



For Immediate Release – March 4, 2003

## NAVA Reports Fourth Quarter Variable Annuity Industry Data

Reston, VA, March 4, 2003 – The National Association for Variable Annuities (NAVA) announced today fourth quarter results for the variable annuity industry. The combined net assets of U.S. variable annuities increased 4.3 percent to \$788.9 billion at the end of the fourth quarter, as compared to third quarter of 2002. Net assets decreased by 10.9 percent relative to the fourth quarter a year ago.

	12/31/02	9/30/02	6/30/02	12/31/01
Total Net Assets	788,891	756,572	830,467	885,790

Total variable annuity premium flows, or total sales, for fourth quarter were \$29.7 billion, a 6.5 percent increase from fourth quarter 2001. Fourth quarter net flows of \$8.2 billion, or 27.5 percent of total flows, shows a decrease of 5.0 percent from fourth quarter 2001 net flows of \$8.6 billion. The mix in premiums for the fourth quarter showed 60 percent of total sales were in qualified plans and 40 percent in non-qualified.

Fourth quarter year-to-date total premium flows of \$113.7 billion is 0.7 percent higher than last year's \$113.0 billion in total sales volume. Net Flow for the full year of 2002 was \$30.7 billion, as compared with \$30.0 billion in the twelve months of last year.

	Fourth Quarter Ended		Twelve Months Ended	
	12/31/02	12/31/01	12/31/02	12/31/01
Total Premium Flows	29,709	27,902	113,723	112,975
Net Flows	8,172	8,600	30,655	29,955

<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 Fourth Quarter Data*

The mix of net assets by investment objective showed that \$381.5 billion, or 48.4 percent of assets, was held in equity accounts. This is a decrease of 26.5 percent as compared with year-end 2001 when \$518.8 billion, or 58.6 percent, was held in equity accounts. The mix also shows that \$228.1 billion, or 28.9 percent of assets, was held in fixed accounts, which is an increase of 16.1 percent as compared to the end of 2001.

<u>(As a percent of total assets)</u>	<u>12/31/02</u>	<u>12/31/01</u>
Equity	48.4%	58.6%
Fixed Accounts	28.9	22.2
Bonds	10.3	7.0
Balanced	7.5	7.7
Money Market	4.9	4.5

As for consecutive quarterly trends, net flows as a percent of total sales rebounded from a low of 22 percent of total premium flow in the second quarter, to reach 27.5 percent. This is lower than the 30.8% of total flows that were reported in the fourth quarter a year ago.

<u>(\$ Millions)</u>	<u>Quarter Ended</u>									
	<u>12/31/02</u>		<u>9/30/02</u>		<u>6/30/02</u>		<u>3/31/02</u>		<u>12/31/01</u>	
Total Flows	\$29,709		\$28,453		\$29,069		\$26,534		\$27,902	
Net Flows	8,172	27.5%	8,061	28.3%	6,369	21.9%	8,053	30.3%	8,600	30.8%

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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