portfolio Operating Expenses	Contractual Fee Waivers and Reimbursements	Net Total Annual Portfolio Operating Expenses
The Alger American Fund (Class O Shares)							
MidCap Growth Portfolio	0.76%	N/A	N/A	0.15%	0.91%	N/A	0.91%
SmallCap Growth Portfolio	0.81%	N/A	N/A	0.15%	0.96%	N/A	0.96%
Fidelity Variable Insurance Products Funds (Initial Class)[(3)]							
Asset Manager: Growth Portfolio	0.56%	N/A	N/A	0.18%	0.74%	N/A	0.74%
Contrafund® Portfolio	0.56%	N/A	N/A	0.09%	0.65%	N/A	0.65%
Equity-Income Portfolio	0.46%	N/A	N/A	0.09%	0.55%	N/A	0.55%
Growth Portfolio	0.56%	N/A	N/A	0.09%	0.65%	N/A	0.65%
Index 500 Portfolio	0.10%	N/A	N/A	0.00%	0.10%	N/A	0.10%
Investment Grade Bond Portfolio	0.32%	N/A	N/A	0.11%	0.43%	N/A	0.43%
Money Market Portfolio	0.23%	N/A	N/A	0.09%	0.32%	N/A	0.32%
First Eagle Variable Funds, Inc.							
First Eagle Overseas Variable Fund[(4)]	0.75%	N/A	0.25%	0.23%	1.23%	N/A	1.23%
Neuberger Berman Advisers Management Trust (Class I)[(5)]							
Mid-Cap Growth Portfolio	0.82%	N/A	N/A	0.07%	0.89%	N/A	0.89%
Socially Responsive Portfolio	0.84%	N/A	N/A	0.08%	0.92%	N/A	0.92%
Pioneer Variable Contracts Trust (Class I)							
Pioneer Fund VCT Portfolio Class I	0.65%	N/A	N/A	0.05%	0.70%	N/A	0.70%
Pioneer Growth Opportunities Portfolio Class I	0.74%	0.03%	N/A	0.07%	0.84%	N/A	0.84%

Name of Portfolio	Management Fees	Acquired Fund Fees and Expenses[1]	12b-1 Fees/ Service Fees[2]	Other Expenses	Gross Total Annual Portfolio Operating Expenses	Contractual Fee Waivers and Reimbursements	Net Total Annual Portfolio Operating Expenses
PIMCO Variable Insurance Trust (Administrative Class)[6]							
High Yield Portfolio	0.25%	N/A	0.15%	0.35%	0.75%	N/A	0.75%
Real Return Portfolio	0.25%	N/A	0.15%	0.25%	0.65%	N/A	0.75%
StocksPLUS Growth and Income Portfolio	0.25%	N/A	0.15%	0.10%	0.50%	N/A	0.75%
Premier VIT[7]							
OpCap Managed Portfolio	0.80%	N/A	N/A	0.15%	0.95%	N/A	0.95%
NACM Small Cap Portfolio (formerly OpCap Small Cap Portfolio)	0.80%	N/A	N/A	0.15%	0.95%	N/A	0.95%
Royce Capital Fund (Investment Class)							
Royce Micro-Cap Portfolio	1.25%	N/A	N/A	0.06%	1.31%	N/A	1.31%
T. Rowe Price Fixed Income Series, Inc.							
Limited-Term Bond Portfolio	0.70%	N/A	N/A	N/A	0.70%	N/A	0.70%
T. Rowe Price International Series, Inc.							
International Stock Portfolio	0.65%	N/A	N/A	0.20%	0.85%	N/A	0.85%
Van Eck Worldwide Insurance Trust							
Worldwide Hard Assets Fund	1.00%	0.01%	N/A	0.01%	1.02%	N/A	1.02%

(1) "Acquired fund" refers to any investment company (including, but not limited to, exchange-traded funds) in which a portfolio invests (or has invested) a portion of its assets. A portfolio has its own expenses and bears a portion of the operating expenses of any investment companies in which it invests. The figure shown for the acquired fund fees and expenses includes the fees and expenses incurred indirectly by a portfolio as a result of its investment in other investment companies.

(2) The 12b-1 distribution plan is described in a portfolio's prospectus and/or statement of additional information. Because the 12b-1 fees are paid out of portfolio assets on an on-going basis, over time these fees will increase the cost of an investment, and may cost more than paying other types of sales charges.

(3) FMR has voluntarily agreed to reimburse Initial Class shares of Asset Manager: Growth Portfolio, Contrafund® Portfolio, Equity-Income Portfolio, Growth Portfolio and Investment Grade Bond Portfolio to the extent that total operating expenses (excluding interest, taxes, certain securities lending costs, brokerage commissions, extraordinary expenses, and acquired fund fees and expenses, if any), as a percentage of average net assets exceeded 0.85%. This arrangement may be discontinued by FMR at any time.

(4) Other expenses reflect actual expenses during the fiscal year ended December 31, 2007; the largest of these were monies paid to parties providing transfer agency services to the Fund, including those provided by insurance companies maintaining omnibus accounts with the Fund and acting as sub-transfer agents on behalf of their variable contract holders.

(5) Neuberger Berman Management Inc. ("NBMI") has contractually agreed to reimburse certain expenses of the Fund through December 31, 2011, so that the total annual operating expenses are limited to 1.30% of the Fund's average daily net asset value for the Socially Responsive portfolio. The Fund has agreed to repay NBMI for expenses reimbursed to the Fund provided that repayment does not cause the Fund's annual operating expenses to exceed its expense limitation. Any such repayment must be made within three years after the year in which NBMI incurred the expense.

NBMI has contractually undertaken to limit the expenses of I Class shares for the Mid-Cap Growth Portfolio through December 31, 2011 by reimbursing the Fund for its total operating expenses, excluding compensation to NBMI, taxes, interest, extraordinary expenses, transaction costs and brokerage commissions, that exceed, in the aggregate, 1.00% per annum of the Class's average daily net asset value. The Fund has in turn contractually undertaken to repay NBMI from I Class assets for the excess operating expenses borne by NBMI, so long as the Class's annual operating expenses during that period (exclusive of taxes, interest, extraordinary expenses and brokerage commissions) does not exceed 1.00% per year of the Class's average daily net assets, and further provided that the reimbursements are made within three years after the year in which NBMI incurred the expense.

(6) "Other expenses" reflect an administrative fee of 0.35%, 0.25% and 0.15% for PIMCO High Yield Portfolio, PIMCO Real Return Portfolio, and PIMCO StocksPLUS Growth and Income Portfolio, respectively.

(7) OpCap Advisors has contractually agreed to reduce total annual portfolio operating expenses of each portfolio to the extent they would exceed 1.00% (net of any expenses offset by earnings credits from the custodian bank) of that portfolio's average daily net assets through December 31, 2018.

Examples of Maximum Charges

These Examples are intended to help you compare the cost of investing in the Contract with the cost of investing in other variable annuity contracts. The Examples show the maximum costs of investing in the Contract, including Contract owner transaction expenses, a Contract fee of $30 charged on an annual basis (rather than $7.50 charged on a quarterly basis), separate account charges—a daily administrative charge at an annual rate of 0.15%, and a mortality and expense risk charge at an annual rate of 1.25%, of average separate account value—and maximum Annual Portfolio Operating Expenses of 1.31%.

Examples 1 and 2 assume that you invest $10,000 in the Contract with a **Date of Issue Withdrawal Charge Option** for the time periods indicated. For more information on this withdrawal charge option, see the "Withdrawal Charge" section of this prospectus. The Examples also assume that your investment has a 5% return each year.

(1) If you fully withdraw from the Contract (or if you elect to annuitize under a period certain option for a specified period of less than 10 years) at the end of the applicable time period, your maximum charges would be:

1 Year	3 Years	5 Years	10 Years
$1,020	$1,676	$2,357	$3,318

(2) If you do not fully withdraw from your Contract (or if you elect to annuitize under a life contingency option or under a period certain option for a minimum specified period of 10 years) at the end of the applicable time period, your maximum charges would be:

1 Year	3 Years	5 Years	10 Years
$306	$935	$1,586	$3,318

Examples 3 and 4 assume that you invest $10,000 in the Contract with a **Date of Premium Payment Withdrawal Charge Option** for the time periods indicated. For more information on this withdrawal charge option, see the "Withdrawal Charge" section of this prospectus. The Examples also assume that your investment has a 5% return each year.

(3) If you fully withdraw from your Contract (or if you elect to annuitize under a period certain option for a specified period of less than 10 years) at the end of the applicable time period, your maximum charges would be:

1 Year	3 Years	5 Years	10 Years
$1,020	$1,464	$1,916	$3,318

(4) If You do not withdraw from your Contract (or if you elect to annuitize under a life contingency option or under a period certain option for a minimum specified period of 10 years) at the end of the applicable time period, your maximum charges would be:

1 Year	3 Years	5 Years	10 Years
$306	$935	$1,586	$3,318

These Examples do not reflect transfer fees or premium taxes (which may range up to 3.5%, depending on the jurisdiction). Different fees and expenses not reflected in the Examples may be assessed if you annuitize under a variable annuity payout option.

Please remember that the Examples are an illustration and do not represent past or future expenses. Your actual expenses may be higher or lower than those shown. Similarly, your rate of return may be more or less than the 5% assumed in the Examples.

Condensed Financial Information

Condensed financial information for the variable accounts is included at the end of this prospectus.

about ALAC and the separate account

Aviva Life and Annuity Company

ALAC, the current depositor of the separate account, is an Iowa stock life insurance company. ALAC originally was incorporated under the laws of the State of Iowa as Central Assurance Society of the United States in 1895. From its inception through the first half of the 1900's, the company operated as both a stock and mutual insurance company at various times under the "Central Life" brand. In 1950, the company changed its name from Central Life Assurance Society (Mutual) to Central Life Assurance Company. On December 31, 1994, the company changed its name to American Mutual Life Insurance Company in connection with a merger transaction. On June 30, 1996, the Company changed its name to AmerUs Life Insurance Company. On November 1, 2007, the company changed its name to Aviva Life and Annuity Company.

ALAC is a direct, wholly owned subsidiary of Aviva USA Corporation, an Iowa corporation, which in turn is an indirect, wholly owned subsidiary of Aviva plc, a public limited company incorporated under the laws of England and Wales. Aviva plc is the ultimate holding company of ALAC and had consolidated assets of £319.7 billion as of December 31, 2007.

IL Annuity and Insurance Company, the initial depositor of the separate account, merged with and into its parent company, ILICO, pursuant to the state laws of Indiana and Kansas on June 30, 2003. ILICO merged with and into its affiliate, ALAC, pursuant to the state laws of Iowa and Indiana on September 30, 2008.

ALAC's primary business is the marketing, underwriting and issuance of individual policies of life insurance and annuities and the subsequent servicing of those policies and annuities. ALAC markets those policies through independent agents and is licensed to do business in the District of Columbia and all states except New York.

ALAC is obligated to pay all benefits under the Contract.

ALAC Separate Account 1

ALAC Separate Account 1 (initially known as IL Annuity and Insurance Co. Separate Account 1) was formed as a separate account under Massachusetts' insurance law on November 1, 1994. When IL Annuity and Insurance Co. redomesticated to Kansas on December 29, 2000, the separate account became subject to the laws of the State of Kansas. On June 30, 2003, in connection with the merger of IL Annuity and Insurance Company with and into ILICO, IL Annuity and Insurance Co. Separate Account 1 changed its name to ILICO Separate Account 1 and became subject to the laws of the State of Indiana. On September 30, 2008, in connection with the merger of ILICO with and into ALAC, ILICO Separate Account 1 changed its name to ALAC Separate Account 1 and became subject to the laws of the State of Iowa.

The separate account will receive and invest net premium payments made under the Contracts and under other variable annuity contracts issued by ALAC.

Although the assets in the separate account are our property, the portion of the assets in the separate account equal to the reserves and other contract liabilities of the separate account are not chargeable with the liabilities arising out of any other business that we may conduct and that has no specific relation to or dependence upon the separate account. The assets of the separate account are available to cover our general liabilities only to the extent that the separate account's assets exceed its liabilities arising under the Contracts and any other contracts supported by the separate account. We have the right to transfer to the general account any assets of the separate account that are in excess of reserves and other contract liabilities. All obligations arising under the Contracts are our general corporate obligations. Income, gains and losses, whether or not realized, from assets allocated to the separate account are credited to or charged against the separate account without regard to other income, gains or losses of any other separate account or of the Company.

The separate account is divided into variable accounts. Each variable account invests exclusively in shares of a single corresponding portfolio. The income, gains and losses, whether or not realized, from the assets allocated to each variable account are credited to or charged against that variable account without regard to income, gains or losses from any other variable account.

The separate account has been registered with the SEC as a unit investment trust under the Investment Company Act of 1940 (the "1940 Act") and meets the definition of a separate account under the federal securities laws. Registration with the SEC does not involve supervision of the management or investment practices or policies of the separate account, the funds or of us by the SEC.

the portfolios

Each variable account of the separate account invests exclusively in shares of a designated portfolio of a Fund. Shares of each portfolio are purchased and redeemed at net asset value, without a sales charge. Each Fund currently available under the Contract is registered with the SEC under the 1940 Act as an open-end, management investment company.

The assets of each portfolio of each Fund are separate from the assets of that Fund's other portfolios, and each portfolio has separate investment objectives and policies. As a result, each portfolio operates as a separate investment portfolio and the income or losses of one portfolio has no effect on the investment performance of any other portfolio.

Each of the Funds is managed by an investment adviser registered with the SEC under the Investment Advisers Act of 1940, as amended. Each investment adviser is responsible for the selection of portfolio investments. These investments must be consistent with the investment objective, policies and restrictions of that portfolio.

In addition, the investment objectives and policies of certain portfolios are similar to the investment objectives and policies of other portfolios that may be managed by the same investment adviser or manager. The investment results of the portfolios, however, may be higher or lower than the results of other such portfolios. We make no assurance, and no representation, that the investment results of any of the portfolios will be comparable to the investment results of any other portfolio, even if the other portfolio has the same investment adviser or manager.

An investment in a variable account, or in any portfolio, including the Money Market Portfolio, is not insured or guaranteed by the U.S. Government and there can be no assurance that the Money Market Portfolio will be able to maintain a stable net asset value per share. During extended periods of low interest rates and due to insurance charges, the yields of the Money Market variable account may also become extremely low and possibly negative.

We cannot guarantee that each portfolio will always be available for this Contract. Shares of each portfolio are purchased and redeemed at net asset value, without a sales charge.

Investment Objectives of the Portfolios

The investment objective of each portfolio is summarized below. **We give no assurance that any portfolio will achieve its stated objectives.** You can find more detailed information, including a description of risks, fees and expenses of each portfolio in the prospectuses for the Funds. For a copy of a current portfolio prospectus, please contact the Service Center. **Certain portfolios have similar investment objectives and/or policies. You should carefully read the prospectuses for the portfolios before you invest.**

Investment Objectives of the Portfolios

Portfolio	Investment Objective/Investment Adviser
The Alger American MidCap Growth Portfolio (Class O Shares)	Seeks long-term capital appreciation by investing at least 80% of its net assets in equity securities of companies with total market capitalization within the range of companies included in the Russell Midcap Growth Index or the S&P MidCap 400 Index (from $263 million to $42 billion, as of December 31, 2007). Investment adviser is Fred Alger Management, Inc.
The Alger American SmallCap Growth Portfolio (Class O Shares)	Seeks long-term capital appreciation by investing at least 80% of its net assets in equity securities of companies with total market capitalization within the range of companies included in the Russell 2000 Growth Index or the S&P SmallCap 600 Index (from $47 million to $8.3 billion, as of December 31, 2007). Investment adviser is Fred Alger Management, Inc.
Fidelity Variable Insurance Products Fund Asset Manager: Growth Portfolio (Initial Class)	Seeks to maximize total return by allocating its assets among stocks, bonds, short-term instruments, and other investments. Investment adviser is Fidelity Management & Research Company; subadvisers are Fidelity Investments Money Management, Inc., FMR Co., Inc., and Fidelity Research & Analysis Company.

Portfolio	Investment Objective/Investment Adviser
Fidelity Variable Insurance Products Contrafund® Portfolio (Initial Class)	Seeks long-term capital appreciation by investing primarily in "growth" and/or "value" common stocks. Investment adviser is Fidelity Management & Research Company; subadvisers are FMR Co., Inc. and Fidelity Research & Analysis Company.
Fidelity Variable Insurance Products Equity-Income Portfolio (Initial Class)	Seeks reasonable income and considers the potential for capital appreciation. Investment adviser is Fidelity Management & Research Company; subadvisers are FMR Co., Inc. and Fidelity Research & Analysis Company.
Fidelity Variable Insurance Products Growth Portfolio (Initial Class)	Seeks to achieve capital appreciation. Investment adviser is Fidelity Management & Research Company; subadvisers are FMR Co., Inc. and Fidelity Research &Analysis Company.
Fidelity Variable Insurance Products Index 500 Portfolio (Initial Class)	Seeks investment results that correspond to the total return of common stocks publicly traded in the United States, as represented by the Standard & Poor's 500 Index. Investment adviser is Fidelity Management & Research Company; subadvisers are Geode and FMR Co., Inc.
Fidelity Variable Insurance Products Investment Grade Bond Portfolio (Initial Class)	Seeks as high a level of current income as is consistent with the preservation of capital by investing at least 80% of assets in investment-grade (i.e., medium and high quality) debt securities of all types and repurchase agreements for those securities. Investment adviser is Fidelity Management & Research Company; subadvisers are Fidelity Investments Money Management, Inc. and Fidelity Research & Analysis Company.
Fidelity Variable Insurance Products Money Market Portfolio (Initial Class)	Seeks as high a level of current income as is consistent with preservation of capital and liquidity. Investment adviser is Fidelity Management & Research Company; subadvisers are Fidelity Investments Money Management, Inc. and Fidelity Research & Analysis Company.
First Eagle Overseas Variable Fund	Seeks long-term capital growth by investing primarily in equities (including common and preferred stocks), warrants or other similar rights, and convertible securities issued by non-U.S. companies. Investment adviser is Arnhold & S. Bleichroeder Advisers, LLC.
Neuberger Berman Advisers Management Trust Mid-Cap Growth Portfolio (Class I)	Seeks growth of capital by investing at least 80% of its net assets, plus the amount of any borrowings for investment purposes, in common stocks of companies with total market capitalization within the range of companies included in the Russell Midcap® Index (from approximately $479 million to $42.1 billion, as of December 31, 2007). Investment adviser is Neuberger Berman Management, Inc.; subadviser is Neuberger Berman, LLC.
Neuberger Berman Advisers Management Trust Socially Responsive Portfolio (Class I)	Seeks long-term growth of capital by investing primarily in securities of companies that meet the Fund's financial criteria and social policy. Investment adviser is Neuberger Berman Management, Inc. The subadviser is Neuberger Berman, LLC.
PIMCO Variable Insurance Trust High Yield Portfolio (Administrative Class)	Seeks maximum total return, consistent with preservation of capital and prudent investment management by investing (under normal circumstances) at least 80% of its assets in a diversified portfolio of high yield securities ("junk bonds"); the remainder of the portfolio's assets may be invested in investment grade fixed income instruments. Investment adviser is Pacific Investment Management Company LLC ("PIMCO").

Portfolio	Investment Objective/Investment Adviser
PIMCO Variable Insurance Trust Real Return Portfolio (Administrative Class)	Seeks maximum real return, consistent with preservation of real capital and prudent investment management by investing (under normal circumstances) at least 80% of its net assets in inflation-indexed bonds of varying maturities issued by the U.S. and foreign governments, their agencies or instrumentalities and corporations. The portfolio invests primarily in investment grade securities, but may invest up to 10% of its total assets in high yield securities ("junk bonds"). Investment adviser is PIMCO.
PIMCO Variable Insurance Trust StocksPLUS Growth and Income Portfolio	Seeks total return which exceeds that of the S&P 500 by investing substantially of its assets in S&P 500 derivatives, backed by a portfolio of fixed income instruments. The portfolio may invest in common stocks, options, futures, options on futures and swaps. Investment adviser is PIMCO.
Pioneer Fund VCT Portfolio (Class I Shares)	Seeks reasonable income and capital growth by investing predominantly in equity securities, primarily of U.S. issuers; the portfolio may invest up to 20% of its total assets in equity and debt securities of non-U.S. issuers. Investment adviser is Pioneer Investment Management, Inc.
Pioneer Variable Contracts Trust Growth Opportunities Portfolio (Class I Shares)	Seeks growth of capital by investing primarily in equity securities of companies that the portfolio's investment adviser considers to be reasonably priced or undervalued, with above average growth potential. Investment adviser is Pioneer Investment Management, Inc.
Premier VIT OpCap Managed Portfolio	Seeks growth of capital over time by investing in common stocks, bonds, and cash equivalents. Investment adviser is OpCap Advisors LLC; subadviser is Oppenheimer Capital LLC.
Premier VIT NACM Small Cap Portfolio (formerly OpCap Small Cap Portfolio)	Seeks capital appreciation through a diversified portfolio consisting primarily of securities of smaller market capitalization companies at the time of purchase. Investment adviser is OpCap Advisors LLC; subadviser is Nicholas-Applegate Capital Management LLC.
Royce Capital Fund Micro-Cap Portfolio	Seeks long-term growth of capital by investing primarily in equity securities of companies with market capitalizations up to $500 million. Investment adviser is Royce & Associates, LLC.
T. Rowe Price Fixed Income Series Limited-Term Bond Portfolio	Seeks a high level of income consistent with moderate fluctuations in principal value. The Portfolio invests up to 80% of its net assets in bonds, and may invest up to 10% of its assets in below investment-grade securities (commonly referred to as "junk bonds"). Investment adviser is T. Rowe Price Associates, Inc.
T. Rowe Price International Series International Stock Portfolio	Seeks long-term capital growth through investments primarily in the common stocks of established, non-U.S. companies. Investment adviser is T. Rowe Price International, Inc.
Van Eck Worldwide Insurance Trust Worldwide Hard Assets Fund (Initial Class Shares)	Seeks long-term capital appreciation by investing primarily in "hard asset" securities. Investment adviser is Van Eck Associates Corporation.

Availability of the Funds

We cannot guarantee that each portfolio will always be available for investment through the Contracts.

We reserve the right, subject to compliance with applicable laws and regulations, to add new portfolios or portfolio classes, close existing portfolios or portfolio classes to allocations of new premiums or contract value by existing owners or new Contract Owners at any time, or substitute portfolio shares that are held by any variable account for shares of a different portfolio. We will not substitute any shares without notice and prior approval of the SEC and state insurance authorities, to the extent required by the 1940 Act or other applicable law. New or substitute portfolios may have different fees and expenses and their availability may be limited to certain classes of purchasers. The Funds, which sell their shares to the variable accounts pursuant to participation agreements, also may discontinue offering their shares to the variable accounts.

We also reserve the right in our sole discretion to establish additional variable accounts, or eliminate or combine one or more variable accounts, if marketing needs, tax considerations or investment conditions warrant. We will determine if new or substituted variable accounts will be available to existing contract owners. Subject to obtaining any approvals or consents required by law, we may transfer the assets of one or more variable accounts to any other variable account if, in our sole discretion, marketing, tax, or investment conditions warrant. For additional information regarding substitutions of investments and resolving conflicts among Funds, call the Service Center for a free copy of the SAI.

the pay-in period

The pay-in period begins when your first premium payment is made and continues until you begin to receive annuity payments on the Annuity Start Date. The pay-in period will also end if you fully withdraw all of your contract value before the Annuity Start Date.

Purchasing a Contract

Notwithstanding anything to the contrary in this prospectus, the Contract is no longer offered for sale. However, ALAC continues to accept new premiums on, and process transactions for, existing Contracts.

Premium Payments

Premium payments generally must be at least $1,000 ($50 for IRAs). You may make premium payments at any time until the earliest of: (a) the Annuity Start Date; (b) the date you fully withdraw all contract value; or (c) the date you reach age 85 (age 70½ for traditional IRAs), although we may grant exceptions.

In any one contract year, we will not accept premium payments that total more than two times your first premium payment. We will not accept total premium payments in excess of $250,000. However, we reserve the right to waive these limitations.

Under the Automatic Premium Payment Plan, you may select a monthly payment schedule under which we will automatically deduct premium payments from a bank or credit union account or other source. The minimum amount of such payment is $1,000 per month.

Cancellation — the Free-Look Period

You have the right to cancel the Contract for any reason within 10 days after you receive it (or within 20 days of receipt if the Contract is replacing another annuity contract or insurance policy). In some jurisdictions, this period may be longer than 10 days. To cancel the Contract, you must send a written or faxed request for cancellation and the returned Contract to the Service Center before the end of the free-look period. You may fax your request and Contract to 1-800-334-2023.

The amount that we will refund to you will vary according to state requirements. In most states, we will refund to you an amount equal to the sum of:

- the difference between the premium payments you paid and the amounts you allocated to the variable accounts and the fixed account under the Contract; **and**
- the contract value as of the date we receive the Contract and the written or faxed request for cancellation at the Service Center.

You bear the investment risk for net premium payments allocated to the variable accounts during the free-look period.

A few states require us to return premium payments upon cancellation. If state law requires that premium payments be returned, we will refund to you the greater of:

- the premium payments you paid under the Contract; **and**
- the contract value (without the deduction of a withdrawal charge) on the date we receive your Contract and your written or faxed request for cancellation at our Service Center, plus any premium taxes we deducted.

In those states where we must return premium payments, we will place the money you allocated to a variable account into the Money Market variable account for a 15-day period following the date of issue. At the end of that period, we will direct the amount in the Money Market variable account to the variable accounts you selected on your application based on the allocation percentages you specified.

We will pay you a refund within 7 days after we receive your written or faxed request and the Contract at the Service Center.

Once we issue your refund, your Contract will be void and cannot be reinstated.

Tax-Free "Section 1035" Exchanges

You can generally exchange one annuity contract for another in a 'tax-free exchange' under Section 1035 of the Internal Revenue Code. Before making an exchange, you should compare both contracts carefully. Remember that if you exchange another contract for the one described in this prospectus, you might have to pay a surrender or withdrawal charge. If the exchange does not qualify for Section 1035 tax treatment, you may have to pay federal income tax, including a possible penalty tax, on your old contract. There will be a new withdrawal charge period for this Contract and other charges may be higher (or lower) and the benefits may be different. You should not exchange another contract for this one unless you determine, after knowing all the facts, that the exchange is in your best interest and not just better for the person trying to sell you this Contract (that person will generally earn a commission if you buy this contract through an exchange or otherwise).

Designating Your Investment Options

When you fill out your application, you will give us instructions on how to allocate your first net premium payment among the twenty-three variable accounts and the fixed account. The amount you direct to a particular variable account and/or to the fixed account must equal at least 1% of the premium payment.

Once we receive your premium payment and your completed application at the Service Center, we will issue your Contract and direct your first net premium payment within two (2) business days to the variable accounts and/or the fixed account in accordance with your instructions, subject to the limitations set forth above under "Cancellation — The Free Look Period."

If you did not give us all the information we need, we will contact you. If we cannot complete the application within 5 business days, we will either send back your money immediately or obtain your permission to keep your money until we receive all the necessary information. Once the application is complete, we will direct your first net premium payment to the variable accounts and/or the fixed account according to your instructions within 2 business days, subject to the free look provisions.

We will credit any additional net premium payments you make to your Contract at the accumulation unit value computed at the end of the business day on which we receive them at our Service Center. Our business day closes when the New York Stock Exchange closes, usually at 3:00 p.m. Central Time. If we receive your premium payments after the close of our business day, we will calculate and credit them the next business day. We will direct your net premium payment to the variable accounts and/or the fixed account according to your instructions in effect at the time we receive it. However, you may direct individual premium payments to a specific variable account and/or to the fixed account without changing your instructions. You may change your instructions directing your investments at any time by sending us a written request or by telephone authorization. Changing your instructions will not change the way existing contract value is apportioned among the variable accounts or the fixed account.

The contract value you direct to a variable account will vary with the investment experience of that variable account. You bear the entire investment risk for amounts you allocate to the variable accounts. You should periodically review your premium payment allocation instructions in light of market conditions and your overall financial objectives.

Choosing the Owners, Annuitants and Beneficiaries

You are the annuitant, unless you state otherwise in the application. In certain cases, you may choose joint annuitants. Unless we permit otherwise, you may not change the annuitant(s) you name in the application without first transferring ownership of the Contract.

Naming different persons as owner and annuitant can affect the amount of the death benefit, whether an annuity payment is due, the amount of the annuity payment, and the recipient of the annuity payment. Use care when naming owners, annuitants and beneficiaries. If you have any questions concerning the criteria you should use when choosing the owners, annuitants and beneficiaries, consult your registered representative.

your contract value

Separate Account Value

Your separate account value will reflect the investment experience of variable accounts you select, any net premium payments paid, any full withdrawals or partial withdrawals, any transfers you made, and any charges assessed in connection with the Contract. We do not guarantee a minimum separate account value. A Contract's separate account value depends upon a number of variables, therefore it cannot be predetermined.

Calculating Separate Account Value

Your separate account value is determined at the end of each business day. The value will be the total of your Contract's value in each of the variable accounts. We determine your Contract's value in each variable account by multiplying that variable account's unit value for the relevant valuation period by the number of accumulation units of that variable account allocated to the Contract.

Number Of Accumulation Units

At the end of each business day, any amounts you allocate or transfer to the variable accounts will be converted into variable account accumulation units. We determine the number of accumulation units to be credited to your Contract by dividing the dollar amount being allocated or transferred to a variable account by the accumulation unit value for that variable account at the end of the business day during which the amount was allocated or transferred. The number of accumulation units in any variable account will be increased at the end of the business day by any net premium payments allocated to the variable account during the current business day and by any amounts transferred to the variable account from another variable account or from the fixed account during the current business day.

Any amounts transferred, withdrawn or deducted from a variable account will be processed by redeeming accumulation units. The number of accumulation units to be redeemed is determined by dividing the dollar amount being removed from a variable account by the accumulation unit value for that variable account at the end of the business day during which the amount was removed. The number of accumulation units in any variable account will be decreased at the end of the business day by:

- any amounts transferred (including any applicable transfer fee) from that variable account to another variable account or to the fixed account;
- any amounts withdrawn;
- any withdrawal charge or premium tax assessed upon a partial or full withdrawal; and
- the quarterly contract fees if assessed on that business day.

Accumulation Unit Value

The accumulation unit value for each variable account's first business day was set at $10. The accumulation unit value for a variable account is calculated for each subsequent business day by multiplying the accumulation unit value at the end of the immediately preceding business day by the Net Investment Factor for the business day for which the value is being determined. The Net Investment Factor reflects the separate account charges for the Contract that are assessed on a daily basis against the assets in each variable account.

You may obtain the formula for computing the Net Investment Factor by calling the Service Center and requesting a free copy of the SAI.

transfers between investment options

General

Before the Annuity Start Date and subject to the restrictions described below, you may transfer all or part of your contract value in a variable account or the fixed account to another variable account or the fixed account.

If you transfer money out of an Eligible Variable Account, you will reduce the value of Living Benefit guarantee. **It is important that you read the section on "Living Benefit" before you make a transfer if you have selected the living benefit option.**

Transfers to the fixed account must be at least $1,000. Before the Annuity Start Date, you may transfer up to 20% of the fixed account value (as determined at the beginning of the contract year) from the fixed account to one or more of the variable accounts in any contract year. We measure a contract year from the anniversary of the day we issued your Contract. We do not charge a transfer fee for transfers from the fixed account to one or more variable accounts and such a transfer is not considered a transfer for purposes of assessing a transfer charge.

We will make transfers as of the business day on which we receive your written or faxed request or telephone authorization to transfer, provided we receive it at our Service Center before the close of our business day, usually 3:00 p.m. Central Time. The transfer will be processed based on the accumulation unit value determined at the end of the business day on which we receive your completed order. If we receive your request after the close of our business day, we will make the transfer as of the next business day. There currently is no limit on the number of transfers that you can make before the Annuity Start Date among or between variable accounts or to the fixed account.

We reserve the right to modify, restrict, suspend or eliminate the transfer privileges (including the telephone transfer facility) at any time, for any class of Contracts, for any reason. In particular, we reserve the right not to honor transfers requested by a third party holding a power of attorney from you where that third party requests simultaneous transfers on your behalf for two or more Contracts.

Excessive Trading Limits

This Contract is not designed for use by organizations or individuals engaged in market timing or for use by investors who make frequent transfers, programmed transfers, transfers into and then out of a variable account in a short period of time, or transfers of large amounts at one time ("Disruptive Trading").

Market timing and other kinds of Disruptive Trading can increase your investment risks and have harmful effects for you, for other Contract Owners, for the Fund portfolios, and for other persons who have material rights under the Contracts, such as insureds and beneficiaries. These risks and harmful effects include:

- dilution of the interests of long-term investors in a variable account if market timers manage to transfer into a Fund portfolio at prices that are below the true value or to transfer out of the Fund portfolio at prices that are above the true value of the Fund portfolio's investments (some market timers attempt to do this through methods known as "time-zone arbitrage" and "liquidity arbitrage");
- reduced investment performance due to adverse effects on portfolio management by:
    - o impeding a portfolio manager's ability to sustain an investment objective;
    - o causing the Fund portfolio to maintain a higher level of cash than would otherwise be the case;
    - o causing a Fund portfolio to liquidate investments prematurely (or otherwise at an inopportune time) in order to pay withdrawals or transfers out of the Fund portfolio; and
- increased costs to you in the form of increased brokerage and administrative expenses. These costs are borne by *all* Contract Owners invested in those variable accounts, not just those making the transfers.

Policy Against Disruptive Trading. We have adopted policies and procedures that are intended to detect and deter market timing and other forms of Disruptive Trading (which may vary for certain variable accounts at the request of the Fund portfolios). We do not make special arrangements or grant exceptions or waivers to accommodate any persons or class of persons with regard to these policies and procedures. ***Do not invest with us if you intend to conduct market timing or potentially Disruptive Trading.***

For these purposes, we do not include transfers made pursuant to Dollar Cost Averaging or Automatic Account Balancing.

Detection. We monitor the transfer activities of owners, or intermediaries acting on their behalf, in order to detect market timing and other forms of Disruptive Trading activity. However, despite our monitoring we may not be able to detect or halt all Disruptive Trading activity. Our ability to detect Disruptive Trading, and to consistently apply our procedures to deter Disruptive Trading, may be limited by operational or technological systems, as well as by our ability to predict strategies employed by market timers to avoid detection. As a result, despite our efforts, there is no assurance that we will be able to identify and curtail all Disruptive Trading by such Contract Owners or intermediaries acting on their behalf.

In addition, because other insurance companies (and retirement plans) with different market timing policies and procedures may invest in the Fund portfolios, we cannot guarantee that all harmful trading will be detected or that a Fund portfolio will not suffer harm from Disruptive Trading in the variable accounts of variable products issued by these other insurance companies (or retirement plans) that invest in the Fund portfolios.

As a result, to the extent we are not able to detect Disruptive Trading activity, or other insurance companies (or retirement plans) fail to detect such activity, it is possible that a market timer may be able to engage in Disruptive Trading transactions that may interfere with Fund portfolio management and cause you to experience detrimental effects such as increased costs, lower performance and a dilution of your interest in a Fund portfolio.

Deterrence. We impose limits on transfer activity within the Contract in order to deter Disruptive Trading.

We reserve the right to restrict transfers if we determine, in our sole opinion, that you are engaging in a pattern of transfers that may disadvantage Contract Owners. In making this determination, we will consider, among other things:

- the total dollar amount being transferred;
- the number of transfers you make over a period of time;
- whether your transfers follow a pattern designed to take advantage of short term market fluctuations, particularly within certain Fund portfolios;
- whether your transfers are part of a group of transfers made by a third party on behalf of individual Contract Owners in the group; and
- the investment objectives and/or size of the Fund portfolio.

We also reserve the right to reverse a potentially harmful transfer if a Fund portfolio refuses or reverses our order; in such instances, some Contract Owners may be treated differently than others in that some transfers will be reversed and others allowed.

We reserve the right to restrict transfers by any firm or any other third party authorized to initiate transfers on behalf of one or more Contract Owners if we determine such third party trader is engaging in a pattern of transfers that may disadvantage Contract Owners. In making this determination, we may, among other things:

- reject the transfer instructions of any agent acting under a power of attorney on behalf of one or more Contract Owners, or
- reject the transfer or exchange instructions of individual Contract Owners who have executed transfer forms which are submitted by market timing firms or other third parties acting on behalf of one or more Contract Owners.

We will notify affected Contract Owners before we limit transfers, modify transfer procedures or refuse to complete a transfer. Transfers made pursuant to participation in a dollar cost averaging, portfolio rebalancing, earnings sweep or asset allocation program are not subject to these disruptive trading procedures. See the sections of the Prospectus describing those programs for the rules of each program.

In addition to our internal policies and procedures, we will administer your variable annuity to comply with any applicable state, federal, and other regulatory requirements concerning transfers. To the extent permitted by law, we also reserve the right to defer the transfer privilege at any time that we are unable to purchase or redeem shares of any of the Fund portfolios.

Under our current policies and procedures, we do not impose redemption fees on transfers.

Redemption fees, other transfer limits, and other procedures or restrictions may be more or less successful than ours in deterring market timing or other forms of Disruptive Trading and in preventing or limiting harm from such trading.

In the absence of a defensive transfer restriction (e.g., expressly limiting the number of trades within a given period or the size of trades), it is likely that some level of market timing and disruptive trading will occur before it is detected and steps are taken to deter it (although some level of market timing and disruptive trading can occur with a defensive transfer restriction). We do not impose defensive transfer restrictions and, therefore, it is likely that some level of Disruptive Trading will occur before we are able to detect it and take steps in an attempt to deter it.

We may revise our policies and procedures in our sole discretion at any time and without prior notice, as we deem necessary or appropriate (1) to better detect and deter market timing or other Disruptive Trading if we discover that our current procedures do not adequately curtail such activity, (2) to comply with state or federal regulatory requirements, or (3) to impose additional or alternative restrictions on owners engaging in frequent transfer activity among the Fund portfolios under the Contract. The actions we take will be based on policies and procedures that we apply uniformly to all Contract Owners.

Fund Portfolio Frequent Trading Policies. The Fund portfolios may have adopted their own policies and procedures with respect to frequent purchases and redemptions of their respective shares. The prospectuses for the Fund portfolios describe any such policies and procedures. The frequent trading policies and procedures of one Fund portfolio may be different, and more or less restrictive, than the frequent trading policies and procedures of another Fund portfolio and the policies and procedures we have adopted for the Contract to discourage market timing and other programmed, large, frequent, or short-term transfers. You should be aware that we may not have the contractual ability or the operational capacity to monitor Contract Owners' transfer requests and apply the frequent trading policies and procedures of the respective Fund portfolios that would be affected by the transfers. Accordingly, Contract Owners and other persons with material rights under our variable annuities should assume that any protection that they may have against potential harm from Disruptive Trading is the protection, if any, provided by the policies and procedures we have adopted for our variable annuities to discourage market timing.

You also should be aware that, as required by SEC regulation, we have entered into a written agreement with each Fund or principal underwriter that obligates us to provide the Fund, upon written request, with information about you and your trading activities in the Fund's portfolios. In addition, we are obligated to execute instructions from the Funds that may require us to restrict or prohibit your investment in a specific portfolio if the Fund identifies you as violating the frequent trading policies that the Fund has established for that portfolio.

Omnibus Order. Contract Owners and other persons with material rights under the variable annuities also should be aware that the purchase and redemption orders received by the Fund portfolios generally are "omnibus" orders from intermediaries such as retirement plans and separate accounts funding variable insurance products. The omnibus orders reflect the aggregation and netting of multiple orders from individual retirement plan participants and individual owners of variable insurance products. The omnibus nature of these orders may limit the ability of the Fund portfolios to apply their respective Disruptive Trading policies and procedures. We cannot guarantee that the Fund portfolios will not be harmed by transfer activity relating to the retirement plans or other insurance companies that may invest in the Fund portfolios. These other insurance companies are responsible for their own policies and procedures regarding frequent transfer activity. If their policies and procedures fail to successfully discourage harmful transfer activity, it will affect other owners of Fund portfolio shares, as well as the owners of all of the variably annuity or variable life insurance contracts, including ours, whose variable investment options correspond to the affected Fund portfolios. In addition, if a Fund portfolio believes that an omnibus order we submit may reflect one or more transfer requests from Contract Owners engaged in Disruptive Trading, the Fund portfolio may reject the entire omnibus order and thereby delay or prevent us from implementing your request.

Transfer Fee

We will impose a transfer fee of $25 for the thirteenth and each subsequent transfer request you make per contract year from and among the variable accounts. We do not charge a transfer fee for transfers from the fixed account to one or more variable accounts and such a transfer is not considered a transfer for purposes of assessing a transfer charge. See "Fees and Charges."

contract owner services

Dollar Cost Averaging

The Dollar Cost Averaging ("DCA") program permits you to systematically transfer (on a monthly or quarterly basis) a set dollar amount from one or more variable accounts or the fixed account to any other variable accounts. The fixed dollar amount will purchase more accumulation units of a variable account when their value is lower and fewer units when their value is higher. Over time, the cost per unit may average out to be less than if all purchases of units had been made at the highest value and greater than if all purchases had been made at the lowest value. The DCA method of investment reduces the risk of making purchases only when the price of accumulation units is high. It does not assure a profit or protect against a loss in declining markets.

You may elect to participate in the DCA program at any time before the Annuity Start Date, by sending us a written request. To use the DCA program, you must transfer at least $100 to each variable account. Once you elect the program, it remains in effect for the life of the Contract until the value of the variable account from which transfers are being made is depleted, and/or the value of the fixed account is expended, or until you cancel the program by written request or by telephone request if we have your telephone authorization on file. There is no additional charge for DCA, and a transfer under this program is not considered a transfer for purposes of assessing a transfer change. We reserve the right to discontinue offering the DCA program at any time and for any reason.

DCA from an Eligible Variable Account will reduce the value of the Eligible Premium Payment on which the Living Benefit is based.

Enhanced Dollar Cost Averaging

When you purchase your Contract, you may choose an Enhanced Dollar Cost Averaging ("Enhanced

DCA") program. This program allows you to place all or a portion of your Initial Net Premium Payment in the fixed account for a 6-month period of time. During that time, you will earn a higher rate of interest on the diminishing balance of assets remaining in the Enhanced DCA account than is currently credited to the standard fixed account. Transfers will occur each month over the six month period with the final transfer including all amounts remaining in the fixed account.

Premium payments over $250,000 will require our approval. Enhanced DCA transfers may only be made into the variable accounts you select. You must choose a fixed dollar amount of at least $100 to be transferred from the fixed account each month.

We will process transfers under the Enhanced DCA program until either the amounts in the Enhanced DCA account are exhausted, or you instruct us to stop transfers by sending a written or faxed request to the Service Center, or by telephone request (if we have your telephone authorization on file). If you stop transfers under this program, you will no longer receive the higher Enhanced DCA interest rate. Unless you instruct us otherwise, when we receive your written notice to discontinue transfers under the Enhanced DCA program, we will automatically transfer the amount remaining under the Enhanced DCA program to the standard fixed account. If you cancel your Contract during the free-look period, we will credit the standard fixed account rate to any amounts you allocated to the Enhanced DCA program.

Transfers under the Enhanced DCA program do not count towards the 12 transfers we allow each contract year without charge.

Amounts you allocate to the Enhanced DCA program will not be included in the Living Benefit guarantee.

Interest Sweep

Before the Annuity Start Date, you may elect to have any interest credited to the fixed account automatically transferred on a quarterly basis to one or more variable accounts. There is no charge for interest sweep transfers and an interest sweep transfer is not considered a transfer for purposes of assessing a transfer charge. Amounts transferred out of the fixed account due to an interest sweep transfer are counted toward the 20% of fixed account value that may be transferred out of the fixed account during any contract year. We reserve the right to discontinue offering the Interest Sweep program at any time and for any reason.

Automatic Account Balancing

Once your money has been allocated among the variable accounts, the performance of each variable account may cause your allocation to shift. You may instruct us to automatically rebalance your variable account values (on a monthly or quarterly basis) to return to the percentages specified in your allocation instructions. You may elect to participate in the Automatic Account Balancing program when you complete your application or at any other time before the Annuity Start Date by sending us a written request. Your percentage allocations must be in whole percentages and be at least 1% per allocation. You may start and stop Automatic Account Balancing at any time by sending us a written request or by telephone request, if we have your telephone authorization on file. There is no additional charge for using Automatic Account Balancing, and an Automatic Account Balancing transfer is not considered a transfer for purposes of assessing a transfer charge. We reserve the right to discontinue offering the Automatic Account Balancing program at any time and for any reason.

Automatic Account Balancing from an Eligible Variable Account will reduce the value of the Eligible Premium Payment on which the Living Benefit is based.

access to your money

Contract owners may withdraw some or all of their contract value before the earlier of the Annuity Start Date or the last surviving annuitant's death. We must receive, by mail or facsimile at our Service Center, a properly completed withdrawal request that contains your original signature.

If you live in a community property state, your spouse must also sign the withdrawal request.

You may have to pay federal income taxes on any money you withdraw. If you take a withdrawal before age 59½, a federal penalty tax may apply. Access to amounts in Qualified Contracts may be restricted or prohibited.

We will pay any amounts withdrawn from the variable accounts within 7 days. However, we may suspend or postpone payment under the conditions specified below. See "Payments."

Full Withdrawals

At any time before the Annuity Start Date, you may withdraw fully from the Contract for its surrender value.

When you request a full withdrawal, your Contract must accompany your written request. Withdrawal proceeds are sent to the address of record. We will not accept faxed requests for full withdrawals.

The surrender value is equal to:

- the contract value; **minus**
- any applicable withdrawal charges; **minus**
- any premium taxes not previously deducted; and **minus**
- the quarterly contract fee unless waived.

For Qualified Contracts, any outstanding loan balance is also deducted.

The value you receive upon full withdrawal from the Contract may be more or less than the total of all premium payments made to the Contract.

The surrender value will be determined as of the business day on which we receive your written request for a full withdrawal, plus your Contract, at our Service Center provided we receive them before the close of our business day, usually 3:00 p.m. Central Time. If we receive them after the close of our business day, we will determine the surrender value as of the next business day. The surrender value will be paid in a lump sum unless you request payment under a payout plan. A full withdrawal may have adverse federal income tax consequences, including a penalty tax. See "Federal Tax Matters."

Partial Withdrawals

At any time before the Annuity Start Date, you may send a written request to us to withdraw part of your contract value. You must withdraw at least $250.

We will accept faxed requests for partial withdrawals, provided the requests are received at 1-800-334-2023, and the withdrawal proceeds are being sent to the address of record.

We will withdraw the amount you request from the contract value as of the business day on which we receive your written request for the partial withdrawal at our Service Center, provided we receive it before the close of our business day, usually 3:00 p.m. Central Time. If we receive your request after the close of our business day, we will make the withdrawal as of the next business day. We will then reduce the amount remaining in the Contract by any applicable withdrawal charge. Your contract value after a partial withdrawal must be at least $1,000. If your contract value after a partial withdrawal is less than $1,000, we reserve the right to pay you the surrender value in a lump sum.

You may specify how much you wish to withdraw from each variable account and/or the fixed account. If you do not specify, or if you do not have sufficient assets in the variable accounts or fixed account you specified to comply with your request, we will make the partial withdrawal on a pro rata basis from the fixed account and those variable accounts in which you are invested. We will base the pro rata reduction on the ratio that the value in each variable account and the fixed account has to the entire contract value before the partial withdrawal.

If you withdraw money from an Eligible Variable Account, you will reduce the value of the Eligible Premium Payment on which your Living Benefit is based. **It is important that you read the section on "Living Benefit" before you make a withdrawal if you have selected the Living Benefit option.**

Income taxes, tax penalties and certain restrictions may apply to any withdrawal you make. See "Federal Tax Matters."

Systematic Withdrawal

The Systematic Withdrawal program provides an automatic monthly or quarterly payment to you from the amounts you have accumulated in the variable accounts and/or the fixed account. The minimum amount you may withdraw is $100. The maximum amount that may be transferred and withdrawn out of the fixed account in any contract year (transfers, systematic withdrawals and partial withdrawals) is 20% of the fixed account value as determined at the beginning of the contract year. To use the program, you must maintain a $1,000 balance in your Contract. You may elect to participate in the Systematic Withdrawal program at any time before the Annuity Start Date by sending a written request to our Service Center. Once you elect the program, it remains in effect unless the balance in your Contract drops below $1,000. You may cancel the program at any time by sending us a written request or by calling us by telephone if we have your telephone authorization on file.

We will assess a withdrawal charge on these withdrawals, unless the amount you withdraw under the Systematic Withdrawal program qualifies as a free withdrawal amount or unless withdrawal charges no longer apply to the amounts withdrawn. Withdrawals under the Systematic Withdrawal program are permitted a free withdrawal amount during the first contract year. You should check with the Service Center each month before a systematic withdrawal is taken to learn whether withdrawal charges would apply. We do not deduct any other charges for this program.

All systematic withdrawals will be paid to you on the same day each month, provided that day is a business day. If it is not, then payment will be made on the next business day. You can elect to receive payments only on the 1st through the 28th of the month. Systematic withdrawals may be taxable, subject to withholding, and subject to a 10% penalty tax. We reserve the right to discontinue offering the Systematic Withdrawal program at any time and for any reason.

Systematic withdrawals from an Eligible Variable Account will reduce the value of the Eligible Premium Payment on which the Living Benefit is based.

Full and Partial Withdrawal Restrictions

Your right to make full and partial withdrawals is subject to any restrictions imposed by any applicable law or employee benefit plan.

Restrictions on Distributions from Certain Types of Contracts

There are certain restrictions on full and partial withdrawals from Contracts used as funding vehicles for tax code section 403(b) retirement programs. Section 403(b)(11) of the tax code restricts the distribution under section 403(b) annuity contracts of: elective contributions made in years beginning after December 31, 1988, earnings on those contributions, and earnings in such years on amounts held as of the last year beginning before January 1, 1989.

Distributions of those amounts may only occur upon the death of the employee, attainment of age 59½, severance from employment, disability, or financial hardship. In addition, income attributable to elective contributions may not be distributed in the case of hardship.

contract loans

If your Contract is issued to you in connection with retirement programs meeting the requirements of section 403(b) of the tax code, other than those programs subject to Title I of the Employee Retirement Income Security Act of 1974, you may borrow from us using your Contract as collateral. Loans such as these are subject to the provisions of any applicable retirement program and to the tax code. You should, therefore, consult your tax and retirement plan advisers before taking a contract loan.

At any time prior to the year you reach age 70½, you may borrow the lesser of:

- the maximum loan amount permitted under the tax code; or
- 90% of the surrender value of your Contract less any existing loan amount, determined as of the date of the loan.

Loans that exceed the maximum amount permitted under the tax code will be treated as a taxable distribution rather than a loan. The minimum loan amount is $1,000. We will only make contract loans after approving your written application. You must obtain the written consent of all assignees and irrevocable beneficiaries before we will give a loan.

When a loan is made, we will transfer an amount equal to the amount borrowed from separate account value or fixed account value to the loan account. The loan account is part of our general account, and contract value in the loan account does not participate in the investment experience of any variable account or fixed account. You must indicate in the loan application from which variable accounts or fixed account, and in what amounts, contract value is to be transferred to the loan account. In the absence of any such instructions from you, the transfer(s) are made pro rata on a last-in, first-out ("LIFO") basis from all variable accounts having separate account value and from the fixed account. You may repay the loans at any time before the Annuity Start Date. Upon the repayment of any portion of a loan, we will transfer an amount equal to the repayment from the loan account to the variable account(s) or fixed account as designated by you or according to your current premium payment allocation instructions.

We charge interest on contract loans at an effective annual rate of 6.0%. We pay interest on the contract value in the loan account at rates we determine from time to time but never less than an effective annual rate of 3.0%. Consequently, the net cost of a loan is the difference between 6.0% and the rate being paid from time to time on the contract value in the loan account. We may declare from time to time higher current interest rates. Different current interest rates may be applied to the loan account than the rest of the fixed account. If not repaid, loans will automatically reduce the amount of any death benefit, the amount payable upon a partial or full withdrawal of contract value and the amount applied on the Annuity Start Date to provide annuity payments.

In addition, in order to comply with the requirements of the tax code, loans must be repaid in substantially equal installments, at least quarterly, over a period of no longer than five years (which can be longer for certain home loans). If these requirements are not satisfied, or if the Contract terminates while a loan is outstanding, the loan balance will be treated as a taxable distribution and may be subject to penalty tax. Additionally, the treatment of the Contract under section 403(b) of the tax code may be adversely affected.

Any loan amount outstanding at the time of your death or the death of the annuitant is deducted from any death benefit paid. In addition, a contract loan, whether or not repaid, will have a permanent effect on the contract value because the investment experience of the separate account and the interest rates applicable to the fixed account do not apply to the portion of contract value transferred to the loan account. The longer the loan remains outstanding, the greater this effect is likely to be.

Default of Contract

In the event that the loan amount approaches the surrender value of the contract, the Service Center will send you a notice requesting a response within 14 days. We will not terminate your contract if we do not receive a response from you. However, if at any time, the loan amount of a Contract exceeds the surrender value, the Contract will be in default. In this event, we will send you a written notice of default stating the amount of loan repayment needed to reinstate the Contract, stating that the IRS has been notified and that you should consult a tax adviser. You will have 60 days, from the day the notice is mailed, to pay the stated amount. If we do not receive the required loan repayment within 60 days, we will terminate the Contract without value.

death benefits

Death Benefits Before the Annuity Start Date

Basic Death Benefit

The beneficiary will receive a death benefit if the last surviving annuitant dies before the Annuity Start Date. If you do not choose the enhanced death benefit option, the basic death benefit will be equal to the greater of:

- the sum of all premium payments made under the Contract, **less** partial withdrawals, as of the date we receive due proof of the deceased's death and payment instructions; or
- the contract value as of the date we receive due proof of the deceased's death and payment instructions.

In determining the death benefit, we will also subtract any applicable premium taxes not previously deducted.

Enhanced Death Benefit

You may select the enhanced death benefit option only when you purchase your Contract. The enhanced death benefit amount is initially set on the first Death Benefit Anniversary and equals the greater of: (a) the sum of premium payments, **minus** partial withdrawals; or (b) contract value, on that date. The minimum amount of the enhanced death benefit will be reset on each Death Benefit Anniversary (that is, every third contract anniversary) if the contract value on such Death Benefit Anniversary is greater than the contract value on any previous Death Benefit Anniversary. Once reset, this value will never decrease unless partial withdrawals are made.

The enhanced death benefit will equal the greater of:

- the contract value as of the date we receive due proof of the annuitant's death and payment instructions (which is the date we determine the death benefit); or
- the highest contract value as of any Death Benefit Anniversary preceding the date the enhanced death benefit is determined, plus any premium payments, and minus any withdrawals and charges incurred between such Death Benefit Anniversary and the date the enhanced death benefit is determined.

In determining the enhanced death benefit, we will also subtract any applicable premium taxes not previously deducted.

The enhanced death benefit expires at the annuitant's age 75. After that time, the enhanced death benefit is equal to the basic death benefit.

Loans

If the Contract is a Qualified Contract, we will also deduct any outstanding loan amount on the date the death benefit is paid from the death benefit.

Distribution Upon the Contract Owner's Death

If you own the Contract with another person, and one of you dies before the Annuity Start Date, the survivor becomes the sole beneficiary regardless of your designation. If there is no surviving contract owner, your named beneficiary will become the contract owner upon your death. (You may name primary and contingent beneficiaries.) If you have named two or more primary beneficiaries, they will share equally in the death benefit (described below) unless you have specified otherwise. If there are no living primary beneficiaries at the time of your death, payments will be made to those contingent beneficiaries who are living when payment of the death benefit is due. If all the beneficiaries have predeceased you, we will pay the death benefit to your estate. If you or a joint owner who is the annuitant dies before the Annuity Start Date, then the provisions relating to the death of an annuitant (described below) will apply.

If you are not the annuitant and you die before the annuitant and before the Annuity Start Date, then the following options are available to your beneficiary:

1. the beneficiary may elect to receive the contract value, **less** any premium taxes not yet deducted, in a single sum within 5 years of the deceased owner's death; or
2. such beneficiary may elect to receive the contract value paid out under one of the approved payout plans, provided that distributions begin within one year of the deceased owner's death and the distribution period under the payout plan is for the life of, or for a period not exceeding the life expectancy of, the beneficiary.

If the beneficiary does not elect one of the above plans, we will pay the contract value, **less** any premium taxes not yet deducted, within five years from the date of the deceased owner's death.

However, if the sole beneficiary is the spouse of the deceased owner, the spouse may elect to continue the Contract as the new owner.

Under any of the distribution plans in this section, the beneficiary may exercise all ownership rights and privileges from the date of the deceased owner's death until the date that the contract value is paid. Similar rules apply to Qualified Contracts.

The above distribution requirements will apply only upon the death of the first joint owner.

Distribution Upon the Death of the Last Surviving Annuitant

If the last surviving annuitant (including an owner who is the annuitant) dies before the Annuity Start Date, we will pay the death benefit, described above in "Death Benefits Before the Annuity Start Date", in a lump sum to your named beneficiaries within five years after the date of the annuitant's death. If you have named two or more primary beneficiaries, they will share equally in the death benefit unless you have specified otherwise. If there are no living primary beneficiaries at the time of the last surviving annuitant's death, payments will be made to those contingent beneficiaries who are living when payment of the death benefit is due. If all the beneficiaries have predeceased the last surviving annuitant, we will pay the death benefit to you, if living, or the annuitant's estate. In lieu of a lump sum payment, the beneficiary may elect, within 60 days of the date we receive due proof of the annuitant's death, to apply the death benefit to a payout plan.

If you are also the annuitant and you die, the provisions described immediately above apply, except that the beneficiary may only apply the death benefit payment to a payout plan if:

- payments under the option begin within one (1) year of the annuitant's death; and
- payments under the option are payable over the beneficiary's life or over a period not greater than the beneficiary's life expectancy.

Death of Payee On or After the Annuity Start Date

If the payee dies on or after the Annuity Start Date, any joint payee becomes the sole payee. If there is no joint payee, the successor payee becomes the sole payee. If there is no successor payee, the remaining benefits are paid to the estate of the last surviving payee. The death of the payee on or after the Annuity Start Date will have the effect stated in the payout plan pursuant to which annuity payments are being made. If any contract owner dies on or after the Annuity Start Date, any payments that remain must be made at least as rapidly as under the payout plan in effect on the date of the contract owner's death.

the living benefit

The Living Benefit feature is not available if you purchased the Contract after December 31, 2001.

The Living Benefit guarantees that on the Contract's tenth anniversary, the minimum value in each Eligible Variable Account will be the Initial Net Premium Payment you allocated immediately to each Eligible Variable Account, provided certain conditions are met. If you elect the Living Benefit option at the time of application and if you do not choose to receive annuity payments until you have owned the Contract for at least 10 years, we will calculate the Living Benefit for each Eligible Variable Account on the Living Benefit Date. The Living Benefit will be credited to an Eligible Variable Account if the value of the Eligible Variable Account on the Living Benefit Date is less than the current value of the Eligible Premium Payment for that Eligible Variable Account.

We do not assess a charge for the Living Benefit.

An Eligible Premium Payment is that portion of your Initial Net Premium Payment that you allocated immediately to a particular Eligible Variable Account. It will be reduced by a percentage of all withdrawals and transfers you make out of that Eligible Variable Account.

The Living Benefit that we will credit to a particular Eligible Variable Account on the Living Benefit Date is:

- the value of the Eligible Premium Payment for that particular Eligible Variable Account; **minus**
- a percentage of all withdrawals and transfers from that Eligible Variable Account; **minus**
- the value of that Eligible Variable Account on the Living Benefit Date.

The Living Benefit Date is 10 years after the date of issue.

Amounts you allocate to the Enhanced DCA program will not be included in the Living Benefit guarantee.

If the Contract is owned by persons who are spouses at the time one joint owner dies, the Living Benefit Date will remain the same date. If the Contract is owned by joint owners who are not spouses and one of the joint owners dies before the Living Benefit Date, the original Living Benefit Date remains in effect provided no distributions have occurred as a result of the owner's death. Currently, all variable accounts are Eligible Variable Accounts.

You will not receive the Living Benefit if you choose an Annuity Start Date that is earlier than the Living Benefit Date.

A transfer or a partial withdrawal of net premium payments out of an Eligible Variable Account will reduce the value of Eligible Premium Payment for the Eligible Variable Account in the same proportion as the transfer or withdrawal reduced the value of the Eligible Variable Account. Examples #3 and #4 below illustrate how this feature of the Living Benefit works.

For purposes of calculating the value of an Eligible Variable Account, we deem all transfers and withdrawals to be first a withdrawal of net premium payments, then of earnings. Transfers out of an Eligible Variable Account include transfers resulting from Dollar Cost Averaging or Automatic Account Balancing. Withdrawals out of an Eligible Variable Account include withdrawals resulting from the systematic withdrawal payments.

The following examples illustrate how the Living Benefit works:

EXAMPLE #1:

Suppose you buy a Contract with an Initial Net Premium Payment of $50,000 and immediately allocate the $50,000 to an Eligible Variable Account. You do not withdraw or transfer any amounts from the Eligible Variable Account. As of the Living Benefit Date (which is ten years later), $50,000 is the current value of the Eligible Premium Payment on the Living Benefit Date.

We will calculate the Living Benefit for the Eligible Variable Account by comparing the current value of the Eligible Premium Payment in the Eligible Variable Account on the Living Benefit Date ($50,000) to the value of the Eligible Variable Account on the Living Benefit Date. In this example, if the value of the Eligible Variable Account is less than $50,000 (the current value of the Eligible Premium Payment) on the Living Benefit Date, we will automatically credit the difference to contract value.

EXAMPLE #2:

Assume the same facts as in Example #1, except that you specify an Annuity Start Date of the sixth contract anniversary and begin to receive payments under one of the payout options available under the Contract. On the Living Benefit Date, we will not calculate the Living Benefit and will not credit a Living Benefit to contract value. By selecting an

Annuity Start Date (the 6th contract anniversary) that is earlier than the Living Benefit Date (10 years from the date of issue), you forfeited all eligibility for the Living Benefit.

EXAMPLE #3:

Assume the same facts as in Example #1, except that you transfer $40,000 from the Eligible Variable Account in the eighth contract year. At that time, the total value of the Eligible Variable Account is $100,000. The transfer of $40,000 reduced the value of the Eligible Variable Account by 40% ($40,000/$100,000 = .40). No additional transfers or withdrawals are made prior to the Living Benefit Date. On the Living Benefit Date, the initial value of the Eligible Premium Payment ($50,000) is reduced by 40% to take into account the transfer in the eighth contract year ($50,000 X .40 = $20,000), leaving $30,000 ($50,000—$20,000 = $30,000). If on the Living Benefit Date the value of the Eligible Variable Account is less than $30,000, we will automatically credit the difference to contract value.

EXAMPLE #4:

Assume the same facts as in Example #1, except that in the fourth contract year you deposit (or transfer) an additional $50,000 premium payment into the Eligible Variable Account. In the eighth contract year when the value of the Eligible Variable Account is $150,000, the Owner withdraws $40,000. The withdrawal reduced the value of the Eligible Variable Account by 26.667% ($40,000/ $150,000 = .26667). No additional transfers or withdrawals are made before the Living Benefit Date. On the Living Benefit Date, the initial value of the Eligible Premium Payment is $50,000. (The second Premium Payment of $50,000 does not qualify as an Eligible Premium Payment because it was made after the date of issue.) This Eligible Premium Payment is then reduced by 26.667% to take into account the transfer in the eighth contract year ($50,000 X .26667 = $13,333.33), leaving $36,666.67 ($50,000—$13,333.33 = $36,666.67). If on the Living Benefit Date the value of the Eligible Variable Account is less than $36,666.67, we will automatically credit the difference to your contract value.

EXAMPLE #5:

Spousal Joint Owners: If the Contract is owned by joint owners who are spouses at the time one of the joint owners dies, the surviving spouse may continue the Contract. The Living Benefit Date will remain unchanged as 10 years from the date of issue. On that date, we will calculate the Living Benefit for each Eligible Variable Account with value.

EXAMPLE #6:

If the Contract is owned by joint owners who are not spouses and one of the joint owners dies, the Living Benefit will be calculated on the original Living Benefit Date, provided the survivor has not received any distributions as a result of the owner's death.

We will continue to pay a Living Benefit on an Eligible Premium Payment allocated to an Eligible Variable Account if:

- the portfolio underlying an Eligible Variable Account changes its investment objective;
- we determine that an investment in the portfolio underlying an Eligible Variable Account is no longer appropriate in light of the purposes of the separate account; or
- shares of a portfolio underlying an Eligible Variable Account are no longer available for investment by the separate account and we are forced to redeem all shares of the portfolio held by the Eligible Variable Account.

fees and charges

Withdrawal Charge

General

We do not deduct a charge for sales expenses from premium payments at the time premium payments are paid to us. However, we will deduct any applicable withdrawal charge if you fully or partially withdraw contract value before the Annuity Start Date. We do not assess a withdrawal charge on withdrawals made in the event the Contract terminates due to your death or the death of the annuitant, or if you decide to begin to receive annuity payments and you choose an annuity payout plan with a life contingency or an annuity payout plan with a period certain of at least 10 years.

The amount of the withdrawal charge you may incur depends on the withdrawal charge option you choose at the time you purchase your Contract. **Once you choose your withdrawal charge option, you cannot change it.**

If your initial premium payment is $100,000 or more, you may choose one of two free withdrawal options at the time you complete your application.

Withdrawal Charge Options

When you purchase your Contract, you must choose between two withdrawal charge options:

1. The **date of issue withdrawal charge option:** This option is designed for the owner who wishes to make additional premium payments periodically over the life of the Contract. The charge expires after the ninth contract year, benefiting those owners who intend to continue to make premium payments after the ninth contract year.
2. The **date of premium payment withdrawal charge option** is more suitable for the owner who currently intends to make only a single premium payment or several premium payments close in time to the date the Contract is issued. This withdrawal charge option is not designed for the owner who intends to make additional premium payments over an extended period of time because each time you make another premium payment, the seven-year period for paying the withdrawal charge begins again with respect to that payment.

The withdrawal charge is separately calculated for each withdrawal you make. For purposes of calculating the withdrawal charge, the money that has been held the longest in the Contract will be deemed to be the first money withdrawn. This is called the "first in, first out" method of accounting or "FIFO." In addition, amounts subject to the withdrawal charge will be deemed to be first from premium payments, and then from earnings. This means that we will not deduct a withdrawal charge on withdrawals of that portion of your contract value that exceeds the sum total of your premium payments.

If you choose the date of issue withdrawal charge option: Prior to the Annuity Start Date, we will impose a withdrawal charge on all partial or full withdrawals of premium payments that you make during the first nine complete contract years if the amount of the withdrawal exceeds the free withdrawal amount. The withdrawal charge is calculated as a percentage of the amount you withdraw based on the number of years between the date we receive your written or faxed request for withdrawal and the date of issue. The rate of the withdrawal charge is listed in the table below. Under this option, no withdrawal charge is deducted from full or partial withdrawals that you make in contract years ten and later.

Contract Year	Charge as Percentage of Premium Payments
1-6	7.0%
7	6.0
8	4.0
9	2.0
10+	0

If you choose the date of premium payment withdrawal charge option: Prior to the Annuity Start Date, we will calculate the withdrawal charge by determining the length of time between the date we receive your written or faxed request for a withdrawal and the date you made the premium payment being withdrawn. We will deduct a withdrawal charge if you withdraw a premium payment that we have held for less than seven complete premium payment years if it is greater than the free withdrawal amount.

Premium Payment Year	Charge as Percentage of Premium Payments
1	7.0%
2	6.0
3	5.0
4	4.0
5	3.0
6	2.0
7	1.0
8+	0

Any applicable withdrawal charge is deducted pro-rata from the remaining value in the variable accounts or fixed account from which the withdrawal is being made. If such remaining separate account value or fixed account value is insufficient for this purpose, the withdrawal charge is deducted pro-rata from all variable accounts and the fixed account in which the Contract is invested based on the remaining contract value in each variable account and the fixed account.

Free Withdrawal Amount

After the first contract year, you may withdraw a portion of your contract value without incurring a withdrawal charge. This amount is called the free withdrawal amount. Withdrawals under the Systematic Withdrawal program are also permitted a free withdrawal amount, as determined below, during the first contract year. If your initial premium payment is less than $100,000, the free withdrawal amount is 10% of contract value each year, as determined at the beginning of the contract year. If you do not withdraw the full 10% in any contract year after the first, the remaining amount does not roll over to the next contract year.

If your initial premium payment is $100,000 or more, the free withdrawal amount depends on the free withdrawal option you choose at the time you purchase your Contract. Once you choose an option, you cannot change it.

If you choose the Cumulative 10% Option: After the first contract year, you may withdraw up to 10% of your contract value as of the beginning of each contract year and we will not charge you a withdrawal charge on that amount. If you do not withdraw the full 10% in any one contract year, the remaining percentage may be rolled over to the next contract year, up to a maximum of 50% of contract value after 5 years measured as of the beginning of each contract year.

If you choose the Earnings Option: After the first contract year, you may withdraw part or all of your earnings under the Contract at any time without incurring a withdrawal charge. Earnings are equal to your contract value minus premium payments, transfers and partial withdrawals that are not considered free withdrawals.

Amounts withdrawn in excess of the free withdrawal amount will be assessed a withdrawal charge, depending on the withdrawal charge option you choose. Free withdrawals may be subject to the 10% federal penalty tax if made before you reach age 59½. They also may be subject to federal income tax.

These options may not be available in all states.

Waiver of Withdrawal Charge

If state law permits, we will waive the withdrawal charge if the annuitant or the annuitant's spouse is confined for a specified period to a hospital or a long term care facility. If the annuitant becomes terminally ill before the Annuity Start Date and if permitted by state law, we will waive the withdrawal charge on any full withdrawal or any partial withdrawal, provided the partial withdrawal is at least $500 and a $5,000 balance remains in the accounts after the withdrawal. We must receive your written request to waive the charge before the Annuity Start Date. These waivers are described in more detail in the Contract.

Under the terms of the Post-Secondary Education Rider, if you, your spouse, your child or the annuitant is enrolled in a college, university, vocational, technical, trade or business school, we will waive the withdrawal charge on one withdrawal of up to 20% of contract value in each contract year before the Annuity Start Date while the annuitant is alive, so long as this waiver is permitted by state law. The maximum withdrawal permitted under the Post-Secondary Education Rider, when combined with the free withdrawal amount, is 20% of contract value per contract year. Before the withdrawal, we must receive at our Service Center written proof of enrollment to our satisfaction within one (1) year of the date of enrollment.

Employee and Agent Purchases

If state law permits, we will waive the withdrawal charge on any full or partial withdrawals from Contracts sold to agents or employees of ALAC (or its affiliates and subsidiaries).

Contract Fee

At the end of each Contract quarter (or on the date of full withdrawal of contract value) before the Annuity Start Date, we will deduct from the contract value a quarterly contract fee of $7.50 as reimbursement for our administrative expenses relating to the Contract. The fee will be deducted from each variable account and the fixed account based on the proportion that the value in each such variable account and the fixed account bears to the total contract value.

We will not charge the contract fee after an annuity payout plan has begun. Deduction of the contract fee is currently waived for all Qualified Contracts. We also currently waive deduction of the contract fee for Non-Qualified Contracts whose cumulative premium payments on the date the contract fee is assessed are equal to or greater than $100,000. We reserve the right to modify this waiver upon 30 days written notice to you.

Asset-Based Administrative Charge

We deduct a daily administrative charge as compensation for certain expenses we incur in the administration of the Contract. We deduct the charge from your assets of the separate account at an annual rate of 0.15%. We will continue to assess this charge after the Annuity Start Date if annuity payments are made on a variable basis. There is no necessary relationship between the amount of this administrative charge and the amount of expenses that may be attributable to a particular Contract.

Mortality and Expense Risk Charge

As compensation for assuming mortality and expense risks, we deduct a daily mortality and expense risk charge from your assets of the separate account. The charge is at a daily rate of 0.003404%. On an annual basis this rate is 1.25%. We continue to assess this charge at an annual rate of 1.25% if annuity payments are made on a variable basis either before or after the Annuity Start Date.

The mortality risk we assume is that annuitants may live for a longer period of time than estimated when the guarantees in the Contract were established. Because of these guarantees, each annuitant is assured that longevity will not have an adverse effect on the annuity payments received. The mortality risk that we assume also includes a guarantee to pay a death benefit if the annuitant dies before the Annuity Start Date. The expense risk that we assume is the risk that the administrative fees and transfer fees (if imposed) may be insufficient to cover actual future expenses. We may use any profits from this charge to pay the costs of distributing the Contracts.

Transfer Fee

A transfer fee of $25 will be imposed for the 13th and each subsequent transfer during a contract year. Each written request would be considered to be one transfer, regardless of the number of variable accounts affected by the transfer. We deduct the transfer fee from the variable account from which the transfer is made. If a transfer is made from more than one variable account at the same time, the transfer fee would be deducted pro-rata from the remaining separate account value in such variable account(s). We may waive the transfer fee. We do not charge a transfer fee for transfers from the fixed account to one or more variable accounts and such a transfer is not considered a transfer for purposes of assessing a transfer charge. Dollar cost averaging and Automatic Account Balancing are not considered transfers for purposes of assessing a transfer fee.

Portfolio Fees and Charges

Each portfolio deducts portfolio management fees and charges from the amounts you have invested in the portfolios. You pay these fees and charges indirectly. For 2007, these charges ranged from 0.10% to 1.31% (including contractual fee waivers and/or reimbursements). In addition, one portfolio deducts 12b-1 fees and three portfolios deduct service fees. See the Fee Table in this Prospectus and the prospectuses for the portfolios.

We (and our affiliates) may receive compensation from certain investment advisers, administrators, and/or distributors (and/or an affiliate thereof) of the portfolios in connection with administrative or other services and cost savings experienced by the investment advisers, administrators or distributors. Such compensation is based on the value of portfolio shares held for the Contracts and may be significant. We also receive the service fees and all or a portion of the 12b-1 fees deducted from portfolio assets as reimbursement for administrative or other services we render to the portfolios. Some advisers, administrators, distributors, or portfolios pay us more than others. For more information, call the Service Center for a free copy of the SAI.

Premium Taxes

Various states and other governmental entities charge a premium tax on annuity contracts issued by insurance companies. Premium tax rates currently range up to 3.5%, depending on the state. We are responsible for paying these taxes. If necessary, we will deduct the cost of such taxes from the value of your Contract either:

- from premium payments as we receive them,
- from contract value upon partial or full withdrawal,
- when annuity payments begin, or
- upon payment of a death benefit.

We may deduct premium taxes at the time we pay such taxes.

Other Taxes

Currently, no charge is made against the separate account for any federal, state or local taxes (other than premium taxes) that we incur or that may be attributable to the separate account or the Contracts. We may, however, deduct such a charge in the future, if necessary.

the payout period

When the payout period begins you will receive a steady stream of annuity payments from the money you have accumulated under your Contract. The payout period begins on the Annuity Start Date. You may choose to receive your annuity payments on a fixed or variable basis. If you choose to have your payout plan on a variable basis, you may keep the same variable accounts to which your premium payments were allocated during the pay-in period, or transfer to different variable accounts.

The Annuity Start Date

If you own a Non-Qualified Contract, you may select the Annuity Start Date on which you will begin to receive annuity payments. If you do not specify a date, the Annuity Start Date is the later of the annuitant's age 70 or 10 years after the date of issue. For Qualified Contracts purchased in connection with qualified plans under tax code sections 401(a), 401(k), 403(b) and 457, the tax code generally requires that the Annuity Start Date must be no later than April 1 of the calendar year following the later of the year in which you (a) reach age 70½ or (b) retire and the payment must be made in a specified form or manner. If you are a "5 percent owner" (as defined in the tax code), or in the case of an IRA that satisfies tax code section 408, the Annuity Start Date must be no later than the date described in (a). Roth IRAs under 408A of the tax code do not require distributions at any time prior to your death.

If you choose the Living Benefit option at the time you purchase the Contract and you select an Annuity Start Date that is earlier than the Living Benefit Date (i.e., 10 years after the date of issue), you will lose your eligibility for the Living Benefit.

We will start annuity payments to the annuitant on the Annuity Start Date shown in your Contract, unless you change the date. You may change your Annuity Start Date if: (1) we receive your written request at the Service Center at least 31 days before the current Annuity Start Date, and (2) the Annuity Start Date you request is a contract anniversary. If you decide to annuitize after you fully withdraw from your Contract, the Annuity Start Date will be the date of the full withdrawal.

Annuity Payout Plans

The payout plan you select will affect the dollar amount of each annuity payment you receive. You may elect, revoke, or change your annuity payout plan at any time before the Annuity Start Date while the annuitant is living by sending us a written request to the Service Center signed by you and/or your beneficiary, as appropriate. You may choose one of the payout plans described below or any other plan being offered by us as of the Annuity Start Date. The payout plans we currently offer provide either variable annuity payments or fixed annuity payments.

You may elect to receive annuity payments on a monthly, quarterly, semi-annual or annual basis. The first payment under any payout plan will be made on the fifteenth day of the month immediately following the Annuity Start Date. Subsequent payments shall be made on the fifteenth of the month.

If you do not select an annuity payout plan by the Annuity Start Date, we will apply the adjusted contract value under Plan 3, One Life Income with payments guaranteed for 10 years, as described below. The adjusted contract value will be allocated to a fixed and variable payout in the same proportion that your interest in the fixed and variable accounts bears to the total contract value on the Annuity Start Date.

Anytime before the Annuity Start Date, you may have the entire surrender value paid to you as an annuity under one of the payout plans. A beneficiary may have the death benefit paid as an annuity under one of the payout plans.

We reserve the right to pay you the adjusted contract value in a lump sum and not as an annuity if your adjusted contract value after the Annuity Start Date would be less than $2,500, or the amount of annuity payments would be less than $25.

Determining the Amount of Your Annuity Payment

On the Annuity Start Date, we will use the adjusted contract value to calculate your annuity payments under the payout plan you select, unless you choose to receive the surrender value in a lump sum. In certain states, we must use the surrender value of your Contract to calculate your annuity payments under the payout plan you choose, rather than the adjusted contract value.

The adjusted contract value is:

- the contract value on the Annuity Start Date; **minus**
- the quarterly contract fee; **minus**
- any applicable premium taxes not yet deducted; and
- for an installment income annuity payout plan with a payout period of less than 10 years, **minus** any applicable withdrawal charge.

For Qualified Contracts, the amount of any outstanding loan is also deducted; distributions must satisfy certain requirements specified in the tax code.

We do not assess a withdrawal charge if you choose an annuity payout plan with a life contingency or an installment payout plan with a period certain of at least 10 years.

Fixed Annuity Payments

Fixed annuity payments are periodic payments that we make to the annuitant. The amount of the fixed annuity payment is fixed and guaranteed by us.

The amount of each payment depends on:

- the form and duration of the payout plan you choose;
- the age of the annuitant;
- the sex of the annuitant (if applicable);
- the amount of your adjusted contract value; and
- the applicable annuity purchase rates in the Contract.

The annuity purchase rates in the Contract are based on a minimum guaranteed interest rate of 3.0%. We may, in our sole discretion, make annuity payments in an amount based on a higher interest rate.

Variable Annuity Payments

Variable annuity payout plans provide the annuitant with periodic payments that increase or decrease with the annuity unit values of the variable accounts in which you are invested. Your contract contains annuity tables that demonstrate how the initial annuity payment rate is derived. This rate is different for each payout plan, and varies by age and sex of the annuitant.

The Contract permits you to choose an assumed interest rate of 3.0%, 4.0% or 5.0% annually. If the net investment performance of the variable accounts you invest in is greater than this assumed interest rate, your payments will increase. If the performance falls below this assumed interest rate, your payments will decline. Therefore, if you choose a 5.0% assumed interest rate, you assume more risk that your annuity payment may decline than if you choose a 3.0% assumed interest rate. The selected portfolio's performance must grow at a rate at least equal to the assumed interest rate (plus the mortality and expense risk charge and the administrative expense charge) in order to avoid a decrease in variable annuity payments. This means that assuming separate account charges of 1.40% annually, each month a portfolio's annualized investment return must be at least 4.4%, 5.4% or 6.4% in order for payments with a 3.0%, 4.0% or 5.0% assumed interest rate to remain level. For further details on variable annuity payments, see the SAI.

Annuity Unit Value

On the Annuity Start Date, we will use your adjusted contract value to purchase annuity units at that day's annuity unit value for each variable account in which you have value. The number of annuity units we credit will remain fixed unless you transfer units among variable accounts. The value of each annuity unit will vary each business day to reflect the investment experience of the underlying portfolio, reduced by the mortality and expense risk charge and the administrative expense charge, and adjusted by an interest factor to neutralize the assumed interest rate.

Transfers

After the Annuity Start Date, an annuitant may change the variable account(s) in which the annuity payout plan is invested once per contract year on the contract anniversary by sending us a written request. No charge is assessed for this transfer. We will make the transfer by exchanging annuity units of one variable account for another variable account on an equivalent dollar value basis. For examples of annuity unit value calculations and variable annuity payment calculations, call the Service Center for a free copy of the SAI.

Description of Annuity Payout Plans

Plan 1 — Installment Income For a Fixed Period. Under this plan, we will make equal monthly annuity payments for a fixed number of years between 1 and 30 years. The amount of the payment is not guaranteed if a variable payout plan is selected. If a fixed payout plan is selected, the payments for each $1,000 of contract value will not be less than those shown in the Fixed Period Table in section 13 of the Contract. In the event of the payee's death, a successor payee may receive the remaining payments or may elect to receive the present value of the remaining payments in a lump sum. If there is no successor payee, the present value of the remaining payments will be paid to the estate of the last surviving payee.

Plan 2 — Installment Income In a Fixed Amount. Under this plan, we will make equal monthly payments of $5.00 or more for each $1,000 of contract value used to purchase the option until the full amount is paid out. In the event of the payee's death, a successor payee may receive the payments or may elect to receive the present value of the remaining payments in a lump sum. If there is no successor payee, the present value of the remaining payments will be paid to the estate of the last surviving payee.

Plan 3 — One Life Income. Under this plan, we will make an annuity payment each month so long as the payee is alive,* or for a guaranteed 10 or 20 year period. If when the payee dies, we have made annuity payments for less than the selected guaranteed period, we will continue to make annuity payments to the successor payee for the rest of the guaranteed period. The amount of each payment is not guaranteed if a variable payout plan is selected. If a fixed payout plan is selected, the payment for each $1,000 of contract value used to purchase the option will not be less than that shown in the One Life Table in section 12 of the Contract. Payments guaranteed for 10 or 20 years certain may be commuted. Payments guaranteed only for the life of the payee may not be commuted.

Plan 4 — Joint and Survivor Life Income. Under this plan, we will make annuity payments each month so long as two payees are alive, or if one payee dies to the surviving payee.* If one payee dies before the due date of the first payment, the surviving payee will receive payments under Plan 3 — One Life Income with payments guaranteed for 10 years. The payments may not be commuted.

*** It is possible under this plan to receive only one annuity payment if the payee dies (or payees die) before the due date of the second payment or to receive only two annuity payments if the payee dies (or payees die) before the due date of the third payment, and so on.**

The amount of each payment will be determined from the tables in the Contract that apply to the particular option using the annuitant's age (and if applicable, sex). Age will be determined from the last birthday at the due date of the first payment.

If your Contract is a Qualified Contract, Plans 1 and 2 may not satisfy required minimum distribution rules in all circumstances. Consult a tax advisor before electing one of these options.

the fixed account

You may allocate some or all of your net premium payments and transfer some or all of your contract value to the fixed account. The fixed account offers a guarantee of principal, after deductions for fees and expenses. We also guarantee that you will earn interest at a rate of a least 3% per year on amounts in the fixed account. The fixed account is part of our general account. Our general account supports our insurance and annuity obligations. Because the fixed account is part of the general account, we assume the risk of investment gain or loss on this amount. All assets in the general account are subject to our general liabilities from business operations. The fixed account may not be available in all states.

The fixed account is not registered with the SEC under the Securities Act of 1933, as amended (the "1933 Act"). Neither the fixed account nor our general account have been registered as an investment company under the 1940 Act. Therefore, neither our general account, the fixed account, nor any interests therein are generally subject to regulation under the 1933 Act or the 1940 Act. The disclosures relating to the fixed account that are included in this prospectus are for your information and have not been reviewed by the SEC. However, such disclosures may be subject to certain generally applicable provisions of federal securities laws relating to the accuracy and completeness of statements made in prospectuses.

Fixed Account Value

The fixed account value is equal to:

- net premium payments allocated to the fixed account; **plus**
- amounts transferred to the fixed account; **plus**
- interest credited to the fixed account; **minus**
- any partial withdrawals or transfers from the fixed account; and **minus**
- any withdrawal charges, contract fees or premium taxes deducted from the fixed account.

We intend to credit the fixed account with interest at current rates in excess of the minimum guaranteed rate of 3%, but we are not obligated to do so. We have no specific formula for determining current interest rates.

The fixed account value will not share in the investment performance of the company's general account. Because we, in our sole discretion, anticipate changing the current interest rate from time to time, different allocations you make to the fixed account will be credited with different current interest rates.

The interest rate we credit to the money you place in the fixed account will apply to the end of the calendar year in which we receive such amount. At the end of the calendar year, we will determine a new current interest rate on such amount and accrued interest thereon (which may be a different current interest rate from the current interest rate on new allocations to the fixed account on that date). We will guarantee the rate of interest we declare on such amount and accrued interest for the following calendar year. We will determine, in our sole discretion, any interest to be credited on amounts in the fixed account in excess of the minimum guaranteed effective rate of 3% per year. You therefore assume the risk that interest credited to amounts in the fixed account may not exceed the minimum 3% guaranteed rate.

For purposes of making withdrawals, transfers or deductions of fees and charges from the fixed account, we will consider such withdrawals to have come from the last money into the contract, that is, on a last-in, first-out ("LIFO") basis.

We reserve the right to change the method of crediting interest from time to time, provided that such changes do not reduce the guaranteed rate of interest below 3% per year or shorten the period for which the interest rate applies to less than one calendar year (except for the year in which such amount is received or transferred).

Fixed Account Transfers

GENERAL

Transfers to the fixed account must be at least $1,000. A transfer charge of $25 may be imposed on transfers to the fixed account. We never impose transfer fees on transfers from the fixed account. See "Fees and Charges."

Before the Annuity Start Date, you may transfer up to 20% of the fixed account value under all circumstances (Dollar-Cost Averaging, systematic withdrawals, interest sweeps and partial withdrawals), as determined at the beginning of the contract year, from the fixed account to one or more of the variable accounts in any contract year. No fee is charged for transfers from the fixed account to one or more variable accounts and such a transfer is not considered a transfer for purposes of assessing a transfer charge.

You may also make transfers from the fixed account through the Dollar-Cost Averaging Program. See "Dollar-Cost Averaging."

Payment Deferrals

We have the right to defer payment of any full or partial withdrawal or transfer from the fixed account for up to six months from the date we receive your written request for such a withdrawal or transfer at our Service Center. If we do not give you a payment within 30 days after we receive all necessary documentation, or such shorter period required by a particular state, we will credit interest at 3% annually, or such higher rate as is required for a particular state, to the amount to be paid from the date we received the documentation.

Enhanced Dollar Cost Averaging

When you purchase your Contract, you may choose Enhanced DCA, which allows you to place all or a portion of your Initial Net Premium Payment in the Enhanced DCA account for a 6-month period of time. During that time, you will earn a higher rate of interest on the diminishing balance of assets remaining in the Enhanced DCA account than is currently credited to the standard fixed account.

fax and telephone orders/voice response and website access

In addition to written requests, we may accept certain telephone and fax instructions from you. You must complete and sign our form authorizing telephone transactions and send it to us at our Service Center. You also may complete and sign the authorization in the application. The authorization will remain effective until we receive written revocation or we discontinue the privilege.

Fax Requests

You may fax transfer requests and partial withdrawal requests, cancel the Enhanced DCA program, and cancel your Contract during the free-look period, by sending your fax request to 1-800-334-2023. We will not accept faxed requests for full withdrawals. We will not be responsible for same-day processing of requests if you fax your request to a different number. Fax orders must be complete and received by us at 3:00 p.m. Central Time to assure same-day processing. We are not responsible for fax transmittal problems.

Telephone Transactions

You may talk to our service representatives to request transfers (and partial withdrawals), cancel the DCA program, Enhanced DCA program, Automatic Account Rebalancing program, and Systematic Withdrawal program, and change your net premium payment allocations. To reach our service representatives, call 1-888-232-6486. When you call, the menu will direct you to a service representative or our automated voice response system. You may speak with our service representatives from 7:45 a.m. to 6 p.m. Central Time on Monday through Thursday and from 7:45 a.m. to 4:30 p.m. on Friday.

We will use reasonable procedures to confirm that telephone instructions are genuine and will not be liable for following telephone instruction that we reasonably determine to be genuine. We may withdraw the telephone exchange privilege at any time.

Automated Voice Response System

You may access information about your contract values and unit values through our automated voice response system by calling 1-888-232-6486. When you call, the menu will guide you through the automated voice response system or direct you to a service representative. To gain access to your account via the automated voice response system, you will need to enter your Contract number and either the last four digits of your social security number or your personal identification number ("PIN"). You may call our automated voice response system 24 hours a day, 7 days a week.

Website Access

You may use the internet to access your contract values, certain service forms, quarterly reports and confirmation statements, and to view optional programs including DCA, Automatic Account Balancing, Interest Sweep, and Systematic Withdrawals. A PIN is required to access the website. You may obtain the PIN request form from our Service Center. After the completed PIN request form is returned to the Service Center, the PIN will be updated on our system. Once the update is complete, you may access your account information on our website at www.variable.ameritas.com and selecting "Account Access." When you enter the "Account Access" page, you will be asked to log into our system using your Contract number and PIN. Please note that once your PIN has been updated, you will use it to access your account through the internet and our automated voice response system. You may access your account through our website 24 hours per day, 7 days a week.

We cannot guarantee that telephone and automated voice response, fax and website access will always be available. For example, our Service Center may be closed during severe weather emergencies or there may be interruptions in telephone service beyond our control. If the volume of calls is unusually high, we might not have someone immediately available to receive your order. Furthermore, any computer system, whether it is yours, your internet service provider's, or your registered representative's, can experience outages or slowdowns for a variety of reasons. These outages or slowdowns may delay or prevent our processing of your internet request.

Although we have taken precautions to help our systems handle heavy use, we cannot promise complete reliability under all circumstances. If you are experiencing problems, you can make your request by writing our Service Center.

You should protect your PIN because self-service options will be available to your agent of record and to anyone who provides your PIN; we will not be able to verify that the person providing instructions is you or is authorized by you.

voting rights

We are the legal owner of the portfolio shares held in the variable accounts. However, when a portfolio is required to solicit the votes of its shareholders through the use of proxies, we believe that current law requires us to solicit you and other contract owners as to how we should vote the portfolio shares held in the variable accounts. If we determine that we no longer are required to solicit your votes, we may vote the shares in our own right.

When we solicit your vote, the number of votes you have will be calculated separately for each variable account in which you have an investment. The number of your votes is based on the net asset value per share of the portfolio in which the variable account invests. It may include fractional shares. Before the Annuity Start Date, you hold a voting interest in each variable account to which the contract value is allocated. After the Annuity Start Date, the annuitant has a voting interest in each variable account from which variable annuity payments are made. If you have a voting interest in a variable account, you will receive proxy materials and reports relating to any meeting of shareholders of the portfolio in which that variable account invests.

If we do not receive timely voting instructions for portfolio shares or if we own the shares, we will vote those shares in proportion to the voting instructions we receive. Therefore, because of proportional voting, a small number of Contract owners may control the outcome of a vote. Instructions we receive to abstain on any item will reduce the total number of votes being cast on a matter. For further details as to how we determine the number of your votes, call the Service Center for a free copy of the SAI.

federal tax matters

The following discussion is general in nature and is not intended as tax advice. Each person concerned should consult a competent tax advisor. No attempt is made to consider any applicable state tax or other tax laws.

We believe that our Contracts will qualify as annuity contracts for federal income tax purposes and the following discussion assumes that they will so qualify. For more information on the tax status of the Contract, call the Service Center for a free copy of the SAI.

When you invest in an annuity contract, you usually do not pay taxes on your investment gains until you withdraw the money — generally for retirement purposes. In this way, annuity contracts have been recognized by the tax authorities as a legitimate means of *deferring* tax on investment income.

We believe that if you are a natural person you will not be taxed on increases in the contract value of your Contract until a distribution occurs or until annuity payments begin. (The agreement to assign or pledge any portion of a Contract's accumulation value and, in the case of a Qualified Contract described below, any portion of an interest in the qualified plan, generally will be treated as a distribution.) When annuity payments begin, you will be taxed only on the investment gains you have earned and not on the payments you made to purchase the Contract. Generally, withdrawals from your annuity should only be made once the annuitant reaches age 59½, dies or is disabled, otherwise a tax penalty of ten percent of the amount treated as income could be applied against any amounts included in income, in addition to the tax otherwise imposed on such amount.

If you invest in a variable annuity as part of a pension plan or employer-sponsored tax-qualified retirement program, your Contract is called a *Qualified Contract*. If your annuity is independent of any formal retirement or pension plan, it is called a *Non-Qualified Contract*.

Taxation of Non-Qualified Contracts

Non-Natural Person

If a non-natural person (such as a corporation or trust) owns a non-qualified annuity contract, the owner generally must include in income any increase in the excess of the accumulation value over the investment in the contract (generally, the premiums or other consideration paid for the contract) during the taxable year. There are some exceptions to this rule and a prospective owner that is not a natural person should discuss these with a tax adviser.

The following discussion generally applies to Contracts owned by natural persons.

Withdrawals

When a withdrawal from a Non-Qualified Contract occurs, the amount received will be treated as ordinary income subject to tax up to an amount equal to the excess (if any) of the accumulation value immediately before the distribution over the Owner's investment in the contract (generally, the premiums or other consideration paid for the Contract, reduced by any amount previously distributed from the Contract that was not subject to tax) at that time. In the case of a full withdrawal under a Non-Qualified Contract, the amount received generally will be taxable only to the extent it exceeds the Owner's investment in the contract.

Penalty Tax on Certain Withdrawals

In the case of a distribution from a Non-Qualified Contract, there may be imposed a federal tax penalty equal to ten percent of the amount treated as income. In general, however, there is no penalty on distributions:

- made on or after the taxpayer reaches age 59½;
- made on or after the death of an Owner;
- attributable to the taxpayer's becoming disabled; or
- made as part of a series of substantially equal periodic payments for the life (or for a period not exceeding the life expectancy) of the taxpayer.

Other exceptions may apply under certain circumstances and special rules may apply in connection with the exceptions enumerated above. You should consult a tax adviser with regard to exceptions from the penalty tax. A similar penalty tax applies to Qualified Contracts.

Annuity Payments

Although tax consequences may vary depending on the payout option elected under an annuity contract, a portion of each annuity payment is generally not taxed and the remainder is taxed as ordinary income. The non-taxable portion of an annuity payment is generally determined in a manner that is designed to allow you to recover your investment in the contract ratably on a tax-free basis over the expected stream of annuity payments, as determined when annuity payments start. Once your investment in the contract has been fully recovered, however, the full amount of each annuity payment is subject to tax as ordinary income.

Taxation of Death Benefit Proceeds

Amounts may be distributed from a Contract because of your death or the death of the annuitant. Generally, such amounts are includible in the income of the recipient as follows: (i) if distributed in a lump sum, they are taxed in the same manner as a full withdrawal of the Contract, or (ii) if distributed under a payout plan, they are taxed in the same way as annuity payments.

Transfers, Assignments or Exchanges of a Contract

A transfer or assignment of ownership of a Contract, the designation of an annuitant or payee other than the Owner, the selection of certain Annuity Start Dates, or the exchange of a Contract may result in certain tax consequences to you that are not discussed herein. An Owner contemplating any such transfer, assignment, designation, or exchange, should consult a tax advisor as to the tax consequences.

Withholding

Annuity distributions are generally subject to withholding for the recipient's federal income tax liability. Recipients can generally elect, however, not to have tax withheld from distributions. Mandatory withholding applies to certain distributions from Qualified Contracts.

Multiple Contracts

All Non-Qualified deferred annuity contracts that are issued by us (or our affiliates) to the same Owner during any calendar year are treated as one annuity contract for purposes of determining the amount includible in such Owner's income when a taxable distribution occurs.

Taxation of Qualified Contracts

The tax rules that apply to Qualified Contracts vary according to the type of retirement plan and the terms and conditions of the plan. Your rights under a Qualified Contract may be subject to the terms of the retirement plan itself, regardless of the terms of the Qualified Contract. Adverse tax consequences may result if you do not ensure that contributions, distributions and other transactions with respect to the Contract comply with the law. ALAC is not responsible for ensuring that contributions, distributions or other transactions with respect to Qualified Contracts comply with the law, including IRS guidelines.

Individual Retirement Accounts (IRAs), as defined in Sections 219 and 408 of the tax code, permit individuals to make annual contributions of up to the lesser of an amount specified in the tax code or 100% of the amount of compensation includible in the individual's gross income. The contributions may be deductible in whole or in part, depending on the individual's income. Distributions from certain pension plans may be rolled over into an IRA on a tax-deferred basis without regard to these limits. So-called SIMPLE IRAs under section 408(p) of the tax code, and Roth IRAs under section 408A, may also be used in connection with variable annuity contracts. SIMPLE IRAs allow employees to defer a percentage of annual compensation up to an amount specified in the tax code (as adjusted for cost-of-living increases) to a retirement plan, provided the sponsoring employer makes matching or non-elective contributions. The penalty for a premature distribution from a SIMPLE IRA that occurs within the first two years after the employee begins to participate in the plan is 25%, rather than the usual 10%. Contributions to Roth IRAs are not tax-deductible, and contributions must be made in cash, or as a rollover or transfer from another Roth IRA or IRA. A rollover or conversion of an IRA to a Roth IRA may be subject to tax. Distributions from a Roth IRA generally are not taxed, except that, once aggregate distributions exceed contributions to the Roth IRA, income tax and a 10% penalty tax may apply to distributions made (1) before age 59½ (subject to certain exceptions) or (2) during the five taxable years starting with the year in which the first contribution is made to any Roth IRA. A 10% penalty tax may apply to amounts attributable to a conversion from an IRA if they are distributed during the five taxable years beginning with the year in which the conversion was made.

The Internal Revenue Service has not reviewed the Contract for qualification as an IRA, and has not addressed in a ruling of general applicability whether a death benefit provision such as the enhanced death benefit option in the Contract comports with IRA qualification requirements.

Corporate pension and profit-sharing plans under section 401(a) of the tax code allow corporate employers to establish various types of retirement plans for employees, and self-employed individuals to establish qualified plans for themselves and their employees.

Adverse tax consequences to the retirement plan, the participant or both may result if the Contract is transferred to any individual as a means to provide benefit payments, unless the plan complies with all the requirements applicable to such benefits prior to transferring the Contract.

Tax-sheltered annuities under section 403(b) of the tax code permit public schools and other eligible employers to purchase annuity contracts and mutual fund shares through custodial accounts on behalf of employees. Generally, these purchase payments are excluded for tax purposes from employee gross incomes. However, these payments may be subject to Social Security taxes.

Distributions of salary reduction contributions and earnings (other than your salary reduction accumulation as of December 31, 1988) are not allowed prior to age 59½, severance from employment, death or disability. Salary reduction contributions may also be distributed upon hardship, but would generally be subject to penalties.

For contracts issued after 2008, amounts attributable to nonelective contributions may be subject to distribution restrictions specified in the employer's section 403(b) plan.

Section 457 Deferred Compensation Plans. Tax code section 457 provides that state governments, local governments, political subdivisions, agencies, instrumentalities and certain affiliates of such entities, and tax exempt organizations may establish deferred compensation plans. These plans are subject to various restrictions on contributions and distributions. In general, under non-governmental plans all investments are owned by the sponsoring employer, are subject to the claims of the general creditors of the employer, and depending on the terms of the particular plan, the employer may be entitled to draw on deferred amounts for purposes unrelated to its section 457 plan obligations. In general, all amounts received under a section 457 plan are taxable and are subject to federal income tax withholding as wages.

Other Tax Issues

You should note that the Contract includes a death benefit that in some cases may exceed the greater of the Premium Payments or the contract value. The death benefit could be viewed as an incidental benefit, the amount of which is limited in any 401(a) or 403(b) plan. Because the death benefit may exceed this limitation, employers using the Contract in connection with corporate pension and profit-sharing plans, or tax-sheltered annuities, should consult their tax adviser.

Qualified Contracts (other than Roth IRAs before the Owner's death) have minimum distribution rules that govern the timing and amount of distributions. You should refer to your retirement plan, adoption agreement, or consult a tax advisor for more information about these distribution rules.

"Eligible rollover distributions" from section 401(a), 403(b) and governmental 457 plans are subject to a mandatory federal income tax withholding of 20%. For this purpose, in eligible rollover distribution is any distribution to an employee (or employee's surviving spouse or former spouse) from such a plan, except certain distributions such as distributions required by the tax code, hardship distributions, or distributions in a specified annuity form. The 20% withholding does not apply, however, to nontaxable distributions or if the employee chooses a "direct rollover" from the plan to another tax-qualified plan, IRA, 403(b) or governmental section 457 plan.

Our Income Taxes

At the present time, we make no charge for any federal, state or local taxes (other than the charge for state and local premium taxes) that we incur that may be attributable to the investment divisions (that is, the variable accounts) of the separate account or to the Contracts. We do have the right in the future to make additional charges for any such tax or other economic burden resulting from the application of the tax laws that we determine is attributable to the investment divisions of the separate account or the Contracts.

Under current laws in several states, we may incur state and local taxes (in addition to premium taxes). These taxes are not now significant and we are not currently charging for them. If they increase, we may deduct charges for such taxes.

Federal Estate Taxes

While no attempt is being made to discuss the Federal estate tax implications of the Contract, a purchaser should keep in mind that the value of an annuity contract owned by a decedent and payable to a beneficiary by virtue of surviving the decedent is included in the decedent's gross estate. Depending on the terms of the annuity contract, the value of the annuity included in the gross estate may be the value of the lump sum payment payable to the designated beneficiary or the actuarial value of the payments to be received by the beneficiary. Consult an estate planning advisor for more information.

Generation Skipping Transfer Tax

Under certain circumstances, the Code may impose a "generation skipping transfer tax" when all or part of an annuity contract is transferred to, or a death benefit is paid to, an individual two or more generations younger than the Owner. Regulations issued under the Code may require us to deduct the tax from your Contract, or from any applicable payment, and pay it directly to the IRS.

Annuity Purchases by Residents of Puerto Rico

The Internal Revenue Service announced that income received by residents of Puerto Rico under life insurance or annuity contracts issued by a Puerto Rico branch of a United States life insurance company is U.S.-source income that is generally subject to United States Federal income tax.

Annuity Purchases by Nonresident Aliens and Foreign Corporations

The discussion above provides general information regarding U.S. federal income tax consequences to annuity purchasers that are U.S. citizens or residents. Purchasers that are not U.S. citizens or residents will generally be subject to U.S. federal withholding tax on taxable distributions from annuity contracts at a 30% rate, unless a lower treaty rate applies. In addition, purchasers may be subject to state and/or municipal taxes and taxes that may be imposed by the purchaser's country of citizenship or residence. Prospective purchasers are advised to consult with a qualified tax adviser regarding U.S. state, and foreign taxation with respect to an annuity contract purchase.

Foreign Tax Credits

We may benefit from any foreign tax credits attributable to taxes paid by certain Portfolios to foreign jurisdictions to the extent permitted under Federal tax law.

Possible Tax Law Changes

Although the likelihood of legislative changes is uncertain, there is always the possibility that the tax treatment of the Contracts could change by legislation or otherwise. Consult a tax adviser with respect to legislative developments and their effect on the Contract.

We have the right to modify the Contract in response to legislative changes that could otherwise diminish the favorable tax treatment that annuity contract owners currently receive. We make no guarantee regarding the tax status of any contract and do not intend the above discussion as tax advice.

other information

Business Days

We are open for business on all days that the New York Stock Exchange is open for business.

Payments

We will usually pay you any full or partial withdrawal, death benefit payment, or for Qualified Contracts only, payment of your loan proceeds, within seven days after we receive all the required information. The required information includes your written request, any information or documentation we reasonably need to process your request, and, in the case of a death benefit, receipt and filing of due proof of death.

However, we may be required to suspend or postpone payments during any period when:

- the New York Stock Exchange is closed, other than customary weekend and holiday closings;
- trading on the New York Stock Exchange is restricted as determined by the SEC;
- the SEC determines that an emergency exists that would make the disposal of securities held in the separate account or the determination of the value of the separate account's net assets not reasonably practicable; or
- the SEC permits, by order, the suspension or postponement of payments for your protection.

If a recent check or draft has been submitted, we have the right to delay payment until we have assured ourselves that the check or draft has been honored.

We have the right to defer payment for a full or partial withdrawal or transfer from the fixed account for up to six months from the date we receive your written request. If we do not make a payment within 30 days after we receive the documentation we need to complete the transaction (or a shorter period if required by a particular state), we will credit interest to the amount to be paid from the date we received the necessary documentation at a rate of 3% annually (or such higher rate required for a particular state).

If mandated under applicable law, we may be required to reject a premium payment. We may also be required to provide additional information about you or your account to government regulators. In addition, we may be required to block a contract owner's account and thereby refuse to pay any request for transfers, withdrawals, loans, annuity payments, or death benefits, until instructions are received from the appropriate regulator.

State Variations

All material features of the Contract, including material state variations, are described in this prospectus and its appendices. The state in which your Contract was purchased may have required the inclusion of certain specific terms in your Contract on items such as minimum premium allocation amounts, transfer rights and limitations, the right to waive transfer fees, the rates of surrender and/or withdrawal charges, and the general availability of certain endorsements and riders. Appendix B to this prospectus summarizes material state variations in features, benefits and other terms of the Contract. Contact your registered representative for more information.

Modification

Upon notice to you, we may modify the Contract to:

- permit the Contract or the separate account to comply with any applicable law or regulation issued by a government agency;
- assure continued qualification of the Contract under the tax code or other federal or state laws relating to retirement annuities or variable annuity contracts;
- reflect a change in the operation of the separate account; or
- provide additional investment options.

In the event of most such modifications, we will make appropriate endorsement to the Contract.

Distribution of the Contracts

We have entered into a distribution agreement with Aviva Securities, LLC ("Aviva Securities") for the distribution and sale of the Contracts. Pursuant to this agreement, Aviva Securities serves as principal underwriter for the Contracts. Aviva Securities is located at 9200 Keystone Crossing, Suite 800, Indianapolis, IN 46240-4603. Aviva Securities is a wholly-owned subsidiary of ALAC. Aviva Securities is registered as a broker-dealer with the SEC under the Securities Exchange Act of 1934, as well as with the securities commissions in the states in which it operates, and is a member of the Financial Industry Regulatory Authority ("FINRA").

We pay sales commissions to unaffiliated broker-dealers for sales of the Contracts by their sales representatives. Broker-dealers are paid sales commissions of up to 6.0% of new premium payments. Some sales representatives may elect to receive a lower commission on premium payments at the time of payment along with payment (on an annual basis) of up to 1.00% of Contract value on the Contract Anniversary for so long as the Contract remains in effect. The entire amount of the sales commissions is passed through Aviva Securities to the broker-dealers who sell the Contracts. These broker-dealers are expected to compensate sales representatives in varying amounts from these commissions.

We may also pay up to 2.5% of premium payments to Aviva Securities to compensate it for certain distribution expenses. Aviva Securities' operating and other expenses are paid for by us. Aviva Securities receives additional compensation from some portfolios based on the value of the portfolio shares held for the Contracts as compensation for providing distribution and support services to the portfolios.

No specific charge is assessed directly to Contract Owners or the variable account to cover commissions and other incentives or payments described above in connection with the distribution of the Contracts. However, we intend to recoup commissions and other sales expenses and incentives we pay through the fees and charges we deduct under the Contract and through other corporate revenue.

Notwithstanding anything to the contrary in this prospectus, the Contract is no longer offered for sale. However, ALAC continues to accept new premium on, process transfers for, and provide administration for existing Contracts.

Legal Proceedings

ALAC and its affiliates, like other insurance companies, are routinely involved in litigation and other proceedings, including class actions, reinsurance claims and regulatory proceedings arising in the ordinary course of its business. In recent years, the life insurance and annuity industry, including ALAC and its affiliates, has been subject to an increase in litigation pursued on behalf of both individual and purported classes of insurance purchasers, questioning the conduct of insurers and their agents in the marketing of their products. In addition, state and federal regulatory bodies, such as state insurance departments and attorneys general, periodically make inquiries and conduct examinations concerning compliance by ALAC and others with applicable insurance and other laws. ALAC responds to such inquiries and cooperates with regulatory examinations in the ordinary course of business.

Nationwide class actions were filed against ALAC on April 7, 2005 (United States District Court for the Central District of California), November 8, 2005 (United States District Court for the Eastern District of Pennsylvania) and December 8, 2005 (United States District Court for the Eastern District of Pennsylvania) on behalf of certain purchasers of ALAC's products. In addition, on July 7, 2005, a statewide class action brought on behalf of certain purchasers of ALAC's products was also filed in the United States District Court for the Middle District of Florida against ALAC. This Florida statewide class action has been stayed. Each of the aforementioned lawsuits, as well as certain other individual lawsuits, have been assigned to the United States District Court for the Eastern District of Pennsylvania for coordinated and consolidated pretrial proceedings. The aforementioned lawsuits relate to the use of purportedly inappropriate sales practices and products in the senior citizen market. The plaintiffs in the lawsuits seek compensatory damages, rescission, injunctive relief, treble and/or punitive damages, attorneys' fees and other relief and damages.

ALAC also is a defendant in a lawsuit by the Attorney General of Minnesota on behalf of certain Minnesota residents, some of whom were purchasers of ALAC's annuity products, alleging, in part, claims related to the marketing of ALAC's annuity products to senior citizens and violations of consumer protection laws. Remedies sought include fines, restitution, injunctive and other relief.

On December 13, 2007, a nationwide class action lawsuit was filed against ILICO on behalf of certain purchasers of ILICO's products in an Arizona state court (Superior Court, Maricopa County). ILICO removed this lawsuit to the United States District Court for the District of Arizona. On February 12, 2008, a nationwide class action lawsuit was filed against ILICO on behalf of certain purchasers of ILICO's products in the United States District Court for the Northern District of Texas. Both these lawsuits relate to the use of certain ILICO products to fund a specific type of defined benefit plan. The plaintiffs in these lawsuits seek compensatory damages, treble and punitive damages, attorneys' fees and other relief and damages. On July 2, 2008, ILICO filed a motion with the United States Judicial Panel on Multidistrict Litigation seeking to consolidate these lawsuits, along with two other individual federal court actions involving similar issues, in the United States District Court for the Northern District of Texas. This motion for consolidation is still pending.

The outcome of litigation and regulatory matters cannot be predicted with certainty, and it is possible that ALAC's results of operations or cash flow in a particular quarterly or annual period could be materially and adversely affected by an ultimate unfavorable resolution. However, at the present time, it does not appear that any pending or threatened litigation or regulatory matters are likely to have a materially adverse effect on the Separate Account, on ALAC's ability to meet its obligations under the Contracts, or on Aviva Securities' ability to perform under the principal underwriter agreement.

Reports to Owners

We will mail a report to you at least annually at your last known address of record. The report will state the contract value (including the contract value in each variable account and the fixed account) of the Contract, premium payments paid and charges deducted since the last report, partial withdrawals made since the last report and any further information required by any applicable law or regulation. We will send you confirmations of financial transactions, such as premium payments, transfers, partial withdrawals, loans and full withdrawals. Additionally, we will send you quarterly statements that include your automatic transactions such as Automatic Account Balancing, DCA, Interest Sweeps, Systematic Withdrawals, and quarterly administrative fees.

Change of Address

You may change your address by writing to us at our Service Center. If you change your address, we will send a confirmation of the address change to both your old and new address.

Inquiries

You may make inquiries regarding your Contract by writing to us or calling us at our Service Center.

Financial Statements

The statutory-basis financial statements and schedules of Indianapolis Life Insurance Company ("ILICO"), Aviva Life and Annuity Company ("ALAC") and Aviva Life Insurance Company ("ALIC"), as of December 31, 2007, 2006, and 2005 and for each of the three years ended December 31, 2007, have been audited by Ernst & Young LLP and are contained in the SAI along with the related Independent Registered Public Accounting Firm reports.

The audited financial statements for ALAC Separate Account I as of December 31, 2007 and for the two periods then ended, as well as the related report of Ernst & Young LLP, Independent Registered Public Accounting Firm, are contained in the SAI.

The pro forma unaudited statutory basis financial statements of ALAC after giving effect to the merger of ALAC, ALIC and ILICO as of and for the year ended December 31, 2007, including a consolidated balance sheet as of December 31, 2007, and the consolidated income statements for the years ended December 31, 2007, 2006, and 2005, are included in the SAI.

These financial statements should be considered as bearing only upon the ability of ALAC to meet obligations under the Contracts. For a free copy of these financial statements, please call or write to the Service Center.

IMSA

We are a member of the Insurance Marketplace Standards Association ("IMSA"). IMSA is an independent, voluntary organization of life insurance companies. It promotes high ethical standards in the sales, advertising and servicing of individual life insurance and annuity products. Companies must undergo a rigorous self and independent assessment of their practices to become a member of IMSA.

statement of additional information table of contents

The SAI contains additional information about the Contract and the separate account and is available (at no cost) by writing to us at the address shown on the front cover or by calling 1-888-232-6486 (toll free). The following is the Table of Contents for that SAI.

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appendix a — condensed financial information

The following condensed financial information shows accumulation unit values for each variable account for each year since the variable account started operation. Accumulation unit value is the unit we use to calculate the value of your interest in a variable account. Accumulation unit value does not reflect the deduction of certain charges that we subtract from your Contract Value.

Alger American Fund: MidCap Growth Variable Account

	Accumulation unit value at the beginning of the year	Accumulation unit value at the end of the year	Number of accumulation units outstanding at the end of the year
2007	$27.009	$35.039	431,086
2006	$24.865	$27.009	565,938
2005	$22.957	$24.865	675,730
2004	$20.594	$22.957	806,563
2003	$14.129	$20.594	972,490
2002	$20.335	$14.129	1,055,977
2001	$22.061	$20.335	1,230,084
2000	$20.489	$22.061	1,160,292
1999	$15.757	$20.489	805,946
1998	$12.263	$15.757	537,127

Alger American Fund: SmallCap Growth Variable Account

	Accumulation unit value at the beginning of the year	Accumulation unit value at the end of the year	Number of accumulation units outstanding at the end of the year
2007	$14.086	$16.285	374,963
2006	$11.901	$14.086	498,034
2005	$10.324	$11.901	587,403
2004	$ 8.981	$10.324	730,965
2003	$ 6.398	$ 8.981	808,345
2002	$ 8.794	$ 6.398	886,347
2001	$12.652	$ 8.794	1,028,999
2000	$17.622	$12.652	985,378
1999	$12.459	$17.622	670,675
1998	$10.936	$12.459	502,984

Fidelity VIP Fund: Asset Manager: Growth Variable Account

	Accumulation unit value at the beginning of the year	Accumulation unit value at the end of the year	Number of accumulation units outstanding at the end of the year
2007	$18.525	$21.100	223,908
2006	$17.504	$18.525	334,712
2005	$17.059	$17.504	412,896
2004	$16.401	$17.059	497,542
2003	$14.097	$16.401	579,098
2002	$15.662	$14.097	628,753
2001	$16.560	$15.662	699,955
2000	$17.478	$16.560	722,701
1999	$15.954	$17.478	704,164
1998	$14.066	$15.954	503,498

Fidelity VIP Fund: Contrafund® Variable Account

	Accumulation unit value at the beginning of the year	Accumulation unit value at the end of the year	Number of accumulation units outstanding at the end of the year
2007	$30.398	$35.248	716,109
2006	$27.590	$30.398	994,910
2005	$23.924	$27.590	1,145,880
2004	$21.008	$23.924	1,349,767
2003	$16.583	$21.008	1,499,147
2002	$18.550	$16.583	1,653,188
2001	$21.436	$18.550	1,940,349
2000	$23.277	$21.436	1,999,272
1999	$18.996	$23.277	1,706,257
1998	$14.824	$18.996	1,228,022

Fidelity VIP Fund: Equity-Income Variable Account

	Accumulation unit value at the beginning of the year	Accumulation unit value at the end of the year	Number of accumulation units outstanding at the end of the year
2007	$25.042	$25.071	467,405
2006	$21.128	$25.042	666,364
2005	$20.237	$21.128	846,000
2004	$18.401	$20.237	1,015,865
2003	$14.316	$18.401	1,051,854
2002	$17.476	$14.316	1,184,055
2001	$18.647	$17.476	1,332,008
2000	$17.439	$18.647	1,348,108
1999	$16.631	$17.439	1,580,486
1998	$15.114	$16.631	1,355,289

Fidelity VIP Fund: Growth Variable Account

	Accumulation unit value at the beginning of the year	Accumulation unit value at the end of the year	Number of accumulation units outstanding at the end of the year
2007	$17.806	$22.293	691,380
2006	$16.898	$17.806	889,411
2005	$16.195	$16.898	1,101,245
2004	$15.885	$16.195	1,360,891
2003	$12.125	$15.885	1,642,904
2002	$17.592	$12.125	1,791,430
2001	$21.663	$17.592	2,173,025
2000	$24.676	$21.663	2,252,279
1999	$18.206	$24.676	1,699,540
1998	$13.240	$18.206	948,233

Fidelity VIP Fund: Index 500 Variable Account

	Accumulation unit value at the beginning of the year	Accumulation unit value at the end of the year	Number of accumulation units outstanding at the end of the year
2007	$24.282	$25.247	960,878
2006	$21.276	$24.282	1,274,491
2005	$20.581	$21.276	1,597,762
2004	$18.868	$20.581	1,935,795
2003	$14.903	$18.868	2,262,283
2002	$19.430	$14.903	2,617,294
2001	$22.417	$19.430	2,995,912
2000	$25.062	$22.417	3,074,244
1999	$21.088	$25.062	2,914,618
1998	$16.672	$21.088	1,895,005

Fidelity VIP Fund: Investment Grade Bond Variable Account

	Accumulation unit value at the beginning of the year	Accumulation unit value at the end of the year	Number of accumulation units outstanding at the end of the year
2007	$16.614	$17.095	283,625
2006	$16.144	$16.614	367,712
2005	$16.019	$16.144	481,822
2004	$15.551	$16.019	561,609
2003	$14.989	$15.551	634,162
2002	$13.775	$14.989	771,334
2001	$12.879	$13.775	703,526
2000	$11.742	$12.879	677,150
1999	$12.032	$11.742	763,210
1998	$11.214	$12.032	691,547

Fidelity VIP Fund: Money Market Variable Account

	Accumulation unit value at the beginning of the year	Accumulation unit value at the end of the year	Number of accumulation units outstanding at the end of the year
2007	$13.258	$13.756	343,628
2006	$12.819	$13.258	252,423
2005	$12.617	$12.819	283,204
2004	$12.641	$12.617	378,725
2003	$12.691	$12.641	454,871
2002	$12.650	$12.691	975,984
2001	$12.321	$12.650	1,111,533
2000	$11.750	$12.321	937,770
1999	$11.329	$11.750	1,527,851
1998	$10.888	$11.329	1,070,535

First Eagle Variable Funds, Inc.: First Eagle Overseas Variable Account(1)

	Accumulation unit value at the beginning of the year	Accumulation unit value at the end of the year	Number of accumulation units outstanding at the end of the year
2007	$47.512	$50.508	263,186
2006	$38.516	$47.512	328,328
2005	$32.155	$38.516	367,271
2004	$25.586	$32.155	431,603
2003	$17.173	$25.586	478,049
2002	$15.047	$17.173	505,204
2001	$14.201	$15.047	593,166
2000	$13.293	$14.201	584,592
1999	$ 9.572	$13.293	405,486
1998	$ 9.322	$ 9.572	196,153
1997	$10.000	$ 9.322	56,588

Neuberger Berman Advisers Management Trust: MidCap Growth Variable Account

	Accumulation unit value at the beginning of the year	Accumulation unit value at the end of the year	Number of accumulation units outstanding at the end of the year
2007	$ 7.074	$8.547	317,599
2006	$ 6.254	$7.074	444,242
2005	$ 5.575	$6.254	528,623
2004	$ 4.861	$5.575	617,163
2003	$ 3.848	$4.861	391,020
2002	$ 5.523	$3.848	1,057,507
2001	$ 7.433	$5.523	473,138
2000	$10.000	$7.433	303,022

Neuberger Berman Advisers Management Trust: Socially Responsive Variable Account

	Accumulation unit value at the beginning of the year	Accumulation unit value at the end of the year	Number of accumulation units outstanding at the end of the year
2007	$15.446	$16.391	58,015
2006	$13.775	$15.446	107,539
2005	$13.071	$13.775	140,921
2004	$11.701	$13.071	174,200
2003	$ 8.829	$11.701	193,869
2002	$10.502	$ 8.829	297,283
2001	$11.045	$10.502	143,214
2000	$10.000	$11.045	17,428

PIMCO Variable Insurance Trust: High Yield Variable Account

	Accumulation unit value at the beginning of the year	Accumulation unit value at the end of the year	Number of accumulation units outstanding at the end of the year
2007	$14.004	$14.295	83,733
2006	$13.019	$14.004	94,744
2005	$12.680	$13.019	117,638
2004	$11.739	$12.680	133,614
2003	$ 9.685	$11.739	220,261
2002	$ 9.946	$ 9.685	113,929
2001	$ 9.854	$ 9.946	72,991
2000	$10.000	$ 9.854	25,583

PIMCO Variable Insurance Trust: Real Return Variable Account

	Accumulation unit value at the beginning of the year	Accumulation unit value at the end of the year	Number of accumulation units outstanding at the end of the year
2007	$16.119	$17.587	81,797
2006	$16.230	$16.119	110,233
2005	$16.121	$16.230	132,979
2004	$15.011	$16.121	146,582
2003	$13.982	$15.011	215,360
2002	$12.040	$13.982	346,215
2001	$11.135	$12.040	743,260
2000	$10.000	$11.135	40,238

PIMCO Variable Insurance Trust: Stocks PLUS Growth and Income Variable Account

	Accumulation unit value at the beginning of the year	Accumulation unit value at the end of the year	Number of accumulation units outstanding at the end of the year
2007	$11.019	$11.611	34,446
2006	$ 9.724	$11.019	49,620
2005	$ 9.528	$ 9.724	59,631
2004	$ 8.719	$ 9.528	72,444
2003	$ 6.781	$ 8.719	87,555
2002	$ 8.619	$ 6.781	60,827
2001	$ 9.869	$ 8.619	89,152
2000	$10.000	$ 9.869	41,575

Pioneer Variable Contracts Trust: Pioneer Fund VCT Variable Account (2)

	Accumulation unit value at the beginning of the year	Accumulation unit value at the end of the year	Number of accumulation units outstanding at the end of the year
2007	$24.832	$25.708	181,427
2006	$21.588	$24.832	230,196
2005	$20.617	$21.588	289,253
2004		$20.617	
2003	$ 7.998		
2002	$10.946	$ 7.998	912,707
2001	$12.250	$10.946	1,071,002
2000	$13.924	$12.250	1,177,955
1999	$12.917	$13.924	1,229,915
1998	$10.495	$12.917	814,921

Pioneer Variable Contracts Trust: Pioneer Growth Opportunities VCT Variable Account (2)

	Accumulation unit value at the beginning of the year	Accumulation unit value at the end of the year	Number of accumulation units outstanding at the end of the year
2007	$14.443	$13.693	443,111
2006	$13.869	$14.443	590,542
2005	$13.181	$13.869	722,195
2004	$10.927	$13.181	915,764
2003	$ 7.751	$10.927	1,310,432
2002	$12.611	$ 7.751	1,255,241
2001	$10.734	$12.611	1,579,748
2000	$11.600	$10.734	1,602,558
1999	$11.134	$11.600	1,581,237
1998	$11.092	$11.134	1,596,318

Premier VIT: OpCap Managed Variable Account (3)

	Accumulation unit value at the beginning of the year	Accumulation unit value at the end of the year	Number of accumulation units outstanding at the end of the year
2007	$20.308	$20.637	328,065
2006	$18.780	$20.308	440,017
2005	$18.087	$18.780	559,223
2004	$16.558	$18.087	692,238
2003	$13.791	$16.558	818,557
2002	$16.825	$13.791	919,473
2001	$17.943	$16.825	1,046,284
2000	$16.578	$17.943	1,084,773
1999	$16.011	$16.578	1,316,391
1998	$15.160	$16.011	1,396,806

Premier VIT: NACM Small Cap Portfolio (formerly OpCap Small Cap Portfolio) Variable Account (3)

	Accumulation unit value at the beginning of the year	Accumulation unit value at the end of the year	Number of accumulation units outstanding at the end of the year
2007	$29.487	$29.244	108,300
2006	$24.096	$29.487	144,792
2005	$24.419	$24.096	178,036
2004	$21.006	$24.419	210,026
2003	$14.931	$21.006	293,328
2002	$19.321	$14.931	270,798
2001	$18.087	$19.321	457,894
2000	$12.720	$18.087	377,794
1999	$13.139	$12.720	319,888
1998	$14.649	$13.139	295,186

Royce Capital Fund: Royce Micro-Cap Variable Account

	Accumulation unit value at the beginning of the year	Accumulation unit value at the end of the year	Number of accumulation units outstanding at the end of the year
2007	$39.464	$40.463	154,436
2006	$33.051	$39.464	185,565
2005	$30.027	$33.051	224,370
2004	$26.746	$30.027	288,494
2003	$18.181	$26.746	346,341
2002	$21.161	$18.181	390,991
2001	$16.544	$21.161	446,426
2000	$14.150	$16.544	346,523
1999	$11.198	$14.150	258,403
1998	$10.920	$11.198	286,635

T. Rowe Price Fixed Income Series, Inc.: Limited-Term Bond Variable Account

	Accumulation unit value at the beginning of the year	Accumulation unit value at the end of the year	Number of accumulation units outstanding at the end of the year
2007	$14.457	$15.038	116,729
2006	$14.087	$14.457	190,802
2005	$14.040	$14.087	237,230
2004	$14.085	$14.040	272,361
2003	$13.694	$14.085	311,230
2002	$13.176	$13.694	368,951
2001	$12.317	$13.176	426,746
2000	$11.430	$12.317	333,773
1999	$11.505	$11.430	393,693
1998	$10.767	$11.505	348,151

T. Rowe Price International Series, Inc.: International Stock Variable Account

	Accumulation unit value at the beginning of the year	Accumulation unit value at the end of the year	Number of accumulation units outstanding at the end of the year
2007	$17.489	$19.493	428,362
2006	$14.890	$17.489	533,481
2005	$13.012	$14.890	630,498
2004	$11.597	$13.012	734,375
2003	$ 9.010	$11.597	777,810
2002	$11.182	$ 9.010	840,469
2001	$14.578	$11.182	937,606
2000	$17.991	$14.578	978,134
1999	$13.684	$17.991	776,131
1998	$11.979	$13.684	660,670

Van Eck Worldwide Insurance Trust: Worldwide Hard Assets Variable Account (4)

	Accumulation unit value at the beginning of the year	Accumulation unit value at the end of the year	Number of accumulation units outstanding at the end of the year
2007	$29.067	$41.664	75,636
2006	$23.675	$29.067	86,087
2005	$15.828	$23.675	97,155
2004	$12.946	$15.828	120,254
2003	$ 9.048	$12.946	158,603
2002	$ 9.443	$ 9.048	239,857
2001	$10.693	$ 9.443	302,989
2000	$ 9.733	$10.693	311,909
1999	$ 8.156	$ 9.733	246,953
1998	$11.983	$ 8.156	230,762

(1) Prior to May 1, 2000, First Eagle SoGen Variable Funds, Inc.: First Eagle SoGen Overseas Variable Account was called SoGen Variable Funds, Inc.: SoGen Overseas Variable Account.

(2) Pioneer Variable Contracts Trust was formerly known as SAFECO Resource Series Trust.

(3) The Variable Account invests in a Fund that was formed on May 12, 1994, under the name Quest for Value Asset Builder Trust. The name of the Fund was changed to Quest for Value Accumulation Trust, then to OCC Accumulation Trust, and then to PIMCO Advisors VIT. On May 1, 2005, the name of the Fund was changed to Premier VIT.

(4) Prior to May 1, 1997, Van Eck Worldwide Hard Assets Variable Account was called Van Eck Gold and Natural Resources Account.

appendix b— highlights of state variations in contract features, benefits, and operation

STATE DIFFERENCES FOR VISIONARY CHOICE		
PROVISION	**LANGUAGE**	**STATE**
ANNUITY START DATE	**Annuity Start Date** - The date when the Annuitant will begin to receive annuity payments. (You are the Annuitant, unless You tell Us otherwise at the time of Your application.) If You own a Non-Qualified Contract, We will ask You to select an Annuity Start Date. If You do not select a date, the Annuity Start Date is either the Annuitant's age 70 or 10 years after the Date of Issue, whichever is later. If You own a Qualified Contract, the Annuity Start Date is fixed at the Annuitant's age 70 1/2.	All states except NJ
	Same as above except: You cannot select an Annuity Start Date which is less than one year from the Date of Issue and for Qualified Contracts the Annuity Start Date is fixed at the Annuitant's age 70.	NJ
LIVING BENEFIT DATE	Ten years after the date of issue.	ALL EXCEPT MT, NH, NJ, OR, SC & VA
	The later of the Annuitant's age 70 or 10 years after the date of Issue. If the Contract is owned by Joint Owners who are spouses at the time one Joint Owner dies, the Living Benefit Date will become the date the surviving spouse attains age 70.	MT, NH, OR, SC & VA
	Ten years after the Date of Issue. Living Benefit is called Guaranteed Minimum Subaccount Value Benefit.	NJ
LIVING BENEFIT {The differences in these provisions are bracketed.}	If the Contract is owned by persons who are spouses at the time one Joint Owner dies, the Living Benefit Date will {remain the same date.} If the Contract is owned by Joint Owners who are not spouses and one of the Joint Owners dies before the Living Benefit Date, {the original Living Benefit Date remains in effect provided no distributions have occurred as a result of the Owner's death.} Currently all Variable Accounts are Eligible Variable Accounts.	ALL EXCEPT MT, NH, NJ, OR, SC & VA
	If the Contract is owned by persons who are spouses at the time one Joint Owner dies, the Living Benefit Date will {become the date the surviving spouse attains age 70.} If the Contract is owned by Joint Owners who are not spouses and one of the Joint Owners dies before the Living Benefit Date, {the Living Benefit is not available to the sole surviving Owner.} Currently, all Variable Accounts, {except the Van Eck Worldwide Hard Assets Variable Account,} are Eligible Variable Accounts.	MT, NH, OR, SC & VA
	If the Contract is owned by persons who are spouses at the time one Joint Owner dies, the {Guaranteed Minimum Subaccount Value} Benefit Date will {remain the same date}. If the Contract is owned by Joint Owners who are not spouses and one of the Joint Owners dies before the {Guaranteed Minimum Subaccount Value Benefit Date, the original Guaranteed Minimum Subaccount Value Benefit Date remains in effect provided no distributions have occurred as a result of the Owner's death. If the death of a non-spousal joint owner results in a distribution before the Guaranteed Minimum Subaccount Value Benefit Date, the Guaranteed Minimum Subaccount Value Benefit is no longer payable.}	NJ

PROVISION	LANGUAGE	STATE
LIVING BENEFIT {The differences in these provisions are bracketed.} (Cont.)	{The Eligible Variable Accounts are indicated in Section 2 – Contract Specifications. If an account is considered an Eligible Variable Account on the Date of Issue it will remain an Eligible Variable Account for the life of the Contract.} {We will pay a Guaranteed Minimum Subaccount Value Benefit under this contract on Premium Payments already allocated to an Eligible Variable Account even if one of the following circumstances occurs: (1) the portfolio underlying an Eligible Variable Account changes its investment objective; or (2) we determine that an investment in the portfolio underlying an Eligible Variable Account is no longer appropriate in light of the purposes of the Separate Account; or (3) shares of a portfolio underlying an Eligible Variable Account are no longer available for investment by the Separate Account and IL Annuity is forced to redeem all shares of the Portfolio held by the Eligible Variable Account.}	
FREE WITHDRAWAL AMOUNT	Choice of Free Withdrawal Amount: 1) If the initial Premium Payment is less than $100,000, the Free Withdrawal Amount is 10% of Contract Value each year, as determined at the beginning of the Contract Year. If the full 10% is not withdrawn in any Contract Year, the remaining amount does not roll over to the next Contract Year. 2) If the initial Premium Payment is $100,000 or more, you can choose: **a) Cumulative 10% Option:** No withdrawal charge on up to 10% of Your Contract Value at the beginning of each Contract Year. If full 10% is not withdrawn, the remaining percentage may be rolled over to the next Contract Year, up to a maximum of 50% after 5 years as determined as of the beginning of each Contract Year. **b) Earnings Option:** No withdrawal charge on part or all of the earnings. Earnings are equal to Your Contract Value **minus** Premium Payments, transfers and partial withdrawals.	All states except NJ
	Only one type available - the Free Withdrawal Amount is 10% of Contract Value each year, as determined at the beginning of the Contract Year. If the full 10% is not withdrawn in any Contract Year, the remaining amount does not roll over to the next Contract Year. (Option 1 above)	NJ
WITHDRAWAL CHARGE OPTIONS	Contract offers two options: 1) Date of Issue Withdrawal Charge; and 2) Date of Premium Payment Withdrawal Charge	ALL EXCEPT OR
	Contract only offers Date of Issue Withdrawal Charge Option	OR
DATE OF ISSUE WITHDRAWAL CHARGES	One set of charges as follows: Contract Year — Charge as Percentage of Premium Payments 1-6. . . . . .7.0% 7. . . . . .6.0 8. . . . . .4.0 9. . . . . .2.0 10+. 0	ALL EXCEPT AL & SC

PROVISION	LANGUAGE	STATE
DATE OF ISSUE WITHDRAWAL CHARGES (Cont.)	Two set of charges as follows: Age 57 & Under Contract Year / Charge as Percentage of Premium Payments 1-6. . . . . .7.0% 7. . . . . .6.0 8. . . . . .4.0 9. . . . . .2.0 10+. . . . . .0 Age 58 & Older Contract Year / Charge as Percentage of Premium Payments 1-2. . . . . .7.0% 3. . . . . .6.5 4. . . . . .6.0 5. . . . . .5.0 6. . . . . .4.0 7. . . . . .3.0 8. . . . . .2.0 9. . . . . .1.0 10+. 0	AL & SC
DEATH BENEFIT	Contract offers 2 options: 1) Regular Death Benefit 2) Enhanced Death Benefit	ALL EXCEPT NJ
	Only offers the Enhanced Death Benefit.	NJ
ASSIGNMENT	Added the statement: “The rights of a Beneficiary under a life insurance policy or Annuity contract are subordinate to those of an assignee, unless the Beneficiary was effectively designated as an irrevocable Beneficiary prior to the assignment.”	WI
TRANSFER OF CONTRACT VALUES	Cannot suspend or modify the transfer privileges.	MD & OR
	Company’s right to waive transfer fee is removed.	NJ
UNISEX	Issued as unisex: contract contains no reference to sex and unisex payout tables are used.	MA & MT
DOLLAR COST AVERAGING ENDORSEMENT		All states except GA, HI, ID, LA, MA, NJ, OR, TX, WA & WY
	Changed program name to Dollar Cost Averaging instead of Dollar Cost Averaging Plus.	GA
	No partial withdrawals, transfers or loans may be made from money in the Fixed Account as part of the DCAP program. Once the money has been dollar cost averaged into the chosen variable account; withdrawals, transfers and loans may be made subject to the contract terms.	OR
	Endorsement was not approved.	HI, ID, LA, MA, NJ, TX, WA & WY

STATE DIFFERENCES FOR VISIONARY CHOICE		
The following riders and endorsements are used with the Visionary Variable Annuity and the Visionary Choice Variable Annuity		
PROVISION	**LANGUAGE**	**STATE**
AGE-95		All States
WSC-TI-95		All States
WSC-ED-95	**BENEFITS** - If You, your spouse, your child or Annuitant is enrolled in a college, university, vocational, technical, trade, or business school, You may, subject to the provisions of this endorsement, withdraw up to 20% of the Contract Value each Contract Year prior to the Annuity Commencement Date and while the Annuitant is alive. No withdrawal charges will apply. You may make one Withdrawal per Contract Year under this Endorsement. Withdrawals may not be repaid.	All States except PA
	Same as Standard plus: If this Benefit is denied, the surrender proceeds will not be disbursed until the owner is notified of the denial and provided with the opportunity to reapply for the surrender proceeds or to reject the surrender proceeds.	PA
QP-95		All States except PA
	Same as standard except: Any modifications to the contract may be accepted or declined by the contractholder.	PA
WSC-LTC-95		All states except MO, PA, TX & WV
	“Inpatient” - removed “and for whom a charge of at least one days’ room and board is made by the Long Term Care Facility.” “Skilled Nursing Facility” and “Intermediate Care Facility” - removed “and maintains a daily medical record of each patient” from the definitions. Includes a pre-existing condition disclaimer: Waiver does not apply with respect to the confinement benefit if the Annuitant or Annuitant’s spouse is confined on the issue date of the contract. Clarifies that the effective date of the endorsement is the date of issue. If the LTC benefit is denied, the surrender proceeds cannot be disbursed until the owner is notified of the denial and provided with the opportunity to reapply for the surrender proceeds or to reject the surrender proceeds. Further defines “Confined”: Separate periods of confinement occurring within six months of a previous period of confinement for the same or related condition will be considered the same confinement for the purposes of determining satisfaction of the elimination period and whether to apply a new elimination period. A new elimination period may be applied only to a confinement due to a new or non-related cause or to a confinement occurring more than six months from the most recent confinement for the same or related condition. “Long Term Care Facility” cannot exclude a place that primarily treats drug addicts or alcoholics, however the drug addiction must result from (1) the voluntary taking or injection of drugs, unless prescribed or administered by a licensed physician; (2) the voluntary taking of any drugs prescribed by a licensed physician and intentionally not taken as prescribed; (3) sensitivity to drugs voluntarily taken, unless prescribed by a physician. If the annuitant is in a long term care facility because of drug addiction and the addiction results from the voluntary taking of drugs prescribed by a licensed physician or the involuntary taking of drugs, the benefit will be payable. Clarifies a member of the Annuitant’s immediate family to means the Annuitant or the Annuitant’s spouse, or the child, parent, brother or sister of either the Annuitant or the Annuitant’s spouse. Standard rider will terminate if the contract is terminated or surrendered. PA termination also includes: 1) written request from the Owner for termination; and 2) non-payment of premium.	MO PA

PROVISION	LANGUAGE	STATE
WSC-LTC-95 (Cont.)	**Same as standard except:** must be confined in a LTC facility at least 91 consecutive days. (Standard is 90.)	TX
	Added tax disclaimer: “Receipt of these benefits may be taxable. Assistance should be sought from a personal tax advisor.”	WV
WSC-H-95		All States except MO,
	“Inpatient” - removed “and for whom a charge of at least one days’ room and board is made by the Long Term Care Facility.”	MO
1-IRA-95		All States except PA
	Same as standard except: Any modifications to the contract may be accepted or declined by the contractholder.	PA
1-403B-95		All States except PA & VA
	Same as standard except: Any modifications to the contract may be accepted or declined by the contractholder.	PA
	Same as standard plus: We may delay making a loan for a period of no more than six (6) months after you request the loan. However, we will not delay the making of loans to pay premiums for any policy.	VA