

For Immediate Release -- August 27, 2001

NAVA Reports Second Quarter Variable Annuity Industry Data

Reston, VA, August 27, 2001 – The National Association for Variable Annuities (NAVA) announced today that the combined net assets of U.S. variable annuities rose 3.0 percent to \$910 billion at the end of the second quarter relative to the end of the first quarter of 2001. Net assets decreased by 6.5 percent as compared to the end of 2000.

Table 1. Variable Annuity Net Assets

<u>(Dollars in Millions)</u>	6/30/01	3/31/01	12/31/00
Total Net Assets	909,955	883,416	972,729

Source: VARDS, an Info-One Company

The mix by investment objective showed that \$563.7 billion, or 61.9 percent of assets, was held in equity accounts. This is a decrease of 9.5 percent as compared with year-end 2000 when \$622.9 billion, or 64 percent, was held in equity accounts.

Table 2. Variable Annuity Assets by Investment Objective

<u>(As a percent of total assets)</u>	6/30/01	12/31/00
Equity	61.9%	64.0%
Fixed Accounts	20.5	20.1
Balanced	8.4	8.3
Bonds	5.4	4.5
Money Market	3.8	3.1

Source: VARDS, an Info-One Company

Total variable annuity premium flow, or total sales, for second quarter was \$29.3 billion, a 20 percent decrease from second quarter 2000. As for consecutive quarterly trends, the second quarter experienced a 3 percent increase in sales over the first quarter 2001 – the first rise in a

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year. The mix in premiums for the second quarter showed 56 percent of the flow was in qualified plans and 44 percent in non-qualified. Mid-year total premium flow of \$57.7 billion is 42 percent of last year's \$138.0 billion in total sales volume.

(Dollars in Millions)	Quarter Ended		Six Months Ended	
	6/30/01	6/30/00	6/30/01	6/30/00
Total Premium Flows	29,293	36,597	57,747	73,108

Source: VARDS, an Info-One Company

NAVA and Info-One's VARDS Data Collection Service are in the process of collecting standardized, industry net flow data covering variable annuity contracts. It is anticipated that subsequent quarterly announcements will include this survey data.

NAVA 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 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.

Headquartered in Silicon Valley, California, Info-One provides technology tools, unique product design models and other services to the financial services industry. As a result of the acquisition of VARDS in July 2000, and enhanced data collection processes, Info-One leads the industry with the most comprehensive database of insurance and annuity products available. Visit www.info-one.com.

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¹ Total Premium Flow represents the sum of new sales [all first-time buyers of a contract, which includes inter- and intra-company exchanges] and recurring premiums from existing contract owners.