



For Immediate Release – December 6, 2002

## NAVA Reports Third Quarter Variable Annuity Industry Data

**Reston, VA**, December 6, 2002 – The National Association for Variable Annuities (NAVA) announced today third quarter results for the variable annuity industry. The combined net assets of U.S. variable annuities decreased 9.0 percent to \$754.4 billion at the end of the third quarter, as compared to second quarter of 2002. Net assets decreased by 7.3 percent relative to the third quarter a year ago.

	9/30/02	6/30/02	12/31/01	9/30/01
Total Net Assets	754,399	829,426	885,690	814,196

Total variable annuity premium flows, or total sales, for third quarter was \$28.4 billion, a 4.4 percent increase from third quarter 2001. Third quarter net flows of \$8.1 billion, or 28.4 percent of total flows, shows an increase of 10.4 percent from third quarter 2001 net flows of \$7.3 billion. The mix in premiums for the third quarter showed 59 percent of total sales was in qualified plans and 41 percent in non-qualified.

Third quarter year-to-date total premium flows of \$83.8 billion is 1.5 percent lower than last year's \$85.1 billion in total sales volume. Net Flows for the first nine months of 2002 was \$21.6 billion, as compared with \$21.3 billion in the first nine months of last year.

	Third Quarter Ended		Nine Months Ended	
	9/30/02	9/30/01	9/30/02	9/30/01
Total Premium Flows	28,414	27,219	83,842	85,072
Net Flows	8,061	7,300	21,575	21,300

<sup>1</sup>Total Premium Flows represents 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 represents Total Premium Flows minus surrenders, withdrawals, inter- and intra-company exchanges, and benefit payments.

Industry Release of Third Quarter Data

The mix of net assets by investment objective showed that \$356.8 billion, or 47.3 percent of assets, was held in equity accounts. This is a decrease of 31.1 percent as compared with year-end 2001 when \$518.1 billion, or 58.5 percent, was held in equity accounts. The mix also shows that \$224.1 billion, or 29.7 percent of assets, was held in fixed accounts, which is an increase of 13.4 percent as compared to the end of 2001.

<u>(As a percent of total assets)</u>	<u>9/30/02</u>	<u>12/31/01</u>
Equity	47.3%	58.5%
Fixed Accounts	29.7	22.3
Balanced	7.5	7.8
Bonds	10.0	7.0
Money Market	5.5	4.5

As for consecutive quarterly trends, net flows as a percent of total sales rebounded, recovering from a low of 22 percent of total premium flow in the second quarter, to reach 28.4 percent.

<u>(\$ Millions)</u>	<u>Quarter Ended</u>											
	<u>9/30/02</u>		<u>6/30/02</u>		<u>3/31/02</u>		<u>12/31/01</u>		<u>9/30/01</u>		<u>6/30/01</u>	
Total Flows	\$28,414		\$28,954		\$26,507		\$27,902		\$27,219		\$29,393	
Net Flows	8,061	28.4%	6,369	22.0%	8,053	30.4%	8,600	30.8%	7,300	26.8%	8,300	28.2%

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 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](http://www.RetireOnYourTerms.com).

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