



For Immediate Release – February 26, 2002

NAVA Reports Fourth Quarter Variable Annuity Industry Data

Reston, VA, February 26, 2002 – The National Association for Variable Annuities (NAVA) announced today that the combined net assets of U.S. variable annuities increased 8.5 percent to \$883 billion at the end of the fourth quarter relative to the end of the third quarter of 2001. Net assets decreased by 7.7 percent as compared to the end of 2000.

Table 1. Variable Annuity Net Assets

<u>(Dollars in Millions)</u>	<u>12/31/01</u>	<u>9/30/01</u>	<u>12/31/00</u>
Total Net Assets	882,912	813,527	956,491

The mix by investment objective showed that \$517.4 billion, or 58.6 percent of assets, was held in equity accounts. This is a decrease of 16.8 percent as compared with year-end 2000 when \$621.7 billion, or 65.0 percent, was held in equity accounts.

Table 2. Variable Annuity Assets by Investment Objective

<u>(As a percent of total assets)</u>	<u>12/31/01</u>	<u>12/31/00</u>
Equity	58.6%	65.0%
Fixed Accounts	22.2	18.8
Balanced	8.4	8.4
Bonds	6.4	4.6
Money Market	4.4	3.2

Total variable annuity premium flow, or total sales, for fourth quarter was \$27.8 billion, a 9.2 percent decrease from fourth quarter 2000. For consecutive quarterly trends, the fourth

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quarter experienced a 2.3 percent increase in sales as compared with \$27.2 billion reported for the third quarter 2001. The mix in premiums for the fourth quarter showed 55 percent of the flow was in qualified plans and 45 percent in non-qualified. Year-end total premium flow of \$112.8 billion is 17.8 percent below last year's year-end total sales volume of \$137.2 billion.

(Dollars in Millions)	Quarter Ended		Year-Ended	
	12/31/01	12/31/00	12/31/01	12/31/00
Total Premium Flows	27,797	30,617	112,824	137,180

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.

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