



For Immediate Release – June 8, 2005

NAVA Reports First Quarter Variable Annuity Industry Data

Reston, VA, June 8, 2005 – The National Association for Variable Annuities (NAVA) announced today first quarter results for the variable annuity industry. The combined net assets of U.S. variable annuities decreased 1.9% to \$1.1 trillion at the end of the first quarter, as compared to the end of the fourth quarter of 2004. Net assets increased by 6.8% relative to the first quarter a year ago.

Table 1. Variable Annuity Net Assets (Dollars in Millions)	3/31/05	12/31/04	3/31/04
Total Net Assets	1,103,422	1,124,233	1,033,571

Source: NAVA and VARDS (Morningstar, Inc.)

Total variable annuity premium flow, or total sales, for the first quarter was \$31.6 billion, a 9.0% decrease from first quarter 2004. First quarter net flows of \$4.8 billion showed a decrease of 50.5% from first quarter 2004 net flows of \$9.7 billion. The mix in premiums for the first quarter showed 62% of the total premium flow was in qualified plans and 38% in non-qualified.

Table 2. Variable Annuity Premium Flows¹ (Dollars in Millions)	Quarter Ended	
	3/31/05	3/31/04
Total Premium Flows	31,628	34,746
Net Flows	4,794	9,663

Source: NAVA and VARDS (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				
	3/31/05	12/31/04	9/30/04	6/30/04	3/31/04
Total Flows	\$31,628	\$31,321	\$30,026	\$33,624	\$34,746
Net Flows	4,794	8,240	9,756	12,524	9,663
Net Flows as % of total flows	15.2%	26.3%	32.5%	37.2%	27.8%

Source: NAVA and VARDS (Morningstar, Inc.)

The mix of net assets by investment objective showed that \$608.6 billion, or 55.2% of assets, was held in equity accounts. This is a decrease of 3.2% as compared with year-end 2004 when \$628.5 billion, or 55.9%, was held in equity accounts. The mix also shows that \$273.4 billion, or 24.8% of assets, was held in fixed accounts.

Table 4. Variable Annuity Assets by Investment Objective

(As a percent of total assets)	3/31/05	12/31/04
Equity	55.2%	55.9%
Fixed Accounts	24.8	24.3
Balanced	9.4	9.2
Bonds	8.2	8.4
Money Market	2.4	2.2

Source: NAVA and VARDS (Morningstar, Inc.)

About Annuities -- With the decline in availability of employer sponsored pension plans and proposed changes to Social Security, an annuity is fast becoming an integral 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 National Association for Variable Annuities (NAVA) -- 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.

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