



For Immediate Release – September 23, 2007

NAVA Reports Second Quarter Variable Annuity Industry Data

Reston, VA, September 23, 2007 – NAVA, the Association for Insured Retirement Solutions, today announced second quarter results for the variable annuity industry. The combined net assets of U.S. variable annuities increased 4.6% to \$1.5 trillion at the end of the second quarter, as compared with the end of the first quarter of 2007. Net assets increased by 15.3% relative to the second quarter one year ago.

Table 1. Variable Annuity Net Assets

(Dollars in Millions)	6/30/07	3/31/07	12/31/06	6/30/06
Total Net Assets	1,453,638	1,389,880	1,370,519	1,260,576

Source: Morningstar, Inc.

Total variable annuity premium flow, or total sales, for the second quarter was \$47.3 billion, a 13.3% increase from the second quarter of 2006. Second quarter net flows of \$8.7 billion showed an increase of 6.2% from second quarter 2006 net flows of \$8.2 billion. The mix in premiums for the second quarter showed that 61.5% of the total premium flow was in qualified plans and 38.5% in non-qualified plans.

Total premium flow, or total sales, for the first six months of 2007 was \$88.2 billion, a 10.2% increase from the prior year's six-month sales of \$80.0 billion. Cumulative net flows for the first six months of 2007 were \$15.1 billion, or 17.1% of total flows. This reflects a 0.1% decrease in cumulative net flows as compared with the first six months of last year.

Table 2. Variable Annuity Premium Flows¹

(Dollars in Millions)	Quarter Ended		Six Months Ended	
	6/30/07	6/30/06	6/30/07	6/30/06
Total Premium Flows	47,253.6	41,708.8	88,203.4	80,015.0
Net Flows	8,669.8	8,166.2	15,095.3	15,203.7

Source: Morningstar, Inc.

¹Total Premium Flows represent the sum of new sales [all first-time buyers of a contract, including inter- and intra-company exchanges] and additional premiums from existing contract owners. Net Flows represent Total Premium Flows minus surrenders, withdrawals, inter- and intra-company exchanges, and benefit payments.

Table 3. Quarterly Variable Annuity Total Premium & Net Flows

(\$ Millions)	Quarter Ended				
	6/30/07	3/31/07	12/31/06	9/30/06	6/30/06
Total Sales	\$47,253.6	\$40,949.8	\$40,378.1	\$36,998.6	\$41,708.8
Net Flows	8,669.8	6,425.5	5,245.1	9,317.3	8,166.2
Net Flows as % of total sales	18.3%	15.7%	13.0%	25.2%	19.6%

Source: Morningstar, Inc.

The mix of net assets by investment objective showed that \$885.8 billion, or 60.9% of total assets, was held in equity accounts. This is an increase of 18.7% as compared with the second quarter of 2006 when \$746.3 billion, or 59.2%, were held in equity accounts. The mix also shows that \$256.7 billion, or 17.7% of assets, were held in fixed accounts.

Table 4. Variable Annuity Assets by Asset Class

(As a percent of total assets)	6/30/07	6/30/06
Equity	60.9%	59.2%
Fixed Accounts	17.7	20.9
Balanced	11.0	9.4
Bonds	7.9	8.0
Money Market	2.5	2.5

Source: Morningstar, Inc.

About Annuities – With the demographic trend of people living longer, the decline in traditional sources of retirement income (pensions and Social Security), and the responsibility of retirement funding shifting to the individual – an annuity is a critical component of a retirement plan. It is a long-term retirement investment vehicle offering a combination of insurance benefits, guaranteed lifetime income payments and tax-deferred savings. Variable annuities allow individuals to invest in a variety of underlying fixed and equity funds, and provide returns based on the performance of these funds. Only annuities protect retirement assets against market volatility and guarantee retirement income that cannot be outlived.

About the NAVA, Inc. – NAVA, the Association for Insured Retirement Solutions, is a non-profit trade association located in suburban Washington D.C. NAVA provides a variety of services to the industry including educational forums, research, and conferences aimed at furthering the development and understanding of fixed and variable annuities, income annuities and variable life insurance. NAVA also maintains and supports an educational website for consumers at www.RetireOnYourTerms.com.

For further information contact:

Kathleen Driscoll McKee, NAVA, (www.navanet.org), (703) 707-8830 ext. 17 or KMckee@navanet.org
 George Millington, Walt & Company (www.walt.com), (408) 369-7200, ext. 2974 or NAVA@walt.com

###