RiverSource
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2011 Annual Report

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Issued by: RiverSource Life Insurance Co. of New York

Annual Financial Information

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

TO THE BOARD OF DIRECTORS OF
RIVERSOURCE LIFE INSURANCE CO. OF NEW YORK

In our opinion, the accompanying statement of assets and liabilities and the related statements of operations and of changes in net assets present fairly, in all material respects, the financial position of each of the divisions of RiverSource of New York Account 8 that is offered through RiverSource® Variable Universal Life Insurance III sponsored by RiverSource Life Insurance Co. of New York, referred to in Note 1, at December 31, 2011, the results of their operations for the period then ended, and the changes in their net assets for the period then ended, in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the management of RiverSource Life Insurance Co. of New York; our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit of these financial statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audit, which included confirmation of securities at December 31, 2011 by correspondence with the affiliated and unaffiliated mutual fund managers, provides a reasonable basis for our opinion. The financial statements of the divisions of the Account as of December 31, 2010 and for the periods disclosed in those financial statements were audited by other auditors whose report dated April 22, 2011 expressed an unqualified opinion on those statements.

PricewaterhouseCoopers LLP
April 20, 2012

Statements of Assets and Liabilities

Dec. 31, 2011	AB VPS Gro & Inc, Cl B	AB VPS Intl Val, Cl B	AB VPS Lg Cap Gro, Cl B	AC VP Intl, Cl I	AC VP Val, Cl I
Assets					
Investments, at fair value[(1),(2)]	$1,157,692	$2,821,493	$90,519	$788,136	$3,477,104
Dividends receivable	—	—	—	—	—
Accounts receivable from RiverSource Life of NY for contract purchase payments	—	3,297	7	3,000	7,025
Receivable for share redemptions	1,923	2,040	55	526	2,708
Total assets	1,159,615	2,826,830	90,581	791,662	3,486,837
Liabilities					
Payable to RiverSource Life of NY for:					
Mortality and expense risk fee	869	2,040	55	526	2,398
Contract terminations	1,053	—	—	—	310
Payable for investments purchased	—	3,297	7	3,000	7,025
Total liabilities	1,922	5,337	62	3,526	9,733
Net assets applicable to Variable Life contracts in accumulation period	1,157,693	2,821,493	90,519	788,136	3,477,104
Net assets applicable to seed money	—	—	—	—	—
Total net assets	$1,157,693	$2,821,493	$90,519	$788,136	$3,477,104
(1) Investment shares	64,820	247,499	3,459	106,075	599,501
(2) Investments, at cost	$1,300,168	$3,739,872	$90,003	$818,931	$3,952,619

Dec. 31, 2011 (continued)	Calvert VP SRI Bal	Col VP Bal, Cl 3	Col VP Cash Mgmt, Cl 3	Col VP Div Bond, Cl 3	Col VP Div Eq Inc, Cl 3
Assets					
Investments, at fair value[(1),(2)]	$361,335	$13,385,523	$4,630,536	$11,057,856	$11,545,448
Dividends receivable	—	—	3	—	—
Accounts receivable from RiverSource Life of NY for contract purchase payments	466	11	36	2,909	2,617
Receivable for share redemptions	246	—	—	—	—
Total assets	362,047	13,385,534	4,630,575	11,060,765	11,548,065
Liabilities					
Payable to RiverSource Life of NY for:					
Mortality and expense risk fee	246	9,770	3,210	7,816	8,299
Contract terminations	—	38,893	3,614	18	44
Payable for investments purchased	466	—	—	—	—
Total liabilities	712	48,663	6,824	7,834	8,343
Net assets applicable to Variable Life contracts in accumulation period	361,335	13,336,871	4,623,751	11,052,931	11,539,722
Net assets applicable to seed money	—	—	—	—	—
Total net assets	$361,335	$13,336,871	$4,623,751	$11,052,931	$11,539,722
(1) Investment shares	206,595	945,305	4,630,536	987,309	922,898
(2) Investments, at cost	$359,362	$13,389,304	$4,629,840	$10,426,426	$11,819,370

See accompanying notes to financial statements.

Statements of Assets and Liabilities

Dec. 31, 2011 (continued)	Col VP Dyn Eq, Cl 3	Col VP Emer Mkts Opp, Cl 3	Col VP Global Bond, Cl 3	Col VP Global Inflation Prot Sec, Cl 3	Col VP Hi Inc, Cl 2
Assets					
Investments, at fair value[(1),(2)]	$19,376,167	$2,624,625	$2,964,051	$1,205,172	$397,438
Dividends receivable	—	—	—	—	—
Accounts receivable from RiverSource Life of NY for contract purchase payments	—	552	1,375	641	380
Receivable for share redemptions	—	—	—	—	—
Total assets	19,376,167	2,625,177	2,965,426	1,205,813	397,818
Liabilities					
Payable to RiverSource Life of NY for:					
Mortality and expense risk fee	13,987	1,871	2,118	849	293
Contract terminations	19,626	778	319	—	—
Payable for investments purchased	—	—	—	—	—
Total liabilities	33,613	2,649	2,437	849	293
Net assets applicable to Variable Life contracts in accumulation period	19,342,554	2,622,528	2,962,989	1,204,964	397,525
Net assets applicable to seed money	—	—	—	—	—
Total net assets	$19,342,554	$2,622,528	$2,962,989	$1,204,964	$397,525
(1) Investment shares	953,083	190,052	250,131	125,670	39,984
(2) Investments, at cost	$19,247,433	$2,767,046	$2,821,303	$1,201,827	$377,860

Dec. 31, 2011 (continued)	Col VP Hi Yield Bond, Cl 3	Col VP Inc Opp, Cl 3	Col VP Intl Opp, Cl 3	Col VP Lg Cap Gro, Cl 3	Col VP Mid Cap Gro Opp, Cl 3
Assets					
Investments, at fair value[(1),(2)]	$3,427,238	$687,632	$6,558,848	$1,482,436	$518,653
Dividends receivable	—	—	—	—	—
Accounts receivable from RiverSource Life of NY for contract purchase payments	674	1,819	47	122	373
Receivable for share redemptions	—	—	—	—	—
Total assets	3,427,912	689,451	6,558,895	1,482,558	519,026
Liabilities					
Payable to RiverSource Life of NY for:					
Mortality and expense risk fee	2,444	493	4,804	1,039	349
Contract terminations	133	—	8,607	—	5
Payable for investments purchased	—	—	—	—	—
Total liabilities	2,577	493	13,411	1,039	354
Net assets applicable to Variable Life contracts in accumulation period	3,425,335	688,958	6,545,484	1,481,519	518,672
Net assets applicable to seed money	—	—	—	—	—
Total net assets	$3,425,335	$688,958	$6,545,484	$1,481,519	$518,672
(1) Investment shares	509,248	68,489	628,242	224,612	42,030
(2) Investments, at cost	$3,300,151	$681,442	$5,845,449	$1,415,987	$516,887

See accompanying notes to financial statements.

Statements of Assets and Liabilities

Dec. 31, 2011 (continued)	Col VP Mid Cap Val Opp, Cl 3	Col VP S&P 500, Cl 3	Col VP Select Lg Cap Val, Cl 3	Col VP Select Sm Cap Val, Cl 3	Col VP Short Duration, Cl 3
Assets					
Investments, at fair value[(1),(2)]	$222,770	$4,416,762	$149,080	$852,227	$3,328,849
Dividends receivable	—	—	—	—	—
Accounts receivable from RiverSource Life of NY for contract purchase payments	19	186	—	118	4,433
Receivable for share redemptions	—	—	—	—	—
Total assets	222,789	4,416,948	149,080	852,345	3,333,282
Liabilities					
Payable to RiverSource Life of NY for:					
Mortality and expense risk fee	161	3,118	111	609	2,361
Contract terminations	—	—	—	33	—
Payable for investments purchased	—	—	—	—	—
Total liabilities	161	3,118	111	642	2,361
Net assets applicable to Variable Life contracts in accumulation period	222,628	4,413,830	148,849	851,703	3,330,921
Net assets applicable to seed money	—	—	120	—	—
Total net assets	$222,628	$4,413,830	$148,969	$851,703	$3,330,921
(1) Investment shares	22,233	504,773	15,135	80,933	319,467
(2) Investments, at cost	$228,592	$4,023,885	$144,578	$906,135	$3,273,593

Dec. 31, 2011 (continued)	CS Commodity Return	EV VT Floating-Rate Inc	Fid VIP Contrafund, Serv Cl 2	Fid VIP Gro & Inc, Serv Cl	Fid VIP Mid Cap, Serv Cl
Assets					
Investments, at fair value[(1),(2)]	$801,426	$855,400	$2,654,786	$3,775,014	$6,241,525
Dividends receivable	—	3,088	—	—	—
Accounts receivable from RiverSource Life of NY for contract purchase payments	280	383	—	242	138
Receivable for share redemptions	574	597	2,280	2,630	10,664
Total assets	802,280	859,468	2,657,066	3,777,886	6,252,327
Liabilities					
Payable to RiverSource Life of NY for:					
Mortality and expense risk fee	574	597	1,899	2,570	4,277
Contract terminations	—	—	381	60	6,387
Payable for investments purchased	280	3,471	—	242	138
Total liabilities	854	4,068	2,280	2,872	10,802
Net assets applicable to Variable Life contracts in accumulation period	801,426	855,400	2,654,786	3,775,014	6,241,525
Net assets applicable to seed money	—	—	—	—	—
Total net assets	$801,426	$855,400	$2,654,786	$3,775,014	$6,241,525
(1) Investment shares	111,931	91,978	117,261	301,760	215,746
(2) Investments, at cost	$977,327	$845,244	$2,580,463	$3,877,811	$5,829,618

See accompanying notes to financial statements.

Statements of Assets and Liabilities

Dec. 31, 2011 (continued)	Fid VIP Overseas, Serv Cl	FTVIPT Frank Global Real Est, Cl 2	FTVIPT Frank Sm Cap Val, Cl 2	FTVIPT Mutual Shares Sec, Cl 2	GS VIT Mid Cap Val, Inst
Assets					
Investments, at fair value(1),(2)	$1,375,085	$2,250,966	$2,008,132	$1,494,943	$4,964,883
Dividends receivable	—	—	—	—	—
Accounts receivable from RiverSource Life of NY for contract purchase payments	3,288	1,479	5	501	—
Receivable for share redemptions	971	1,606	4,102	1,094	8,079
Total assets	1,379,344	2,254,051	2,012,239	1,496,538	4,972,962
Liabilities					
Payable to RiverSource Life of NY for:					
Mortality and expense risk fee	970	1,606	1,432	1,094	3,502
Contract terminations	—	—	2,669	—	4,577
Payable for investments purchased	3,288	1,479	5	501	—
Total liabilities	4,258	3,085	4,106	1,595	8,079
Net assets applicable to Variable Life contracts in accumulation period	1,375,086	2,250,966	2,008,133	1,494,943	4,964,883
Net assets applicable to seed money	—	—	—	—	—
Total net assets	$1,375,086	$2,250,966	$2,008,133	$1,494,943	$4,964,883
(1) Investment shares	101,258	200,979	129,307	97,200	379,288
(2) Investments, at cost	$1,736,522	$3,506,773	$1,927,678	$1,600,153	$5,223,094

Dec. 31, 2011 (continued)	GS VIT Structd Sm Cap Eq, Inst	GS VIT Structd U.S. Eq, Inst	Invesco VI Cap Appr, Ser I	Invesco VI Cap Dev, Ser I	Invesco VI Core Eq, Ser I
Assets					
Investments, at fair value(1),(2)	$519,263	$1,750,188	$473,326	$312,735	$10,471,379
Dividends receivable	—	—	—	—	—
Accounts receivable from RiverSource Life of NY for contract purchase payments	2	426	20	99	—
Receivable for share redemptions	489	1,180	298	309	18,166
Total assets	519,754	1,751,794	473,644	313,143	10,489,545
Liabilities					
Payable to RiverSource Life of NY for:					
Mortality and expense risk fee	361	1,179	299	203	7,604
Contract terminations	128	—	—	106	10,561
Payable for investments purchased	2	426	20	99	—
Total liabilities	491	1,605	319	408	18,165
Net assets applicable to Variable Life contracts in accumulation period	519,263	1,750,189	473,325	312,735	10,471,380
Net assets applicable to seed money	—	—	—	—	—
Total net assets	$519,263	$1,750,189	$473,325	$312,735	$10,471,380
(1) Investment shares	45,549	162,055	22,097	25,119	391,893
(2) Investments, at cost	$500,985	$1,850,314	$513,210	$332,278	$ 9,408,425

See accompanying notes to financial statements.

Statements of Assets and Liabilities

Dec. 31, 2011 (continued)	Invesco VI Div Divd, Ser I	Invesco VI Intl Gro, Ser II	Invesco VI Tech, Ser I	Invesco VanK VI Comstock, Ser II	Janus Aspen Enterprise, Serv
Assets					
Investments, at fair value[1],[2]	$336,674	$889,167	$301,203	$220,089	$441,646
Dividends receivable	—	—	—	—	—
Accounts receivable from RiverSource Life of NY for contract purchase payments	180	544	210	—	—
Receivable for share redemptions	245	583	213	176	1,912
Total assets	337,099	890,294	301,626	220,265	443,558
Liabilities					
Payable to RiverSource Life of NY for:					
Mortality and expense risk fee	245	555	213	161	265
Contract terminations	—	29	—	15	1,647
Payable for investments purchased	180	544	210	—	—
Total liabilities	425	1,128	423	176	1,912
Net assets applicable to Variable Life contracts in accumulation period	336,674	889,166	301,203	220,089	441,646
Net assets applicable to seed money	—	—	—	—	—
Total net assets	$336,674	$889,166	$301,203	$220,089	$441,646
[1] Investment shares	23,980	34,094	19,868	19,511	11,965
[2] Investments, at cost	$361,869	$869,961	$272,847	$216,780	$400,854

Dec. 31, 2011 (continued)	Janus Aspen Global Tech, Serv	Janus Aspen Janus, Serv	Janus Aspen Overseas, Serv	MFS Inv Gro Stock, Serv Cl	MFS New Dis, Serv Cl
Assets					
Investments, at fair value[1],[2]	$1,198,235	$511,935	$3,516,794	$1,848,180	$1,385,822
Dividends receivable	—	—	—	—	—
Accounts receivable from RiverSource Life of NY for contract purchase payments	207	56	—	568	116
Receivable for share redemptions	1,586	371	3,637	1,581	945
Total assets	1,200,028	512,362	3,520,431	1,850,329	1,386,883
Liabilities					
Payable to RiverSource Life of NY for:					
Mortality and expense risk fee	854	371	2,415	1,221	945
Contract terminations	732	—	1,222	360	—
Payable for investments purchased	207	56	—	568	116
Total liabilities	1,793	427	3,637	2,149	1,061
Net assets applicable to Variable Life contracts in accumulation period	1,198,235	511,935	3,516,794	1,848,180	1,385,822
Net assets applicable to seed money	—	—	—	—	—
Total net assets	$1,198,235	$511,935	$3,516,794	$1,848,180	$1,385,822
[1] Investment shares	231,767	22,652	93,982	171,604	100,860
[2] Investments, at cost	$1,048,437	$492,101	$3,972,191	$1,551,273	$1,419,516

See accompanying notes to financial statements.

Statements of Assets and Liabilities

Dec. 31, 2011 (continued)	MFS Utilities, Serv Cl	MS UIF Global Real Est, Cl II	MS UIF Mid Cap Gro, Cl II	Oppen Global Sec VA, Serv	Oppen Global Strategic Inc VA, Srv
Assets					
Investments, at fair value[(1),(2)]	$1,297,784	$192,529	$272,345	$546,595	$2,888,296
Dividends receivable	—	—	—	—	—
Accounts receivable from RiverSource Life of NY for contract purchase payments	—	12	155	245	1,202
Receivable for share redemptions	1,622	132	194	397	2,070
Total assets	1,299,406	192,673	272,694	547,237	2,891,568
Liabilities					
Payable to RiverSource Life of NY for:					
Mortality and expense risk fee	930	132	195	397	2,068
Contract terminations	692	—	—	—	2
Payable for investments purchased	—	12	155	245	1,202
Total liabilities	1,622	144	350	642	3,272
Net assets applicable to Variable Life contracts in accumulation period	1,297,784	192,529	272,344	546,595	2,888,296
Net assets applicable to seed money	—	—	—	—	—
Total net assets	$1,297,784	$192,529	$272,344	$546,595	$2,888,296
(1) Investment shares	50,439	26,302	24,491	20,088	526,101
(2) Investments, at cost	$1,227,664	$204,280	$272,921	$562,476	$2,806,608

Dec. 31, 2011 (continued)	Oppen Main St Sm Mid Cap VA, Serv	PIMCO VIT All Asset, Advisor Cl	Put VT Global Hlth Care, Cl IB	Put VT Hi Yield, Cl IB	Put VT Intl Eq, Cl IB
Assets					
Investments, at fair value[(1),(2)]	$302,710	$2,964,930	$215,226	$675,708	$ 99,217
Dividends receivable	—	—	—	—	—
Accounts receivable from RiverSource Life of NY for contract purchase payments	—	399	38	—	9
Receivable for share redemptions	338	2,094	157	577	71
Total assets	303,048	2,967,423	215,421	676,285	99,297
Liabilities					
Payable to RiverSource Life of NY for:					
Mortality and expense risk fee	218	2,094	157	462	71
Contract terminations	120	—	—	115	—
Payable for investments purchased	—	399	38	—	9
Total liabilities	338	2,493	195	577	80
Net assets applicable to Variable Life contracts in accumulation period	302,710	2,964,930	215,226	675,708	99,217
Net assets applicable to seed money	—	—	—	—	—
Total net assets	$302,710	$2,964,930	$215,226	$675,708	$ 99,217
(1) Investment shares	17,786	282,644	18,411	103,004	10,455
(2) Investments, at cost	$271,208	$3,096,852	$215,480	$696,752	$122,570

See accompanying notes to financial statements.

Statements of Assets and Liabilities

Dec. 31, 2011 (continued)	Put VT Multi-Cap Gro, Cl IA	Put VT Multi-Cap Gro, Cl IB	Royce Micro-Cap, Invest Cl	Third Ave Val	VP Aggr, Cl 2
Assets					
Investments, at fair value(1),(2)	$6,457,516	$297,816	$3,309,224	$2,508,104	$3,042,179
Dividends receivable	—	—	—	—	—
Accounts receivable from RiverSource Life of NY for contract purchase payments	—	82	—	7,584	1,253
Receivable for share redemptions	8,967	149	5,054	1,687	—
Total assets	6,466,483	298,047	3,314,278	2,517,375	3,043,432
Liabilities					
Payable to RiverSource Life of NY for:					
Mortality and expense risk fee	4,706	149	2,286	1,687	2,186
Contract terminations	4,261	—	2,768	—	—
Payable for investments purchased	—	82	—	7,584	—
Total liabilities	8,967	231	5,054	9,271	2,186
Net assets applicable to Variable Life contracts in accumulation period	6,457,516	297,816	3,309,224	2,508,104	3,041,246
Net assets applicable to seed money	—	—	—	—	—
Total net assets	$6,457,516	$297,816	$3,309,224	$2,508,104	$3,041,246
(1) Investment shares	329,633	15,455	317,889	219,624	278,079
(2) Investments, at cost	$7,464,026	$311,757	$3,250,651	$3,717,262	$3,047,181

Dec. 31, 2011 (continued)	VP Aggr, Cl 4	VP Conserv, Cl 2	VP Conserv, Cl 4	VP Davis NY Venture, Cl 3	VP GS Mid Cap Val, Cl 3
Assets					
Investments, at fair value(1),(2)	$14,048,501	$562,080	$2,188,980	$390,200	$122,089
Dividends receivable	—	—	—	—	—
Accounts receivable from RiverSource Life of NY for contract purchase payments	33,822	—	4	—	13
Receivable for share redemptions	—	—	—	—	—
Total assets	14,082,323	562,080	2,188,984	390,200	122,102
Liabilities					
Payable to RiverSource Life of NY for:					
Mortality and expense risk fee	10,104	409	1,547	277	89
Contract terminations	—	8	—	56	—
Payable for investments purchased	—	—	—	—	—
Total liabilities	10,104	417	1,547	333	89
Net assets applicable to Variable Life contracts in accumulation period	14,072,219	561,663	2,187,437	389,867	121,892
Net assets applicable to seed money	—	—	—	—	121
Total net assets	$14,072,219	$561,663	$2,187,437	$389,867	$122,013
(1) Investment shares	1,281,797	51,757	201,564	40,477	11,672
(2) Investments, at cost	$13,060,567	$555,308	$2,097,164	$360,679	$109,590

See accompanying notes to financial statements.

Statements of Assets and Liabilities

Dec. 31, 2011 (continued)	VP Mod, Cl 2	VP Mod, Cl 4	VP Mod Aggr, Cl 2	VP Mod Aggr, Cl 4	VP Mod Conserv, Cl 2
Assets					
Investments, at fair value(1),(2)	$ 9,992,395	$38,148,203	$7,687,230	$42,946,741	$1,696,384
Dividends receivable	—	—	—	—	—
Accounts receivable from RiverSource Life of NY for contract purchase payments	81,748	—	115	95	—
Receivable for share redemptions	—	—	—	—	—
Total assets	10,074,143	38,148,203	7,687,345	42,946,836	1,696,384
Liabilities					
Payable to RiverSource Life of NY for:					
Mortality and expense risk fee	7,210	27,377	5,494	30,141	1,189
Contract terminations	—	42,431	54,056	870	513
Payable for investments purchased	—	—	—	—	—
Total liabilities	7,210	69,808	59,550	31,011	1,702
Net assets applicable to Variable Life contracts in accumulation period	10,066,933	38,078,395	7,627,795	42,915,825	1,694,682
Net assets applicable to seed money	—	—	—	—	—
Total net assets	$10,066,933	$38,078,395	$7,627,795	$42,915,825	$1,694,682
(1) Investment shares	905,108	3,452,326	696,938	3,886,583	154,638
(2) Investments, at cost	$ 9,846,732	$35,207,171	$7,633,280	$39,982,571	$1,675,328

Dec. 31, 2011 (continued)	VP Mod Conserv, Cl 4	VP Ptnrs Sm Cap Val, Cl 3	Wanger Intl	Wanger USA	WF Adv VT Intl Eq, Cl 2
Assets					
Investments, at fair value(1),(2)	$6,717,028	$612,709	$4,340,140	$4,989,190	$1,017,458
Dividends receivable	—	—	—	—	—
Accounts receivable from RiverSource Life of NY for contract purchase payments	652	—	3,327	—	268
Receivable for share redemptions	—	—	—	—	1,077
Total assets	6,717,680	612,709	4,343,467	4,989,190	1,018,803
Liabilities					
Payable to RiverSource Life of NY for:					
Mortality and expense risk fee	4,710	447	3,117	3,580	696
Contract terminations	125	5,807	—	1,360	381
Payable for investments purchased	—	—	—	—	268
Total liabilities	4,835	6,254	3,117	4,940	1,345
Net assets applicable to Variable Life contracts in accumulation period	6,712,845	606,455	4,340,350	4,984,250	1,017,458
Net assets applicable to seed money	—	—	—	—	—
Total net assets	$6,712,845	$606,455	$4,340,350	$4,984,250	$1,017,458
(1) Investment shares	611,195	42,024	150,752	167,422	212,857
(2) Investments, at cost	$6,271,278	$518,530	$4,204,671	$4,743,501	$ 964,552

See accompanying notes to financial statements.

Statements of Assets and Liabilities

Dec. 31, 2011 (continued)	WF Adv VT Opp, Cl 2	WF Adv VT Sm Cap Gro, Cl 2
Assets		
Investments, at fair value(1),(2)	$890,051	$603,932
Dividends receivable	—	—
Accounts receivable from RiverSource Life of NY for contract purchase payments	551	248
Receivable for share redemptions	648	440
Total assets	891,250	604,620
Liabilities		
Payable to RiverSource Life of NY for:		
Mortality and expense risk fee	649	440
Contract terminations	—	—
Payable for investments purchased	551	248
Total liabilities	1,200	688
Net assets applicable to Variable Life contracts in accumulation period	890,050	603,932
Net assets applicable to seed money	—	—
Total net assets	$890,050	$603,932
(1) Investment shares	51,211	78,637
(2) Investments, at cost	$850,322	$555,257

See accompanying notes to financial statements.

Statements of Operations

Year ended Dec. 31, 2011	AB VPS Gro & Inc, Cl B	AB VPS Intl Val, Cl B	AB VPS Lg Cap Gro, Cl B	AC VP Intl, Cl I	AC VP Val, Cl I
Investment income					
Dividend income	$ 13,145	$ 129,960	$ 81	$ 12,746	$ 73,904
Variable account expenses	11,071	30,277	757	7,751	32,058
Investment income (loss) — net	2,074	99,683	(676)	4,995	41,846
Realized and unrealized gain (loss) on investments — net					
Realized gain (loss) on sales of investments:					
Proceeds from sales	228,593	502,685	81,343	341,527	1,068,051
Cost of investments sold	261,294	571,235	75,252	307,366	1,246,965
Net realized gain (loss) on sales of investments	(32,701)	(68,550)	6,091	34,161	(178,914)
Distributions from capital gains	—	—	—	—	—
Net change in unrealized appreciation or depreciation of investments	89,982	(753,883)	(10,528)	(154,475)	139,378
Net gain (loss) on investments	57,281	(822,433)	(4,437)	(120,314)	(39,536)
Net increase (decrease) in net assets resulting from operations	$ 59,355	$ (722,750)	$ (5,113)	$(115,319)	$ 2,310

Year ended Dec. 31, 2011 (continued)	Calvert VP SRI Bal	Col VP Bal, Cl 3	Col VP Cash Mgmt, Cl 3	Col VP Div Bond, Cl 3	Col VP Div Eq Inc, Cl 3
Investment income					
Dividend income	$ 4,772	$ —	$ 448	$ 498,614	$ —
Variable account expenses	3,223	127,383	38,682	97,647	113,686
Investment income (loss) — net	1,549	(127,383)	(38,234)	400,967	(113,686)
Realized and unrealized gain (loss) on investments — net					
Realized gain (loss) on sales of investments:					
Proceeds from sales	87,034	2,360,893	3,071,943	2,412,190	2,467,424
Cost of investments sold	87,147	2,376,073	3,071,208	2,281,294	2,425,157
Net realized gain (loss) on sales of investments	(113)	(15,180)	735	130,896	42,267
Distributions from capital gains	—	—	—	—	—
Net change in unrealized appreciation or depreciation of investments	11,753	357,493	(735)	86,001	(664,333)
Net gain (loss) on investments	11,640	342,313	—	216,897	(622,066)
Net increase (decrease) in net assets resulting from operations	$13,189	$ 214,930	$ (38,234)	$ 617,864	$ (735,752)

Year ended Dec. 31, 2011 (continued)	Col VP Dyn Eq, Cl 3	Col VP Emer Mkts Opp, Cl 3	Col VP Global Bond, Cl 3	Col VP Global Inflation Prot Sec, Cl 3	Col VP Hi Inc, Cl 2
Investment income					
Dividend income	$ —	$ 35,814	$ 87,030	$ 80,004	$ 28,213
Variable account expenses	181,704	27,999	26,716	9,713	3,684
Investment income (loss) — net	(181,704)	7,815	60,314	70,291	24,529
Realized and unrealized gain (loss) on investments — net					
Realized gain (loss) on sales of investments:					
Proceeds from sales	3,835,723	751,808	624,736	268,460	141,804
Cost of investments sold	3,848,694	678,976	584,685	270,520	133,874
Net realized gain (loss) on sales of investments	(12,971)	72,832	40,051	(2,060)	7,930
Distributions from capital gains	—	47,739	14,907	13,844	—
Net change in unrealized appreciation or depreciation of investments	1,071,369	(875,977)	(1,821)	14,743	(9,383)
Net gain (loss) on investments	1,058,398	(755,406)	53,137	26,527	(1,453)
Net increase (decrease) in net assets resulting from operations	$ 876,694	$(747,591)	$113,451	$ 96,818	$ 23,076

See accompanying notes to financial statements.

Statements of Operations

Year ended Dec. 31, 2011 (continued)	Col VP Hi Yield Bond, Cl 3	Col VP Inc Opp, Cl 3	Col VP Intl Opp, Cl 3	Col VP Lg Cap Gro, Cl 3	Col VP Mid Cap Gro Opp, Cl 3
Investment income					
Dividend income	$ 291,786	$ 59,990	$ 103,486	$ —	$ —
Variable account expenses	31,198	5,884	69,974	14,510	5,132
Investment income (loss) — net	260,588	54,106	33,512	(14,510)	(5,132)
Realized and unrealized gain (loss) on investments — net					
Realized gain (loss) on sales of investments:					
Proceeds from sales	792,150	202,663	1,349,828	448,954	346,634
Cost of investments sold	745,416	189,176	1,050,858	403,217	281,284
Net realized gain (loss) on sales of investments	46,734	13,487	298,970	45,737	65,350
Distributions from capital gains	—	18,004	—	—	—
Net change in unrealized appreciation or depreciation of investments	(146,423)	(51,318)	(1,346,556)	(95,469)	(155,178)
Net gain (loss) on investments	(99,689)	(19,827)	(1,047,586)	(49,732)	(89,828)
Net increase (decrease) in net assets resulting from operations	$ 160,899	$ 34,279	$(1,014,074)	$ (64,242)	$ (94,960)

Year ended Dec. 31, 2011 (continued)	Col VP Mid Cap Val Opp, Cl 3	Col VP S&P 500, Cl 3	Col VP Select Lg Cap Val, Cl 3	Col VP Select Sm Cap Val, Cl 3	Col VP Short Duration, Cl 3
Investment income					
Dividend income	$ —	$ —	$ —	$ —	$ 31,333
Variable account expenses	2,450	40,646	917	8,377	30,502
Investment income (loss) — net	(2,450)	(40,646)	(917)	(8,377)	831
Realized and unrealized gain (loss) on investments — net					
Realized gain (loss) on sales of investments:					
Proceeds from sales	131,953	1,177,108	23,598	250,689	891,210
Cost of investments sold	127,380	1,059,721	21,518	249,035	876,586
Net realized gain (loss) on sales of investments	4,573	117,387	2,080	1,654	14,624
Distributions from capital gains	—	—	—	—	—
Net change in unrealized appreciation or depreciation of investments	(30,752)	(39,659)	(4,919)	(79,594)	1,992
Net gain (loss) on investments	(26,179)	77,728	(2,839)	(77,940)	16,616
Net increase (decrease) in net assets resulting from operations	$(28,629)	$ 37,082	$ (3,756)	$ (86,317)	$ 17,447

Year ended Dec. 31, 2011 (continued)	CS Commodity Return	EV VT Floating-Rate Inc	Fid VIP Contrafund, Serv Cl 2	Fid VIP Gro & Inc, Serv Cl	Fid VIP Mid Cap, Serv Cl
Investment income					
Dividend income	$ 21,386	$ 31,825	$ 22,192	$ 65,416	$ 10,381
Variable account expenses	7,594	6,519	25,166	35,991	64,990
Investment income (loss) — net	13,792	25,306	(2,974)	29,425	(54,609)
Realized and unrealized gain (loss) on investments — net					
Realized gain (loss) on sales of investments:					
Proceeds from sales	208,613	250,207	798,311	1,497,298	2,650,319
Cost of investments sold	233,004	243,391	733,428	1,524,077	2,184,413
Net realized gain (loss) on sales of investments	(24,391)	6,816	64,883	(26,779)	465,906
Distributions from capital gains	—	—	—	—	11,895
Net change in unrealized appreciation or depreciation of investments	(115,192)	(25,489)	(168,613)	24,435	(1,278,275)
Net gain (loss) on investments	(139,583)	(18,673)	(103,730)	(2,344)	(800,474)
Net increase (decrease) in net assets resulting from operations	$(125,791)	$ 6,633	$(106,704)	$ 27,081	$ (855,083)

See accompanying notes to financial statements.

Statements of Operations

Year ended Dec. 31, 2011 (continued)	Fid VIP Overseas, Serv Cl	FTVIPT Frank Global Real Est, Cl 2	FTVIPT Frank Sm Cap Val, Cl 2	FTVIPT Mutual Shares Sec, Cl 2	GS VIT Mid Cap Val, Inst
Investment income					
Dividend income	$ 21,266	$ 194,078	$ 14,675	$ 37,122	$ 41,267
Variable account expenses	15,828	22,362	19,031	14,146	49,988
Investment income (loss) — net	5,438	171,716	(4,356)	22,976	(8,721)
Realized and unrealized gain (loss) on investments — net					
Realized gain (loss) on sales of investments:					
Proceeds from sales	601,587	594,638	557,324	222,255	1,430,109
Cost of investments sold	653,355	875,856	523,615	232,588	1,419,533
Net realized gain (loss) on sales of investments	(51,768)	(281,218)	33,709	(10,333)	10,576
Distributions from capital gains	3,557	—	—	—	—
Net change in unrealized appreciation or depreciation of investments	(282,881)	(48,130)	(126,187)	(43,830)	(409,138)
Net gain (loss) on investments	(331,092)	(329,348)	(92,478)	(54,163)	(398,562)
Net increase (decrease) in net assets resulting from operations	$(325,654)	$(157,632)	$ (96,834)	$ (31,187)	$ (407,283)

Year ended Dec. 31, 2011 (continued)	GS VIT Structd Sm Cap Eq, Inst	GS VIT Structd U.S. Eq, Inst	Invesco VI Cap Appr, Ser I	Invesco VI Cap Dev, Ser I	Invesco VI Core Eq, Ser I
Investment income					
Dividend income	$ 4,408	$ 30,897	$ 788	$ —	$ 108,113
Variable account expenses	4,681	15,460	3,887	3,009	101,576
Investment income (loss) — net	(273)	15,437	(3,099)	(3,009)	6,537
Realized and unrealized gain (loss) on investments — net					
Realized gain (loss) on sales of investments:					
Proceeds from sales	192,109	569,249	207,219	156,611	1,956,795
Cost of investments sold	176,902	602,116	205,518	149,998	1,677,920
Net realized gain (loss) on sales of investments	15,207	(32,867)	1,701	6,613	278,875
Distributions from capital gains	—	—	—	—	—
Net change in unrealized appreciation or depreciation of investments	(11,014)	73,490	(40,979)	(34,379)	(361,094)
Net gain (loss) on investments	4,193	40,623	(39,278)	(27,766)	(82,219)
Net increase (decrease) in net assets resulting from operations	$ 3,920	$ 56,060	$ (42,377)	$ (30,775)	$ (75,682)

Period ended Dec. 31, 2011 (continued)	Invesco VI Div Divd, Ser I[1]	Invesco VI Intl Gro, Ser II	Invesco VI Tech, Ser I	Invesco VanK VI Comstock, Ser II	Janus Aspen Enterprise, Serv
Investment income					
Dividend income	$ —	$ 11,100	$ 586	$ 3,452	$ —
Variable account expenses	2,161	7,849	2,612	2,104	4,051
Investment income (loss) — net	(2,161)	3,251	(2,026)	1,348	(4,051)
Realized and unrealized gain (loss) on investments — net					
Realized gain (loss) on sales of investments:					
Proceeds from sales	76,312	452,247	82,001	110,927	390,029
Cost of investments sold	83,878	382,065	67,488	101,189	307,563
Net realized gain (loss) on sales of investments	(7,566)	70,182	14,513	9,738	82,466
Distributions from capital gains	—	—	—	—	—
Net change in unrealized appreciation or depreciation of investments	(25,195)	(148,970)	(33,441)	(17,868)	(88,118)
Net gain (loss) on investments	(32,761)	(78,788)	(18,928)	(8,130)	(5,652)
Net increase (decrease) in net assets resulting from operations	$(34,922)	$ (75,537)	$(20,954)	$ (6,782)	$ (9,703)

[1] For the period April 29, 2011 (commencement of operations) to Dec. 31, 2011.

See accompanying notes to financial statements.

Statements of Operations

Year ended Dec. 31, 2011 (continued)	Janus Aspen Global Tech, Serv	Janus Aspen Janus, Serv	Janus Aspen Overseas, Serv	MFS Inv Gro Stock, Serv Cl	MFS New Dis, Serv Cl
Investment income					
Dividend income	$ —	$ 2,308	$ 18,437	$ 5,104	$ —
Variable account expenses	11,375	4,673	42,339	16,467	14,553
Investment income (loss) — net	(11,375)	(2,365)	(23,902)	(11,363)	(14,553)
Realized and unrealized gain (loss) on investments — net					
Realized gain (loss) on sales of investments:					
Proceeds from sales	341,142	101,428	1,635,243	670,053	660,385
Cost of investments sold	272,019	89,929	1,426,258	512,926	545,892
Net realized gain (loss) on sales of investments	69,123	11,499	208,985	157,127	114,493
Distributions from capital gains	—	—	48,495	—	206,368
Net change in unrealized appreciation or depreciation of investments	(183,322)	(41,867)	(2,073,063)	(153,548)	(480,122)
Net gain (loss) on investments	(114,199)	(30,368)	(1,815,583)	3,579	(159,261)
Net increase (decrease) in net assets resulting from operations	$(125,574)	$ (32,733)	$(1,839,485)	$ (7,784)	$(173,814)

Year ended Dec. 31, 2011 (continued)	MFS Utilities, Serv Cl	MS UIF Global Real Est, Cl II	MS UIF Mid Cap Gro, Cl II	Oppen Global Sec VA, Serv	Oppen Global Strategic Inc VA, Srv
Investment income					
Dividend income	$ 38,652	$ 6,546	$ 761	$ 6,481	$ 86,608
Variable account expenses	11,227	1,742	2,532	5,410	26,907
Investment income (loss) — net	27,425	4,804	(1,771)	1,071	59,701
Realized and unrealized gain (loss) on investments — net					
Realized gain (loss) on sales of investments:					
Proceeds from sales	238,373	75,577	81,161	107,022	768,579
Cost of investments sold	220,981	71,930	71,306	99,088	725,114
Net realized gain (loss) on sales of investments	17,392	3,647	9,855	7,934	43,465
Distributions from capital gains	—	—	128	—	37,684
Net change in unrealized appreciation or depreciation of investments	22,441	(30,419)	(36,718)	(63,451)	(141,272)
Net gain (loss) on investments	39,833	(26,772)	(26,735)	(55,517)	(60,123)
Net increase (decrease) in net assets resulting from operations	$ 67,258	$(21,968)	$(28,506)	$(54,446)	$ (422)

Year ended Dec. 31, 2011 (continued)	Oppen Main St Sm Mid Cap VA, Serv	PIMCO VIT All Asset, Advisor Cl	Put VT Global Hlth Care, Cl IB	Put VT Hi Yield, Cl IB	Put VT Intl Eq, Cl IB
Investment income					
Dividend income	$ 1,208	$ 213,321	$ 7,310	$ 58,568	$ 3,931
Variable account expenses	2,727	24,776	1,950	6,346	1,047
Investment income (loss) — net	(1,519)	188,545	5,360	52,222	2,884
Realized and unrealized gain (loss) on investments — net					
Realized gain (loss) on sales of investments:					
Proceeds from sales	86,216	1,104,699	38,571	296,721	51,845
Cost of investments sold	73,036	1,075,316	36,823	301,766	56,938
Net realized gain (loss) on sales of investments	13,180	29,383	1,748	(5,045)	(5,093)
Distributions from capital gains	—	—	—	—	—
Net change in unrealized appreciation or depreciation of investments	(20,066)	(188,851)	(12,632)	(40,747)	(19,013)
Net gain (loss) on investments	(6,886)	(159,468)	(10,884)	(45,792)	(24,106)
Net increase (decrease) in net assets resulting from operations	$ (8,405)	$ 29,077	$ (5,524)	$ 6,430	$(21,222)

See accompanying notes to financial statements.

Statements of Operations

Year ended Dec. 31, 2011 (continued)	Put VT Multi-Cap Gro, Cl IA	Put VT Multi-Cap Gro, Cl IB	Royce Micro-Cap, Invest Cl	Third Ave Val	VP Aggr, Cl 2
Investment income					
Dividend income	$ 28,584	$ 866	$ 89,210	$ 56,793	$ —
Variable account expenses	64,176	2,501	34,072	27,680	21,004
Investment income (loss) — net	(35,592)	(1,635)	55,138	29,113	(21,004)
Realized and unrealized gain (loss) on investments — net					
Realized gain (loss) on sales of investments:					
Proceeds from sales	1,302,213	282,407	1,129,201	1,117,680	517,911
Cost of investments sold	1,425,331	245,579	952,654	1,487,238	505,933
Net realized gain (loss) on sales of investments	(123,118)	36,828	176,547	(369,558)	11,978
Distributions from capital gains	—	—	—	—	—
Net change in unrealized appreciation or depreciation of investments	(230,295)	(53,941)	(736,666)	(411,527)	(142,950)
Net gain (loss) on investments	(353,413)	(17,113)	(560,119)	(781,085)	(130,972)
Net increase (decrease) in net assets resulting from operations	$ (389,005)	$ (18,748)	$ (504,981)	$ (751,972)	$(151,976)

Year ended Dec. 31, 2011 (continued)	VP Aggr, Cl 4	VP Conserv, Cl 2	VP Conserv, Cl 4	VP Davis NY Venture, Cl 3	VP GS Mid Cap Val, Cl 3
Investment income					
Dividend income	$ —	$ —	$ —	$ —	$ —
Variable account expenses	134,451	3,470	16,601	3,360	1,254
Investment income (loss) — net	(134,451)	(3,470)	(16,601)	(3,360)	(1,254)
Realized and unrealized gain (loss) on investments — net					
Realized gain (loss) on sales of investments:					
Proceeds from sales	3,158,594	391,537	1,401,091	76,968	37,307
Cost of investments sold	2,842,961	387,016	1,332,136	68,550	32,053
Net realized gain (loss) on sales of investments	315,633	4,521	68,955	8,418	5,254
Distributions from capital gains	—	—	—	—	—
Net change in unrealized appreciation or depreciation of investments	(792,536)	2,952	3,760	(23,358)	(14,446)
Net gain (loss) on investments	(476,903)	7,473	72,715	(14,940)	(9,192)
Net increase (decrease) in net assets resulting from operations	$ (611,354)	$ 4,003	$ 56,114	$(18,300)	$(10,446)

Year ended Dec. 31, 2011 (continued)	VP Mod, Cl 2	VP Mod, Cl 4	VP Mod Aggr, Cl 2	VP Mod Aggr, Cl 4	VP Mod Conserv, Cl 2
Investment income					
Dividend income	$ —	$ —	$ —	$ —	$ —
Variable account expenses	61,595	338,750	48,833	398,740	11,448
Investment income (loss) — net	(61,595)	(338,750)	(48,833)	(398,740)	(11,448)
Realized and unrealized gain (loss) on investments — net					
Realized gain (loss) on sales of investments:					
Proceeds from sales	956,467	7,341,708	577,159	9,692,722	345,873
Cost of investments sold	923,385	6,673,605	570,772	8,883,632	340,096
Net realized gain (loss) on sales of investments	33,082	668,103	6,387	809,090	5,777
Distributions from capital gains	—	—	—	—	—
Net change in unrealized appreciation or depreciation of investments	(86,190)	(507,016)	(151,623)	(1,646,099)	(7,243)
Net gain (loss) on investments	(53,108)	161,087	(145,236)	(837,009)	(1,466)
Net increase (decrease) in net assets resulting from operations	$(114,703)	$ (177,663)	$(194,069)	$(1,235,749)	$ (12,914)

See accompanying notes to financial statements.

Statements of Operations

Year ended Dec. 31, 2011 (continued)	VP Mod Conserv, Cl 4	VP Ptnrs Sm Cap Val, Cl 3	Wanger Intl	Wanger USA	WF Adv VT Intl Eq, Cl 2
Investment income					
Dividend income	$ —	$ —	$ 248,133	$ —	$ 1,292
Variable account expenses	55,101	5,787	46,111	49,736	10,679
Investment income (loss) — net	(55,101)	(5,787)	202,022	(49,736)	(9,387)
Realized and unrealized gain (loss) on investments — net					
Realized gain (loss) on sales of investments:					
Proceeds from sales	2,902,791	101,640	1,120,611	1,169,007	446,087
Cost of investments sold	2,670,120	83,821	1,323,040	1,094,719	341,988
Net realized gain (loss) on sales of investments	232,671	17,819	(202,429)	74,288	104,099
Distributions from capital gains	—	—	127,338	507,598	54,544
Net change in unrealized appreciation or depreciation of investments	(65,498)	(47,755)	(937,406)	(764,089)	(319,059)
Net gain (loss) on investments	167,173	(29,936)	(1,012,497)	(182,203)	(160,416)
Net increase (decrease) in net assets resulting from operations	$ 112,072	$(35,723)	$ (810,475)	$ (231,939)	$(169,803)

Year ended Dec. 31, 2011 (continued)	WF Adv VT Opp, Cl 2	WF Adv VT Sm Cap Gro, Cl 2
Investment income		
Dividend income	$ 365	$ —
Variable account expenses	4,244	5,784
Investment income (loss) — net	(3,879)	(5,784)
Realized and unrealized gain (loss) on investments — net		
Realized gain (loss) on sales of investments:		
Proceeds from sales	92,832	141,216
Cost of investments sold	85,795	127,523
Net realized gain (loss) on sales of investments	7,037	13,693
Distributions from capital gains	—	—
Net change in unrealized appreciation or depreciation of investments	9,029	(45,091)
Net gain (loss) on investments	16,066	(31,398)
Net increase (decrease) in net assets resulting from operations	$12,187	$ (37,182)

See accompanying notes to financial statements.

Statements of Changes in Net Assets

Year ended Dec. 31, 2011	AB VPS Gro & Inc, Cl B	AB VPS Intl Val, Cl B	AB VPS Lg Cap Gro, Cl B	AC VP Intl, Cl I	AC VP Val, Cl I
Operations					
Investment income (loss) — net	$ 2,074	$ 99,683	$ (676)	$ 4,995	$ 41,846
Net realized gain (loss) on sales of investments	(32,701)	(68,550)	6,091	34,161	(178,914)
Distributions from capital gains	—	—	—	—	—
Net change in unrealized appreciation or depreciation of investments	89,982	(753,883)	(10,528)	(154,475)	139,378
Net increase (decrease) in net assets resulting from operations	59,355	(722,750)	(5,113)	(115,319)	2,310
Contract transactions					
Contract purchase payments	134,083	428,146	8,133	53,497	261,114
Net transfers[1]	(131,635)	(178,465)	17,506	(20,585)	(251,613)
Transfers for policy loans	(6,182)	(19,951)	167	(9,276)	(29,317)
Policy charges	(45,320)	(132,501)	(4,102)	(29,937)	(149,496)
Contract terminations:					
Surrender benefits	(22,000)	(115,921)	(9,018)	(52,052)	(185,887)
Death benefits	—	—	—	—	(2,614)
Increase (decrease) from contract transactions	(71,054)	(18,692)	12,686	(58,353)	(357,813)
Net assets at beginning of year	1,169,392	3,562,935	82,946	961,808	3,832,607
Net assets at end of year	$1,157,693	$2,821,493	$ 90,519	$ 788,136	$3,477,104
Accumulation unit activity					
Units outstanding at beginning of year	968,888	2,393,446	88,242	925,763	2,283,879
Contract purchase payments	107,134	308,082	8,062	50,053	157,621
Net transfers[1]	(106,459)	(142,966)	2,296	(92,375)	(110,251)
Transfers for policy loans	(4,883)	(14,338)	249	(6,644)	(16,521)
Policy charges	(36,309)	(95,395)	(3,999)	(27,882)	(90,583)
Contract terminations:					
Surrender benefits	(17,738)	(83,723)	(9,396)	(46,273)	(110,278)
Death benefits	—	—	—	—	(1,491)
Units outstanding at end of year	910,633	2,365,106	85,454	802,642	2,112,376

[1] Includes transfer activity from (to) other divisions and transfers from (to) RiverSource Life of NY's fixed account.

See accompanying notes to financial statements.

Statements of Changes in Net Assets

Year ended Dec. 31, 2011 (continued)	Calvert VP SRI Bal	Col VP Bal, Cl 3	Col VP Cash Mgmt, Cl 3	Col VP Div Bond, Cl 3	Col VP Div Eq Inc, Cl 3
Operations					
Investment income (loss) — net	$ 1,549	$ (127,383)	$ (38,234)	$ 400,967	$ (113,686)
Net realized gain (loss) on sales of investments	(113)	(15,180)	735	130,896	42,267
Distributions from capital gains	—	—	—	—	—
Net change in unrealized appreciation or depreciation of investments	11,753	357,493	(735)	86,001	(664,333)
Net increase (decrease) in net assets resulting from operations	13,189	214,930	(38,234)	617,864	(735,752)
Contract transactions					
Contract purchase payments	35,318	1,126,559	851,617	762,483	1,088,505
Net transfers[1]	(31,852)	(664,790)	448,409	(459,261)	(1,065,910)
Transfers for policy loans	(1,127)	(3,994)	(19,709)	(48,998)	(125,601)
Policy charges	(26,561)	(1,152,149)	(417,421)	(598,890)	(553,611)
Contract terminations:					
Surrender benefits	(10,743)	(893,485)	(782,279)	(489,122)	(628,550)
Death benefits	—	(8,515)	—	(3,339)	—
Increase (decrease) from contract transactions	(34,965)	(1,596,374)	80,617	(837,127)	(1,285,167)
Net assets at beginning of year	383,111	14,718,315	4,581,368	11,272,194	13,560,641
Net assets at end of year	$361,335	$13,336,871	$4,623,751	$11,052,931	$11,539,722
Accumulation unit activity					
Units outstanding at beginning of year	363,936	14,246,718	4,117,938	7,559,878	8,131,349
Contract purchase payments	32,213	1,068,401	774,255	499,791	663,756
Net transfers[1]	(34,673)	(778,661)	482,040	(177,240)	(642,686)
Transfers for policy loans	(1,053)	(3,854)	(18,273)	(32,399)	(72,102)
Policy charges	(24,745)	(1,095,107)	(379,990)	(393,027)	(338,419)
Contract terminations:					
Surrender benefits	(10,182)	(839,556)	(705,765)	(319,594)	(383,310)
Death benefits	—	(8,327)	—	(2,178)	—
Units outstanding at end of year	325,496	12,589,614	4,270,205	7,135,231	7,358,588

[1] Includes transfer activity from (to) other divisions and transfers from (to) RiverSource Life of NY's fixed account.

See accompanying notes to financial statements.

Statements of Changes in Net Assets

Year ended Dec. 31, 2011 (continued)	Col VP Dyn Eq, Cl 3	Col VP Emer Mkts Opp, Cl 3	Col VP Global Bond, Cl 3	Col VP Global Inflation Prot Sec, Cl 3	Col VP Hi Inc, Cl 2
Operations					
Investment income (loss) — net	$ (181,704)	$ 7,815	$ 60,314	$ 70,291	$ 24,529
Net realized gain (loss) on sales of investments	(12,971)	72,832	40,051	(2,060)	7,930
Distributions from capital gains	—	47,739	14,907	13,844	—
Net change in unrealized appreciation or depreciation of investments	1,071,369	(875,977)	(1,821)	14,743	(9,383)
Net increase (decrease) in net assets resulting from operations	876,694	(747,591)	113,451	96,818	23,076
Contract transactions					
Contract purchase payments	1,832,801	308,933	196,530	89,225	42,288
Net transfers[1]	(938,191)	(255,237)	(85,862)	114,394	(48,646)
Transfers for policy loans	(78,616)	(23,933)	(23,593)	(12,923)	(1,021)
Policy charges	(1,546,456)	(122,324)	(127,050)	(35,538)	(15,711)
Contract terminations:					
Surrender benefits	(1,480,037)	(117,788)	(94,981)	(26,272)	(14,010)
Death benefits	(22,900)	—	—	—	—
Increase (decrease) from contract transactions	(2,233,399)	(210,349)	(134,956)	128,886	(37,100)
Net assets at beginning of year	20,699,259	3,580,468	2,984,494	979,260	411,549
Net assets at end of year	$19,342,554	$2,622,528	$2,962,989	$1,204,964	$397,525
Accumulation unit activity					
Units outstanding at beginning of year	28,232,629	1,086,162	1,658,925	819,428	323,154
Contract purchase payments	2,379,297	105,361	107,692	72,300	32,185
Net transfers[1]	(2,037,747)	(47,160)	8,801	100,006	(37,818)
Transfers for policy loans	(105,675)	(8,284)	(13,128)	(10,317)	(788)
Policy charges	(2,021,667)	(41,724)	(69,365)	(28,711)	(11,980)
Contract terminations:					
Surrender benefits	(1,882,202)	(41,053)	(52,796)	(21,201)	(10,045)
Death benefits	(30,954)	—	—	—	—
Units outstanding at end of year	24,533,681	1,053,302	1,640,129	931,505	294,708

[1] Includes transfer activity from (to) other divisions and transfers from (to) RiverSource Life of NY's fixed account.

See accompanying notes to financial statements.

Statements of Changes in Net Assets

Year ended Dec. 31, 2011 (continued)	Col VP Hi Yield Bond, Cl 3	Col VP Inc Opp, Cl 3	Col VP Intl Opp, Cl 3	Col VP Lg Cap Gro, Cl 3	Col VP Mid Cap Gro Opp, Cl 3
Operations					
Investment income (loss) — net	$ 260,588	$ 54,106	$ 33,512	$ (14,510)	$ (5,132)
Net realized gain (loss) on sales of investments	46,734	13,487	298,970	45,737	65,350
Distributions from capital gains	—	18,004	—	—	—
Net change in unrealized appreciation or depreciation of investments	(146,423)	(51,318)	(1,346,556)	(95,469)	(155,178)
Net increase (decrease) in net assets resulting from operations	160,899	34,279	(1,014,074)	(64,242)	(94,960)
Contract transactions					
Contract purchase payments	234,672	42,492	509,588	138,914	83,510
Net transfers[1]	(167,693)	24,501	(287,144)	(124,509)	(52,572)
Transfers for policy loans	(10,151)	(3,201)	(23,582)	(11,568)	(9,022)
Policy charges	(153,413)	(18,008)	(451,951)	(63,592)	(24,604)
Contract terminations:					
Surrender benefits	(185,036)	(47,331)	(618,714)	(96,463)	(38,846)
Death benefits	—	—	(6,664)	—	—
Increase (decrease) from contract transactions	(281,621)	(1,547)	(878,467)	(157,218)	(41,534)
Net assets at beginning of year	3,546,057	656,226	8,438,025	1,702,979	655,166
Net assets at end of year	$3,425,335	$688,958	$ 6,545,484	$1,481,519	$ 518,672
Accumulation unit activity					
Units outstanding at beginning of year	1,926,607	482,956	10,000,847	2,792,390	405,041
Contract purchase payments	124,352	30,277	616,294	219,356	54,142
Net transfers[1]	(77,244)	14,623	(461,989)	(387,686)	(53,283)
Transfers for policy loans	(5,986)	(2,236)	(28,498)	(19,201)	(5,002)
Policy charges	(81,330)	(12,811)	(551,454)	(98,883)	(15,794)
Contract terminations:					
Surrender benefits	(97,774)	(33,939)	(737,701)	(146,390)	(22,135)
Death benefits	—	—	(8,297)	—	—
Units outstanding at end of year	1,788,625	478,870	8,829,202	2,359,586	362,969

[1] Includes transfer activity from (to) other divisions and transfers from (to) RiverSource Life of NY's fixed account.

See accompanying notes to financial statements.

Statements of Changes in Net Assets

Year ended Dec. 31, 2011 (continued)	Col VP Mid Cap Val Opp, Cl 3	Col VP S&P 500, Cl 3	Col VP Select Lg Cap Val, Cl 3	Col VP Select Sm Cap Val, Cl 3	Col VP Short Duration, Cl 3
Operations					
Investment income (loss) — net	$ (2,450)	$ (40,646)	$ (917)	$ (8,377)	$ 831
Net realized gain (loss) on sales of investments	4,573	117,387	2,080	1,654	14,624
Distributions from capital gains	—	—	—	—	—
Net change in unrealized appreciation or depreciation of investments	(30,752)	(39,659)	(4,919)	(79,594)	1,992
Net increase (decrease) in net assets resulting from operations	(28,629)	37,082	(3,756)	(86,317)	17,447
Contract transactions					
Contract purchase payments	22,367	422,874	5,311	87,756	266,529
Net transfers[1]	(35,221)	(224,431)	101,707	(34,020)	(100,690)
Transfers for policy loans	(2,870)	(35,017)	(815)	(15,543)	(8,028)
Policy charges	(8,966)	(193,583)	(2,723)	(35,335)	(187,916)
Contract terminations:					
Surrender benefits	(8,156)	(301,677)	(2,121)	(43,266)	(104,140)
Death benefits	—	—	—	—	—
Increase (decrease) from contract transactions	(32,846)	(331,834)	101,359	(40,408)	(134,245)
Net assets at beginning of year	284,103	4,708,582	51,366	978,428	3,447,719
Net assets at end of year	$222,628	$4,413,830	$148,969	$851,703	$3,330,921
Accumulation unit activity					
Units outstanding at beginning of year	273,042	4,861,644	52,636	659,579	2,762,854
Contract purchase payments	21,700	420,965	5,433	61,750	213,509
Net transfers[1]	(45,517)	(437,448)	104,788	(34,297)	(45,702)
Transfers for policy loans	(2,975)	(34,343)	(958)	(9,947)	(6,439)
Policy charges	(8,798)	(193,159)	(2,798)	(24,494)	(150,958)
Contract terminations:					
Surrender benefits	(7,783)	(273,109)	(2,246)	(29,577)	(83,361)
Death benefits	—	—	—	—	—
Units outstanding at end of year	229,669	4,344,550	156,855	623,014	2,689,903

[1] Includes transfer activity from (to) other divisions and transfers from (to) RiverSource Life of NY's fixed account.

See accompanying notes to financial statements.

Statements of Changes in Net Assets

Year ended Dec. 31, 2011 (continued)	CS Commodity Return	EV VT Floating-Rate Inc	Fid VIP Contrafund, Serv Cl 2	Fid VIP Gro & Inc, Serv Cl	Fid VIP Mid Cap, Serv Cl
Operations					
Investment income (loss) — net	$ 13,792	$ 25,306	$ (2,974)	$ 29,425	$ (54,609)
Net realized gain (loss) on sales of investments	(24,391)	6,816	64,883	(26,779)	465,906
Distributions from capital gains	—	—	—	—	11,895
Net change in unrealized appreciation or depreciation of investments	(115,192)	(25,489)	(168,613)	24,435	(1,278,275)
Net increase (decrease) in net assets resulting from operations	(125,791)	6,633	(106,704)	27,081	(855,083)
Contract transactions					
Contract purchase payments	71,793	84,860	245,726	326,253	396,908
Net transfers[1]	144,901	305,710	52,843	(366,072)	(679,628)
Transfers for policy loans	(13,393)	(1,576)	(30,877)	(9,169)	(58,961)
Policy charges	(26,273)	(24,366)	(99,604)	(186,810)	(292,651)
Contract terminations:					
Surrender benefits	(29,908)	(39,733)	(95,348)	(427,801)	(578,453)
Death benefits	—	—	—	—	—
Increase (decrease) from contract transactions	147,120	324,895	72,740	(663,599)	(1,212,785)
Net assets at beginning of year	780,097	523,872	2,688,750	4,411,532	8,309,393
Net assets at end of year	$ 801,426	$855,400	$2,654,786	$3,775,014	$ 6,241,525
Accumulation unit activity					
Units outstanding at beginning of year	772,130	475,240	2,812,401	4,260,300	3,484,730
Contract purchase payments	72,661	75,846	255,041	303,787	175,930
Net transfers[1]	114,814	246,141	(50,757)	(584,832)	(161,349)
Transfers for policy loans	(14,663)	(1,192)	(30,807)	(8,556)	(25,922)
Policy charges	(26,456)	(21,718)	(103,028)	(175,093)	(129,916)
Contract terminations:					
Surrender benefits	(28,351)	(33,241)	(98,325)	(400,042)	(254,823)
Death benefits	—	—	—	—	—
Units outstanding at end of year	890,135	741,076	2,784,525	3,395,564	3,088,650

[1] Includes transfer activity from (to) other divisions and transfers from (to) RiverSource Life of NY's fixed account.

See accompanying notes to financial statements.

Statements of Changes in Net Assets

Year ended Dec. 31, 2011 (continued)	Fid VIP Overseas, Serv Cl	FTVIPT Frank Global Real Est, Cl 2	FTVIPT Frank Sm Cap Val, Cl 2	FTVIPT Mutual Shares Sec, Cl 2	GS VIT Mid Cap Val, Inst
Operations					
Investment income (loss) — net	$ 5,438	$ 171,716	$ (4,356)	$ 22,976	$ (8,721)
Net realized gain (loss) on sales of investments	(51,768)	(281,218)	33,709	(10,333)	10,576
Distributions from capital gains	3,557	—	—	—	—
Net change in unrealized appreciation or depreciation of investments	(282,881)	(48,130)	(126,187)	(43,830)	(409,138)
Net increase (decrease) in net assets resulting from operations	(325,654)	(157,632)	(96,834)	(31,187)	(407,283)
Contract transactions					
Contract purchase payments	122,506	268,231	176,638	182,955	467,493
Net transfers[1]	(139,727)	(222,853)	(202,604)	(151,827)	(621,041)
Transfers for policy loans	(6,329)	(11,064)	(6,482)	(7,763)	(26,783)
Policy charges	(63,027)	(106,055)	(80,317)	(49,500)	(199,456)
Contract terminations:					
Surrender benefits	(202,665)	(107,756)	(59,781)	(34,951)	(205,680)
Death benefits	—	—	—	—	—
Increase (decrease) from contract transactions	(289,242)	(179,497)	(172,546)	(61,086)	(585,467)
Net assets at beginning of year	1,989,982	2,588,095	2,277,513	1,587,216	5,957,633
Net assets at end of year	$1,375,086	$2,250,966	$2,008,133	$1,494,943	$4,964,883
Accumulation unit activity					
Units outstanding at beginning of year	1,678,650	1,479,122	991,867	1,126,693	2,480,661
Contract purchase payments	106,373	154,796	80,180	129,774	200,313
Net transfers[1]	(176,430)	(121,486)	(69,680)	(109,757)	(181,426)
Transfers for policy loans	(5,822)	(6,113)	(2,258)	(5,361)	(10,064)
Policy charges	(54,755)	(61,296)	(36,634)	(35,242)	(86,197)
Contract terminations:					
Surrender benefits	(174,736)	(63,155)	(26,078)	(24,901)	(87,164)
Death benefits	—	—	—	—	—
Units outstanding at end of year	1,373,280	1,381,868	937,397	1,081,206	2,316,123

[1] Includes transfer activity from (to) other divisions and transfers from (to) RiverSource Life of NY's fixed account.

See accompanying notes to financial statements.

Statements of Changes in Net Assets

Year ended Dec. 31, 2011 (continued)	GS VIT Structd Sm Cap Eq, Inst	GS VIT Structd U.S. Eq, Inst	Invesco VI Cap Appr, Ser I	Invesco VI Cap Dev, Ser I	Invesco VI Core Eq, Ser I
Operations					
Investment income (loss) — net	$ (273)	$ 15,437	$ (3,099)	$ (3,009)	$ 6,537
Net realized gain (loss) on sales of investments	15,207	(32,867)	1,701	6,613	278,875
Distributions from capital gains	—	—	—	—	—
Net change in unrealized appreciation or depreciation of investments	(11,014)	73,490	(40,979)	(34,379)	(361,094)
Net increase (decrease) in net assets resulting from operations	3,920	56,060	(42,377)	(30,775)	(75,682)
Contract transactions					
Contract purchase payments	27,069	162,462	29,148	24,508	761,950
Net transfers[1]	(16,981)	(98,839)	46,802	(11,740)	(524,266)
Transfers for policy loans	467	(8,856)	(946)	(4,323)	(48,529)
Policy charges	(15,018)	(71,075)	(19,234)	(14,847)	(607,357)
Contract terminations:					
Surrender benefits	(21,109)	(57,711)	(11,699)	(19,103)	(727,362)
Death benefits	—	—	—	—	(16,444)
Increase (decrease) from contract transactions	(25,572)	(74,019)	44,071	(25,505)	(1,162,008)
Net assets at beginning of year	540,915	1,768,148	471,631	369,015	11,709,070
Net assets at end of year	$519,263	$1,750,189	$473,325	$312,735	$10,471,380
Accumulation unit activity					
Units outstanding at beginning of year	363,306	1,947,102	678,320	275,943	6,250,640
Contract purchase payments	17,510	171,427	37,585	17,982	402,660
Net transfers[1]	(18,216)	(224,512)	(34,524)	(22,668)	(212,271)
Transfers for policy loans	332	(10,184)	(3,104)	(3,388)	(24,684)
Policy charges	(9,823)	(73,986)	(24,538)	(10,885)	(320,547)
Contract terminations:					
Surrender benefits	(13,914)	(61,370)	(13,436)	(15,804)	(380,503)
Death benefits	—	—	—	—	(8,389)
Units outstanding at end of year	339,195	1,748,477	640,303	241,180	5,706,906

[1] Includes transfer activity from (to) other divisions and transfers from (to) RiverSource Life of NY's fixed account.

See accompanying notes to financial statements.

Statements of Changes in Net Assets

Period ended Dec. 31, 2011 (continued)	Invesco VI Div Divd, Ser I(2)	Invesco VI Intl Gro, Ser II	Invesco VI Tech, Ser I	Invesco VanK VI Comstock, Ser II	Janus Aspen Enterprise, Serv
Operations					
Investment income (loss) — net	$ (2,161)	$ 3,251	$ (2,026)	$ 1,348	$ (4,051)
Net realized gain (loss) on sales of investments	(7,566)	70,182	14,513	9,738	82,466
Distributions from capital gains	—	—	—	—	—
Net change in unrealized appreciation or depreciation of investments	(25,195)	(148,970)	(33,441)	(17,868)	(88,118)
Net increase (decrease) in net assets resulting from operations	(34,922)	(75,537)	(20,954)	(6,782)	(9,703)
Contract transactions					
Contract purchase payments	19,625	75,698	33,399	24,605	31,112
Net transfers(1)	374,386	16,117	70,221	(19,653)	(34,250)
Transfers for policy loans	1,936	(5,463)	(6,729)	(3,572)	(11,391)
Policy charges	(13,403)	(27,482)	(17,528)	(7,002)	(16,344)
Contract terminations:					
Surrender benefits	(10,948)	(58,864)	(7,979)	(11,103)	(46,380)
Death benefits	—	—	—	—	—
Increase (decrease) from contract transactions	371,596	6	71,384	(16,725)	(77,253)
Net assets at beginning of year	—	964,697	250,773	243,596	528,602
Net assets at end of year	$336,674	$ 889,166	$301,203	$220,089	$ 441,646
Accumulation unit activity					
Units outstanding at beginning of year	—	1,055,297	168,410	286,911	609,764
Contract purchase payments	21,619	79,178	22,501	28,432	30,584
Net transfers(1)	369,848	(134,868)	40,271	(27,572)	(183,825)
Transfers for policy loans	2,138	(5,938)	(4,547)	(3,972)	(12,075)
Policy charges	(14,779)	(28,153)	(11,669)	(8,038)	(16,740)
Contract terminations:					
Surrender benefits	(11,914)	(55,708)	(4,843)	(12,653)	(32,938)
Death benefits	—	—	—	—	—
Units outstanding at end of year	366,912	909,808	210,123	263,108	394,770

(1) Includes transfer activity from (to) other divisions and transfers from (to) RiverSource Life of NY's fixed account.

(2) For the period April 29, 2011 (commencement of operations) to Dec. 31, 2011.

See accompanying notes to financial statements.

Statements of Changes in Net Assets

Year ended Dec. 31, 2011 (continued)	Janus Aspen Global Tech, Serv	Janus Aspen Janus, Serv	Janus Aspen Overseas, Serv	MFS Inv Gro Stock, Serv Cl	MFS New Dis, Serv Cl
Operations					
Investment income (loss) — net	$ (11,375)	$ (2,365)	$ (23,902)	$ (11,363)	$ (14,553)
Net realized gain (loss) on sales of investments	69,123	11,499	208,985	157,127	114,493
Distributions from capital gains	—	—	48,495	—	206,368
Net change in unrealized appreciation or depreciation of investments	(183,322)	(41,867)	(2,073,063)	(153,548)	(480,122)
Net increase (decrease) in net assets resulting from operations	(125,574)	(32,733)	(1,839,485)	(7,784)	(173,814)
Contract transactions					
Contract purchase payments	99,925	43,862	337,854	139,369	89,311
Net transfers(1)	55,037	24,238	(512,480)	(60,039)	(34,605)
Transfers for policy loans	(3,549)	(4,260)	(33,237)	(32,495)	(24,621)
Policy charges	(52,285)	(20,192)	(151,304)	(58,309)	(58,584)
Contract terminations:					
Surrender benefits	(44,632)	(16,759)	(242,913)	(43,343)	(122,363)
Death benefits	—	—	—	—	—
Increase (decrease) from contract transactions	54,496	26,889	(602,080)	(54,817)	(150,862)
Net assets at beginning of year	1,269,313	517,779	5,958,359	1,910,781	1,710,498
Net assets at end of year	$1,198,235	$511,935	$ 3,516,794	$1,848,180	$1,385,822
Accumulation unit activity					
Units outstanding at beginning of year	1,878,703	547,606	2,887,803	2,474,772	1,286,240
Contract purchase payments	145,975	47,417	189,020	171,863	64,857
Net transfers(1)	(73,020)	15,461	(341,255)	(377,336)	(130,651)
Transfers for policy loans	(6,120)	(4,057)	(17,569)	(38,904)	(17,163)
Policy charges	(74,648)	(21,416)	(85,047)	(70,115)	(42,501)
Contract terminations:					
Surrender benefits	(41,761)	(17,627)	(138,415)	(52,221)	(76,757)
Death benefits	—	—	—	—	—
Units outstanding at end of year	1,829,129	567,384	2,494,537	2,108,059	1,084,025

(1) Includes transfer activity from (to) other divisions and transfers from (to) RiverSource Life of NY's fixed account.

See accompanying notes to financial statements.

Statements of Changes in Net Assets

Year ended Dec. 31, 2011 (continued)	MFS Utilities, Serv Cl	MS UIF Global Real Est, Cl II	MS UIF Mid Cap Gro, Cl II	Oppen Global Sec VA, Serv	Oppen Global Strategic Inc VA, Srv
Operations					
Investment income (loss) — net	$ 27,425	$ 4,804	$ (1,771)	$ 1,071	$ 59,701
Net realized gain (loss) on sales of investments	17,392	3,647	9,855	7,934	43,465
Distributions from capital gains	—	—	128	—	37,684
Net change in unrealized appreciation or depreciation of investments	22,441	(30,419)	(36,718)	(63,451)	(141,272)
Net increase (decrease) in net assets resulting from operations	67,258	(21,968)	(28,506)	(54,446)	(422)
Contract transactions					
Contract purchase payments	114,021	17,665	20,477	53,725	172,394
Net transfers[1]	24,885	9,739	65,473	(28,508)	(207,524)
Transfers for policy loans	(9,705)	(2,737)	(476)	(48)	(29,345)
Policy charges	(54,779)	(8,425)	(14,769)	(12,802)	(95,163)
Contract terminations:					
Surrender benefits	(52,004)	(5,628)	(15,437)	(1,537)	(82,167)
Death benefits	—	—	—	—	—
Increase (decrease) from contract transactions	22,418	10,614	55,268	10,830	(241,805)
Net assets at beginning of year	1,208,108	203,883	245,582	590,211	3,130,523
Net assets at end of year	$1,297,784	$192,529	$272,344	$546,595	$2,888,296
Accumulation unit activity					
Units outstanding at beginning of year	474,699	250,216	209,903	562,224	2,444,572
Contract purchase payments	44,018	22,201	17,244	51,778	131,894
Net transfers[1]	27,945	(1,949)	42,673	(32,034)	(166,930)
Transfers for policy loans	(3,678)	(3,270)	(452)	(2,173)	(22,422)
Policy charges	(21,127)	(10,560)	(12,072)	(12,330)	(73,082)
Contract terminations:					
Surrender benefits	(19,803)	(6,569)	(13,019)	(1,527)	(62,882)
Death benefits	—	—	—	—	—
Units outstanding at end of year	502,054	250,069	244,277	565,938	2,251,150

[1] Includes transfer activity from (to) other divisions and transfers from (to) RiverSource Life of NY's fixed account.

See accompanying notes to financial statements.

Statements of Changes in Net Assets

Year ended Dec. 31, 2011 (continued)	Oppen Main St Sm Mid Cap VA, Serv	PIMCO VIT All Asset, Advisor Cl	Put VT Global Hlth Care, Cl IB	Put VT Hi Yield, Cl IB	Put VT Intl Eq, Cl IB
Operations					
Investment income (loss) — net	$ (1,519)	$ 188,545	$ 5,360	$ 52,222	$ 2,884
Net realized gain (loss) on sales of investments	13,180	29,383	1,748	(5,045)	(5,093)
Distributions from capital gains	—	—	—	—	—
Net change in unrealized appreciation or depreciation of investments	(20,066)	(188,851)	(12,632)	(40,747)	(19,013)
Net increase (decrease) in net assets resulting from operations	(8,405)	29,077	(5,524)	6,430	(21,222)
Contract transactions					
Contract purchase payments	53,893	178,581	26,698	34,135	11,551
Net transfers[1]	(5,513)	560,675	25,214	(71,927)	(13,767)
Transfers for policy loans	2,004	(17,593)	(1,234)	(262)	(1,489)
Policy charges	(10,478)	(109,848)	(14,285)	(27,232)	(2,727)
Contract terminations:					
Surrender benefits	(2,210)	(263,062)	(12,853)	(20,530)	(1,095)
Death benefits	—	—	—	—	—
Increase (decrease) from contract transactions	37,696	348,753	23,540	(85,816)	(7,527)
Net assets at beginning of year	273,419	2,587,100	197,210	755,094	127,966
Net assets at end of year	$302,710	$2,964,930	$215,226	$675,708	$ 99,217
Accumulation unit activity					
Units outstanding at beginning of year	274,894	2,188,491	146,194	394,847	84,572
Contract purchase payments	54,325	145,869	19,636	17,829	8,611
Net transfers[1]	(8,991)	429,724	17,916	(26,985)	(10,117)
Transfers for policy loans	2,097	(14,805)	(859)	(49)	(974)
Policy charges	(10,542)	(90,485)	(10,426)	(14,191)	(1,917)
Contract terminations:					
Surrender benefits	(2,362)	(214,151)	(9,302)	(10,492)	(637)
Death benefits	—	—	—	—	—
Units outstanding at end of year	309,421	2,444,643	163,159	360,959	79,538

[1] Includes transfer activity from (to) other divisions and transfers from (to) RiverSource Life of NY's fixed account.

See accompanying notes to financial statements.

Statements of Changes in Net Assets

Year ended Dec. 31, 2011 (continued)	Put VT Multi-Cap Gro, Cl IA	Put VT Multi-Cap Gro, Cl IB	Royce Micro-Cap, Invest Cl	Third Ave Val	VP Aggr, Cl 2
Operations					
Investment income (loss) — net	$ (35,592)	$ (1,635)	$ 55,138	$ 29,113	$ (21,004)
Net realized gain (loss) on sales of investments	(123,118)	36,828	176,547	(369,558)	11,978
Distributions from capital gains	—	—	—	—	—
Net change in unrealized appreciation or depreciation of investments	(230,295)	(53,941)	(736,666)	(411,527)	(142,950)
Net increase (decrease) in net assets resulting from operations	(389,005)	(18,748)	(504,981)	(751,972)	(151,976)
Contract transactions					
Contract purchase payments	536,818	28,625	204,533	231,071	496,423
Net transfers[1]	(332,998)	(33,304)	(239,538)	(277,259)	1,474,569
Transfers for policy loans	(34,720)	(2,861)	(47,013)	(10,877)	(45,274)
Policy charges	(399,094)	(13,605)	(158,490)	(119,322)	(68,081)
Contract terminations:					
Surrender benefits	(492,630)	(13,969)	(189,170)	(175,601)	(80,020)
Death benefits	(5,174)	—	—	—	—
Increase (decrease) from contract transactions	(727,798)	(35,114)	(429,678)	(351,988)	1,777,617
Net assets at beginning of year	7,574,319	351,678	4,243,883	3,612,064	1,415,605
Net assets at end of year	$6,457,516	$297,816	$3,309,224	$2,508,104	$3,041,246
Accumulation unit activity					
Units outstanding at beginning of year	5,154,867	311,031	1,458,261	1,761,747	1,261,807
Contract purchase payments	366,511	25,170	74,963	123,546	457,890
Net transfers[1]	(248,676)	(29,570)	(24,312)	(104,105)	1,274,101
Transfers for policy loans	(24,669)	(2,305)	(17,110)	(5,543)	(38,872)
Policy charges	(273,692)	(12,195)	(58,172)	(64,121)	(61,996)
Contract terminations:					
Surrender benefits	(329,490)	(13,103)	(66,762)	(96,236)	(70,885)
Death benefits	(3,348)	—	—	—	—
Units outstanding at end of year	4,641,503	279,028	1,366,868	1,615,288	2,822,045

[1] Includes transfer activity from (to) other divisions and transfers from (to) RiverSource Life of NY's fixed account.

See accompanying notes to financial statements.

Statements of Changes in Net Assets

Year ended Dec. 31, 2011 (continued)	VP Aggr, Cl 4	VP Conserv, Cl 2	VP Conserv, Cl 4	VP Davis NY Venture, Cl 3	VP GS Mid Cap Val, Cl 3
Operations					
Investment income (loss) — net	$ (134,451)	$ (3,470)	$ (16,601)	$ (3,360)	$ (1,254)
Net realized gain (loss) on sales of investments	315,633	4,521	68,955	8,418	5,254
Distributions from capital gains	—	—	—	—	—
Net change in unrealized appreciation or depreciation of investments	(792,536)	2,952	3,760	(23,358)	(14,446)
Net increase (decrease) in net assets resulting from operations	(611,354)	4,003	56,114	(18,300)	(10,446)
Contract transactions					
Contract purchase payments	1,746,329	138,921	181,855	37,795	10,731
Net transfers[1]	(454,640)	468,383	69,132	42,645	(9,577)
Transfers for policy loans	(47,768)	(10,346)	(289)	(3,967)	(185)
Policy charges	(439,084)	(61,071)	(102,205)	(7,481)	(2,881)
Contract terminations:					
Surrender benefits	(796,621)	(136,061)	(42,323)	(9,280)	(2,513)
Death benefits	—	—	—	—	—
Increase (decrease) from contract transactions	8,216	399,826	106,170	59,712	(4,425)
Net assets at beginning of year	14,675,357	157,834	2,025,153	348,455	136,884
Net assets at end of year	$14,072,219	$ 561,663	$2,187,437	$389,867	$122,013
Accumulation unit activity					
Units outstanding at beginning of year	13,081,226	150,977	1,937,189	410,075	120,370
Contract purchase payments	1,558,009	130,651	171,356	44,941	9,561
Net transfers[1]	(448,024)	437,024	71,270	27,707	(10,426)
Transfers for policy loans	(46,186)	(9,615)	(272)	(3,747)	(158)
Policy charges	(393,223)	(57,500)	(96,312)	(8,637)	(2,560)
Contract terminations:					
Surrender benefits	(719,094)	(126,598)	(39,440)	(10,746)	(2,132)
Death benefits	—	—	—	—	—
Units outstanding at end of year	13,032,708	524,939	2,043,791	459,593	114,655

[1] Includes transfer activity from (to) other divisions and transfers from (to) RiverSource Life of NY's fixed account.

See accompanying notes to financial statements.

Statements of Changes in Net Assets

Year ended Dec. 31, 2011 (continued)	VP Mod, Cl 2	VP Mod, Cl 4	VP Mod Aggr, Cl 2	VP Mod Aggr, Cl 4	VP Mod Conserv, Cl 2
Operations					
Investment income (loss) — net	$ (61,595)	$ (338,750)	$ (48,833)	$ (398,740)	$ (11,448)
Net realized gain (loss) on sales of investments	33,082	668,103	6,387	809,090	5,777
Distributions from capital gains	—	—	—	—	—
Net change in unrealized appreciation or depreciation of investments	(86,190)	(507,016)	(151,623)	(1,646,099)	(7,243)
Net increase (decrease) in net assets resulting from operations	(114,703)	(177,663)	(194,069)	(1,235,749)	(12,914)
Contract transactions					
Contract purchase payments	1,431,856	3,671,628	1,755,413	5,715,840	194,266
Net transfers[1]	5,400,240	1,041,705	3,035,173	(2,910,152)	1,050,532
Transfers for policy loans	(122,532)	(671,656)	(6,433)	(138,521)	(13,398)
Policy charges	(329,663)	(1,653,349)	(251,403)	(1,423,583)	(92,222)
Contract terminations:					
Surrender benefits	(325,341)	(2,163,860)	(165,996)	(1,318,241)	(28,874)
Death benefits	—	—	—	—	—
Increase (decrease) from contract transactions	6,054,560	224,468	4,366,754	(74,657)	1,110,304
Net assets at beginning of year	4,127,076	38,031,590	3,455,110	44,226,231	597,292
Net assets at end of year	$10,066,933	$38,078,395	$7,627,795	$42,915,825	$1,694,682
Accumulation unit activity					
Units outstanding at beginning of year	3,772,456	34,762,792	3,107,244	39,738,987	558,191
Contract purchase payments	1,306,806	3,326,983	1,599,427	5,120,864	180,173
Net transfers[1]	4,892,321	982,671	2,688,180	(2,851,347)	954,091
Transfers for policy loans	(112,599)	(622,156)	(546)	(134,155)	(12,653)
Policy charges	(300,722)	(1,500,792)	(227,547)	(1,278,571)	(85,269)
Contract terminations:					
Surrender benefits	(300,467)	(1,970,665)	(146,723)	(1,189,499)	(26,942)
Death benefits	—	—	—	—	—
Units outstanding at end of year	9,257,795	34,978,833	7,020,035	39,406,279	1,567,591

[1] Includes transfer activity from (to) other divisions and transfers from (to) RiverSource Life of NY's fixed account.

See accompanying notes to financial statements.

Statements of Changes in Net Assets

Year ended Dec. 31, 2011 (continued)	VP Mod Conserv, Cl 4	VP Ptnrs Sm Cap Val, Cl 3	Wanger Intl	Wanger USA	WF Adv VT Intl Eq, Cl 2
Operations					
Investment income (loss) — net	$ (55,101)	$ (5,787)	$ 202,022	$ (49,736)	$ (9,387)
Net realized gain (loss) on sales of investments	232,671	17,819	(202,429)	74,288	104,099
Distributions from capital gains	—	—	127,338	507,598	54,544
Net change in unrealized appreciation or depreciation of investments	(65,498)	(47,755)	(937,406)	(764,089)	(319,059)
Net increase (decrease) in net assets resulting from operations	112,072	(35,723)	(810,475)	(231,939)	(169,803)
Contract transactions					
Contract purchase payments	497,180	68,759	406,814	470,162	95,386
Net transfers[1]	(1,137,357)	(38,677)	(310,521)	(335,889)	(159,117)
Transfers for policy loans	15,774	(14,831)	(108,449)	(54,211)	(15,885)
Policy charges	(385,841)	(20,533)	(183,418)	(223,131)	(41,281)
Contract terminations:					
Surrender benefits	400,267	(19,830)	(213,284)	(292,806)	(68,512)
Death benefits	—	—	(3,121)	—	—
Increase (decrease) from contract transactions	(609,977)	(25,112)	(411,979)	(435,875)	(189,409)
Net assets at beginning of year	7,210,750	667,290	5,562,804	5,652,064	1,376,670
Net assets at end of year	$ 6,712,845	$606,455	$4,340,350	$4,984,250	$1,017,458
Accumulation unit activity					
Units outstanding at beginning of year	6,731,314	357,963	2,611,928	2,815,042	924,031
Contract purchase payments	458,650	38,046	200,121	231,637	66,438
Net transfers[1]	(1,025,747)	(21,878)	(142,020)	(156,445)	(112,507)
Transfers for policy loans	14,706	(8,229)	(53,831)	(26,673)	(11,489)
Policy charges	(355,843)	(11,280)	(90,528)	(110,482)	(28,939)
Contract terminations:					
Surrender benefits	374,165	(10,922)	(106,398)	(143,105)	(47,800)
Death benefits	—	—	(1,450)	—	—
Units outstanding at end of year	6,197,245	343,700	2,417,822	2,609,974	789,734

[1] Includes transfer activity from (to) other divisions and transfers from (to) RiverSource Life of NY's fixed account.

See accompanying notes to financial statements.

Statements of Changes in Net Assets

Year ended Dec. 31, 2011 (continued)	WF Adv VT Opp, Cl 2	WF Adv VT Sm Cap Gro, Cl 2
Operations		
Investment income (loss) — net	$ (3,879)	$ (5,784)
Net realized gain (loss) on sales of investments	7,037	13,693
Distributions from capital gains	—	—
Net change in unrealized appreciation or depreciation of investments	9,029	(45,091)
Net increase (decrease) in net assets resulting from operations	12,187	(37,182)
Contract transactions		
Contract purchase payments	53,850	66,451
Net transfers[1]	609,544	(57,158)
Transfers for policy loans	(2,967)	(5,510)
Policy charges	(16,174)	(21,242)
Contract terminations:		
Surrender benefits	(13,872)	(21,989)
Death benefits	—	—
Increase (decrease) from contract transactions	630,381	(39,448)
Net assets at beginning of year	247,482	680,562
Net assets at end of year	$890,050	$603,932
Accumulation unit activity		
Units outstanding at beginning of year	139,525	322,069
Contract purchase payments	32,241	32,444
Net transfers[1]	382,002	(28,299)
Transfers for policy loans	(1,626)	(2,733)
Policy charges	(9,616)	(10,437)
Contract terminations:		
Surrender benefits	(7,949)	(10,883)
Death benefits	—	—
Units outstanding at end of year	534,577	302,161

(1) Includes transfer activity from (to) other divisions and transfers from (to) RiverSource Life of NY's fixed account.

See accompanying notes to financial statements.

Statements of Changes in Net Assets

Year ended Dec. 31, 2010	AB VPS Gro & Inc, Cl B	AB VPS Intl Val, Cl B	AB VPS Lg Cap Gro, Cl B	AC VP Intl, Cl I	AC VP Val, Cl I
Operations					
Investment income (loss) — net	$ (10,614)	$ 66,364	$ (517)	$ 16,554	$ 47,942
Net realized gain (loss) on sales of investments	(102,171)	(537,391)	3,407	(2,241)	(242,282)
Distributions from capital gains	—	—	—	—	—
Net change in unrealized appreciation or depreciation of investments	242,725	287,867	883	79,466	615,761
Net increase (decrease) in net assets resulting from operations	129,940	(183,160)	3,773	93,779	421,421
Contract transactions					
Contract purchase payments	143,180	625,774	9,837	65,709	302,361
Net transfers[1]	(230,746)	(2,404,054)	(39,275)	(100,129)	(311,296)
Transfers for policy loans	(8,919)	(31,396)	(5,956)	(21,382)	18,146
Policy charges	(48,562)	(176,952)	(4,183)	(37,751)	(156,078)
Contract terminations:					
Surrender benefits	(25,840)	(196,613)	(4,139)	(194,179)	(366,421)
Death benefits	—	—	—	—	—
Increase (decrease) from contract transactions	(170,887)	(2,183,241)	(43,716)	(287,732)	(513,288)
Net assets at beginning of year	1,210,339	5,929,336	122,889	1,155,761	3,924,474
Net assets at end of year	$1,169,392	$ 3,562,935	$ 82,946	$ 961,808	$3,832,607
Accumulation unit activity					
Units outstanding at beginning of year	1,121,047	4,117,206	142,378	1,253,521	2,628,411
Contract purchase payments	131,111	451,518	11,597	71,108	198,025
Net transfers[1]	(207,916)	(1,882,525)	(48,672)	(112,256)	(210,801)
Transfers for policy loans	(7,598)	(21,095)	(6,827)	(23,515)	11,061
Policy charges	(44,348)	(128,014)	(4,937)	(41,351)	(102,416)
Contract terminations:					
Surrender benefits	(23,408)	(143,644)	(5,297)	(221,744)	(240,401)
Death benefits	—	—	—	—	—
Units outstanding at end of year	968,888	2,393,446	88,242	925,763	2,283,879

[1] Includes transfer activity from (to) other divisions and transfers from (to) RiverSource Life of NY's fixed account.

See accompanying notes to financial statements.

Statements of Changes in Net Assets

Year ended Dec. 31, 2010 (continued)	Calvert VP SRI Bal	Col VP Bal, Cl 3	Col VP Cash Mgmt, Cl 3	Col VP Div Bond, Cl 3	Col VP Div Eq Inc, Cl 3
Operations					
Investment income (loss) — net	$ 1,711	$ (129,596)	$ (47,356)	$ 496,585	$ (137,259)
Net realized gain (loss) on sales of investments	(12,475)	(304,324)	1,219	967,150	(1,261,101)
Distributions from capital gains	—	—	—	—	—
Net change in unrealized appreciation or depreciation of investments	50,295	1,992,309	(1,219)	(240,134)	3,200,987
Net increase (decrease) in net assets resulting from operations	39,531	1,558,389	(47,356)	1,223,601	1,802,627
Contract transactions					
Contract purchase payments	43,937	1,269,660	814,848	1,580,980	1,714,848
Net transfers[1]	(31,693)	(1,092,049)	(1,241,973)	(13,014,118)	(8,169,389)
Transfers for policy loans	3,416	(25,560)	227,353	(112,209)	(76,511)
Policy charges	(25,760)	(1,259,455)	(440,764)	(853,437)	(677,894)
Contract terminations:					
Surrender benefits	(30,667)	(868,279)	(756,948)	(869,779)	(1,075,353)
Death benefits	—	(6,406)	—	—	—
Increase (decrease) from contract transactions	(40,767)	(1,982,089)	(1,397,484)	(13,268,563)	(8,284,299)
Net assets at beginning of year	384,347	15,142,015	6,026,208	23,317,156	20,042,313
Net assets at end of year	$383,111	$14,718,315	$ 4,581,368	$ 11,272,194	$13,560,641
Accumulation unit activity					
Units outstanding at beginning of year	417,580	16,348,093	5,369,185	16,784,928	13,914,611
Contract purchase payments	45,762	1,341,482	729,457	1,101,449	1,163,690
Net transfers[1]	(43,670)	(1,153,803)	(1,109,306)	(9,055,547)	(5,700,593)
Transfers for policy loans	3,606	(28,893)	203,893	(78,817)	(51,106)
Policy charges	(26,980)	(1,330,228)	(394,743)	(591,260)	(460,288)
Contract terminations:					
Surrender benefits	(32,362)	(923,030)	(680,548)	(600,875)	(734,965)
Death benefits	—	(6,903)	—	—	—
Units outstanding at end of year	363,936	14,246,718	4,117,938	7,559,878	8,131,349

[1] Includes transfer activity from (to) other divisions and transfers from (to) RiverSource Life of NY's fixed account.

See accompanying notes to financial statements.

Statements of Changes in Net Assets

Year ended Dec. 31, 2010 (continued)	Col VP Dyn Eq, Cl 3	Col VP Emer Mkts Opp, Cl 3	Col VP Global Bond, Cl 3	Col VP Global Inflation Prot Sec, Cl 3	Col VP Hi Inc, Cl 2
Operations					
Investment income (loss) — net	$ (174,827)	$ 25,448	$ 129,677	$ (3,921)	$ 28,211
Net realized gain (loss) on sales of investments	(573,298)	78,533	75,490	(53,931)	6,754
Distributions from capital gains	—	—	—	1,880	—
Net change in unrealized appreciation or depreciation of investments	3,713,321	307,060	(106,089)	187,414	7,094
Net increase (decrease) in net assets resulting from operations	2,965,196	411,041	99,078	131,442	42,059
Contract transactions					
Contract purchase payments	2,108,108	417,072	420,322	430,223	39,420
Net transfers[1]	(1,406,966)	(2,045,425)	(3,540,549)	(5,720,482)	(50,618)
Transfers for policy loans	(94,294)	(37,648)	(48,377)	(2,991)	(3,345)
Policy charges	(1,599,732)	(152,368)	(193,326)	(123,593)	(15,909)
Contract terminations:					
Surrender benefits	(1,350,859)	(176,531)	(223,028)	(139,641)	(7,263)
Death benefits	(8,606)	—	(6,456)	—	—
Increase (decrease) from contract transactions	(2,352,349)	(1,994,900)	(3,591,414)	(5,556,484)	(37,715)
Net assets at beginning of year	20,086,412	5,164,327	6,476,830	6,404,302	407,205
Net assets at end of year	$20,699,259	$ 3,580,468	$ 2,984,494	$ 979,260	$411,549
Accumulation unit activity					
Units outstanding at beginning of year	31,889,606	1,858,753	3,798,628	5,530,610	354,607
Contract purchase payments	3,244,718	146,627	244,064	368,543	32,759
Net transfers[1]	(2,205,837)	(789,986)	(2,112,191)	(4,852,609)	(42,345)
Transfers for policy loans	(136,923)	(12,623)	(28,039)	(2,537)	(2,652)
Policy charges	(2,463,876)	(53,541)	(111,765)	(105,676)	(13,162)
Contract terminations:					
Surrender benefits	(2,081,532)	(63,068)	(128,120)	(118,903)	(6,053)
Death benefits	(13,527)	—	(3,652)	—	—
Units outstanding at end of year	28,232,629	1,086,162	1,658,925	819,428	323,154

[1] Includes transfer activity from (to) other divisions and transfers from (to) RiverSource Life of NY's fixed account.

See accompanying notes to financial statements.

Statements of Changes in Net Assets

Year ended Dec. 31, 2010 (continued)	Col VP Hi Yield Bond, Cl 3	Col VP Inc Opp, Cl 3	Col VP Intl Opp, Cl 3	Col VP Lg Cap Gro, Cl 3	Col VP Mid Cap Gro Opp, Cl 3
Operations					
Investment income (loss) — net	$ 303,464	$ 48,360	$ 41,414	$ (13,784)	$ (6,092)
Net realized gain (loss) on sales of investments	49,379	625,038	201,257	(9,864)	34,990
Distributions from capital gains	—	—	—	—	—
Net change in unrealized appreciation or depreciation of investments	93,525	(486,330)	718,799	259,560	110,958
Net increase (decrease) in net assets resulting from operations	446,368	187,068	961,470	235,912	139,856
Contract transactions					
Contract purchase payments	296,589	316,012	613,198	182,050	100,632
Net transfers[1]	(514,787)	(4,596,169)	(621,101)	(65,599)	(255,650)
Transfers for policy loans	(20,708)	(732)	(36,904)	(25,534)	(8,936)
Policy charges	(176,973)	(85,137)	(485,022)	(73,278)	(31,012)
Contract terminations:					
Surrender benefits	(253,198)	(93,683)	(501,065)	(84,241)	(44,049)
Death benefits	—	—	(5,232)	—	—
Increase (decrease) from contract transactions	(669,077)	(4,459,709)	(1,036,126)	(66,602)	(239,015)
Net assets at beginning of year	3,768,766	4,928,867	8,512,681	1,533,669	754,325
Net assets at end of year	$3,546,057	$ 656,226	$ 8,438,025	$1,702,979	$ 655,166
Accumulation unit activity					
Units outstanding at beginning of year	2,312,317	4,065,093	11,407,091	2,922,586	584,111
Contract purchase payments	172,933	254,206	821,244	337,561	72,768
Net transfers[1]	(295,502)	(3,692,459)	(850,432)	(128,022)	(190,501)
Transfers for policy loans	(12,793)	(637)	(49,769)	(48,254)	(6,166)
Policy charges	(103,215)	(68,340)	(648,031)	(135,843)	(22,574)
Contract terminations:					
Surrender benefits	(147,133)	(74,907)	(672,102)	(155,638)	(32,597)
Death benefits	—	—	(7,154)	—	—
Units outstanding at end of year	1,926,607	482,956	10,000,847	2,792,390	405,041

[1] Includes transfer activity from (to) other divisions and transfers from (to) RiverSource Life of NY's fixed account.

See accompanying notes to financial statements.

Statements of Changes in Net Assets

Year ended Dec. 31, 2010 (continued)	Col VP Mid Cap Val Opp, Cl 3	Col VP S&P 500, Cl 3	Col VP Select Lg Cap Val, Cl 3	Col VP Select Sm Cap Val, Cl 3	Col VP Short Duration, Cl 3
Operations					
Investment income (loss) — net	$ (2,520)	$ (39,652)	$ (322)	$ (7,614)	$ (166)
Net realized gain (loss) on sales of investments	(4,626)	(11,397)	6,389	(25,252)	21,827
Distributions from capital gains	—	—	—	—	—
Net change in unrealized appreciation or depreciation of investments	60,590	625,378	2,571	235,275	56,215
Net increase (decrease) in net assets resulting from operations	53,444	574,329	8,638	202,409	77,876
Contract transactions					
Contract purchase payments	39,782	486,487	6,162	92,311	344,312
Net transfers(1)	(35,610)	(329,481)	(1,241)	(19,394)	(586,131)
Transfers for policy loans	(2,994)	(21,809)	(2,065)	(5,630)	(14,472)
Policy charges	(10,380)	(200,449)	(2,073)	(34,670)	(214,704)
Contract terminations:					
Surrender benefits	(15,503)	(303,193)	(1,539)	(39,370)	(291,481)
Death benefits	—	—	—	—	—
Increase (decrease) from contract transactions	(24,705)	(368,445)	(756)	(6,753)	(762,476)
Net assets at beginning of year	255,364	4,502,698	43,484	782,772	4,132,319
Net assets at end of year	$284,103	$4,708,582	$51,366	$978,428	$3,447,719
Accumulation unit activity					
Units outstanding at beginning of year	297,991	5,285,780	53,224	663,084	3,379,453
Contract purchase payments	44,462	556,833	7,097	74,388	277,910
Net transfers(1)	(37,222)	(380,001)	(1,222)	(15,916)	(473,738)
Transfers for policy loans	(3,521)	(23,711)	(2,351)	(4,180)	(11,803)
Policy charges	(11,577)	(229,807)	(2,382)	(27,344)	(173,201)
Contract terminations:					
Surrender benefits	(17,091)	(347,450)	(1,730)	(30,453)	(235,767)
Death benefits	—	—	—	—	—
Units outstanding at end of year	273,042	4,861,644	52,636	659,579	2,762,854

(1) Includes transfer activity from (to) other divisions and transfers from (to) RiverSource Life of NY's fixed account.

See accompanying notes to financial statements.

Statements of Changes in Net Assets

Year ended Dec. 31, 2010 (continued)	CS Commodity Return	EV VT Floating-Rate Inc	Fid VIP Contrafund, Serv Cl 2	Fid VIP Gro & Inc, Serv Cl	Fid VIP Mid Cap, Serv Cl
Operations					
Investment income (loss) — net	$ 40,143	$ 44,675	$ 193	$ (12,676)	$ (52,689)
Net realized gain (loss) on sales of investments	(45,341)	227,367	(96,745)	(138,369)	114,779
Distributions from capital gains	—	—	1,142	—	26,721
Net change in unrealized appreciation or depreciation of investments	110,174	(128,414)	444,541	694,841	1,828,830
Net increase (decrease) in net assets resulting from operations	104,976	143,628	349,131	543,796	1,917,641
Contract transactions					
Contract purchase payments	57,543	197,051	322,044	387,536	518,939
Net transfers[1]	22,780	(2,423,978)	(1,339,342)	(507,273)	(1,526,068)
Transfers for policy loans	(16,654)	(9,574)	(7,730)	(34,338)	(99,866)
Policy charges	(24,281)	(56,535)	(109,412)	(200,970)	(326,133)
Contract terminations:					
Surrender benefits	(38,053)	(66,820)	(148,764)	(339,349)	(787,748)
Death benefits	—	—	—	—	—
Increase (decrease) from contract transactions	1,335	(2,359,856)	(1,283,204)	(694,394)	(2,220,876)
Net assets at beginning of year	673,786	2,740,100	3,622,823	4,562,130	8,612,628
Net assets at end of year	$780,097	$ 523,872	$ 2,688,750	$4,411,532	$ 8,309,393
Accumulation unit activity					
Units outstanding at beginning of year	771,352	2,700,508	4,391,989	5,007,793	4,605,431
Contract purchase payments	67,911	188,328	380,182	418,496	254,250
Net transfers[1]	25,255	(2,287,519)	(1,645,757)	(547,068)	(775,053)
Transfers for policy loans	(18,968)	(8,740)	(8,250)	(37,290)	(47,903)
Policy charges	(28,526)	(54,013)	(129,241)	(217,123)	(159,676)
Contract terminations:					
Surrender benefits	(44,894)	(63,324)	(176,522)	(364,508)	(392,319)
Death benefits	—	—	—	—	—
Units outstanding at end of year	772,130	475,240	2,812,401	4,260,300	3,484,730

[1] Includes transfer activity from (to) other divisions and transfers from (to) RiverSource Life of NY's fixed account.

See accompanying notes to financial statements.

Statements of Changes in Net Assets

Year ended Dec. 31, 2010 (continued)	Fid VIP Overseas, Serv Cl	FTVIPT Frank Global Real Est, Cl 2	FTVIPT Frank Sm Cap Val, Cl 2	FTVIPT Mutual Shares Sec, Cl 2	GS VIT Mid Cap Val, Inst
Operations					
Investment income (loss) — net	$ 7,532	$ 46,779	$ (2,799)	$ 10,091	$ (18,356)
Net realized gain (loss) on sales of investments	(63,406)	(343,627)	(24,643)	(21,975)	(435,403)
Distributions from capital gains	3,537	—	—	—	—
Net change in unrealized appreciation or depreciation of investments	261,386	737,331	518,459	157,227	1,698,227
Net increase (decrease) in net assets resulting from operations	209,049	440,483	491,017	145,343	1,244,468
Contract transactions					
Contract purchase payments	151,853	314,925	193,594	187,666	626,350
Net transfers[1]	(128,205)	(217,567)	(129,640)	33,521	(2,333,810)
Transfers for policy loans	(3,800)	(32,016)	18,107	(14,554)	(14,675)
Policy charges	(69,290)	(110,466)	(81,701)	(49,411)	(233,421)
Contract terminations:					
Surrender benefits	(137,556)	(186,161)	(91,400)	(65,190)	(438,278)
Death benefits	—	—	—	—	—
Increase (decrease) from contract transactions	(186,998)	(231,285)	(91,040)	92,032	(2,393,834)
Net assets at beginning of year	1,967,931	2,378,897	1,877,536	1,349,841	7,106,999
Net assets at end of year	$1,989,982	$2,588,095	$2,277,513	$1,587,216	$ 5,957,633
Accumulation unit activity					
Units outstanding at beginning of year	1,860,021	1,629,517	1,039,047	1,055,895	3,665,483
Contract purchase payments	145,802	203,298	99,536	143,670	303,064
Net transfers[1]	(124,015)	(141,939)	(65,081)	25,908	(1,156,753)
Transfers for policy loans	(3,621)	(20,612)	8,140	(10,591)	(7,450)
Policy charges	(66,408)	(71,312)	(42,064)	(37,704)	(112,777)
Contract terminations:					
Surrender benefits	(133,129)	(119,830)	(47,711)	(50,485)	(210,906)
Death benefits	—	—	—	—	—
Units outstanding at end of year	1,678,650	1,479,122	991,867	1,126,693	2,480,661

[1] Includes transfer activity from (to) other divisions and transfers from (to) RiverSource Life of NY's fixed account.

See accompanying notes to financial statements.

Statements of Changes in Net Assets

Year ended Dec. 31, 2010 (continued)	GS VIT Structd Sm Cap Eq, Inst	GS VIT Structd U.S. Eq, Inst	Invesco VI Cap Appr, Ser I	Invesco VI Cap Dev, Ser I	Invesco VI Core Eq, Ser I
Operations					
Investment income (loss) — net	$ (1,609)	$ 9,076	$ (559)	$ (3,195)	$ 7,255
Net realized gain (loss) on sales of investments	(26,267)	(108,203)	(12,592)	(23,733)	100,751
Distributions from capital gains	—	—	—	—	—
Net change in unrealized appreciation or depreciation of investments	156,008	289,215	73,284	83,939	819,995
Net increase (decrease) in net assets resulting from operations	128,132	190,088	60,133	57,011	928,001
Contract transactions					
Contract purchase payments	32,332	191,454	32,924	26,061	877,602
Net transfers[1]	(44,956)	(223,101)	(4,163)	(45,033)	(649,856)
Transfers for policy loans	(7,589)	(9,580)	(3,223)	540	(77,541)
Policy charges	(14,616)	(77,710)	(19,886)	(14,542)	(644,329)
Contract terminations:					
Surrender benefits	(24,770)	(199,219)	(19,810)	(67,729)	(997,068)
Death benefits	—	—	—	—	—
Increase (decrease) from contract transactions	(59,599)	(318,156)	(14,158)	(100,703)	(1,491,192)
Net assets at beginning of year	472,382	1,896,216	425,656	412,707	12,272,261
Net assets at end of year	$540,915	$1,768,148	$471,631	$ 369,015	$11,709,070
Accumulation unit activity					
Units outstanding at beginning of year	409,279	2,340,532	714,711	368,659	7,109,892
Contract purchase payments	25,829	231,543	53,944	22,377	506,010
Net transfers[1]	(34,903)	(275,611)	(20,090)	(44,168)	(375,540)
Transfers for policy loans	(5,526)	(11,469)	(4,958)	862	(44,891)
Policy charges	(11,651)	(94,812)	(32,794)	(12,563)	(372,185)
Contract terminations:					
Surrender benefits	(19,722)	(243,081)	(32,493)	(59,224)	(572,646)
Death benefits	—	—	—	—	—
Units outstanding at end of year	363,306	1,947,102	678,320	275,943	6,250,640

[1] Includes transfer activity from (to) other divisions and transfers from (to) RiverSource Life of NY's fixed account.

See accompanying notes to financial statements.

Statements of Changes in Net Assets

Year ended Dec. 31, 2010 (continued)	Invesco VI Intl Gro, Ser II	Invesco VI Tech, Ser I	Invesco VanK VI Comstock, Ser II	Janus Aspen Enterprise, Serv	Janus Aspen Global Tech, Serv
Operations					
Investment income (loss) — net	$ (6,531)	$ (2,207)	$ (5,652)	$ (4,143)	$ (9,822)
Net realized gain (loss) on sales of investments	135,776	15,941	(118,876)	7,233	26,794
Distributions from capital gains	—	—	—	—	—
Net change in unrealized appreciation or depreciation of investments	(412,108)	32,447	148,986	102,133	218,187
Net increase (decrease) in net assets resulting from operations	(282,863)	46,181	24,458	105,223	235,159
Contract transactions					
Contract purchase payments	371,907	23,461	147,049	35,974	99,475
Net transfers[1]	(4,569,090)	(22,640)	(2,193,491)	(39,572)	(15,348)
Transfers for policy loans	(3,747)	(4,224)	(968)	(9,118)	(11,958)
Policy charges	(97,432)	(13,207)	(37,774)	(15,919)	(49,462)
Contract terminations:					
Surrender benefits	(128,172)	(5,568)	(46,845)	(9,987)	(90,817)
Death benefits	—	—	—	—	—
Increase (decrease) from contract transactions	(4,426,534)	(22,178)	(2,132,029)	(38,622)	(68,110)
Net assets at beginning of year	5,674,094	226,770	2,351,167	462,001	1,102,264
Net assets at end of year	$ 964,697	$250,773	$ 243,596	$ 528,602	$1,269,313
Accumulation unit activity					
Units outstanding at beginning of year	6,941,525	183,088	3,178,323	664,593	2,011,152
Contract purchase payments	456,190	18,738	193,534	49,050	171,985
Net transfers[1]	(6,062,046)	(15,627)	(2,972,634)	(55,860)	(32,557)
Transfers for policy loans	(3,816)	(3,112)	(1,203)	(12,944)	(19,257)
Policy charges	(119,546)	(10,452)	(49,579)	(21,675)	(85,848)
Contract terminations:					
Surrender benefits	(157,010)	(4,225)	(61,530)	(13,400)	(166,772)
Death benefits	—	—	—	—	—
Units outstanding at end of year	1,055,297	168,410	286,911	609,764	1,878,703

[1] Includes transfer activity from (to) other divisions and transfers from (to) RiverSource Life of NY's fixed account.

See accompanying notes to financial statements.

Statements of Changes in Net Assets

Year ended Dec. 31, 2010 (continued)	Janus Aspen Janus, Serv	Janus Aspen Overseas, Serv	MFS Inv Gro Stock, Serv Cl	MFS New Dis, Serv Cl	MFS Utilities, Serv Cl
Operations					
Investment income (loss) — net	$ (20,061)	$ (19,964)	$ (12,310)	$ (11,960)	$ 23,321
Net realized gain (loss) on sales of investments	(78,968)	242,751	969,634	14,537	(11,883)
Distributions from capital gains	—	—	—	—	—
Net change in unrealized appreciation or depreciation of investments	21,879	947,182	(935,994)	420,283	119,380
Net increase (decrease) in net assets resulting from operations	(77,150)	1,169,969	21,330	422,860	130,818
Contract transactions					
Contract purchase payments	363,991	376,442	537,757	103,850	116,121
Net transfers[1]	(5,392,520)	(765,318)	(6,767,859)	120,991	(27,604)
Transfers for policy loans	315	999	4,480	(6,631)	4,224
Policy charges	(98,654)	(171,612)	(150,260)	(46,738)	(50,974)
Contract terminations:					
Surrender benefits	(129,525)	(393,457)	(200,871)	(37,180)	(59,118)
Death benefits	—	—	—	—	—
Increase (decrease) from contract transactions	(5,256,393)	(952,946)	(6,576,753)	134,292	(17,351)
Net assets at beginning of year	5,851,322	5,741,336	8,466,204	1,153,346	1,094,641
Net assets at end of year	$ 517,779	$5,958,359	$ 1,910,781	$1,710,498	$1,208,108
Accumulation unit activity					
Units outstanding at beginning of year	7,008,793	3,449,260	12,188,123	1,169,054	483,851
Contract purchase payments	431,527	209,617	768,005	96,553	50,757
Net transfers[1]	(6,622,994)	(457,381)	(9,986,375)	103,780	(13,511)
Transfers for policy loans	704	75	6,099	(5,720)	1,815
Policy charges	(116,832)	(95,502)	(214,785)	(43,024)	(22,325)
Contract terminations:					
Surrender benefits	(153,592)	(218,266)	(286,295)	(34,403)	(25,888)
Death benefits	—	—	—	—	—
Units outstanding at end of year	547,606	2,887,803	2,474,772	1,286,240	474,699

[1] Includes transfer activity from (to) other divisions and transfers from (to) RiverSource Life of NY's fixed account.

See accompanying notes to financial statements.

Statements of Changes in Net Assets

Year ended Dec. 31, 2010 (continued)	MS UIF Global Real Est, Cl II	MS UIF Mid Cap Gro, Cl II	Oppen Global Sec VA, Serv	Oppen Global Strategic Inc VA, Srv	Oppen Main St Sm Mid Cap VA, Serv
Operations					
Investment income (loss) — net	$ 13,478	$ (1,559)	$ 177	$ 665,902	$ (1,043)
Net realized gain (loss) on sales of investments	(9,204)	1,592	145	(144,290)	10,070
Distributions from capital gains	—	—	—	—	—
Net change in unrealized appreciation or depreciation of investments	19,973	50,958	65,673	33,435	42,449
Net increase (decrease) in net assets resulting from operations	24,247	50,991	65,995	555,047	51,476
Contract transactions					
Contract purchase payments	75,983	17,395	42,718	533,012	51,653
Net transfers[1]	(937,544)	59,712	198,871	(5,497,064)	(48,460)
Transfers for policy loans	487	(4,504)	(519)	(44,418)	(2,160)
Policy charges	(19,914)	(8,166)	(8,869)	(190,883)	(8,430)
Contract terminations:					
Surrender benefits	(29,225)	(5,914)	(16,288)	(201,065)	(12,240)
Death benefits	—	—	—	—	—
Increase (decrease) from contract transactions	(910,213)	58,523	215,913	(5,400,418)	(19,637)
Net assets at beginning of year	1,089,849	136,068	308,303	7,975,894	241,580
Net assets at end of year	$ 203,883	$245,582	$590,211	$ 3,130,523	$273,419
Accumulation unit activity					
Units outstanding at beginning of year	1,622,408	152,466	336,710	7,084,549	296,218
Contract purchase payments	110,235	17,271	45,506	454,633	59,558
Net transfers[1]	(1,413,294)	58,471	206,481	(4,726,982)	(55,005)
Transfers for policy loans	720	(4,555)	(643)	(36,631)	(2,361)
Policy charges	(28,819)	(8,187)	(9,410)	(161,935)	(9,709)
Contract terminations:					
Surrender benefits	(41,034)	(5,563)	(16,420)	(169,062)	(13,807)
Death benefits	—	—	—	—	—
Units outstanding at end of year	250,216	209,903	562,224	2,444,572	274,894

[1] Includes transfer activity from (to) other divisions and transfers from (to) RiverSource Life of NY's fixed account.

See accompanying notes to financial statements.

Statements of Changes in Net Assets

Year ended Dec. 31, 2010 (continued)	PIMCO VIT All Asset, Advisor Cl	Put VT Global Hlth Care, Cl IB	Put VT Hi Yield, Cl IB	Put VT Intl Eq, Cl IB	Put VT Multi-Cap Gro, Cl IA
Operations					
Investment income (loss) — net	$ 171,430	$ 2,121	$ 56,355	$ 3,813	$ (21,570)
Net realized gain (loss) on sales of investments	(6,150)	1,025	(7,119)	(7,336)	(334,080)
Distributions from capital gains	—	—	—	—	—
Net change in unrealized appreciation or depreciation of investments	207,782	(1,523)	47,631	13,701	1,576,680
Net increase (decrease) in net assets resulting from operations	373,062	1,623	96,867	10,178	1,221,030
Contract transactions					
Contract purchase payments	346,616	28,053	42,513	12,995	626,499
Net transfers[1]	(3,075,756)	(16,949)	(135,547)	(40,253)	(418,165)
Transfers for policy loans	25,234	470	860	(1,051)	(33,129)
Policy charges	(131,777)	(12,670)	(30,101)	(3,603)	(416,726)
Contract terminations:					
Surrender benefits	(143,543)	(9,989)	(64,281)	(5,140)	(630,128)
Death benefits	—	—	—	—	—
Increase (decrease) from contract transactions	(2,979,226)	(11,085)	(186,556)	(37,052)	(871,649)
Net assets at beginning of year	5,193,264	206,672	844,783	154,840	7,224,938
Net assets at end of year	$ 2,587,100	$197,210	$ 755,094	$127,966	$7,574,319
Accumulation unit activity					
Units outstanding at beginning of year	4,921,486	155,586	499,285	111,607	5,842,676
Contract purchase payments	316,316	21,234	23,886	9,507	493,551
Net transfers[1]	(2,822,705)	(13,125)	(75,069)	(29,177)	(333,982)
Transfers for policy loans	21,909	358	482	(706)	(26,415)
Policy charges	(119,305)	(9,693)	(16,897)	(2,679)	(327,874)
Contract terminations:					
Surrender benefits	(129,210)	(8,166)	(36,840)	(3,980)	(493,089)
Death benefits	—	—	—	—	—
Units outstanding at end of year	2,188,491	146,194	394,847	84,572	5,154,867

[1] Includes transfer activity from (to) other divisions and transfers from (to) RiverSource Life of NY's fixed account.

See accompanying notes to financial statements.

Statements of Changes in Net Assets

Period ended Dec. 31, 2010 (continued)	Put VT Multi-Cap Gro, Cl IB[2]	Royce Micro-Cap, Invest Cl	Third Ave Val	VP Aggr, Cl 2[3]	VP Aggr, Cl 4[3]
Operations					
Investment income (loss) — net	$ (790)	$ 35,333	$ 102,719	$ (4,304)	$ (78,827)
Net realized gain (loss) on sales of investments	266	19,500	(313,029)	2,672	47,413
Distributions from capital gains	—	—	—	—	—
Net change in unrealized appreciation or depreciation of investments	40,000	923,072	623,254	137,948	1,780,470
Net increase (decrease) in net assets resulting from operations	39,476	977,905	412,944	136,316	1,749,056
Contract transactions					
Contract purchase payments	9,675	241,591	278,150	78,660	1,159,301
Net transfers[1]	306,284	(293,695)	(340,023)	1,209,541	12,293,227
Transfers for policy loans	152	(47,129)	(23,991)	(507)	(34,327)
Policy charges	(3,676)	(160,830)	(135,472)	(8,405)	(281,998)
Contract terminations:					
Surrender benefits	(233)	(293,616)	(437,992)	—	(209,902)
Death benefits	—	—	—	—	—
Increase (decrease) from contract transactions	312,202	(553,679)	(659,328)	1,279,289	12,926,301
Net assets at beginning of year	—	3,819,657	3,858,448	—	—
Net assets at end of year	$351,678	$4,243,883	$3,612,064	$1,415,605	$14,675,357
Accumulation unit activity					
Units outstanding at beginning of year	—	1,688,682	2,125,792	—	—
Contract purchase payments	8,867	100,677	153,219	71,918	1,150,053
Net transfers[1]	305,689	(120,670)	(186,753)	1,198,104	12,443,790
Transfers for policy loans	144	(20,118)	(13,271)	(260)	(32,498)
Policy charges	(3,447)	(66,909)	(74,768)	(7,955)	(277,004)
Contract terminations:					
Surrender benefits	(222)	(123,401)	(242,472)	—	(203,115)
Death benefits	—	—	—	—	—
Units outstanding at end of year	311,031	1,458,261	1,761,747	1,261,807	13,081,226

(1) Includes transfer activity from (to) other divisions and transfers from (to) RiverSource Life of NY's fixed account.

(2) For the period Sept. 24, 2010 (commencement of operations) to Dec. 31, 2010.

(3) For the period May 7, 2010 (commencement of operations) to Dec. 31, 2010.

See accompanying notes to financial statements.

Statements of Changes in Net Assets

Period ended Dec. 31, 2010 (continued)	VP Conserv, Cl 2(2)	VP Conserv, Cl 4(2)	VP Davis NY Venture, Cl 3	VP GS Mid Cap Val, Cl 3	VP Mod, Cl 2(2)
Operations					
Investment income (loss) — net	$ (495)	$ (12,324)	$ (23,402)	$ (868)	$ (10,574)
Net realized gain (loss) on sales of investments	1,155	42,007	368,450	5,968	8,334
Distributions from capital gains	—	—	—	—	—
Net change in unrealized appreciation or depreciation of investments	3,820	88,056	(437,660)	18,170	231,853
Net increase (decrease) in net assets resulting from operations	4,480	117,739	(92,612)	23,270	229,613
Contract transactions					
Contract purchase payments	9,190	220,491	410,699	10,982	560,495
Net transfers(1)	147,546	1,795,501	(6,288,502)	38,839	3,512,498
Transfers for policy loans	—	(23,237)	2,081	745	(57,638)
Policy charges	(3,382)	(66,920)	(98,385)	(1,055)	(60,228)
Contract terminations:					
Surrender benefits	—	(18,421)	(134,518)	(8,483)	(57,664)
Death benefits	—	—	—	—	—
Increase (decrease) from contract transactions	153,354	1,907,414	(6,108,625)	41,028	3,897,463
Net assets at beginning of year	—	—	6,549,692	72,586	—
Net assets at end of year	$157,834	$2,025,153	$ 348,455	$136,884	$4,127,076
Accumulation unit activity					
Units outstanding at beginning of year	—	—	8,519,712	77,030	—
Contract purchase payments	8,891	215,344	524,413	11,186	524,662
Net transfers(1)	145,364	1,829,076	(8,340,002)	40,771	3,416,652
Transfers for policy loans	—	(23,073)	3,098	754	(55,477)
Policy charges	(3,278)	(65,724)	(125,481)	(1,041)	(57,436)
Contract terminations:					
Surrender benefits	—	(18,434)	(171,665)	(8,330)	(55,945)
Death benefits	—	—	—	—	—
Units outstanding at end of year	150,977	1,937,189	410,075	120,370	3,772,456

(1) Includes transfer activity from (to) other divisions and transfers from (to) RiverSource Life of NY's fixed account.

(2) For the period May 7, 2010 (commencement of operations) to Dec. 31, 2010.

See accompanying notes to financial statements.

Statements of Changes in Net Assets

Period ended Dec. 31, 2010 (continued)	VP Mod, Cl 4[2]	VP Mod Aggr, Cl 2[2]	VP Mod Aggr, Cl 4[2]	VP Mod Conserv, Cl 2[2]	VP Mod Conserv, Cl 4[2]
Operations					
Investment income (loss) — net	$ (211,782)	$ (7,595)	$ (232,622)	$ (1,811)	$ (44,076)
Net realized gain (loss) on sales of investments	60,663	40,178	39,028	809	92,665
Distributions from capital gains	—	—	—	—	—
Net change in unrealized appreciation or depreciation of investments	3,448,048	205,573	4,610,269	28,299	511,248
Net increase (decrease) in net assets resulting from operations	3,296,929	238,156	4,416,675	27,297	559,837
Contract transactions					
Contract purchase payments	2,489,174	342,916	3,694,359	48,244	594,553
Net transfers[1]	34,900,475	2,919,963	38,014,710	561,968	7,232,931
Transfers for policy loans	(173,221)	13,095	(204,155)	(265)	(33,292)
Policy charges	(1,044,022)	(37,909)	(873,709)	(19,706)	(253,846)
Contract terminations:					
Surrender benefits	(1,413,426)	(21,111)	(821,649)	(20,246)	(889,433)
Death benefits	(24,319)	—	—	—	—
Increase (decrease) from contract transactions	34,734,661	3,216,954	39,809,556	569,995	6,650,913
Net assets at beginning of year	—	—	—	—	—
Net assets at end of year	$38,031,590	$3,455,110	$44,226,231	$597,292	$7,210,750
Accumulation unit activity					
Units outstanding at beginning of year	—	—	—	—	—
Contract purchase payments	2,431,409	327,981	3,586,384	46,842	581,435
Net transfers[1]	34,927,605	2,820,968	37,996,552	549,736	7,272,298
Transfers for policy loans	(166,431)	13,480	(200,035)	(250)	(31,753)
Policy charges	(1,017,387)	(35,818)	(851,623)	(19,011)	(247,939)
Contract terminations:					
Surrender benefits	(1,389,080)	(19,367)	(792,291)	(19,126)	(842,727)
Death benefits	(23,324)	—	—	—	—
Units outstanding at end of year	34,762,792	3,107,244	39,738,987	558,191	6,731,314

[1] Includes transfer activity from (to) other divisions and transfers from (to) RiverSource Life of NY's fixed account.

[2] For the period May 7, 2010 (commencement of operations) to Dec. 31, 2010.

See accompanying notes to financial statements.

Statements of Changes in Net Assets

Year ended Dec. 31, 2010 (continued)	VP Ptnrs Sm Cap Val, Cl 3	Wanger Intl	Wanger USA	WF Adv VT Intl Eq, Cl 2	WF Adv VT Opp, Cl 2
Operations					
Investment income (loss) — net	$ (18,963)	$ 72,040	$ (52,359)	$ (1,959)	$ (258)
Net realized gain (loss) on sales of investments	393,719	54,604	63,649	68,576	(105)
Distributions from capital gains	—	—	—	47,331	—
Net change in unrealized appreciation or depreciation of investments	(22,137)	886,591	1,092,624	80,307	44,934
Net increase (decrease) in net assets resulting from operations	352,619	1,013,235	1,103,914	194,255	44,571
Contract transactions					
Contract purchase payments	320,873	620,918	636,625	107,826	25,890
Net transfers[1]	(4,333,950)	(2,448,730)	(2,258,797)	(176,931)	21,220
Transfers for policy loans	(5,009)	(59,006)	(37,047)	(5,749)	192
Policy charges	(81,250)	(221,305)	(259,468)	(46,059)	(6,566)
Contract terminations:					
Surrender benefits	(107,164)	(342,802)	(431,630)	(117,031)	(12,458)
Death benefits	—	—	—	—	—
Increase (decrease) from contract transactions	(4,206,500)	(2,450,925)	(2,350,317)	(237,944)	28,278
Net assets at beginning of year	4,521,171	7,000,494	6,898,467	1,420,359	174,633
Net assets at end of year	$ 667,290	$ 5,562,804	$ 5,652,064	$1,376,670	$247,482
Accumulation unit activity					
Units outstanding at beginning of year	2,991,216	4,069,216	4,200,105	1,100,741	120,740
Contract purchase payments	198,808	344,541	372,879	82,190	16,903
Net transfers[1]	(2,712,245)	(1,455,399)	(1,333,473)	(128,481)	14,051
Transfers for policy loans	(2,974)	(32,788)	(21,512)	(4,489)	99
Policy charges	(50,263)	(122,442)	(151,936)	(35,140)	(4,257)
Contract terminations:					
Surrender benefits	(66,579)	(191,200)	(251,021)	(90,790)	(8,011)
Death benefits	—	—	—	—	—
Units outstanding at end of year	357,963	2,611,928	2,815,042	924,031	139,525

[1] Includes transfer activity from (to) other divisions and transfers from (to) RiverSource Life of NY's fixed account.

See accompanying notes to financial statements.

Statement of Changes in Net Assets

Year ended Dec. 31, 2010 (continued)	WF Adv VT Sm Cap Gro, Cl 2
Operations	
Investment income (loss) — net	$ (5,630)
Net realized gain (loss) on sales of investments	(2,031)
Distributions from capital gains	—
Net change in unrealized appreciation or depreciation of investments	148,125
Net increase (decrease) in net assets resulting from operations	140,464
Contract transactions	
Contract purchase payments	90,517
Net transfers[1]	(87,731)
Transfers for policy loans	(926)
Policy charges	(22,117)
Contract terminations:	
Surrender benefits	(26,476)
Death benefits	—
Increase (decrease) from contract transactions	(46,733)
Net assets at beginning of year	586,831
Net assets at end of year	$680,562
Accumulation unit activity	
Units outstanding at beginning of year	348,901
Contract purchase payments	49,760
Net transfers[1]	(49,637)
Transfers for policy loans	(439)
Policy charges	(12,311)
Contract terminations:	
Surrender benefits	(14,205)
Death benefits	—
Units outstanding at end of year	322,069

[1] Includes transfer activity from (to) other divisions and transfers from (to) RiverSource Life of NY's fixed account.

See accompanying notes to financial statements.

Notes to Financial Statements

1. ORGANIZATION

RiverSource of New York Account 8 (the Account) was established under New York law as a segregated asset account of RiverSource Life Insurance Co. of New York (RiverSource Life of NY). The Account is registered as a unit investment trust under the Investment Company Act of 1940, as amended (the 1940 Act) and exists in accordance with the rules and regulations of the New York State Department of Financial Services.

The Account is used as a funding vehicle for RiverSource® Variable Universal Life Insurance III (VUL III-NY) policies issued by RiverSource Life of NY.

The Account is comprised of various divisions. Each division invests exclusively in shares of the following funds or portfolios (collectively, the Funds), which are registered under the 1940 Act as open-end management investment companies. The name of each Fund offered through VUL III-NY policies and the corresponding division name are provided below. There are various other divisions offered in the Account that are not available under VUL III policies. Each division is comprised of subaccounts. Individual variable life insurance policies invest in subaccounts. These financial statements are of the Divisions of the Account offered through VUL III-NY.

Division	Fund
AB VPS Gro & Inc, Cl B	AllianceBernstein VPS Growth and Income Portfolio (Class B)
AB VPS Intl Val, Cl B	AllianceBernstein VPS International Value Portfolio (Class B)
AB VPS Lg Cap Gro, Cl B	AllianceBernstein VPS Large Cap Growth Portfolio (Class B)
AC VP Intl, Cl I	American Century VP International, Class I
AC VP Val, Cl I	American Century VP Value, Class I
Calvert VP SRI Bal	Calvert VP SRI Balanced Portfolio
Col VP Bal, Cl 3	Columbia Variable Portfolio – Balanced Fund (Class 3)
Col VP Cash Mgmt, Cl 3	Columbia Variable Portfolio – Cash Management Fund (Class 3)
Col VP Div Bond, Cl 3	Columbia Variable Portfolio – Diversified Bond Fund (Class 3)
Col VP Div Eq Inc, Cl 3	Columbia Variable Portfolio – Diversified Equity Income Fund (Class 3)
Col VP Dyn Eq, Cl 3	Columbia Variable Portfolio – Dynamic Equity Fund (Class 3)
Col VP Emer Mkts Opp, Cl 3	Columbia Variable Portfolio – Emerging Markets Opportunity Fund (Class 3)
Col VP Global Bond, Cl 3	Columbia Variable Portfolio – Global Bond Fund (Class 3)
Col VP Global Inflation Prot Sec, Cl 3	Columbia Variable Portfolio – Global Inflation Protected Securities Fund (Class 3)
Col VP Hi Inc, Cl 2	Columbia Variable Portfolio – High Income Fund (Class 2)
Col VP Hi Yield Bond, Cl 3	Columbia Variable Portfolio – High Yield Bond Fund (Class 3)
Col VP Inc Opp, Cl 3	Columbia Variable Portfolio – Income Opportunities Fund (Class 3)
Col VP Intl Opp, Cl 3	Columbia Variable Portfolio – International Opportunity Fund (Class 3)
Col VP Lg Cap Gro, Cl 3	Columbia Variable Portfolio – Large Cap Growth Fund (Class 3)
Col VP Mid Cap Gro Opp, Cl 3	Columbia Variable Portfolio – Mid Cap Growth Opportunity Fund (Class 3)
Col VP Mid Cap Val Opp, Cl 3	Columbia Variable Portfolio – Mid Cap Value Opportunity Fund (Class 3)
Col VP S&P 500, Cl 3	Columbia Variable Portfolio – S&P 500 Index Fund (Class 3)
Col VP Select Lg Cap Val, Cl 3	Columbia Variable Portfolio – Select Large-Cap Value Fund (Class 3)
Col VP Select Sm Cap Val, Cl 3	Columbia Variable Portfolio – Select Smaller-Cap Value Fund (Class 3)
Col VP Short Duration, Cl 3	Columbia Variable Portfolio – Short Duration U.S. Government Fund (Class 3)
CS Commodity Return	Credit Suisse Trust – Commodity Return Strategy Portfolio
EV VT Floating-Rate Inc	Eaton Vance VT Floating-Rate Income Fund
Fid VIP Contrafund, Serv Cl 2	Fidelity® VIP Contrafund® Portfolio Service Class 2
Fid VIP Gro & Inc, Serv Cl	Fidelity® VIP Growth & Income Portfolio Service Class
Fid VIP Mid Cap, Serv Cl	Fidelity® VIP Mid Cap Portfolio Service Class
Fid VIP Overseas, Serv Cl	Fidelity® VIP Overseas Portfolio Service Class
FTVIPT Frank Global Real Est, Cl 2	FTVIPT Franklin Global Real Estate Securities Fund – Class 2
FTVIPT Frank Sm Cap Val, Cl 2	FTVIPT Franklin Small Cap Value Securities Fund – Class 2
FTVIPT Mutual Shares Sec, Cl 2	FTVIPT Mutual Shares Securities Fund – Class 2
GS VIT Mid Cap Val, Inst	Goldman Sachs VIT Mid Cap Value Fund – Institutional Shares
GS VIT Structd Sm Cap Eq, Inst	Goldman Sachs VIT Structured Small Cap Equity Fund – Institutional Shares
GS VIT Structd U.S. Eq, Inst	Goldman Sachs VIT Structured U.S. Equity Fund – Institutional Shares
Invesco VI Cap Appr, Ser I	Invesco V.I. Capital Appreciation Fund, Series I Shares(1)
Invesco VI Cap Dev, Ser I	Invesco V.I. Capital Development Fund, Series I Shares(2)
Invesco VI Core Eq, Ser I	Invesco V.I. Core Equity Fund, Series I Shares
Invesco VI Div Divd, Ser I	Invesco V.I. Diversified Dividend Fund, Series I Shares(3) (previously Invesco V.I. Dividend Growth Fund, Series I Shares)
Invesco VI Intl Gro, Ser II	Invesco V.I. International Growth Fund, Series II Shares
Invesco VI Tech, Ser I	Invesco V.I. Technology Fund, Series I Shares
Invesco VanK VI Comstock, Ser II	Invesco Van Kampen V.I. Comstock Fund, Series II Shares
Janus Aspen Enterprise, Serv	Janus Aspen Series Enterprise Portfolio: Service Shares

Division	Fund
Janus Aspen Global Tech, Serv	Janus Aspen Series Global Technology Portfolio: Service Shares
Janus Aspen Janus, Serv	Janus Aspen Series Janus Portfolio: Service Shares
Janus Aspen Overseas, Serv	Janus Aspen Series Overseas Portfolio: Service Shares
MFS Inv Gro Stock, Serv Cl	MFS® Investors Growth Stock Series – Service Class
MFS New Dis, Serv Cl	MFS® New Discovery Series – Service Class
MFS Utilities, Serv Cl	MFS® Utilities Series – Service Class
MS UIF Global Real Est, Cl II	Morgan Stanley UIF Global Real Estate Portfolio, Class II Shares
MS UIF Mid Cap Gro, Cl II	Morgan Stanley UIF Mid Cap Growth Portfolio, Class II Shares
Oppen Global Sec VA, Serv	Oppenheimer Global Securities Fund/VA, Service Shares
Oppen Global Strategic Inc VA, Srv	Oppenheimer Global Strategic Income Fund/VA, Service Shares
Oppen Main St Sm Mid Cap VA, Serv	Oppenheimer Main Street Small- & Mid-Cap Fund®/VA, Service Shares
PIMCO VIT All Asset, Advisor Cl	PIMCO VIT All Asset Portfolio, Advisor Share Class
Put VT Global Hlth Care, Cl IB	Putnam VT Global Health Care Fund – Class IB Shares
Put VT Hi Yield, Cl IB	Putnam VT High Yield Fund – Class IB Shares
Put VT Intl Eq, Cl IB	Putnam VT International Equity Fund – Class IB Shares
Put VT Multi-Cap Gro, Cl IA	Putnam VT Multi-Cap Growth Fund – Class IA Shares
Put VT Multi-Cap Gro, Cl IB	Putnam VT Multi-Cap Growth Fund – Class IB Shares[4]
Royce Micro-Cap, Invest Cl	Royce Capital Fund – Micro-Cap Portfolio, Investment Class
Third Ave Val	Third Avenue Value Portfolio
VP Aggr, Cl 2	Variable Portfolio – Aggressive Portfolio (Class 2)[5]
VP Aggr, Cl 4	Variable Portfolio – Aggressive Portfolio (Class 4)
VP Conserv, Cl 2	Variable Portfolio – Conservative Portfolio (Class 2)[6]
VP Conserv, Cl 4	Variable Portfolio – Conservative Portfolio (Class 4)
VP Davis NY Venture, Cl 3	Variable Portfolio – Davis New York Venture Fund (Class 3)
VP GS Mid Cap Val, Cl 3	Variable Portfolio – Goldman Sachs Mid Cap Value Fund (Class 3)
VP Mod, Cl 2	Variable Portfolio – Moderate Portfolio (Class 2)[7]
VP Mod, Cl 4	Variable Portfolio – Moderate Portfolio (Class 4)
VP Mod Aggr, Cl 2	Variable Portfolio – Moderately Aggressive Portfolio (Class 2)[8]
VP Mod Aggr, Cl 4	Variable Portfolio – Moderately Aggressive Portfolio (Class 4)
VP Mod Conserv, Cl 2	Variable Portfolio – Moderately Conservative Portfolio (Class 2)[9]
VP Mod Conserv, Cl 4	Variable Portfolio – Moderately Conservative Portfolio (Class 4)
VP Ptnrs Sm Cap Val, Cl 3	Variable Portfolio – Partners Small Cap Value Fund (Class 3)
Wanger Intl	Wanger International
Wanger USA	Wanger USA
WF Adv VT Intl Eq, Cl 2	Wells Fargo Advantage VT International Equity Fund – Class 2[10]
WF Adv VT Opp, Cl 2	Wells Fargo Advantage VT Opportunity Fund – Class 2[11]
WF Adv VT Sm Cap Gro, Cl 2	Wells Fargo Advantage VT Small Cap Growth Fund – Class 2

[1] Invesco V.I. Capital Appreciation Fund, Series I Shares is scheduled to be merged into Invesco Van Kampen V.I. Capital Growth Fund, Series I Shares on April 27, 2012. In addition, Invesco Van Kampen V.I. Capital Growth Fund, Series I Shares changed its name to Invesco Van Kampen V.I. American Franchise Fund, Series I Shares.
[2] Invesco V.I. Capital Development Fund, Series I Shares is scheduled to be merged into Invesco Van Kampen V.I. Mid Cap Growth Fund, Series I Shares on April 27, 2012.
[3] Invesco V.I. Financial Services Fund, Series I Shares merged into Invesco V.I. Diversified Dividend Fund, Series I Shares on April 29, 2011.
[4] Putnam VT Vista Fund – Class IB Shares merged into Putnam VT Multi-Cap Growth Fund — Class IB Shares on Sept. 24, 2010.
[5] Disciplined Asset Allocation Portfolios – Aggressive merged into Variable Portfolio – Aggressive Portfolio (Class 2) on April 29, 2011.
[6] Disciplined Asset Allocation Portfolios – Conservative merged into Variable Portfolio – Conservative Portfolio (Class 2) on April 29, 2011.
[7] Disciplined Asset Allocation Portfolios – Moderate merged into Variable Portfolio – Moderate Portfolio (Class 2) on April 29, 2011.
[8] Disciplined Asset Allocation Portfolios – Moderately Aggressive merged into Variable Portfolio – Moderately Aggressive Portfolio (Class 2) on April 29, 2011.
[9] Disciplined Asset Allocation Portfolios – Moderately Conservative merged into Variable Portfolio – Moderately Conservative Portfolio (Class 2) on April 29, 2011.
[10] Evergreen VA International Equity Fund – Class 2 merged into Wells Fargo Advantage VT International Core Fund on July 16, 2010. In addition, Wells Fargo Advantage VT International Core Fund changed its name to Wells Fargo Advantage VT International Equity Fund – Class 2. The historical financial information for Evergreen VA International Equity Fund – Class 2 was retained from the inception date to the date of the merger.
[11] Wells Fargo Advantage VT Core Equity Fund – Class 2 merged into Wells Fargo Advantage VT Opportunity Fund – Class 2 on Aug. 26, 2011.

The assets of each division of the Account are not chargeable with liabilities arising out of the business conducted by any other segregated asset account or by RiverSource Life of NY.

RiverSource Life of NY serves as issuer of the policy.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Investments in the Funds

Investment transactions are accounted for on the date the shares are purchased and sold. Realized gains and losses on the sales of investments are computed using the average cost method. Income from dividends and gains from realized capital gain distributions are reinvested in additional shares of the Funds and are recorded as income by the divisions on the ex-dividend date.

Unrealized appreciation or depreciation of investments in the accompanying financial statements represents the division's share of the Funds' undistributed net investment income, undistributed realized gain or loss and the unrealized appreciation or depreciation on their investment securities.

The Account categorizes its fair value measurements according to a three-level hierarchy. This hierarchy prioritizes the inputs used by the Account to value investment securities. A level is assigned to each fair value measurement based on the lowest level input that is significant to the fair value measurement in its entirety. The three levels of the fair value hierarchy are defined as follows:

Level 1 – Unadjusted quoted prices for identical assets or liabilities in active markets that are accessible at the measurement date.

Level 2 – Prices or valuations based on observable inputs other than quoted prices in active markets for identical assets and liabilities.

Level 3 – Prices or valuations that require inputs that are both significant to the fair value measurement and unobservable.

The Funds in the Accounts have been assigned a Level 2 hierarchy, which indicates that the Funds are not considered to be active as there are few daily net asset values released publicly. Investments in shares of the Funds are stated at fair value which is the net asset value per share as determined by the respective Funds. There were no transfers between levels in the periods ended Dec. 31, 2011.

Federal Income Taxes
RiverSource Life of NY is taxed as a life insurance company. The Account is treated as part of RiverSource Life of NY for federal income tax purposes. Under existing federal income tax law, no income taxes are payable with respect to any investment income of the Account to the extent the earnings are credited under the policies. Based on this, no charge is being made currently to the Account for federal income taxes. RiverSource Life of NY will review periodically the status of this policy in the event of changes in the tax law. A charge may be made in future years for any federal income taxes that would be attributable to the policies.

Subsequent Events
Management has evaluated Account related events and transactions that occurred during the period from the date of the Statements of Assets and Liabilities through April 20, 2012. There were no events or transactions that occurred during the period that materially impacted the amounts or disclosures in the Account's financial statements.

Use of Estimates
The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements. Actual results could differ from those estimates.

3. VARIABLE ACCOUNT EXPENSES

For VUL III-NY policies, RiverSource Life of NY deducts a daily mortality and expense risk fee equal, on an annual basis, to 0.45% or 0.90% of the average daily net assets of each subaccount. The financial statements include other subaccounts that are not offered through VUL III-NY policies.

4. POLICY CHARGES

A monthly deduction is made for the cost of insurance and the policy fee. The cost of insurance for the policy month is determined on the monthly date by determining the net amount at risk, as of that day, and by then applying the cost of insurance rates to the net amount at risk which RiverSource Life of NY is assuming for the succeeding month. The monthly deduction will be taken from the subaccounts as specified in the application for the policy.

A policy fee is deducted each month to reimburse RiverSource Life of NY for expenses incurred in administering the policy, such as processing claims, maintaining records, making policy changes and communicating with owners of policies.

RiverSource Life of NY deducts a premium expense charge from each premium payment. It partially compensates RiverSource Life of NY for expenses associated with administering and distributing the policy, including the agents' compensation, advertising and printing the prospectus and sales literature. It also compensates RiverSource Life of NY for paying premium taxes imposed by the state of New York.

Each month RiverSource Life of NY deducts charges for any optional insurance benefits added to the policy by rider.

This product may also charge a no lapse guarantee charge.

Additional information can be found in the product prospectus.

5. SURRENDER CHARGES

RiverSource Life of NY will use a surrender charge to help it recover certain expenses related to the issuance of the policy. Additional information regarding how the surrender charge is determined can be found in the product's prospectus. Such charges are not treated as a separate expense of the divisions as they are ultimately deducted from surrender benefits paid by RiverSource Life of NY. Charges by RiverSource Life of NY for surrenders are not identified on an individual division basis.

6. RELATED PARTY TRANSACTIONS

RiverSource Life of NY is a wholly-owned subsidiary of RiverSource Life Insurance Company, which is a wholly-owned subsidiary of Ameriprise Financial, Inc. (Ameriprise Financial).

On May 1, 2010, Ameriprise Financial announced the closing of its acquisition of the long-term asset management business of Columbia Management Group, LLC and certain of its affiliated companies from Bank of America (the Columbia Transaction). In connection with the Columbia Transaction, effective May 1, 2010, certain Fund's investment manager, RiverSource Investments, LLC, a wholly owned subsidiary of Ameriprise Financial, changed its name to Columbia Management Investment Advisers, LLC. Certain divisions invest in Funds managed by Columbia Management Investment Advisers, LLC and Columbia Wanger Asset Management, LLC, both affiliates of Ameriprise Financial.

The following table reflects fees paid by certain funds to Ameriprise Financial and its affiliates. Additional details about these asset based charges can be found in the respective Fund's Annual Report.

Fee Agreement:	Fees Paid To:
Investment Management Services Agreement	Columbia Management Investment Advisers, LLC
Administrative Services Agreement	Columbia Management Investment Advisers, LLC
Transfer Agency and Servicing Agreement	Columbia Management Investment Services Corp.
Plan and Agreement of Distribution Pursuant to Rule 12b-1	Columbia Management Investment Distributors, Inc.

During the second quarter of 2010, assets of policyholders participating in the Portfolio Navigator program were reallocated to affiliated fund of funds investment options that corresponded to their model portfolio, pursuant to their consent. This reallocation in part resulted in a movement of assets from non-affiliated funds and RiverSource Life of NY's general account to affiliated funds.

7. INVESTMENT TRANSACTIONS

The divisions' purchases of Funds' shares, including reinvestment of dividend distributions, for the year ended Dec. 31, 2011 were as follows:

Division	Purchases
AB VPS Gro & Inc, Cl B	$ 159,612
AB VPS Intl Val, Cl B	583,676
AB VPS Lg Cap Gro, Cl B	93,353
AC VP Intl, Cl I	288,169
AC VP Val, Cl I	752,084
Calvert VP SRI Bal	53,618
Col VP Bal, Cl 3	676,190
Col VP Cash Mgmt, Cl 3	3,135,789
Col VP Div Bond, Cl 3	1,978,512
Col VP Div Eq Inc, Cl 3	1,065,388
Col VP Dyn Eq, Cl 3	1,441,172
Col VP Emer Mkts Opp, Cl 3	595,983
Col VP Global Bond, Cl 3	564,967
Col VP Global Inflation Prot Sec, Cl 3	478,956
Col VP Hi Inc, Cl 2	129,146
Col VP Hi Yield Bond, Cl 3	772,929
Col VP Inc Opp, Cl 3	269,248
Col VP Intl Opp, Cl 3	512,546
Col VP Lg Cap Gro, Cl 3	276,613
Col VP Mid Cap Gro Opp, Cl 3	299,460
Col VP Mid Cap Val Opp, Cl 3	96,565
Col VP S&P 500, Cl 3	803,717
Col VP Select Lg Cap Val, Cl 3	124,113
Col VP Select Sm Cap Val, Cl 3	200,673
Col VP Short Duration, Cl 3	755,594
CS Commodity Return	369,525
EV VT Floating-Rate Inc	600,408
Fid VIP Contrafund, Serv Cl 2	868,076

Division	Purchases
Fid VIP Gro & Inc, Serv Cl	$ 863,124
Fid VIP Mid Cap, Serv Cl	1,394,821
Fid VIP Overseas, Serv Cl	321,339
FTVIPT Frank Global Real Est, Cl 2	586,857
FTVIPT Frank Sm Cap Val, Cl 2	380,422
FTVIPT Mutual Shares Sec, Cl 2	184,146
GS VIT Mid Cap Val, Inst	835,922
GS VIT Structd Sm Cap Eq, Inst	166,264
GS VIT Structd U.S. Eq, Inst	510,666
Invesco VI Cap Appr, Ser I	248,192
Invesco VI Cap Dev, Ser I	128,097
Invesco VI Core Eq, Ser I	801,323
Invesco VI Div Divd, Ser I	445,747
Invesco VI Intl Gro, Ser II	455,505
Invesco VI Tech, Ser I	151,359
Invesco VanK VI Comstock, Ser II	95,550
Janus Aspen Enterprise, Serv	308,726
Janus Aspen Global Tech, Serv	384,263
Janus Aspen Janus, Serv	125,952
Janus Aspen Overseas, Serv	1,057,756
MFS Inv Gro Stock, Serv Cl	603,874
MFS New Dis, Serv Cl	701,339
MFS Utilities, Serv Cl	288,216
MS UIF Global Real Est, Cl II	90,995
MS UIF Mid Cap Gro, Cl II	134,786
Oppen Global Sec VA, Serv	118,924
Oppen Global Strategic Inc VA, Srv	624,159
Oppen Main St Sm Mid Cap VA, Serv	122,392

Division	Purchases
PIMCO VIT All Asset, Advisor Cl	$ 1,641,997
Put VT Global Hlth Care, Cl IB	67,470
Put VT Hi Yield, Cl IB	263,127
Put VT Intl Eq, Cl IB	47,202
Put VT Multi-Cap Gro, Cl IA	538,823
Put VT Multi-Cap Gro, Cl IB	245,658
Royce Micro-Cap, Invest Cl	754,661
Third Ave Val	794,805
VP Aggr, Cl 2	2,274,411
VP Aggr, Cl 4	3,001,152
VP Conserv, Cl 2	788,186
VP Conserv, Cl 4	1,490,357
VP Davis NY Venture, Cl 3	129,855

Division	Purchases
VP GS Mid Cap Val, Cl 3	$ 31,608
VP Mod, Cl 2	6,890,799
VP Mod, Cl 4	7,280,258
VP Mod Aggr, Cl 2	4,951,895
VP Mod Aggr, Cl 4	9,224,286
VP Mod Conserv, Cl 2	1,445,909
VP Mod Conserv, Cl 4	2,236,038
VP Ptnrs Sm Cap Val, Cl 3	74,130
Wanger Intl	1,037,783
Wanger USA	1,195,934
WF Adv VT Intl Eq, Cl 2	301,835
WF Adv VT Opp, Cl 2	719,334
WF Adv VT Sm Cap Gro, Cl 2	95,984

8. ACCUMULATION UNIT VALUES, UNITS OUTSTANDING AND NET ASSETS

The following is a summary of accumulation unit values at Dec. 31, 2011:

Subaccount	AB VPS Gro & Inc, Cl B	AB VPS Intl Val, Cl B	AB VPS Lg Cap Gro, Cl B	AC VP Intl, Cl I	AC VP Val, Cl I
0.45%	$1.48	$1.29	$1.52	$1.46	$1.48
0.90%	1.27	1.19	0.90	0.90	1.68

Subaccount	Calvert VP SRI Bal	Col VP Bal, Cl 3	Col VP Cash Mgmt, Cl 3	Col VP Div Bond, Cl 3	Col VP Div Eq Inc, Cl 3
0.45%	$1.49	$1.50	$0.99	$1.30	$1.54
0.90%	1.06	1.05	1.10	1.58	1.57

Subaccount	Col VP Dyn Eq, Cl 3	Col VP Emer Mkts Opp, Cl 3	Col VP Global Bond, Cl 3	Col VP Global Inflation Prot Sec, Cl 3	Col VP Hi Inc, Cl 2
0.45%	$1.69	$1.82	$1.26	$1.22	$1.63
0.90%	0.76	2.58	1.87	1.30	1.34

Subaccount	Col VP Hi Yield Bond, Cl 3	Col VP Inc Opp, Cl 3	Col VP Intl Opp, Cl 3	Col VP Lg Cap Gro, Cl 3	Col VP Mid Cap Gro Opp, Cl 3
0.45%	$1.75	$1.60	$1.41	$1.62	$1.84
0.90%	1.93	1.43	0.73	0.58	1.36

Subaccount	Col VP Mid Cap Val Opp, Cl 3	Col VP S&P 500, Cl 3	Col VP Select Lg Cap Val, Cl 3	Col VP Select Sm Cap Val, Cl 3	Col VP Short Duration, Cl 3
0.45%	$1.69	$1.58	$1.64	$1.75	$1.08
0.90%	0.94	0.98	0.95	1.34	1.25

Subaccount	CS Commodity Return	EV VT Floating-Rate Inc	Fid VIP Contrafund, Serv Cl 2	Fid VIP Gro & Inc, Serv Cl	Fid VIP Mid Cap, Serv Cl
0.45%	$1.28	$1.51	$1.66	$1.60	$1.68
0.90%	0.87	1.11	0.92	1.04	2.11

Subaccount	Fid VIP Overseas, Serv Cl	FTVIPT Frank Global Real Est, Cl 2	FTVIPT Frank Sm Cap Val, Cl 2	FTVIPT Mutual Shares Sec, Cl 2	GS VIT Mid Cap Val, Inst
0.45%	$1.33	$1.55	$1.77	$1.45	$1.64
0.90%	0.97	1.64	2.19	1.38	2.23

Subaccount	GS VIT Structd Sm Cap Eq, Inst	GS VIT Structd U.S. Eq, Inst	Invesco VI Cap Appr, Ser I	Invesco VI Cap Dev, Ser I	Invesco VI Core Eq, Ser I
0.45%	$1.87	$1.53	$1.32	$1.62	$1.50
0.90%	1.48	0.93	0.62	1.21	1.86

Subaccount	Invesco VI Div Divd, Ser I	Invesco VI Intl Gro, Ser II	Invesco VI Tech, Ser I	Invesco VanK VI Comstock, Ser II	Janus Aspen Enterprise, Serv
0.45%	$0.92	$1.50	$1.88	$1.61	$1.88
0.90%	0.92	0.84	1.40	0.82	0.84

Subaccount	Janus Aspen Global Tech, Serv	Janus Aspen Janus, Serv	Janus Aspen Overseas, Serv	MFS Inv Gro Stock, Serv Cl	MFS New Dis, Serv Cl
0.45%	$1.85	$1.52	$1.57	$1.64	$2.13
0.90%	0.61	0.88	1.38	0.77	1.18

Subaccount	MFS Utilities, Serv Cl	MS UIF Global Real Est, Cl II	MS UIF Mid Cap Gro, Cl II	Oppen Global Sec VA, Serv	Oppen Global Strategic Inc VA, Srv
0.45%	$1.64	$1.79	$2.04	$1.60	$1.36
0.90%	2.69	0.73	1.08	0.95	1.28

Subaccount	Oppen Main St Sm Mid Cap VA, Serv	PIMCO VIT All Asset, Advisor Cl	Put VT Global Hlth Care, Cl IB	Put VT Hi Yield, Cl IB	Put VT Intl Eq, Cl IB
0.45%	$1.83	$1.44	$1.27	$1.65	$1.28
0.90%	0.96	1.19	1.32	1.93	1.24

Subaccount	Put VT Multi-Cap Gro, Cl IA	Put VT Multi-Cap Gro, Cl IB	Royce Micro-Cap, Invest Cl	Third Ave Val	VP Aggr, Cl 2
0.45%	$1.56	$1.07	$1.92	$1.41	$1.09
0.90%	1.38	1.06	2.54	1.60	1.08

Subaccount	VP Aggr, Cl 4	VP Conserv, Cl 2	VP Conserv, Cl 4	VP Davis NY Venture, Cl 3	VP GS Mid Cap Val, Cl 3
0.45%	$1.09	$1.08	$1.08	$1.56	$1.66
0.90%	1.08	1.07	1.07	0.81	1.05

Subaccount	VP Mod, Cl 2	VP Mod, Cl 4	VP Mod Aggr, Cl 2	VP Mod Aggr, Cl 4	VP Mod Conserv, Cl 2
0.45%	$1.10	$1.10	$1.09	$1.10	$1.09
0.90%	1.09	1.09	1.09	1.09	1.08

Subaccount	VP Mod Conserv, Cl 4	VP Ptnrs Sm Cap Val, Cl 3	Wanger Intl	Wanger USA	WF Adv VT Intl Eq, Cl 2
0.45%	$1.09	$1.76	$1.71	$1.79	$1.30
0.90%	1.08	1.76	1.80	1.92	1.29

Subaccount	WF Adv VT Opp, Cl 2	WF Adv VT Sm Cap Gro, Cl 2
0.45%	$1.81	$2.05
0.90%	1.66	2.00

The following is a summary of units outstanding at Dec. 31, 2011:

Subaccount	AB VPS Gro & Inc, Cl B	AB VPS Intl Val, Cl B	AB VPS Lg Cap Gro, Cl B	AC VP Intl, Cl I	AC VP Val, Cl I
0.45%	11,229	102,822	21,913	115,610	351,636
0.90%	899,404	2,262,284	63,541	687,032	1,760,740
Total	910,633	2,365,106	85,454	802,642	2,112,376

Subaccount	Calvert VP SRI Bal	Col VP Bal, Cl 3	Col VP Cash Mgmt, Cl 3	Col VP Div Bond, Cl 3	Col VP Div Eq Inc, Cl 3
0.45%	38,344	316,387	727,567	706,431	464,086
0.90%	287,152	12,273,227	3,542,638	6,428,800	6,894,502
Total	325,496	12,589,614	4,270,205	7,135,231	7,358,588

Subaccount	Col VP Dyn Eq, Cl 3	Col VP Emer Mkts Opp, Cl 3	Col VP Global Bond, Cl 3	Col VP Global Inflation Prot Sec, Cl 3	Col VP Hi Inc, Cl 2
0.45%	653,631	125,520	171,149	108,705	4,982
0.90%	23,880,050	927,782	1,468,980	822,800	289,726
Total	24,533,681	1,053,302	1,640,129	931,505	294,708

Subaccount	Col VP Hi Yield Bond, Cl 3	Col VP Inc Opp, Cl 3	Col VP Intl Opp, Cl 3	Col VP Lg Cap Gro, Cl 3	Col VP Mid Cap Gro Opp, Cl 3
0.45%	127,753	22,162	132,035	98,748	51,810
0.90%	1,660,872	456,708	8,697,167	2,260,838	311,159
Total	1,788,625	478,870	8,829,202	2,359,586	362,969

Subaccount	Col VP Mid Cap Val Opp, Cl 3	Col VP S&P 500, Cl 3	Col VP Select Lg Cap Val, Cl 3	Col VP Select Sm Cap Val, Cl 3	Col VP Short Duration, Cl 3
0.45%	8,093	292,263	110	33,885	248,687
0.90%	221,576	4,052,287	156,745	589,129	2,441,216
Total	229,669	4,344,550	156,855	623,014	2,689,903

Subaccount	CS Commodity Return	EV VT Floating-Rate Inc	Fid VIP Contrafund, Serv Cl 2	Fid VIP Gro & Inc, Serv Cl	Fid VIP Mid Cap, Serv Cl
0.45%	57,616	75,767	123,268	421,767	640,534
0.90%	832,519	665,309	2,661,257	2,973,797	2,448,116
Total	890,135	741,076	2,784,525	3,395,564	3,088,650

Subaccount	Fid VIP Overseas, Serv Cl	FTVIPT Frank Global Real Est, Cl 2	FTVIPT Frank Sm Cap Val, Cl 2	FTVIPT Mutual Shares Sec, Cl 2	GS VIT Mid Cap Val, Inst
0.45%	112,433	119,888	106,230	17,903	334,201
0.90%	1,260,847	1,261,980	831,167	1,063,303	1,981,922
Total	1,373,280	1,381,868	937,397	1,081,206	2,316,123

Subaccount	GS VIT Structd Sm Cap Eq, Inst	GS VIT Structd U.S. Eq, Inst	Invesco VI Cap Appr, Ser I	Invesco VI Cap Dev, Ser I	Invesco VI Core Eq, Ser I
0.45%	40,725	195,293	107,535	50,066	339,475
0.90%	298,470	1,553,184	532,768	191,114	5,367,431
Total	339,195	1,748,477	640,303	241,180	5,706,906

Subaccount	Invesco VI Div Divd, Ser I	Invesco VI Intl Gro, Ser II	Invesco VI Tech, Ser I	Invesco VanK VI Comstock, Ser II	Janus Aspen Enterprise, Serv
0.45%	10,167	187,624	14,470	4,377	105,521
0.90%	356,745	722,184	195,653	258,731	289,249
Total	366,912	909,808	210,123	263,108	394,770

Subaccount	Janus Aspen Global Tech, Serv	Janus Aspen Janus, Serv	Janus Aspen Overseas, Serv	MFS Inv Gro Stock, Serv Cl	MFS New Dis, Serv Cl
0.45%	64,378	15,445	352,781	262,241	112,849
0.90%	1,764,751	551,939	2,141,756	1,845,818	971,176
Total	1,829,129	567,384	2,494,537	2,108,059	1,084,025

Subaccount	MFS Utilities, Serv Cl	MS UIF Global Real Est, Cl II	MS UIF Mid Cap Gro, Cl II	Oppen Global Sec VA, Serv	Oppen Global Strategic Inc VA, Srv
0.45%	48,755	10,506	9,954	12,569	145,934
0.90%	453,299	239,563	234,323	553,369	2,105,216
Total	502,054	250,069	244,277	565,938	2,251,150

Subaccount	Oppen Main St Sm Mid Cap VA, Serv	PIMCO VIT All Asset, Advisor Cl	Put VT Global Hlth Care, Cl IB	Put VT Hi Yield, Cl IB	Put VT Intl Eq, Cl IB
0.45%	5,926	189,773	4,405	73,103	5,715
0.90%	303,495	2,254,870	158,754	287,856	73,823
Total	309,421	2,444,643	163,159	360,959	79,538

Subaccount	Put VT Multi-Cap Gro, Cl IA	Put VT Multi-Cap Gro, Cl IB	Royce Micro-Cap, Invest Cl	Third Ave Val	VP Aggr, Cl 2
0.45%	170,198	182,301	259,145	393,935	104,105
0.90%	4,471,305	96,727	1,107,723	1,221,353	2,717,940
Total	4,641,503	279,028	1,366,868	1,615,288	2,822,045

Subaccount	VP Aggr, Cl 4	VP Conserv, Cl 2	VP Conserv, Cl 4	VP Davis NY Venture, Cl 3	VP GS Mid Cap Val, Cl 3
0.45%	715,378	30,929	183,456	22,086	1,830
0.90%	12,317,330	494,010	1,860,335	437,507	112,825
Total	13,032,708	524,939	2,043,791	459,593	114,655

Subaccount	VP Mod, Cl 2	VP Mod, Cl 4	VP Mod Aggr, Cl 2	VP Mod Aggr, Cl 4	VP Mod Conserv, Cl 2
0.45%	241,720	1,861,143	299,720	4,172,951	151,964
0.90%	9,016,075	33,117,690	6,720,315	35,233,328	1,415,627
Total	9,257,795	34,978,833	7,020,035	39,406,279	1,567,591

Subaccount	VP Mod Conserv, Cl 4	VP Ptnrs Sm Cap Val, Cl 3	Wanger Intl	Wanger USA	WF Adv VT Intl Eq, Cl 2
0.45%	634,424	10,959	173,238	216,851	127,078
0.90%	5,562,821	332,741	2,244,584	2,393,123	662,656
Total	6,197,245	343,700	2,417,822	2,609,974	789,734

Subaccount	WF Adv VT Opp, Cl 2	WF Adv VT Sm Cap Gro, Cl 2
0.45%	17,696	7,205
0.90%	516,881	294,956
Total	534,577	302,161

The following is a summary of net assets at Dec. 31, 2011:

Subaccount	AB VPS Gro & Inc, Cl B	AB VPS Intl Val, Cl B	AB VPS Lg Cap Gro, Cl B	AC VP Intl, Cl I	AC VP Val, Cl I
0.45%	$ 16,665	$ 132,773	$33,328	$168,229	$ 518,734
0.90%	1,141,028	2,688,720	57,191	619,907	2,958,370
Total	$1,157,693	$2,821,493	$90,519	$788,136	$3,477,104

Subaccount	Calvert VP SRI Bal	Col VP Bal, Cl 3	Col VP Cash Mgmt, Cl 3	Col VP Div Bond, Cl 3	Col VP Div Eq Inc, Cl 3
0.45%	$ 57,130	$ 474,112	$ 718,992	$ 917,339	$ 715,876
0.90%	304,205	12,862,759	3,904,759	10,135,592	10,823,846
Total	$361,335	$13,336,871	$4,623,751	$11,052,931	$11,539,722

Subaccount	Col VP Dyn Eq, Cl 3	Col VP Emer Mkts Opp, Cl 3	Col VP Global Bond, Cl 3	Col VP Global Inflation Prot Sec, Cl 3	Col VP Hi Inc, Cl 2
0.45%	$ 1,103,099	$ 228,110	$ 215,501	$ 132,803	$ 8,111
0.90%	18,239,455	2,394,418	2,747,488	1,072,161	389,414
Total	$19,342,554	$2,622,528	$2,962,989	$1,204,964	$397,525

Subaccount	Col VP Hi Yield Bond, Cl 3	Col VP Inc Opp, Cl 3	Col VP Intl Opp, Cl 3	Col VP Lg Cap Gro, Cl 3	Col VP Mid Cap Gro Opp, Cl 3
0.45%	$ 223,430	$ 35,526	$ 186,801	$ 160,249	$ 95,508
0.90%	3,201,905	653,432	6,358,683	1,321,270	423,164
Total	$3,425,335	$688,958	$6,545,484	$1,481,519	$518,672

Subaccount	Col VP Mid Cap Val Opp, Cl 3	Col VP S&P 500, Cl 3	Col VP Select Lg Cap Val, Cl 3	Col VP Select Sm Cap Val, Cl 3	Col VP Short Duration, Cl 3
0.45%	$ 13,640	$ 461,768	$ 301	$ 59,448	$ 269,438
0.90%	208,988	3,952,062	148,668	792,255	3,061,483
Total	$222,628	$4,413,830	$148,969	$851,703	$3,330,921

Subaccount	CS Commodity Return	EV VT Floating-Rate Inc	Fid VIP Contrafund, Serv Cl 2	Fid VIP Gro & Inc, Serv Cl	Fid VIP Mid Cap, Serv Cl
0.45%	$ 73,687	$114,202	$ 204,026	$ 676,129	$1,074,488
0.90%	727,739	741,198	2,450,760	3,098,885	5,167,037
Total	$801,426	$855,400	$2,654,786	$3,775,014	$6,241,525

Subaccount	Fid VIP Overseas, Serv Cl	FTVIPT Frank Global Real Est, Cl 2	FTVIPT Frank Sm Cap Val, Cl 2	FTVIPT Mutual Shares Sec, Cl 2	GS VIT Mid Cap Val, Inst
0.45%	$ 149,746	$ 185,838	$ 187,916	$ 25,984	$ 548,097
0.90%	1,225,340	2,065,128	1,820,217	1,468,959	4,416,786
Total	$1,375,086	$2,250,966	$2,008,133	$1,494,943	$4,964,883

Subaccount	GS VIT Structd Sm Cap Eq, Inst	GS VIT Structd U.S. Eq, Inst	Invesco VI Cap Appr, Ser I	Invesco VI Cap Dev, Ser I	Invesco VI Core Eq, Ser I
0.45%	$ 76,048	$ 299,224	$141,947	$ 81,047	$ 508,714
0.90%	443,215	1,450,965	331,378	231,688	9,962,666
Total	$519,263	$1,750,189	$473,325	$312,735	$10,471,380

Subaccount	Invesco VI Div Divd, Ser I	Invesco VI Intl Gro, Ser II	Invesco VI Tech, Ser I	Invesco VanK VI Comstock, Ser II	Janus Aspen Enterprise, Serv
0.45%	$ 9,357	$281,878	$ 27,219	$ 7,064	$197,928
0.90%	327,317	607,288	273,984	213,025	243,718
Total	$336,674	$889,166	$301,203	$220,089	$441,646

Subaccount	Janus Aspen Global Tech, Serv	Janus Aspen Janus, Serv	Janus Aspen Overseas, Serv	MFS Inv Gro Stock, Serv Cl	MFS New Dis, Serv Cl
0.45%	$ 119,010	$ 23,490	$ 555,092	$ 430,616	$ 240,919
0.90%	1,079,225	488,445	2,961,702	1,417,564	1,144,903
Total	$1,198,235	$511,935	$3,516,794	$1,848,180	$1,385,822

Subaccount	MFS Utilities, Serv Cl	MS UIF Global Real Est, Cl II	MS UIF Mid Cap Gro, Cl II	Oppen Global Sec VA, Serv	Oppen Global Strategic Inc VA, Srv
0.45%	$ 80,180	$ 18,841	$ 20,281	$ 20,081	$ 199,171
0.90%	1,217,604	173,688	252,063	526,514	2,689,125
Total	$1,297,784	$192,529	$272,344	$546,595	$2,888,296

Subaccount	Oppen Main St Sm Mid Cap VA, Serv	PIMCO VIT All Asset, Advisor Cl	Put VT Global Hlth Care, Cl IB	Put VT Hi Yield, Cl IB	Put VT Intl Eq, Cl IB
0.45%	$ 10,817	$ 273,198	$ 5,587	$120,641	$ 7,342
0.90%	291,893	2,691,732	209,639	555,067	91,875
Total	$302,710	$2,964,930	$215,226	$675,708	$99,217

Subaccount	Put VT Multi-Cap Gro, Cl IA	Put VT Multi-Cap Gro, Cl IB	Royce Micro-Cap, Invest Cl	Third Ave Val	VP Aggr, Cl 2
0.45%	$ 265,423	$194,960	$ 498,066	$ 553,793	$ 113,030
0.90%	6,192,093	102,856	2,811,158	1,954,311	2,928,216
Total	$6,457,516	$297,816	$3,309,224	$2,508,104	$3,041,246

Subaccount	VP Aggr, Cl 4	VP Conserv, Cl 2	VP Conserv, Cl 4	VP Davis NY Venture, Cl 3	VP GS Mid Cap Val, Cl 3
0.45%	$ 778,128	$ 33,335	$ 197,725	$ 34,450	$ 3,159
0.90%	13,294,091	528,328	1,989,712	355,417	118,854
Total	$14,072,219	$561,663	$2,187,437	$389,867	$122,013

Subaccount	VP Mod, Cl 2	VP Mod, Cl 4	VP Mod Aggr, Cl 2	VP Mod Aggr, Cl 4	VP Mod Conserv, Cl 2
0.45%	$ 264,844	$ 2,041,032	$ 328,092	$ 4,576,197	$ 165,447
0.90%	9,802,089	36,037,363	7,299,703	38,339,628	1,529,235
Total	$10,066,933	$38,078,395	$7,627,795	$42,915,825	$1,694,682

Subaccount	VP Mod Conserv, Cl 4	VP Ptnrs Sm Cap Val, Cl 3	Wanger Intl	Wanger USA	WF Adv VT Intl Eq, Cl 2
0.45%	$ 691,977	$ 19,237	$ 295,416	$ 388,685	$ 165,513
0.90%	6,020,868	587,218	4,044,934	4,595,565	851,945
Total	$6,712,845	$606,455	$4,340,350	$4,984,250	$1,017,458

Subaccount	WF Adv VT Opp, Cl 2	WF Adv VT Sm Cap Gro, Cl 2
0.45%	$ 32,059	$ 14,760
0.90%	857,991	589,172
Total	$890,050	$603,932

9. FINANCIAL HIGHLIGHTS

The following is a summary for each period in the five year period ended Dec. 31, 2011 of units, net assets and investment income ratios. The accumulation unit values and total returns are based on the life insurance policies with the lowest and highest expense ratios.

	At Dec. 31			For the year ended Dec. 31		
	Units (000s)	Accumulation unit value lowest to highest	Net assets (000s)	Investment income ratio[1]	Expense ratio lowest to highest[2]	Total return lowest to highest[3]
AB VPS Gro & Inc, Cl B						
2011	911	$1.48 to $1.27	$1,158	1.08%	0.45% to 0.90%	5.60% to 5.12%
2010	969	$1.41 to $1.21	$1,169	—	0.45% to 0.90%	12.29% to 11.79%
2009	1,121	$1.25 to $1.08	$1,210	3.63%	0.45% to 0.90%	23.96%[5] to 19.27%
2008	1,051	$0.91 to $0.91	$951	1.79%	0.90% to 0.90%	(41.23%) to (41.23%)
2007	1,066	$1.54 to $1.54	$1,642	1.21%	0.90% to 0.90%	3.92% to 3.92%
AB VPS Intl Val, Cl B						
2011	2,365	$1.29 to $1.19	$2,821	3.88%	0.45% to 0.90%	(19.80%) to (20.16%)
2010	2,393	$1.61 to $1.49	$3,563	2.45%	0.45% to 0.90%	3.83% to 3.37%
2009	4,117	$1.55 to $1.44	$5,929	1.14%	0.45% to 0.90%	56.91%[5] to 33.15%
2008	3,148	$1.08 to $1.08	$3,404	0.82%	0.90% to 0.90%	(53.70%) to (53.70%)
2007	1,531	$2.34 to $2.34	$3,576	1.00%	0.90% to 0.90%	4.63% to 4.63%
AB VPS Lg Cap Gro, Cl B						
2011	85	$1.52 to $0.90	$91	0.09%	0.45% to 0.90%	(3.71%) to (4.14%)
2010	88	$1.58 to $0.94	$83	0.35%	0.45% to 0.90%	9.34% to 8.85%
2009	142	$1.44 to $0.86	$123	—	0.45% to 0.90%	42.62%[5] to 35.88%
2008	101	$0.63 to $0.63	$64	—	0.90% to 0.90%	(40.36%) to (40.36%)
2007	25	$1.06 to $1.06	$27	—	0.90% to 0.90%	6.50%[4] to 6.50%[4]
AC VP Intl, Cl I						
2011	803	$1.46 to $0.90	$788	1.40%	0.45% to 0.90%	(12.44%) to (12.83%)
2010	926	$1.66 to $1.04	$962	2.57%	0.45% to 0.90%	12.79% to 12.28%
2009	1,254	$1.47 to $0.92	$1,156	2.08%	0.45% to 0.90%	48.72%[5] to 32.57%
2008	1,452	$0.70 to $0.70	$1,010	0.92%	0.90% to 0.90%	(45.32%) to (45.32%)
2007	2,304	$1.27 to $1.27	$2,930	0.66%	0.90% to 0.90%	16.99% to 16.99%
AC VP Val, Cl I						
2011	2,112	$1.48 to $1.68	$3,477	2.03%	0.45% to 0.90%	0.56% to 0.11%
2010	2,284	$1.47 to $1.68	$3,833	2.19%	0.45% to 0.90%	12.92% to 12.41%
2009	2,628	$1.30 to $1.49	$3,924	5.75%	0.45% to 0.90%	29.91%[5] to 18.79%
2008	2,985	$1.26 to $1.26	$3,752	2.65%	0.90% to 0.90%	(27.43%) to (27.43%)
2007	4,434	$1.73 to $1.73	$7,681	1.57%	0.90% to 0.90%	(5.99%) to (5.99%)
Calvert VP SRI Bal						
2011	325	$1.49 to $1.06	$361	1.26%	0.45% to 0.90%	4.10% to 3.63%
2010	364	$1.43 to $1.02	$383	1.32%	0.45% to 0.90%	11.60% to 11.09%
2009	418	$1.28 to $0.92	$384	1.85%	0.45% to 0.90%	27.63%[5] to 24.17%
2008	540	$0.74 to $0.74	$400	2.38%	0.90% to 0.90%	(31.94%) to (31.94%)
2007	606	$1.09 to $1.09	$660	2.33%	0.90% to 0.90%	1.83% to 1.83%
Col VP Bal, Cl 3						
2011	12,590	$1.50 to $1.05	$13,337	—	0.45% to 0.90%	1.93% to 1.47%
2010	14,247	$1.47 to $1.03	$14,718	—	0.45% to 0.90%	12.03% to 11.52%
2009	16,348	$1.31 to $0.93	$15,142	—	0.45% to 0.90%	30.33%[5] to 23.11%
2008	19,230	$0.75 to $0.75	$14,467	0.25%	0.90% to 0.90%	(30.54%) to (30.54%)
2007	24,520	$1.08 to $1.08	$26,559	2.87%	0.90% to 0.90%	0.82% to 0.82%
Col VP Cash Mgmt, Cl 3						
2011	4,270	$0.99 to $1.10	$4,624	0.01%	0.45% to 0.90%	(0.44%) to (0.89%)
2010	4,118	$0.99 to $1.11	$4,581	0.01%	0.45% to 0.90%	(0.44%) to (0.89%)
2009	5,369	$1.00 to $1.12	$6,026	0.07%	0.45% to 0.90%	(0.30%)[5] to (0.74%)
2008	7,983	$1.13 to $1.13	$9,024	2.26%	0.90% to 0.90%	1.35% to 1.35%
2007	7,117	$1.12 to $1.12	$7,938	4.72%	0.90% to 0.90%	3.89% to 3.89%
Col VP Div Bond, Cl 3						
2011	7,135	$1.30 to $1.58	$11,053	4.52%	0.45% to 0.90%	6.21% to 5.72%
2010	7,560	$1.22 to $1.49	$11,272	4.02%	0.45% to 0.90%	7.84% to 7.35%
2009	16,785	$1.13 to $1.39	$23,317	4.01%	0.45% to 0.90%	13.38%[5] to 13.40%
2008	14,554	$1.23 to $1.23	$17,830	0.41%	0.90% to 0.90%	(7.15%) to (7.15%)
2007	11,883	$1.32 to $1.32	$15,679	4.75%	0.90% to 0.90%	4.25% to 4.25%

	At Dec. 31			For the year ended Dec. 31		
	Units (000s)	Accumulation unit value lowest to highest	Net assets (000s)	Investment income ratio[(1)]	Expense ratio lowest to highest[(2)]	Total return lowest to highest[(3)]
Col VP Div Eq Inc, Cl 3						
2011	7,359	$1.54 to $1.57	$11,540	—	0.45% to 0.90%	(5.43%) to (5.86%)
2010	8,131	$1.63 to $1.67	$13,561	—	0.45% to 0.90%	16.31% to 15.78%
2009	13,915	$1.40 to $1.44	$20,042	—	0.45% to 0.90%	39.18%[(5)] to 26.32%
2008	14,276	$1.14 to $1.14	$16,279	0.08%	0.90% to 0.90%	(41.00%) to (41.00%)
2007	13,179	$1.93 to $1.93	$25,471	1.57%	0.90% to 0.90%	7.05% to 7.05%
Col VP Dyn Eq, Cl 3						
2011	24,534	$1.69 to $0.76	$19,343	—	0.45% to 0.90%	4.76% to 4.28%
2010	28,233	$1.61 to $0.73	$20,699	—	0.45% to 0.90%	16.81% to 16.28%
2009	31,890	$1.38 to $0.63	$20,086	—	0.45% to 0.90%	36.80%[(5)] to 23.04%
2008	36,252	$0.51 to $0.51	$18,558	0.23%	0.90% to 0.90%	(42.68%) to (42.68%)
2007	44,581	$0.89 to $0.89	$39,816	1.31%	0.90% to 0.90%	2.01% to 2.01%
Col VP Emer Mkts Opp, Cl 3						
2011	1,053	$1.82 to $2.58	$2,623	1.14%	0.45% to 0.90%	(21.37%) to (21.73%)
2010	1,086	$2.31 to $3.30	$3,580	1.54%	0.45% to 0.90%	19.22% to 18.68%
2009	1,859	$1.94 to $2.78	$5,164	0.36%	0.45% to 0.90%	93.74%[(5)] to 72.52%
2008	2,006	$1.61 to $1.61	$3,231	0.70%	0.90% to 0.90%	(54.12%) to (54.12%)
2007	1,167	$3.51 to $3.51	$4,098	0.58%	0.90% to 0.90%	36.87% to 36.87%
Col VP Global Bond, Cl 3						
2011	1,640	$1.26 to $1.87	$2,963	2.89%	0.45% to 0.90%	4.32% to 3.84%
2010	1,659	$1.21 to $1.80	$2,984	3.94%	0.45% to 0.90%	6.11% to 5.63%
2009	3,799	$1.14 to $1.71	$6,477	1.81%	0.45% to 0.90%	13.99%[(5)] to 10.38%
2008	3,493	$1.54 to $1.54	$5,396	7.32%	0.90% to 0.90%	(1.33%) to (1.33%)
2007	2,335	$1.57 to $1.57	$3,655	3.64%	0.90% to 0.90%	6.68% to 6.68%
Col VP Global Inflation Prot Sec, Cl 3						
2011	932	$1.22 to $1.30	$1,205	7.25%	0.45% to 0.90%	9.54% to 9.04%
2010	819	$1.12 to $1.19	$979	0.78%	0.45% to 0.90%	3.65% to 3.19%
2009	5,531	$1.08 to $1.16	$6,404	10.00%	0.45% to 0.90%	8.15%[(5)] to 5.88%
2008	2,466	$1.09 to $1.09	$2,697	2.58%	0.90% to 0.90%	(0.76%) to (0.76%)
2007	424	$1.10 to $1.10	$467	2.62%	0.90% to 0.90%	6.97% to 6.97%
Col VP Hi Inc, Cl 2						
2011	295	$1.63 to $1.34	$398	6.86%	0.45% to 0.90%	6.04% to 5.56%
2010	323	$1.54 to $1.27	$412	7.87%	0.45% to 0.90%	11.40% to 10.90%
2009	355	$1.38 to $1.15	$407	10.80%	0.45% to 0.90%	38.00%[(5)] to 42.62%
2008	219	$0.80 to $0.80	$176	10.58%	0.90% to 0.90%	(25.43%) to (25.43%)
2007	104	$1.08 to $1.08	$112	5.45%	0.90% to 0.90%	0.78% to 0.78%
Col VP Hi Yield Bond, Cl 3						
2011	1,789	$1.75 to $1.93	$3,425	8.31%	0.45% to 0.90%	5.21% to 4.72%
2010	1,927	$1.66 to $1.84	$3,546	9.15%	0.45% to 0.90%	13.45% to 12.94%
2009	2,312	$1.47 to $1.63	$3,769	10.39%	0.45% to 0.90%	48.29%[(5)] to 52.47%
2008	2,371	$1.07 to $1.07	$2,535	0.32%	0.90% to 0.90%	(25.85%) to (25.85%)
2007	3,544	$1.44 to $1.44	$5,108	7.42%	0.90% to 0.90%	0.94% to 0.94%
Col VP Inc Opp, Cl 3						
2011	479	$1.60 to $1.43	$689	9.09%	0.45% to 0.90%	5.79% to 5.31%
2010	483	$1.52 to $1.36	$656	3.11%	0.45% to 0.90%	12.55% to 12.03%
2009	4,065	$1.35 to $1.21	$4,929	4.99%	0.45% to 0.90%	34.82%[(5)] to 41.12%
2008	2,138	$0.86 to $0.86	$1,837	0.06%	0.90% to 0.90%	(19.54%) to (19.54%)
2007	379	$1.07 to $1.07	$405	6.99%	0.90% to 0.90%	1.71% to 1.71%
Col VP Intl Opp, Cl 3						
2011	8,829	$1.41 to $0.73	$6,545	1.33%	0.45% to 0.90%	(12.80%) to (13.20%)
2010	10,001	$1.62 to $0.84	$8,438	1.42%	0.45% to 0.90%	13.39% to 12.87%
2009	11,407	$1.43 to $0.75	$8,513	1.57%	0.45% to 0.90%	44.19%[(5)] to 26.40%
2008	13,515	$0.59 to $0.59	$7,980	2.34%	0.90% to 0.90%	(40.97%) to (40.97%)
2007	16,842	$1.00 to $1.00	$16,846	0.99%	0.90% to 0.90%	11.67% to 11.67%

	At Dec. 31			For the year ended Dec. 31		
	Units (000s)	Accumulation unit value lowest to highest	Net assets (000s)	Investment income ratio[(1)]	Expense ratio lowest to highest[(2)]	Total return lowest to highest[(3)]
Col VP Lg Cap Gro, Cl 3						
2011	2,360	$1.62 to $0.58	$1,482	—	0.45% to 0.90%	(3.66%) to (4.09%)
2010	2,792	$1.68 to $0.61	$1,703	—	0.45% to 0.90%	16.64% to 16.11%
2009	2,923	$1.44 to $0.52	$1,534	—	0.45% to 0.90%	42.81%[(5)] to 35.76%
2008	10,135	$0.39 to $0.39	$3,917	0.20%	0.90% to 0.90%	(44.84%) to (44.84%)
2007	5,980	$0.70 to $0.70	$4,191	1.00%	0.90% to 0.90%	2.14% to 2.14%
Col VP Mid Cap Gro Opp, Cl 3						
2011	363	$1.84 to $1.36	$519	—	0.45% to 0.90%	(15.45%) to (15.83%)
2010	405	$2.18 to $1.62	$655	—	0.45% to 0.90%	25.72% to 25.15%
2009	584	$1.73 to $1.29	$754	—	0.45% to 0.90%	70.03%[(5)] to 61.94%
2008	385	$0.80 to $0.80	$307	0.02%	0.90% to 0.90%	(45.34%) to (45.34%)
2007	386	$1.46 to $1.46	$563	0.05%	0.90% to 0.90%	12.72% to 12.72%
Col VP Mid Cap Val Opp, Cl 3						
2011	230	$1.69 to $0.94	$223	—	0.45% to 0.90%	(8.90%) to (9.32%)
2010	273	$1.85 to $1.04	$284	—	0.45% to 0.90%	21.97% to 21.41%
2009	298	$1.52 to $0.86	$255	—	0.45% to 0.90%	49.83%[(5)] to 39.68%
2008	322	$0.61 to $0.61	$197	—	0.90% to 0.90%	(45.60%) to (45.60%)
2007	201	$1.13 to $1.13	$226	0.81%	0.90% to 0.90%	9.36% to 9.36%
Col VP S&P 500, Cl 3						
2011	4,345	$1.58 to $0.98	$4,414	—	0.45% to 0.90%	1.17% to 0.71%
2010	4,862	$1.56 to $0.97	$4,709	—	0.45% to 0.90%	14.19% to 13.67%
2009	5,286	$1.37 to $0.85	$4,503	—	0.45% to 0.90%	36.77%[(5)] to 24.87%
2008	5,257	$0.68 to $0.68	$3,586	0.08%	0.90% to 0.90%	(37.66%) to (37.66%)
2007	7,112	$1.09 to $1.09	$7,783	1.65%	0.90% to 0.90%	4.07% to 4.07%
Col VP Select Lg Cap Val, Cl 3						
2011	157	$1.64 to $0.95	$149	—	0.45% to 0.90%	(2.13%) to (2.58%)
2010	53	$1.67 to $0.97	$51	—	0.45% to 0.90%	19.99% to 19.44%
2009	53	$1.39 to $0.82	$43	—	0.45% to 0.90%	37.30%[(5)] to 25.00%
2008	67	$0.65 to $0.65	$44	0.05%	0.90% to 0.90%	(40.00%) to (40.00%)
2007	13	$1.09 to $1.09	$14	1.63%	0.90% to 0.90%	(1.35%) to (1.35%)
Col VP Select Sm Cap Val, Cl 3						
2011	623	$1.75 to $1.34	$852	—	0.45% to 0.90%	(8.92%) to (9.34%)
2010	660	$1.93 to $1.48	$978	—	0.45% to 0.90%	26.23% to 25.66%
2009	663	$1.53 to $1.18	$783	—	0.45% to 0.90%	52.13%[(5)] to 38.56%
2008	807	$0.85 to $0.85	$688	—	0.90% to 0.90%	(39.15%) to (39.15%)
2007	988	$1.40 to $1.40	$1,382	0.16%	0.90% to 0.90%	(5.05%) to (5.05%)
Col VP Short Duration, Cl 3						
2011	2,690	$1.08 to $1.25	$3,331	0.91%	0.45% to 0.90%	0.93% to 0.47%
2010	2,763	$1.07 to $1.25	$3,448	0.90%	0.45% to 0.90%	2.55% to 2.08%
2009	3,379	$1.05 to $1.22	$4,132	2.98%	0.45% to 0.90%	4.67%[(5)] to 4.58%
2008	2,710	$1.17 to $1.17	$3,168	0.15%	0.90% to 0.90%	(3.51%) to (3.51%)
2007	3,152	$1.21 to $1.21	$3,819	4.18%	0.90% to 0.90%	4.38% to 4.38%
CS Commodity Return						
2011	890	$1.28 to $0.87	$801	2.51%	0.45% to 0.90%	(13.04%) to (13.43%)
2010	772	$1.47 to $1.01	$780	6.78%	0.45% to 0.90%	16.14% to 15.62%
2009	771	$1.27 to $0.87	$674	12.83%	0.45% to 0.90%	23.31%[(5)] to 18.40%
2008	526	$0.74 to $0.74	$388	1.49%	0.90% to 0.90%	(34.33%) to (34.33%)
2007	16	$1.12 to $1.12	$18	9.07%	0.90% to 0.90%	10.67%[(4)] to 10.67%[(4)]
EV VT Floating-Rate Inc						
2011	741	$1.51 to $1.11	$855	4.23%	0.45% to 0.90%	2.09% to 1.63%
2010	475	$1.48 to $1.10	$524	4.17%	0.45% to 0.90%	8.63% to 8.15%
2009	2,701	$1.36 to $1.01	$2,740	4.76%	0.45% to 0.90%	35.91%[(5)] to 43.02%
2008	1,484	$0.71 to $0.71	$1,052	5.81%	0.90% to 0.90%	(27.80%) to (27.80%)
2007	240	$0.98 to $0.98	$236	6.32%	0.90% to 0.90%	(1.83%)[(4)] to (1.83%)[(4)]

	At Dec. 31							For the year ended Dec. 31							
	Units (000s)	Accumulation unit value lowest to highest			Net assets (000s)	Investment income ratio[1]	Expense ratio lowest to highest[2]			Total return lowest to highest[3]		
Fid VIP Contrafund, Serv Cl 2												
2011	2,785	$1.66	to	$0.92	$2,655	0.79%	0.45%	to	0.90%	(3.22%)	to	(3.65%)
2010	2,812	$1.71	to	$0.96	$2,689	0.90%	0.45%	to	0.90%	16.39%	to	15.88%
2009	4,392	$1.47	to	$0.82	$3,623	0.98%	0.45%	to	0.90%	45.16%[5]	to	34.25%
2008	6,712	$0.61	to	$0.61	$4,124	1.26%	0.90%	to	0.90%	(43.21%)	to	(43.21%)
2007	1,117	$1.08	to	$1.08	$1,209	2.76%	0.90%	to	0.90%	8.02%[4]	to	8.02%[4]
Fid VIP Gro & Inc, Serv Cl												
2011	3,396	$1.60	to	$1.04	$3,775	1.58%	0.45%	to	0.90%	1.12%	to	0.66%
2010	4,260	$1.59	to	$1.04	$4,412	0.59%	0.45%	to	0.90%	14.15%	to	13.64%
2009	5,008	$1.39	to	$0.91	$4,562	0.98%	0.45%	to	0.90%	37.33%[5]	to	26.02%
2008	5,789	$0.72	to	$0.72	$4,185	1.02%	0.90%	to	0.90%	(42.30%)	to	(42.30%)
2007	7,297	$1.25	to	$1.25	$9,142	1.68%	0.90%	to	0.90%	10.99%	to	10.99%
Fid VIP Mid Cap, Serv Cl												
2011	3,089	$1.68	to	$2.11	$6,242	0.14%	0.45%	to	0.90%	(11.12%)	to	(11.51%)
2010	3,485	$1.89	to	$2.39	$8,309	0.24%	0.45%	to	0.90%	28.12%	to	27.55%
2009	4,605	$1.47	to	$1.87	$8,613	0.57%	0.45%	to	0.90%	47.48%[5]	to	38.76%
2008	5,539	$1.35	to	$1.35	$7,464	0.35%	0.90%	to	0.90%	(40.05%)	to	(40.05%)
2007	6,598	$2.25	to	$2.25	$14,834	0.71%	0.90%	to	0.90%	14.45%	to	14.45%
Fid VIP Overseas, Serv Cl												
2011	1,373	$1.33	to	$0.97	$1,375	1.19%	0.45%	to	0.90%	(17.60%)	to	(17.97%)
2010	1,679	$1.62	to	$1.18	$1,990	1.29%	0.45%	to	0.90%	12.48%	to	11.98%
2009	1,860	$1.44	to	$1.06	$1,968	2.03%	0.45%	to	0.90%	45.20%[5]	to	25.31%
2008	2,176	$0.84	to	$0.84	$1,837	2.25%	0.90%	to	0.90%	(44.37%)	to	(44.37%)
2007	2,869	$1.52	to	$1.52	$4,355	3.16%	0.90%	to	0.90%	16.15%	to	16.15%
FTVIPT Frank Global Real Est, Cl 2												
2011	1,382	$1.55	to	$1.64	$2,251	7.75%	0.45%	to	0.90%	(6.08%)	to	(6.50%)
2010	1,479	$1.65	to	$1.75	$2,588	2.84%	0.45%	to	0.90%	20.42%	to	19.89%
2009	1,630	$1.37	to	$1.46	$2,379	13.01%	0.45%	to	0.90%	36.46%[5]	to	18.02%
2008	1,727	$1.24	to	$1.24	$2,137	1.02%	0.90%	to	0.90%	(42.91%)	to	(42.91%)
2007	2,195	$2.17	to	$2.17	$4,756	2.41%	0.90%	to	0.90%	(21.58%)	to	(21.58%)
FTVIPT Frank Sm Cap Val, Cl 2												
2011	937	$1.77	to	$2.19	$2,008	0.69%	0.45%	to	0.90%	(4.19%)	to	(4.62%)
2010	992	$1.85	to	$2.30	$2,278	0.75%	0.45%	to	0.90%	27.65%	to	27.07%
2009	1,039	$1.45	to	$1.81	$1,878	1.65%	0.45%	to	0.90%	44.49%[5]	to	28.00%
2008	1,135	$1.41	to	$1.41	$1,602	1.11%	0.90%	to	0.90%	(33.62%)	to	(33.62%)
2007	1,622	$2.13	to	$2.13	$3,449	0.66%	0.90%	to	0.90%	(3.26%)	to	(3.26%)
FTVIPT Mutual Shares Sec, Cl 2												
2011	1,081	$1.45	to	$1.38	$1,495	2.37%	0.45%	to	0.90%	(1.49%)	to	(1.93%)
2010	1,127	$1.47	to	$1.41	$1,587	1.60%	0.45%	to	0.90%	10.70%	to	10.20%
2009	1,056	$1.33	to	$1.28	$1,350	2.05%	0.45%	to	0.90%	32.61%[5]	to	24.92%
2008	996	$1.02	to	$1.02	$1,019	3.08%	0.90%	to	0.90%	(37.67%)	to	(37.67%)
2007	901	$1.64	to	$1.64	$1,479	1.46%	0.90%	to	0.90%	2.55%	to	2.55%
GS VIT Mid Cap Val, Inst												
2011	2,316	$1.64	to	$2.23	$4,965	0.74%	0.45%	to	0.90%	(6.80%)	to	(7.22%)
2010	2,481	$1.76	to	$2.40	$5,958	0.60%	0.45%	to	0.90%	24.44%	to	23.88%
2009	3,665	$1.41	to	$1.94	$7,107	1.84%	0.45%	to	0.90%	40.54%[5]	to	31.96%
2008	3,997	$1.47	to	$1.47	$5,873	1.02%	0.90%	to	0.90%	(37.62%)	to	(37.62%)
2007	4,623	$2.36	to	$2.36	$10,889	0.78%	0.90%	to	0.90%	2.27%	to	2.27%
GS VIT Structd Sm Cap Eq, Inst												
2011	339	$1.87	to	$1.48	$519	0.83%	0.45%	to	0.90%	0.22%	to	(0.23%)
2010	363	$1.86	to	$1.49	$541	0.56%	0.45%	to	0.90%	29.53%	to	28.95%
2009	409	$1.44	to	$1.15	$472	1.19%	0.45%	to	0.90%	43.14%[5]	to	26.53%
2008	425	$0.91	to	$0.91	$387	0.64%	0.90%	to	0.90%	(34.62%)	to	(34.62%)
2007	537	$1.39	to	$1.39	$748	0.36%	0.90%	to	0.90%	(17.24%)	to	(17.24%)

	At Dec. 31					For the year ended Dec. 31						
	Units (000s)	Accumulation unit value lowest to highest			Net assets (000s)	Investment income ratio[1]	Expense ratio lowest to highest[2]			Total return lowest to highest[3]		
GS VIT Structd U.S. Eq, Inst												
2011	1,748	$1.53	to	$0.93	$1,750	1.75%	0.45%	to	0.90%	3.58%	to	3.11%
2010	1,947	$1.48	to	$0.91	$1,768	1.41%	0.45%	to	0.90%	12.34%	to	11.83%
2009	2,341	$1.32	to	$0.81	$1,896	1.99%	0.45%	to	0.90%	30.79%[5]	to	20.06%
2008	2,797	$0.67	to	$0.67	$1,887	1.42%	0.90%	to	0.90%	(37.56%)	to	(37.56%)
2007	3,964	$1.08	to	$1.08	$4,284	1.01%	0.90%	to	0.90%	(2.51%)	to	(2.51%)
Invesco VI Cap Appr, Ser I												
2011	640	$1.32	to	$0.62	$473	0.16%	0.45%	to	0.90%	(8.32%)	to	(8.73%)
2010	678	$1.44	to	$0.68	$472	0.76%	0.45%	to	0.90%	14.97%	to	14.45%
2009	715	$1.25	to	$0.60	$426	0.61%	0.45%	to	0.90%	25.94%[5]	to	19.99%
2008	814	$0.50	to	$0.50	$404	—	0.90%	to	0.90%	(43.01%)	to	(43.01%)
2007	1,254	$0.87	to	$0.87	$1,092	—	0.90%	to	0.90%	11.00%	to	11.00%
Invesco VI Cap Dev, Ser I												
2011	241	$1.62	to	$1.21	$313	—	0.45%	to	0.90%	(7.57%)	to	(7.99%)
2010	276	$1.75	to	$1.32	$369	—	0.45%	to	0.90%	18.25%	to	17.71%
2009	369	$1.48	to	$1.12	$413	—	0.45%	to	0.90%	46.96%[5]	to	41.10%
2008	450	$0.79	to	$0.79	$357	—	0.90%	to	0.90%	(47.50%)	to	(47.50%)
2007	639	$1.51	to	$1.51	$966	—	0.90%	to	0.90%	9.85%	to	9.85%
Invesco VI Core Eq, Ser I												
2011	5,707	$1.50	to	$1.86	$10,471	0.96%	0.45%	to	0.90%	(0.51%)	to	(0.96%)
2010	6,251	$1.51	to	$1.87	$11,709	0.96%	0.45%	to	0.90%	9.07%	to	8.57%
2009	7,110	$1.38	to	$1.73	$12,272	1.81%	0.45%	to	0.90%	37.80%[5]	to	27.15%
2008	8,084	$1.36	to	$1.36	$10,975	2.04%	0.90%	to	0.90%	(30.77%)	to	(30.77%)
2007	9,894	$1.96	to	$1.96	$19,400	1.09%	0.90%	to	0.90%	7.14%	to	7.14%
Invesco VI Div Divd, Ser I												
2011	367	$0.92	to	$0.92	$337	—	0.45%	to	0.90%	(7.97%)[9]	to	(8.25%)[9]
2010	—	—		—	—	—	—		—	—		—
2009	—	—		—	—	—	—		—	—		—
2008	—	—		—	—	—	—		—	—		—
2007	—	—		—	—	—	—		—	—		—
Invesco VI Intl Gro, Ser II												
2011	910	$1.50	to	$0.84	$889	1.16%	0.45%	to	0.90%	(7.41%)	to	(7.82%)
2010	1,055	$1.62	to	$0.91	$965	0.64%	0.45%	to	0.90%	12.10%	to	11.60%
2009	6,942	$1.45	to	$0.82	$5,674	1.91%	0.45%	to	0.90%	44.73%[5]	to	33.70%
2008	2,638	$0.61	to	$0.61	$1,613	0.90%	0.90%	to	0.90%	(41.08%)	to	(41.08%)
2007	310	$1.04	to	$1.04	$321	1.20%	0.90%	to	0.90%	3.35%[4]	to	3.35%[4]
Invesco VI Tech, Ser I												
2011	210	$1.88	to	$1.40	$301	0.20%	0.45%	to	0.90%	(5.48%)	to	(5.90%)
2010	168	$1.99	to	$1.49	$251	—	0.45%	to	0.90%	20.76%	to	20.22%
2009	183	$1.65	to	$1.24	$227	—	0.45%	to	0.90%	61.95%[5]	to	55.99%
2008	69	$0.79	to	$0.79	$55	—	0.90%	to	0.90%	(45.00%)	to	(45.00%)
2007	59	$1.44	to	$1.44	$86	—	0.90%	to	0.90%	6.73%	to	6.73%
Invesco VanK VI Comstock, Ser II												
2011	263	$1.61	to	$0.82	$220	1.48%	0.45%	to	0.90%	(2.55%)	to	(2.98%)
2010	287	$1.66	to	$0.85	$244	0.33%	0.45%	to	0.90%	15.17%	to	14.66%
2009	3,178	$1.44	to	$0.74	$2,351	4.54%	0.45%	to	0.90%	43.01%[5]	to	27.26%
2008	3,406	$0.58	to	$0.58	$1,980	1.33%	0.90%	to	0.90%	(36.38%)	to	(36.38%)
2007	502	$0.91	to	$0.91	$459	—	0.90%	to	0.90%	(8.81%)[4]	to	(8.81%)[4]
Janus Aspen Enterprise, Serv												
2011	395	$1.88	to	$0.84	$442	—	0.45%	to	0.90%	(2.09%)	to	(2.53%)
2010	610	$1.92	to	$0.86	$529	—	0.45%	to	0.90%	24.96%	to	24.40%
2009	665	$1.53	to	$0.69	$462	—	0.45%	to	0.90%	52.61%[5]	to	43.15%
2008	805	$0.49	to	$0.49	$391	0.06%	0.90%	to	0.90%	(44.36%)	to	(44.36%)
2007	811	$0.87	to	$0.87	$707	0.07%	0.90%	to	0.90%	20.64%	to	20.64%

	At Dec. 31			For the year ended Dec. 31		
	Units (000s)	Accumulation unit value lowest to highest	Net assets (000s)	Investment income ratio(1)	Expense ratio lowest to highest(2)	Total return lowest to highest(3)
Janus Aspen Global Tech, Serv						
2011	1,829	$1.85 to $0.61	$1,198	—	0.45% to 0.90%	(9.07%) to (9.47%)
2010	1,879	$2.03 to $0.68	$1,269	—	0.45% to 0.90%	23.84% to 23.28%
2009	2,011	$1.64 to $0.55	$1,102	—	0.45% to 0.90%	62.40%(5) to 55.49%
2008	1,521	$0.35 to $0.35	$536	0.09%	0.90% to 0.90%	(44.47%) to (44.47%)
2007	1,646	$0.63 to $0.63	$1,045	0.38%	0.90% to 0.90%	20.60% to 20.60%
Janus Aspen Janus, Serv						
2011	567	$1.52 to $0.88	$512	0.44%	0.45% to 0.90%	(5.96%) to (6.38%)
2010	548	$1.62 to $0.95	$518	0.07%	0.45% to 0.90%	13.74% to 13.23%
2009	7,009	$1.42 to $0.83	$5,851	0.40%	0.45% to 0.90%	40.48%(5) to 34.79%
2008	5,662	$0.62 to $0.62	$3,507	0.72%	0.90% to 0.90%	(40.41%) to (40.41%)
2007	769	$1.04 to $1.04	$799	1.05%	0.90% to 0.90%	3.81%(4) to 3.81%(4)
Janus Aspen Overseas, Serv						
2011	2,495	$1.57 to $1.38	$3,517	0.38%	0.45% to 0.90%	(32.64%) to (32.94%)
2010	2,888	$2.34 to $2.06	$5,958	0.54%	0.45% to 0.90%	24.46% to 23.90%
2009	3,449	$1.88 to $1.66	$5,741	0.41%	0.45% to 0.90%	85.74%(5) to 77.47%
2008	3,779	$0.94 to $0.94	$3,544	1.09%	0.90% to 0.90%	(52.66%) to (52.66%)
2007	4,242	$1.98 to $1.98	$8,404	0.46%	0.90% to 0.90%	26.86% to 26.86%
MFS Inv Gro Stock, Serv Cl						
2011	2,108	$1.64 to $0.77	$1,848	0.26%	0.45% to 0.90%	(0.08%) to (0.53%)
2010	2,475	$1.64 to $0.77	$1,911	0.60%	0.45% to 0.90%	11.65% to 11.15%
2009	12,188	$1.47 to $0.69	$8,466	0.13%	0.45% to 0.90%	46.08%(5) to 37.85%
2008	2,248	$0.50 to $0.50	$1,133	0.30%	0.90% to 0.90%	(37.55%) to (37.55%)
2007	2,642	$0.81 to $0.81	$2,132	0.08%	0.90% to 0.90%	10.02% to 10.02%
MFS New Dis, Serv Cl						
2011	1,084	$2.13 to $1.18	$1,386	—	0.45% to 0.90%	(10.90%) to (11.30%)
2010	1,286	$2.40 to $1.33	$1,710	—	0.45% to 0.90%	35.33% to 34.72%
2009	1,169	$1.77 to $0.99	$1,153	—	0.45% to 0.90%	75.37%(5) to 61.46%
2008	1,094	$0.61 to $0.61	$668	—	0.90% to 0.90%	(40.06%) to (40.06%)
2007	1,358	$1.02 to $1.02	$1,384	—	0.90% to 0.90%	1.33% to 1.33%
MFS Utilities, Serv Cl						
2011	502	$1.64 to $2.69	$1,298	3.10%	0.45% to 0.90%	6.03% to 5.55%
2010	475	$1.55 to $2.54	$1,208	3.02%	0.45% to 0.90%	13.00% to 12.49%
2009	484	$1.37 to $2.26	$1,095	4.36%	0.45% to 0.90%	35.47%(5) to 31.68%
2008	394	$1.72 to $1.72	$677	1.25%	0.90% to 0.90%	(38.37%) to (38.37%)
2007	286	$2.79 to $2.79	$796	0.77%	0.90% to 0.90%	26.41% to 26.41%
MS UIF Global Real Est, Cl II						
2011	250	$1.79 to $0.73	$193	3.35%	0.45% to 0.90%	(10.56%) to (10.96%)
2010	250	$2.00 to $0.81	$204	3.47%	0.45% to 0.90%	21.77% to 21.22%
2009	1,622	$1.65 to $0.67	$1,090	0.02%	0.45% to 0.90%	63.95%(5) to 40.15%
2008	1,950	$0.48 to $0.48	$934	2.99%	0.90% to 0.90%	(44.84%) to (44.84%)
2007	157	$0.87 to $0.87	$136	0.40%	0.90% to 0.90%	(12.27%)(4) to (12.27%)(4)
MS UIF Mid Cap Gro, Cl II						
2011	244	$2.04 to $1.08	$272	0.27%	0.45% to 0.90%	(7.59%) to (8.00%)
2010	210	$2.20 to $1.17	$246	—	0.45% to 0.90%	31.68% to 31.09%
2009	152	$1.67 to $0.89	$136	—	0.45% to 0.90%	65.91%(5) to 55.95%
2008	235	$0.57 to $0.57	$135	0.83%	0.90% to 0.90%	(47.29%) to (47.29%)
2007	80	$1.09 to $1.09	$87	—	0.90% to 0.90%	8.39%(4) to 8.39%(4)
Oppen Global Sec VA, Serv						
2011	566	$1.60 to $0.95	$547	1.08%	0.45% to 0.90%	(8.93%) to (9.35%)
2010	562	$1.75 to $1.05	$590	0.93%	0.45% to 0.90%	15.19% to 14.67%
2009	337	$1.52 to $0.92	$308	1.88%	0.45% to 0.90%	52.47%(5) to 38.10%
2008	231	$0.66 to $0.66	$153	1.08%	0.90% to 0.90%	(40.87%) to (40.87%)
2007	101	$1.12 to $1.12	$113	0.66%	0.90% to 0.90%	5.13% to 5.13%

	At Dec. 31			For the year ended Dec. 31		
	Units (000s)	Accumulation unit value lowest to highest	Net assets (000s)	Investment income ratio[1]	Expense ratio lowest to highest[2]	Total return lowest to highest[3]
Oppen Global Strategic Inc VA, Srv						
2011	2,251	$1.36 to $1.28	$2,888	2.86%	0.45% to 0.90%	0.20% to (0.25%)
2010	2,445	$1.36 to $1.28	$3,131	14.27%	0.45% to 0.90%	14.26% to 13.74%
2009	7,085	$1.19 to $1.13	$7,976	0.22%	0.45% to 0.90%	19.74%[5] to 17.35%
2008	5,686	$0.96 to $0.96	$5,455	2.99%	0.90% to 0.90%	(15.25%) to (15.25%)
2007	1,171	$1.13 to $1.13	$1,325	1.01%	0.90% to 0.90%	8.56% to 8.56%
Oppen Main St Sm Mid Cap VA, Serv						
2011	309	$1.83 to $0.96	$303	0.40%	0.45% to 0.90%	(2.82%) to (3.26%)
2010	275	$1.88 to $0.99	$273	0.44%	0.45% to 0.90%	22.50% to 21.95%
2009	296	$1.53 to $0.82	$242	0.64%	0.45% to 0.90%	52.02%[5] to 35.65%
2008	226	$0.60 to $0.60	$136	0.27%	0.90% to 0.90%	(38.56%) to (38.56%)
2007	134	$0.98 to $0.98	$131	0.07%	0.90% to 0.90%	(2.28%) to (2.28%)
PIMCO VIT All Asset, Advisor Cl						
2011	2,445	$1.44 to $1.19	$2,965	7.64%	0.45% to 0.90%	1.47% to 1.01%
2010	2,188	$1.42 to $1.18	$2,587	5.98%	0.45% to 0.90%	12.50% to 11.99%
2009	4,921	$1.26 to $1.06	$5,193	7.35%	0.45% to 0.90%	25.97%[5] to 20.34%
2008	4,390	$0.88 to $0.88	$3,850	7.52%	0.90% to 0.90%	(16.67%) to (16.67%)
2007	647	$1.05 to $1.05	$681	16.79%	0.90% to 0.90%	4.96%[4] to 4.96%[4]
Put VT Global Hlth Care, Cl IB						
2011	163	$1.27 to $1.32	$215	3.38%	0.45% to 0.90%	(1.62%) to (2.06%)
2010	146	$1.29 to $1.35	$197	1.96%	0.45% to 0.90%	2.01% to 1.55%
2009	156	$1.26 to $1.33	$207	10.90%	0.45% to 0.90%	26.74%[5] to 24.87%
2008	159	$1.06 to $1.06	$169	—	0.90% to 0.90%	(17.81%) to (17.81%)
2007	68	$1.29 to $1.29	$88	0.76%	0.90% to 0.90%	(1.50%) to (1.50%)
Put VT Hi Yield, Cl IB						
2011	361	$1.65 to $1.93	$676	7.98%	0.45% to 0.90%	1.30% to 0.84%
2010	395	$1.63 to $1.91	$755	7.93%	0.45% to 0.90%	13.53% to 13.02%
2009	499	$1.43 to $1.69	$845	10.55%	0.45% to 0.90%	43.77%[5] to 48.84%
2008	567	$1.14 to $1.14	$645	10.03%	0.90% to 0.90%	(26.73%) to (26.73%)
2007	764	$1.55 to $1.55	$1,186	7.62%	0.90% to 0.90%	1.87% to 1.87%
Put VT Intl Eq, Cl IB						
2011	80	$1.28 to $1.24	$99	3.39%	0.45% to 0.90%	(17.30%) to (17.68%)
2010	85	$1.55 to $1.51	$128	3.62%	0.45% to 0.90%	9.53% to 9.04%
2009	112	$1.42 to $1.39	$155	—	0.45% to 0.90%	42.55%[5] to 23.52%
2008	87	$1.12 to $1.12	$97	2.21%	0.90% to 0.90%	(44.45%) to (44.45%)
2007	117	$2.02 to $2.02	$237	2.52%	0.90% to 0.90%	7.39% to 7.39%
Put VT Multi-Cap Gro, Cl IA						
2011	4,642	$1.56 to $1.38	$6,458	0.40%	0.45% to 0.90%	(5.30%) to (5.73%)
2010	5,155	$1.65 to $1.47	$7,574	0.59%	0.45% to 0.90%	19.34% to 18.80%
2009	5,843	$1.38 to $1.24	$7,225	0.68%	0.45% to 0.90%	37.02%[5] to 31.30%
2008	6,663	$0.94 to $0.94	$6,276	0.31%	0.90% to 0.90%	(39.17%) to (39.17%)
2007	8,022	$1.55 to $1.55	$12,420	0.16%	0.90% to 0.90%	5.06% to 5.06%
Put VT Multi-Cap Gro, Cl IB						
2011	279	$1.07 to $1.06	$298	0.26%	0.45% to 0.90%	(5.51%) to (5.93%)
2010	311	$1.13 to $1.13	$352	—	0.45% to 0.90%	13.18%[8] to 13.04%[8]
2009	—	— —	—	—	— —	— —
2008	—	— —	—	—	— —	— —
2007	—	— —	—	—	— —	— —
Royce Micro-Cap, Invest Cl						
2011	1,367	$1.92 to $2.54	$3,309	2.30%	0.45% to 0.90%	(12.49%) to (12.89%)
2010	1,458	$2.20 to $2.91	$4,244	1.83%	0.45% to 0.90%	29.38% to 28.80%
2009	1,689	$1.70 to $2.26	$3,820	—	0.45% to 0.90%	69.16%[5] to 56.63%
2008	1,947	$1.44 to $1.44	$2,811	2.29%	0.90% to 0.90%	(43.78%) to (43.78%)
2007	2,726	$2.57 to $2.57	$7,002	1.42%	0.90% to 0.90%	3.04% to 3.04%

	At Dec. 31					For the year ended Dec. 31							
	Units (000s)	Accumulation unit value lowest to highest			Net assets (000s)	Investment income ratio(1)	Expense ratio lowest to highest(2)			Total return lowest to highest(3)			
Third Ave Val													
2011	1,615	$1.41	to	$1.60	$2,508	1.78%	0.45%	to	0.90%	(21.66%)	to	(22.01%)	
2010	1,762	$1.79	to	$2.05	$3,612	3.85%	0.45%	to	0.90%	13.55%	to	13.04%	
2009	2,126	$1.58	to	$1.82	$3,858	—	0.45%	to	0.90%	55.77%(5)	to	44.05%	
2008	2,481	$1.26	to	$1.26	$3,126	0.78%	0.90%	to	0.90%	(44.16%)	to	(44.16%)	
2007	3,760	$2.26	to	$2.26	$8,486	2.17%	0.90%	to	0.90%	(5.66%)	to	(5.66%)	
VP Aggr, Cl 2													
2011	2,822	$1.09	to	$1.08	$3,041	—	0.45%	to	0.90%	(3.53%)	to	(3.97%)	
2010	1,262	$1.13	to	$1.12	$1,416	—	0.45%	to	0.90%	13.71%(7)	to	13.37%(7)	
2009	—	—		—	—	—	—		—	—		—	
2008	—	—		—	—	—	—		—	—		—	
2007	—	—		—	—	—	—		—	—		—	
VP Aggr, Cl 4													
2011	13,033	$1.09	to	$1.08	$14,072	—	0.45%	to	0.90%	(3.35%)	to	(3.79%)	
2010	13,081	$1.13	to	$1.12	$14,675	—	0.45%	to	0.90%	13.71%(7)	to	13.37%(7)	
2009	—	—		—	—	—	—		—	—		—	
2008	—	—		—	—	—	—		—	—		—	
2007	—	—		—	—	—	—		—	—		—	
VP Conserv, Cl 2													
2011	525	$1.08	to	$1.07	$562	—	0.45%	to	0.90%	2.77%	to	2.31%	
2010	151	$1.05	to	$1.05	$158	—	0.45%	to	0.90%	5.63%(7)	to	5.32%(7)	
2009	—	—		—	—	—	—		—	—		—	
2008	—	—		—	—	—	—		—	—		—	
2007	—	—		—	—	—	—		—	—		—	
VP Conserv, Cl 4													
2011	2,044	$1.08	to	$1.07	$2,187	—	0.45%	to	0.90%	2.77%	to	2.31%	
2010	1,937	$1.05	to	$1.05	$2,025	—	0.45%	to	0.90%	5.63%(7)	to	5.32%(7)	
2009	—	—		—	—	—	—		—	—		—	
2008	—	—		—	—	—	—		—	—		—	
2007	—	—		—	—	—	—		—	—		—	
VP Davis NY Venture, Cl 3													
2011	460	$1.56	to	$0.81	$390	—	0.45%	to	0.90%	(3.93%)	to	(4.37%)	
2010	410	$1.62	to	$0.85	$348	—	0.45%	to	0.90%	11.03%	to	10.52%	
2009	8,520	$1.46	to	$0.77	$6,550	—	0.45%	to	0.90%	44.68%(5)	to	30.15%	
2008	4,123	$0.59	to	$0.59	$2,435	0.01%	0.90%	to	0.90%	(39.13%)	to	(39.13%)	
2007	567	$0.97	to	$0.97	$550	1.20%	0.90%	to	0.90%	(3.23%)(4)	to	(3.23%)(4)	
VP GS Mid Cap Val, Cl 3													
2011	115	$1.66	to	$1.05	$122	—	0.45%	to	0.90%	(6.86%)	to	(7.28%)	
2010	120	$1.78	to	$1.14	$137	—	0.45%	to	0.90%	21.32%	to	20.77%	
2009	77	$1.47	to	$0.94	$73	—	0.45%	to	0.90%	45.45%(5)	to	35.40%	
2008	102	$0.69	to	$0.69	$71	—	0.90%	to	0.90%	(37.25%)	to	(37.25%)	
2007	7	$1.11	to	$1.11	$8	1.33%	0.90%	to	0.90%	5.08%	to	5.08%	
VP Mod, Cl 2													
2011	9,258	$1.10	to	$1.09	$10,067	—	0.45%	to	0.90%	(0.17%)	to	(0.63%)	
2010	3,772	$1.10	to	$1.09	$4,127	—	0.45%	to	0.90%	9.89%(7)	to	9.56%(7)	
2009	—	—		—	—	—	—		—	—		—	
2008	—	—		—	—	—	—		—	—		—	
2007	—	—		—	—	—	—		—	—		—	
VP Mod, Cl 4													
2011	34,979	$1.10	to	$1.09	$38,078	—	0.45%	to	0.90%	(0.08%)	to	(0.54%)	
2010	34,763	$1.10	to	$1.09	$38,032	—	0.45%	to	0.90%	9.89%(7)	to	9.56%(7)	
2009	—	—		—	—	—	—		—	—		—	
2008	—	—		—	—	—	—		—	—		—	
2007	—	—		—	—	—	—		—	—		—	

	At Dec. 31					For the year ended Dec. 31						
	Units (000s)	Accumulation unit value lowest to highest			Net assets (000s)	Investment income ratio[1]	Expense ratio lowest to highest[2]			Total return lowest to highest[3]		
VP Mod Aggr, Cl 2												
2011	7,020	$1.09	to	$1.09	$7,628	—	0.45%	to	0.90%	(1.87%)	to	(2.32%)
2010	3,107	$1.12	to	$1.11	$3,455	—	0.45%	to	0.90%	11.69%[7]	to	11.35%[7]
2009	—	—		—	—	—	—		—	—		—
2008	—	—		—	—	—	—		—	—		—
2007	—	—		—	—	—	—		—	—		—
VP Mod Aggr, Cl 4												
2011	39,406	$1.10	to	$1.09	$42,916	—	0.45%	to	0.90%	(1.78%)	to	(2.22%)
2010	39,739	$1.12	to	$1.11	$44,226	—	0.45%	to	0.90%	11.79%[7]	to	11.45%[7]
2009	—	—		—	—	—	—		—	—		—
2008	—	—		—	—	—	—		—	—		—
2007	—	—		—	—	—	—		—	—		—
VP Mod Conserv, Cl 2												
2011	1,568	$1.09	to	$1.08	$1,695	—	0.45%	to	0.90%	1.41%	to	0.94%
2010	558	$1.07	to	$1.07	$597	—	0.45%	to	0.90%	7.50%[7]	to	7.17%[7]
2009	—	—		—	—	—	—		—	—		—
2008	—	—		—	—	—	—		—	—		—
2007	—	—		—	—	—	—		—	—		—
VP Mod Conserv, Cl 4												
2011	6,197	$1.09	to	$1.08	$6,713	—	0.45%	to	0.90%	1.50%	to	1.03%
2010	6,731	$1.07	to	$1.07	$7,211	—	0.45%	to	0.90%	7.60%[7]	to	7.27%[7]
2009	—	—		—	—	—	—		—	—		—
2008	—	—		—	—	—	—		—	—		—
2007	—	—		—	—	—	—		—	—		—
VP Ptnrs Sm Cap Val, Cl 3												
2011	344	$1.76	to	$1.76	$606	—	0.45%	to	0.90%	(4.88%)	to	(5.31%)
2010	358	$1.85	to	$1.86	$667	—	0.45%	to	0.90%	23.87%	to	23.31%
2009	2,991	$1.49	to	$1.51	$4,521	—	0.45%	to	0.90%	48.03%[5]	to	35.33%
2008	2,549	$1.12	to	$1.12	$2,847	0.06%	0.90%	to	0.90%	(32.19%)	to	(32.19%)
2007	723	$1.65	to	$1.65	$1,191	0.90%	0.90%	to	0.90%	(5.75%)	to	(5.75%)
Wanger Intl												
2011	2,418	$1.71	to	$1.80	$4,340	4.81%	0.45%	to	0.90%	(15.00%)	to	(15.39%)
2010	2,612	$2.01	to	$2.13	$5,563	2.16%	0.45%	to	0.90%	24.36%	to	23.80%
2009	4,069	$1.61	to	$1.72	$7,000	3.77%	0.45%	to	0.90%	62.35%[5]	to	48.44%
2008	4,995	$1.16	to	$1.16	$5,789	0.94%	0.90%	to	0.90%	(46.09%)	to	(46.09%)
2007	4,438	$2.15	to	$2.15	$9,540	0.81%	0.90%	to	0.90%	15.26%	to	15.26%
Wanger USA												
2011	2,610	$1.79	to	$1.92	$4,984	—	0.45%	to	0.90%	(3.92%)	to	(4.36%)
2010	2,815	$1.87	to	$2.01	$5,652	—	0.45%	to	0.90%	22.80%	to	22.25%
2009	4,200	$1.52	to	$1.64	$6,898	—	0.45%	to	0.90%	51.36%[5]	to	40.95%
2008	4,308	$1.17	to	$1.17	$5,019	—	0.90%	to	0.90%	(40.23%)	to	(40.23%)
2007	4,763	$1.95	to	$1.95	$9,284	—	0.90%	to	0.90%	4.44%	to	4.44%
WF Adv VT Intl Eq, Cl 2												
2011	790	$1.30	to	$1.29	$1,017	0.11%	0.45%	to	0.90%	(13.30%)	to	(13.69%)
2010	924	$1.50	to	$1.49	$1,377	0.74%	0.45%	to	0.90%	15.98%	to	15.46%
2009	1,101	$1.30	to	$1.29	$1,420	3.82%	0.45%	to	0.90%	30.30%[6]	to	29.79%[6]
2008	—	—		—	—	—	—		—	—		—
2007	—	—		—	—	—	—		—	—		—
WF Adv VT Opp, Cl 2												
2011	535	$1.81	to	$1.66	$890	0.08%	0.45%	to	0.90%	(5.94%)	to	(6.36%)
2010	140	$1.93	to	$1.77	$247	0.77%	0.45%	to	0.90%	23.20%	to	22.65%
2009	121	$1.56	to	$1.45	$175	—	0.45%	to	0.90%	55.37%[5]	to	46.41%
2008	85	$0.99	to	$0.99	$84	2.12%	0.90%	to	0.90%	(40.64%)	to	(40.64%)
2007	78	$1.66	to	$1.66	$129	0.61%	0.90%	to	0.90%	5.67%	to	5.67%

	At Dec. 31			For the year ended Dec. 31		
	Units (000s)	Accumulation unit value lowest to highest	Net assets (000s)	Investment income ratio[1]	Expense ratio lowest to highest[2]	Total return lowest to highest[3]
WF Adv VT Sm Cap Gro, Cl 2						
2011	302	$2.05 to $2.00	$604	—	0.45% to 0.90%	(5.02%) to (5.45%)
2010	322	$2.16 to $2.11	$681	—	0.45% to 0.90%	26.20% to 25.64%
2009	349	$1.71 to $1.68	$587	—	0.45% to 0.90%	70.90%[5] to 51.28%
2008	371	$1.11 to $1.11	$412	—	0.90% to 0.90%	(41.95%) to (41.95%)
2007	365	$1.91 to $1.91	$699	—	0.90% to 0.90%	12.79% to 12.79%

(1) These amounts represent the dividends, excluding distributions of capital gains, received by the division from the underlying fund, net of management fees assessed by the fund manager, divided by the average net assets. These ratios exclude variable account expenses that result in direct reductions in the unit values. The recognition of investment income by the division is affected by the timing of the declaration of dividends by the underlying fund in which the division invests. These ratios are annualized for periods less than one year.

(2) These ratios represent the annualized policy expenses of the separate account, consisting primarily of mortality and expense charges, for each period indicated. The ratios include only those expenses that result in a direct reduction to unit values. Charges made directly to policy owner accounts through the redemption of units and expenses of the underlying fund are excluded.

(3) These amounts represent the total return for the periods indicated, including changes in the value of the underlying fund, and reflect deductions for all items included in the expense ratio. The total return does not include any expenses assessed through the redemption of units; inclusion of these expenses in the calculation would result in a reduction in the total return presented. Investment options with a date notation indicate the effective date of that investment option in the variable account. The total return is calculated for the period indicated or from the effective date through the end of the reporting period. Although the total return is presented as a range of minimum to maximum values, based on the subaccounts representing the minimum and maximum expense ratio amounts, some individual subaccount total returns are not within the ranges presented due to the introduction of new subaccounts during the year and other market factors.

(4) New subaccount operations commenced on June 11, 2007.

(5) New subaccount operations commenced on Jan. 23, 2009.

(6) New subaccount operations commenced on Feb. 13, 2009.

(7) New subaccount operations commenced on May 7, 2010.

(8) New subaccount operations commenced on Sept. 24, 2010.

(9) New subaccount operations commenced on April 29, 2011.

REPORT OF INDEPENDENT AUDITORS

THE BOARD OF DIRECTORS
RIVERSOURCE LIFE INSURANCE CO. OF NEW YORK

We have audited the accompanying balance sheet of RiverSource Life Insurance Co. of New York (the "Company") as of December 31, 2011, and the related statements of income, cash flows and shareholder's equity for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of the Company as of and for each of the two years in the period ended as of December 31, 2010 were audited by other auditors whose report dated April 15, 2011 expressed an unqualified opinion on those statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the 2011 financial statements referred to above present fairly, in all material respects, the financial position of RiverSource Life Insurance Co. of New York at December 31, 2011, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

PricewaterhouseCoopers LLP

Minneapolis, Minnesota

April 20, 2012

BALANCE SHEETS
(in thousands, except share amounts)

December 31,	2011	2010
Assets		
Investments:		
Available-for-Sale — Fixed maturities, at fair value (amortized cost: 2011, $1,683,189; 2010, $1,689,097)	$1,836,161	$1,803,588
Commercial mortgage loans, at cost (less allowance for loan losses: 2011, $2,038; 2010, $2,538)	153,293	167,851
Policy loans	37,367	36,484
Other investments	204	233
Total investments	2,027,025	2,008,156
Cash and cash equivalents	82,180	66,199
Reinsurance recoverables	92,289	83,260
Other receivables	7,066	6,172
Accrued investment income	21,863	22,033
Deferred acquisition costs	223,942	227,688
Deferred sales inducement costs	21,222	23,947
Other assets	94,454	27,365
Separate account assets	3,413,475	3,448,487
Total assets	$5,983,516	$5,913,307
Liabilities and Shareholder's Equity		
Liabilities:		
Future policy benefits	$1,982,142	$1,900,657
Policy claims and other policyholders' funds	6,753	7,308
Deferred income taxes, net	36,140	33,902
Other liabilities	100,732	52,312
Separate account liabilities	3,413,475	3,448,487
Total liabilities	5,539,242	5,442,666
Shareholder's equity:		
Common stock, $10 par value; 200,000 shares authorized, issued and outstanding	2,000	2,000
Additional paid-in capital	106,659	106,632
Retained earnings	277,305	318,148
Accumulated other comprehensive income, net of tax	58,310	43,861
Total shareholder's equity	444,274	470,641
Total liabilities and shareholder's equity	$5,983,516	$5,913,307

See Notes to Financial Statements.

STATEMENTS OF INCOME

(in thousands)

Years Ended December 31,	2011	2010	2009
Revenues			
Premiums	$ 23,703	$ 26,406	$ 25,064
Net investment income	103,556	107,072	103,079
Policy and contract charges	86,822	78,833	65,350
Other revenues	15,743	12,976	11,985
Net realized investment gains	643	1,646	2,045
Total revenues	230,467	226,933	207,523
Benefits and expenses			
Benefits, claims, losses and settlement expenses	66,362	54,540	21,649
Interest credited to fixed accounts	54,370	59,135	59,629
Amortization of deferred acquisition costs	23,825	7,694	11,950
Other insurance and operating expenses	37,575	34,631	32,045
Total benefits and expenses	182,132	156,000	125,273
Pretax income	48,335	70,933	82,250
Income tax provision	10,601	18,663	25,848
Net income	$ 37,734	$ 52,270	$ 56,402
Supplemental Disclosures:			
Net realized investment gains:			
Net realized investment gains before impairment losses on securities	$ 1,443	$ 1,882	$ 7,250
Total other-than-temporary impairment losses on securities	(2,587)	(275)	(4,975)
Portion of gain (loss) recognized in other comprehensive income	1,787	39	(230)
Net impairment losses recognized in net realized investment gains	(800)	(236)	(5,205)
Net realized investment gains	$ 643	$ 1,646	$ 2,045

See Notes to Financial Statements.

STATEMENTS OF CASH FLOWS
(in thousands)

Years Ended December 31,	2011	2010	2009
Cash Flows from Operating Activities			
Net income	$ 37,734	$ 52,270	$ 56,402
Adjustments to reconcile net income to net cash provided by (used in) operating activities:			
Depreciation, amortization and accretion, net	(573)	(1,006)	(1,205)
Deferred income tax expense (benefit)	(5,542)	6,789	7,335
Contractholder and policyholder charges, non-cash	(16,856)	(16,958)	(16,537)
Net realized investment gains	(1,143)	(2,332)	(8,148)
Other-than-temporary impairments and provision for loan losses recognized in net realized investment gains	500	686	6,105
Change in operating assets and liabilities:			
Deferred acquisition costs, net	(1,358)	(15,595)	(15,221)
Deferred sales inducement costs, net	2,220	(2,116)	(2,264)
Other investments	29	(120)	(26)
Future policy benefits for traditional life, disability income and long term care insurance	16,043	19,362	17,535
Policy claims and other policyholders' funds	(555)	409	(1,441)
Reinsurance recoverables	(9,378)	(9,039)	(4,800)
Other receivables	(789)	(442)	(71)
Accrued investment income	170	191	(4,573)
Derivatives collateral, net	43,520	8,290	(43,930)
Other assets and liabilities, net	226	13,391	(22,138)
Net cash provided by (used in) operating activities	64,248	53,780	(32,977)
Cash Flows from Investing Activities			
Available-for-Sale securities:			
Proceeds from sales	31,571	66,692	309,903
Maturities, sinking fund payments and calls	199,365	191,306	214,089
Purchases	(216,391)	(261,851)	(783,421)
Proceeds from repayments of commercial mortgage loans	15,299	15,685	25,944
Funding of commercial mortgage loans	(2,127)	—	(44)
Proceeds from sale of other investment	1,350	—	—
Purchase of land, buildings, equipment and software	—	—	(42)
Change in policy loans, net	(883)	(736)	478
Net cash provided by (used in) investing activities	28,184	11,096	(233,093)
Cash Flows from Financing Activities			
Policyholder and contractholder account values:			
Considerations received	88,870	96,826	269,006
Net transfers from (to) separate accounts	2,756	(74,249)	16,997
Surrenders and other benefits	(77,709)	(76,215)	(124,858)
Deferred premium options, net	(11,818)	(6,305)	(1,447)
Tax adjustment on share-based incentive compensation plan	27	(2)	(12)
Cash dividend to RiverSource Life Insurance Company	(78,577)	(28,234)	—
Net cash provided by (used in) financing activities	(76,451)	(88,179)	159,686
Net increase (decrease) in cash and cash equivalents	15,981	(23,303)	(106,384)
Cash and cash equivalents at beginning of period	66,199	89,502	195,886
Cash and cash equivalents at end of period	$ 82,180	$ 66,199	$ 89,502
Supplemental Disclosures:			
Income taxes paid, net	$ 12,023	$ 18,588	$ 619
Interest paid on borrowings under repurchase agreements	—	86	—

See Notes to Financial Statements.

STATEMENTS OF SHAREHOLDER'S EQUITY
(in thousands)

	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total
Balances at January 1, 2009	$2,000	$106,646	$236,963	$(63,644)	$281,965
Change in accounting principles, net of tax	—	—	747	(747)	—
Comprehensive income:					
Net income	—	—	56,402	—	56,402
Other comprehensive income, net of tax:					
Change in net unrealized securities losses	—	—	—	93,897	93,897
Change in noncredit related impairments on securities and net unrealized securities losses on previously impaired securities	—	—	—	719	719
Total comprehensive income					151,018
Tax adjustment on share-based incentive compensation plan	—	(12)	—	—	(12)
Balances at December 31, 2009	2,000	106,634	294,112	30,225	432,971
Comprehensive income:					
Net income	—	—	52,270	—	52,270
Other comprehensive income, net of tax:					
Change in net unrealized securities gains	—	—	—	13,919	13,919
Change in noncredit related impairments on securities and net unrealized securities losses on previously impaired securities	—	—	—	(283)	(283)
Total comprehensive income					65,906
Tax adjustment on share-based incentive compensation plan	—	(2)	—	—	(2)
Cash dividends to RiverSource Life Insurance Company	—	—	(28,234)	—	(28,234)
Balances at December 31, 2010	2,000	106,632	318,148	43,861	470,641
Comprehensive income:					
Net income	—	—	37,734	—	37,734
Other comprehensive income, net of tax:					
Change in net unrealized securities gains	—	—	—	15,421	15,421
Change in noncredit related impairments on securities and net unrealized securities losses on previously impaired securities	—	—	—	(972)	(972)
Total comprehensive income					52,183
Tax adjustment on share-based incentive compensation plan	—	27	—	—	27
Cash dividends to RiverSource Life Insurance Company	—	—	(78,577)	—	(78,577)
Balances at December 31, 2011	$2,000	$106,659	$277,305	$ 58,310	$444,274

See Notes to Financial Statements.

NOTES TO FINANCIAL STATEMENTS

1. NATURE OF BUSINESS AND BASIS OF PRESENTATION

RiverSource Life Insurance Co. of New York (the "Company") is a stock life insurance company which is domiciled and holds a Certificate of Authority in the State of New York. The Company is a wholly owned subsidiary of RiverSource Life Insurance Company ("RiverSource Life"), which is domiciled in Minnesota. RiverSource Life is a wholly owned subsidiary of Ameriprise Financial, Inc. ("Ameriprise Financial"). The Company issues insurance and annuity products to customers in the State of New York.

The accompanying financial statements are prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP"), which vary in certain respects from reporting practices prescribed or permitted by the New York State Insurance Department (the Company's primary regulator) as reconciled in Note 13. Certain reclassifications of prior period amounts have been made to conform to the current presentation.

The Company's principle products include variable deferred annuities and variable universal life ("VUL") insurance, which are issued primarily to individuals. It also offers fixed annuities where assets accumulate until the contract is surrendered, the contractholder (or in some contracts, the annuitant) dies or the contractholder or annuitant begins receiving benefits under an annuity payout option. It also offers immediate annuities in which payments begin within one year of issue and continue for life or for a fixed period of time. The Company's fixed deferred annuities guarantee a minimum annual interest rate during the accumulation period (the time before annuity payments begin). However, the Company has the option of paying a higher rate set at its discretion. Certain riders are available offering additional benefits, including variable annuity death benefit and living benefit riders.

The Company issues both variable and fixed universal life insurance, traditional life insurance and disability income ("DI") insurance. Universal life ("UL") insurance is a form of permanent life insurance characterized by flexible premiums, flexible death benefit amounts and unbundled pricing factors (i.e., mortality, interest and expenses). Traditional life insurance refers to whole and term life insurance policies that pay a specified sum to a beneficiary upon death of the insured for a fixed premium. VUL insurance combines the premium and death benefit flexibility of UL with underlying fund investment flexibility and the risks associated therewith. Waiver of premium and accidental death benefit riders are generally available with these life insurance products, in addition to other benefit riders. The Company issues only non-participating life insurance policies which do not pay dividends to policyholders from realized policy margins.

Under the Company's variable life insurance and variable annuity products described above, the purchaser may choose a fixed account option that is part of the Company's "general account" as well as investment options from a variety of portfolios that include common stocks, bonds, managed assets and/or short-term securities.

The Company evaluated events or transactions that may have occurred after the balance sheet date for potential recognition or disclosure through April 20, 2012, the date the financial statements were available to be issued.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Amounts Based on Estimates and Assumptions

Accounting estimates are an integral part of the financial statements. In part, they are based upon assumptions concerning future events. Among the more significant are those that relate to investment securities valuation and recognition of other-than-temporary impairments, deferred acquisition costs ("DAC") and the corresponding recognition of DAC amortization, derivative instruments and hedging activities, claims reserves and income taxes and the recognition of deferred tax assets and liabilities. These accounting estimates reflect the best judgment of management and actual results could differ.

Investments

Available-for-Sale Securities

Available-for-Sale securities are carried at fair value with unrealized gains (losses) recorded in accumulated other comprehensive income (loss), net of impacts to DAC, deferred sales inducement costs ("DSIC"), certain benefit reserves and income taxes. Gains and losses are recognized in the Statements of Income upon disposition of the securities.

Effective January 1, 2009, the Company early adopted an accounting standard that significantly changed the Company's accounting policy regarding the timing and amount of other-than-temporary impairments for Available-for-Sale securities. When the fair value of an investment is less than its amortized cost, the Company assesses whether or not: (i) it has the intent to sell the security (made a decision to sell) or (ii) it is more likely than not the Company will be required to sell the security before its anticipated recovery. If either of these conditions is met, an other-than-temporary impairment is considered to have occurred and the Company must recognize an other-than-temporary impairment for the difference between the investment's amortized cost basis and its fair value through earnings. For securities that do not meet the above criteria and the Company does not expect to recover a security's amortized cost basis, the security is also considered other-than-temporarily impaired. For these securities, the Company separates the total impairment into the credit loss component and the amount of the loss related to other factors. The amount of the total other-than-temporary impairments related to credit loss is recognized in earnings.

The amount of the total other-than-temporary impairments related to other factors is recognized in other comprehensive income (loss), net of impacts to DAC, DSIC, certain benefit reserves and income taxes. For Available-for-Sale securities that have recognized an other-than-temporary impairment through earnings, if through subsequent evaluation there is a sustained increase in the cash flow expected, the difference between the amortized cost basis and the cash flows expected to be collected is accreted as interest income. Subsequent increases and decreases in the fair value of Available-for-Sale securities are included in other comprehensive income (loss). The Company's Statements of Shareholder's Equity present all changes in other comprehensive income (loss) associated with Available-for-Sale debt securities that have been other-than-temporarily impaired on a separate line from fair value changes recorded in other comprehensive income (loss) from all other securities.

The Company provides a supplemental disclosure on the face of its Statements of Income that presents: (i) total other-than-temporary impairment losses recognized during the period and (ii) the portion of other-than-temporary impairment losses recognized in other comprehensive income (loss). The sum of these amounts represents the credit-related portion of other-than-temporary impairments that were recognized in earnings during the period. The portion of other-than-temporary losses recognized in other comprehensive income (loss) includes: (i) the portion of other-than-temporary impairment losses related to factors other than credit recognized during the period and (ii) reclassifications of other-than-temporary impairment losses previously determined to be related to factors other than credit that are determined to be credit-related in the current period. The amount presented on the Statements of Income as the portion of other-than-temporary losses recognized in other comprehensive income (loss) excludes subsequent increases and decreases in the fair value of these securities.

For all securities that are considered temporarily impaired, the Company does not intend to sell these securities (has not made a decision to sell) and it is not more likely than not that the Company will be required to sell the security before recovery of its amortized cost basis. The Company believes that it will collect all principal and interest due on all investments that have amortized cost in excess of fair value that are considered only temporarily impaired.

Factors the Company considers in determining whether declines in the fair value of fixed maturity securities are other-than-temporary include: (i) the extent to which the market value is below amortized cost; (ii) the duration of time in which there has been a significant decline in value; (iii) fundamental analysis of the liquidity, business prospects and overall financial condition of the issuer; and (iv) market events that could impact credit ratings, economic and business climate, litigation and government actions, and similar external business factors. In order to determine the amount of the credit loss component for corporate debt securities considered other-than-temporarily impaired, a best estimate of the present value of cash flows expected to be collected discounted at the security's effective interest rate is compared to the amortized cost basis of the security. The significant inputs to cash flow projections consider potential debt restructuring terms, projected cash flows available to pay creditors and the Company's position in the debtor's overall capital structure.

For structured investments (e.g., residential mortgage backed securities, commercial mortgage backed securities, asset backed securities and other structured investments), the Company also considers factors such as overall deal structure and its position within the structure, quality of underlying collateral, delinquencies and defaults, loss severities, recoveries, prepayments and cumulative loss projections in assessing potential other-than-temporary impairments of these investments. Based upon these factors, securities that have indicators of potential other-than-temporary impairment are subject to detailed review by management. Securities for which declines are considered temporary continue to be carefully monitored by management.

Financing Receivables

Commercial Mortgage Loans

Commercial mortgage loans are reflected at amortized cost less the allowance for loan losses.

Interest income is accrued on the unpaid principal balances of the loans as earned.

Policy Loans

Policy loans include life insurance policy and annuity loans and are reported at the unpaid principal balance, plus accrued interest. When originated, the loan balances do not exceed the cash surrender value of the underlying products. As there is minimal risk of loss related to policy loans, the Company does not record an allowance for loan losses for policy loans.

Nonaccrual Loans

Generally, loans are evaluated for or placed on nonaccrual status when either the collection of interest or principal has become 90 days past due or is otherwise considered doubtful of collection. When a loan is placed on nonaccrual status, unpaid accrued interest is reversed. Interest payments received on loans on nonaccrual status are generally applied to principal or in accordance with the loan agreement unless the remaining principal balance has been determined to be fully collectible.

Commercial mortgage loans are evaluated for impairment when the loan is considered for nonaccrual status, restructured or foreclosure proceedings are initiated on the property. If it is determined that the fair value is less than the current loan balance, it is written down to fair value less estimated selling costs. Foreclosed property would be recorded as real estate owned in other investments.

Allowance for Loan Losses

Management determines the adequacy of the allowance for loan losses by portfolio based on the overall loan portfolio composition, recent and historical loss experience, and other pertinent factors, including when applicable, internal risk ratings, loan-to-value ratios and occupancy rates, along with economic and market conditions. This evaluation is inherently subjective as it requires estimates, which may be susceptible to significant change.

The Company determines the amount of the allowance required for certain sectors based on management's assessment of relative risk characteristics of the loan portfolio. The allowance is recorded for homogeneous loan categories on a pool basis, based on an analysis of product mix and risk characteristics of the portfolio, including geographic concentration, bankruptcy experiences, and historical losses, adjusted for current trends and market conditions.

While the Company attributes portions of the allowance to specific loan pools as part of the allowance estimation process, the entire allowance is available to absorb losses inherent in the total loan portfolio. The allowance is increased through provisions charged to net realized investment gains (losses) and reduced/increased by net charge-offs/recoveries.

Impaired Loans

The Company considers a loan to be impaired when, based on current information and events, it is probable the Company will not be able to collect all amounts due (both interest and principal) according to the contractual terms of the loan agreement. Impaired loans may also include loans that have been modified in troubled debt restructurings as a concession to borrowers experiencing financial difficulties. Management evaluates for impairment all restructured loans and loans with higher impairment risk factors. The impairment recognized is measured as the excess of the loan's recorded investment over: (i) the present value of its expected principal and interest payments discounted at the loan's effective interest rate, (ii) the fair value of collateral or (iii) the loan's observable market price.

Restructured Loans

A loan is classified as a restructured loan when the Company makes certain concessionary modifications to contractual terms for borrowers experiencing financial difficulties. When the interest rate, minimum payments and/or due dates have been modified in an attempt to make the loan more affordable to a borrower experiencing financial difficulties, the modification is considered a troubled debt restructuring. Generally, performance prior to the restructuring or significant events that coincide with the restructuring are considered in assessing whether the borrower can meet the new terms which may result in the loan being returned to accrual status at the time of the restructuring or after a performance period. If the borrower's ability to meet the revised payment schedule is not reasonably assured, the loan remains on nonaccrual status.

Cash and Cash Equivalents

Cash equivalents include highly liquid investments with original maturities of 90 days or less.

Reinsurance

The Company cedes significant amounts of insurance risk to other insurers under reinsurance agreements. Reinsurance premiums paid and benefits received are accounted for consistently with the basis used in accounting for the policies from which risk is reinsured and consistently with the terms of the reinsurance contracts. Reinsurance premiums for traditional life, long term care ("LTC") and DI ceded on a coinsurance basis, net of the change in any prepaid reinsurance asset, are reported as a reduction of premiums. Fixed and variable universal life reinsurance premiums are reported as a reduction of policy and contract charges. In addition, for fixed and variable universal life insurance policies, the net cost of reinsurance ceded, which represents the discounted amount of the expected cash flows between the reinsurer and the Company, is recognized as an asset and amortized over the term of the reinsurance contract, in proportion to the estimated gross profits and is subject to retrospective adjustment in a manner similar to retrospective adjustment of DAC. The assumptions used to project the expected cash flows are consistent with those used for DAC asset valuation for the same contracts. Changes in the net cost of reinsurance are reflected as a component of policy and contract charges. Reinsurance recoveries are reported as components of benefits, claims, losses and settlement expenses.

Insurance liabilities are reported before the effects of reinsurance. Future policy benefits and policy claims and other policyholders' funds recoverable under reinsurance contracts are recorded as reinsurance recoverables.

The Company also assumes life insurance risk from other insurers in limited circumstances. Reinsurance premiums received and benefits paid are accounted for consistently with the basis used in accounting for the policies from which risk is reinsured and consistently with the terms of the reinsurance contracts. Liabilities for assumed business are recorded within future policy benefits.

See Note 7 for additional information on reinsurance.

Derivative Instruments and Hedging Activities

Freestanding derivative instruments are recorded at fair value and are reflected in other assets or other liabilities. The Company's policy is to not offset fair value amounts recognized for derivatives and collateral arrangements executed with the same counterparty under the same master netting arrangement. The accounting for changes in the fair value of a derivative instrument depends on its intended use and the resulting hedge designation, if any. The Company primarily uses derivatives as economic hedges that are not designated as accounting hedges or do not qualify for hedge accounting treatment.

Derivative instruments that are entered into for hedging purposes are designated as such at the time the Company enters into the contract. For all derivative instruments that are designated for hedging activities, the Company formally documents all of the hedging relationships between the hedge instruments and the hedged items at the inception of the relationships. Management also formally documents its risk management objectives and strategies for entering into the hedge transactions. The Company formally assesses, at inception and on a quarterly basis, whether derivatives designated as hedges are highly effective in offsetting the fair value or cash flows of hedged items. If it is determined that a derivative is no longer highly effective as a hedge, the Company will discontinue the application of hedge accounting.

For derivative instruments that do not qualify for hedge accounting or are not designated as accounting hedges, changes in fair value are recognized in current period earnings. Changes in fair value of derivatives are presented in the Statements of Income based on the nature and use of the instrument. Changes in fair value of derivatives used as economic hedges are presented in the Statements of Income with the corresponding change in the hedged asset or liability.

Certain annuities contain guaranteed minimum accumulation benefit ("GMAB") and guaranteed minimum withdrawal benefit ("GMWB") provisions. The GMAB and the non-life contingent benefits associated with GMWB provisions are considered embedded derivatives. The fair value of these embedded derivatives is included in future policy benefits and the changes in the fair value are reflected in benefits, claims, losses and settlement expenses.

Deferred Acquisition Costs

DAC represent the costs of acquiring new business, principally direct sales commissions and other distribution and underwriting costs that have been deferred on the sale of annuity and insurance products. These costs are deferred to the extent they are recoverable from future profits or premiums. The DAC associated with insurance or annuity contracts that are significantly modified or internally replaced with another contract are accounted for as contract terminations. These transactions are anticipated in establishing amortization periods and other valuation assumptions.

Direct sales commissions and other costs deferred as DAC are amortized over time. For annuity and UL contracts, DAC are amortized based on projections of estimated gross profits over amortization periods equal to the approximate life of the business. For other insurance products, DAC are generally amortized as a percentage of premiums over amortization periods equal to the premium-paying period.

For annuity and UL insurance products, the assumptions made in projecting future results and calculating the DAC balance and DAC amortization expense are management's best estimates. Management is required to update these assumptions whenever it appears that, based on actual experience or other evidence, earlier estimates should be revised. When assumptions are changed, the percentage of estimated gross profits used to amortize DAC might also change. A change in the required amortization percentage is applied retrospectively; an increase in amortization percentage will result in a decrease in the DAC balance and an increase in DAC amortization expense, while a decrease in amortization percentage will result in an increase in the DAC balance and a decrease in DAC amortization expense. The impact on results of operations of changing assumptions can be either positive or negative in any particular period and is reflected in the period in which such changes are made.

For traditional life, DI and LTC insurance products, the assumptions made in calculating the DAC balance and DAC amortization expense are consistent with those used in determining the liabilities and, therefore, are intended to provide for adverse deviations in experience and are revised only if management concludes experience will be so adverse that DAC are not recoverable. If management concludes that DAC are not recoverable, DAC are reduced to the amount that is recoverable based on best estimate assumptions and there is a corresponding expense recorded in the Statements of Income.

For annuity, life, DI and LTC insurance products, key assumptions underlying those long-term projections include interest rates (both earning rates on invested assets and rates credited to contractholder and policyholder accounts), equity market performance, mortality and morbidity rates and the rates at which policyholders are expected to surrender their contracts, make withdrawals from their contracts and make additional deposits to their contracts. Assumptions about earned and credited interest rates are the primary factors used to project interest margins, while assumptions about equity and bond market performance are the primary factors used to project client asset value growth rates, and assumptions about surrenders, withdrawals and deposits comprise projected persistency rates. Management must also make assumptions to project maintenance expenses associated with servicing its annuity and insurance businesses during the DAC amortization period.

The client asset value growth rates are the rates at which variable annuity and VUL insurance contract values invested in separate accounts are assumed to appreciate in the future. The rates used vary by equity and fixed income investments. Management reviews and, where appropriate, adjusts its assumptions with respect to client asset value growth rates on a regular basis. The Company typically uses a five-year mean reversion process as a guideline in setting near-term equity fund growth rates based on a long-term view of financial market performance as well as recent actual performance. The suggested near-term equity fund growth rate is reviewed quarterly to ensure consistency with management's assessment of anticipated equity market performance. DAC amortization expense recorded in a period when client asset value growth rates exceed management's near-term estimate will typically be less than in a period when growth rates fall short of management's near-term estimate.

The Company monitors other principal DAC amortization assumptions, such as persistency, mortality, morbidity, interest margin and maintenance expense levels each quarter and, when assessed independently, each could impact the Company's DAC balances.

The analysis of DAC balances and the corresponding amortization is a dynamic process that considers all relevant factors and assumptions described previously. Unless the Company's management identifies a significant deviation over the course of the quarterly monitoring, management reviews and updates these DAC amortization assumptions annually in the third quarter of each year.

Deferred Sales Inducement Costs

DSIC consist of bonus interest credits and premium credits added to certain annuity contract and insurance policy values. These benefits are capitalized to the extent they are incremental to amounts that would be credited on similar contracts without the applicable feature. The amounts capitalized are amortized using the same methodology and assumptions used to amortize DAC. The amortization of DSIC is recorded in benefits, claims, losses and settlement expenses.

Separate Account Assets and Liabilities

Separate account assets and liabilities are primarily funds held for the exclusive benefit of variable annuity contractholders and variable life insurance policyholders, who assume the related investment risk. Income and losses on separate account assets accrue directly to the contractholder or policyholder and are not reported in the Company's Statements of Income. Separate account assets are reported at fair value. Changes in the fair value of separate account assets are offset by changes in the related separate account liabilities. The Company receives mortality and expense risk and other fees, guarantee fees and cost of insurance charges from the related accounts.

Future Policy Benefits and Policy Claims and Other Policyholders' Funds

Fixed Annuities and Variable Annuity Guarantees

Future policy benefits and policy claims and other policyholders' funds related to fixed annuities and variable annuity guarantees include liabilities for fixed account values on fixed and variable deferred annuities, guaranteed benefits associated with variable annuities and fixed annuities in a payout status.

Liabilities for fixed account values on fixed and variable deferred annuities are equal to accumulation values, which are the cumulative gross deposits and credited interest less withdrawals and various charges.

The majority of the variable annuity contracts offered by the Company contain guaranteed minimum death benefit ("GMDB") option provisions. When market values of the customer's accounts decline, the death benefit payable on a contract with a GMDB may exceed the contract accumulation value. The Company also offers variable annuities with death benefit provisions that gross up the amount payable by a certain percentage of contract earnings, which are referred to as gain gross-up ("GGU") benefits. In addition, the Company offers contracts with GMWB and GMAB provisions and, until May 2007, the Company offered contracts containing guaranteed minimum income benefit ("GMIB") provisions.

In determining the liabilities for GMDB, GMIB and the life contingent benefits associated with GMWB, the Company projects these benefits and contract assessments using actuarial models to simulate various equity market scenarios. Significant assumptions made in projecting future benefits and assessments relate to customer asset value growth rates, mortality, persistency and investment margins and are consistent with those used for DAC asset valuation for the same contracts. As with DAC, management reviews and where appropriate, adjusts its assumptions each quarter. Unless management identifies a material deviation over the course of quarterly monitoring, management reviews and updates these assumptions annually in the third quarter of each year.

The GMDB liability is determined by estimating the expected value of death benefits in excess of the projected contract accumulation value and recognizing the excess over the estimated meaningful life based on expected assessments (e.g., mortality and expense fees, contractual administrative charges and similar fees).

If elected by the contract owner and after a stipulated waiting period from contract issuance, a GMIB guarantees a minimum lifetime annuity payout based on a specified rate of contract accumulation value growth and predetermined annuity purchase rates. The GMIB liability is determined each period by estimating the expected value of annuitization benefits in excess of the projected contract accumulation value at the date of annuitization and recognizing the excess over the estimated meaningful life based on expected assessments.

The embedded derivatives related to GMAB and the non-life contingent benefits associated with GMWB provisions are recorded at fair value. See Note 11 for information regarding the fair value measurement of embedded derivatives. The liability for the life contingent benefits associated with GMWB provisions is determined in the same way as the GMDB liability. Significant assumptions made in projecting future benefits and fees relate to persistency and benefit utilization. As with DAC, management reviews, and where appropriate, adjusts its assumptions each quarter. Unless management identifies a material deviation over the course of quarterly monitoring, management reviews and updates these assumptions annually in the third quarter of each year. The changes in both the fair values of the GMWB and GMAB embedded derivatives and the liability for life contingent benefits are reflected in benefits, claims, losses and settlement expenses.

Liabilities for fixed annuities in a benefit or payout status are based on future estimated payments using established industry mortality tables and interest rates.

Life, Disability Income and Long Term Care Insurance

Future policy benefits and policy claims and other policyholders' funds related to life, DI and LTC insurance include liabilities for fixed account values on fixed and variable universal life policies, liabilities for unpaid amounts on reported claims, estimates of benefits payable on claims incurred but not yet reported and estimates of benefits that will become payable on term life, whole life, DI and LTC policies as claims are incurred in the future.

Liabilities for fixed account values on fixed and variable universal life insurance are equal to accumulation values. Accumulation values are the cumulative gross deposits and credited interest less various contractual expense and mortality charges and less amounts withdrawn by policyholders.

A portion of the Company's fixed and variable universal life contracts have product features that result in profits followed by losses from the insurance component of the contract. These profits followed by losses can be generated by the cost structure of the product or secondary guarantees in the contract. The secondary guarantee ensures that, subject to specified conditions, the policy will not terminate and will continue to provide a death benefit even if there is insufficient policy value to cover the monthly deductions and charges.

In determining the liability for contracts with profits followed by losses, the Company projects benefits and contract assessments using actuarial models. Significant assumptions made in projecting future benefits and assessments relate to customer asset value growth rates, mortality, persistency and investment margins and are consistent with those used for DAC asset valuation for the same contracts. As with DAC, management reviews, and where appropriate, adjusts its assumptions each quarter. Unless management identifies a material deviation over the course of quarterly monitoring, management reviews and updates these assumptions annually in the third quarter of each year.

The liability for these future losses is determined by estimating the death benefits in excess of account value and recognizing the excess over the estimated meaningful life based on expected assessments (e.g. cost of insurance charges, contractual administrative charges, similar fees and investment margin). See Note 8 for information regarding the liability for contracts with secondary guarantees.

Liabilities for unpaid amounts on reported life insurance claims are equal to the death benefits payable under the policies. Liabilities for unpaid amounts on reported DI and LTC claims include any periodic or other benefit amounts due and accrued, along with estimates of the present value of obligations for continuing benefit payments. These amounts are calculated based on claim continuance tables which estimate the likelihood an individual will continue to be eligible for benefits. Present values are calculated at interest rates established when claims are incurred. Anticipated claim continuance rates are based on established industry tables, adjusted as appropriate for the Company's experience.

Liabilities for estimated benefits payable on claims that have been incurred but not yet reported are based on periodic analysis of the actual time lag between when a claim occurs and when it is reported.

Liabilities for estimates of benefits that will become payable on future claims on term life, whole life, DI and LTC policies are based on the net level premium method, using anticipated premium payments, mortality and morbidity rates, policy persistency and interest rates earned on assets supporting the liability. Anticipated mortality and morbidity rates are based on established industry mortality and morbidity tables, with modifications based on the Company's experience. Anticipated premium payments and persistency rates vary by policy form, issue age, policy duration and certain other pricing factors.

Where applicable, benefit amounts expected to be recoverable from reinsurance companies who share in the risk are separately recorded as reinsurance recoverables.

Sources of Revenue

The Company's principal sources of revenue include premiums, net investment income and policy and contract charges.

Premiums

Premiums include premiums on traditional life, DI and LTC insurance products and immediate annuities with a life contingent feature. Premiums are reported net of reinsurance ceded and are recognized as revenue when due.

Net Investment Income

Net investment income primarily includes interest income on fixed maturity securities, commercial mortgage loans, policy loans and cash and cash equivalents. Interest income is accrued as earned using the effective interest method, which makes an adjustment of the yield for security premiums and discounts on all performing fixed maturity securities so that the related security or loan recognizes a constant rate of return on the outstanding balance throughout its term.

Policy and Contract Charges

Policy and contract charges include mortality and expense risk fees and certain other charges assessed on annuities and fixed and variable universal life insurance, which consist of cost of insurance charges, net of reinsurance premiums and cost of reinsurance for UL insurance products, and administrative and surrender charges. Mortality and expense risk fees include risk, management and administration fees, which are generated directly and indirectly from the Company's separate account assets. Cost of insurance charges on fixed and variable universal life insurance and contract charges and surrender charges on annuities and fixed and variable universal life insurance are recognized as revenue when collected.

Net Realized Investment Gains

Realized gains and losses on the sale of securities are recognized using the specific identification method, on a trade date basis, and charges for investments determined to be other-than-temporarily impaired and related to credit losses.

Other Insurance and Operating Expenses

Other insurance and operating expenses include expenses allocated to the Company from Ameriprise Financial and RiverSource Life for the Company's share of compensation, professional and consultant fees, and expenses associated with information technology and communications, facilities and equipment, advertising and promotion and legal and regulatory costs. Also included are commissions, sales and marketing expenses and other operating expenses. These expenses are presented net of acquisition cost deferrals.

Income Taxes

Beginning in 2010, taxable income of the Company and its parent, RiverSource Life, is included in the consolidated federal income tax return of Ameriprise Financial. Ameriprise Financial provides for income taxes on a separate return basis, except that, under an agreement between Ameriprise Financial and the Company, tax benefits are recognized for losses to the extent they can be used in the consolidated return. It is the policy of Ameriprise Financial that it will reimburse its subsidiaries for any tax benefits recorded. Inherent in the provision for income taxes are estimates and judgments regarding the tax treatment of certain items.

In connection with the provision for income taxes, the financial statements reflect certain amounts related to deferred tax assets and liabilities, which result from temporary differences between the assets and liabilities measured for financial statement purposes versus the assets and liabilities measured for tax return purposes.

The Company is required to establish a valuation allowance for any portion of its deferred tax assets that management believes will not be realized. Significant judgment is required in determining if a valuation allowance should be established and the amount of such allowance if required. Factors used in making this determination include estimates relating to the performance of the business including the ability to generate capital gains. Consideration is given to, among other things in making this determination: (i) future taxable income exclusive of reversing temporary differences and carryforwards; (ii) future reversals of existing taxable temporary differences; (iii) taxable income in prior carryback years; and (iv) tax planning strategies. Management may need to identify and implement appropriate planning strategies to ensure the Company's ability to realize its deferred tax assets and avoid the establishment of a valuation allowance with respect to such assets.

3. RECENT ACCOUNTING PRONOUNCEMENTS

Adoption of New Accounting Standards

Receivables

In April 2011, the Financial Accounting Standards Board ("FASB") updated the accounting standards for troubled debt restructurings. The new standard includes indicators that a lender should consider in determining whether a borrower is experiencing financial difficulties and provides clarification for determining whether the lender has granted a concession to the borrower. The standard sets the effective dates for troubled debt restructuring disclosures required by recent guidance on credit quality disclosures. The standard is effective for interim and annual periods beginning on or after June 15, 2011, and is to be applied retrospectively to modifications occurring on or after the beginning of the annual period of adoption. For purposes of measuring impairments of receivables that are considered impaired as a result of applying the new guidance, the standard should be applied prospectively for the interim or annual period beginning on or after June 15, 2011. The Company adopted the standard in 2011. The adoption did not have any effect on the Company's financial condition and results of operations. See Note 5 for the required disclosures.

Fair Value

In January 2010, the FASB updated the accounting standards related to disclosures on fair value measurements. The standard expands the current disclosure requirements to include additional detail about significant transfers between Levels 1 and 2 within the fair value hierarchy and presents activity in the rollforward of Level 3 activity on a gross basis. The standard also clarifies existing disclosure requirements related to the level of disaggregation to be used for assets and liabilities as well as disclosures on the inputs and valuation techniques used to measure fair value. The standard is effective for interim and annual reporting periods beginning after December 15, 2009, except for the disclosure requirements related to the Level 3 rollforward, which are effective for interim and annual periods beginning after December 15, 2010. The Company adopted the standard in 2010, except for the additional disclosures related to the Level 3 rollforward, which the Company adopted in 2011. The adoption did not impact the Company's financial condition and results of operations. See Note 11 for the required disclosures.

Consolidation of Variable Interest Entities

In June 2009, the FASB updated the accounting standards related to the consolidation of variable interest entities. The standard amends current consolidation guidance and requires additional disclosures about an enterprise's involvement in variable interest entities. The standard is effective for interim and annual reporting periods beginning after November 15, 2009, with early adoption prohibited. The adoption did not impact the Company's financial condition and results of operations.

Recognition and Presentation of Other-Than-Temporary Impairments ("OTTI")

In April 2009, the FASB updated the accounting standards for the recognition and presentation of other-than-temporary impairments. The standard amends existing guidance on other-than-temporary impairments for debt securities and requires that the credit portion of other-than-temporary impairments be recorded in earnings and the noncredit portion of losses be recorded in other comprehensive income when the entity does not intend to sell the security and it is more likely than not that the entity will not be required to sell the security prior to recovery of its cost basis. The standard requires separate presentation of both the credit and noncredit portions of other-than-temporary impairments on the financial statements and additional disclosures. This standard is effective for interim and annual reporting periods ending after June 15, 2009, with early adoption permitted for periods ending after March 15, 2009. At the date of adoption, the portion of previously recognized other-than-temporary impairments that represent the noncredit related loss component shall be recognized as a cumulative effect of adoption with an adjustment to the opening balance of retained earnings with a corresponding adjustment to accumulated other comprehensive income (loss). The Company adopted the standard in 2009 and recorded a cumulative effect increase to the opening balance of retained earnings of $0.7 million, net of DAC and DSIC amortization, certain benefit reserves and income taxes, and a corresponding increase to accumulated other comprehensive loss, net of impacts to DAC and DSIC amortization, certain benefit reserves and income taxes. See Note 4 for the required disclosures.

Future Adoption of New Accounting Standards

Balance Sheet

In December 2011, the FASB updated the accounting standards to require new disclosures about offsetting assets and liabilities. The standard requires an entity to disclose both gross and net information about instruments and transactions eligible for offset in the statement of financial position and instruments and transactions subject to an agreement similar to a master netting arrangement. The standard is effective for interim and annual periods beginning on or after January 1, 2013 on a retrospective basis. The Company is currently evaluating the impact of the standard on its financial condition and results of operations.

Comprehensive Income

In June 2011, the FASB updated the accounting standards related to the presentation of comprehensive income. The standard requires entities to present all nonowner changes in stockholders' equity either in a single continuous statement of comprehensive income or in two separate but consecutive statements. The standard is effective for interim and annual periods beginning after December 15, 2011. The standard is to be applied retrospectively. The adoption of the standard will not impact the Company's financial condition and results of operations.

Fair Value

In May 2011, the FASB updated the accounting standards related to fair value measurement and disclosure requirements. The standard requires entities, for assets and liabilities measured at fair value in the statement of financial position which are Level 3 fair value measurements, to disclose quantitative information about unobservable inputs and assumptions used in the measurements, a description of the valuation processes in place, and a qualitative discussion about the sensitivity of the measurements to changes in unobservable inputs and interrelationships between those inputs if a change in those inputs would result in a significantly different fair value measurement. In addition, the standard requires disclosure of fair value by level within the fair value hierarchy for each class of assets and liabilities not measured at fair value in the statement of financial position but for which the fair value is disclosed. The standard is effective for interim and annual periods beginning on or after December 15, 2011. The adoption of the standard is not expected to have a material impact on the Company's financial condition and results of operations.

Transfers and Servicing: Reconsideration of Effective Control for Repurchase Agreements

In April 2011, the FASB updated the accounting standards related to accounting for repurchase agreements and other similar agreements. The standard modifies the criteria for determining when these transactions would be accounted for as secured borrowings as opposed to sales. The standard is effective prospectively for new transfers and existing transactions that are modified in the first interim or annual period beginning on or after December 15, 2011. The adoption of the standard is not expected to have a material impact on the Company's financial condition and results of operations.

Accounting for Costs Associated with Acquiring or Renewing Insurance Contracts

In October 2010, the FASB updated the accounting standards for DAC. Under this new standard, only the following costs incurred in the acquisition of new and renewal insurance contracts would be capitalizable as DAC: (i) incremental direct costs of a successful contract acquisition, (ii) portions of employees' salaries and benefits directly related to time spent performing specified acquisition activities (that is, underwriting, policy issuance and processing, medical and inspection, and sales force contract selling) for a contract that has actually been acquired, (iii) other costs related to the specified acquisition activities that would not have been incurred had the acquisition contract not occurred, and (iv) advertising costs that meet the capitalization criteria in other GAAP guidance for certain direct-response marketing. All other costs are to be expensed as incurred. The Company retrospectively adopted the standard on January 1, 2012. The cumulative effect of the adoption reduced retained earnings by $65.9 million after-tax at January 1, 2012.

4. INVESTMENTS

Available-for-Sale securities distributed by type were as follows:

Description of Securities (in thousands)	December 31, 2011 Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value	Noncredit OTTI[1]
Fixed maturities:					
Corporate debt securities	$1,111,888	$122,055	$ (5,658)	$1,228,285	$ —
Residential mortgage backed securities	218,956	11,358	(6,004)	224,310	(2,003)
Commercial mortgage backed securities	201,865	13,409	—	215,274	—
State and municipal obligations	86,592	14,082	—	100,674	—
Asset backed securities	53,286	3,462	(374)	56,374	—
U.S. government and agencies obligations	6,808	159	(10)	6,957	—
Foreign government bonds and obligations	3,794	512	(19)	4,287	—
Total	$1,683,189	$165,037	$(12,065)	$1,836,161	$(2,003)

Description of Securities (in thousands)	December 31, 2010 Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value	Noncredit OTTI[1]
Fixed maturities:					
Corporate debt securities	$1,097,502	$ 90,116	$(3,924)	$1,183,694	$ 1
Commercial mortgage backed securities	224,135	14,437	(117)	238,455	—
Residential mortgage backed securities	212,480	12,425	(3,284)	221,621	(150)
Asset backed securities	63,023	4,056	(344)	66,735	—
State and municipal obligations	78,513	1,742	(1,318)	78,937	—
U.S. government and agencies obligations	9,465	195	(20)	9,640	—
Foreign government bonds and obligations	3,979	527	—	4,506	—
Total	$1,689,097	$123,498	$(9,007)	$1,803,588	$(149)

[1] Represents the amount of other-than-temporary impairment losses in accumulated other comprehensive income. Amount includes unrealized gains and losses on impaired securities subsequent to the initial impairment measurement date. These amounts are included in gross unrealized gains and losses as of the end of the period.

At December 31, 2011 and 2010, fixed maturity securities comprised approximately 91% and 90%, respectively, of the Company's total investments. Rating agency designations are based on the availability of ratings from Nationally Recognized Statistical Rating Organizations ("NRSROs"), including Moody's Investors Service ("Moody's"), Standard & Poor's Ratings Services ("S&P") and Fitch Ratings Ltd. ("Fitch"). The Company uses the median of available ratings from Moody's, S&P and Fitch, or if fewer than three ratings are available, the lower rating is used. When ratings from Moody's, S&P and Fitch are unavailable, the Company may utilize ratings from other NRSROs or rate the securities internally. At December 31, 2011 and 2010, approximately $72.9 million and $70.7 million, respectively, of securities were internally rated by Columbia Management Investment Advisers, LLC using criteria similar to those used by NRSROs.

A summary of fixed maturity securities by rating was as follows:

Ratings (in thousands, except percentages)	December 31, 2011 Amortized Cost	Fair Value	Percent of Total Fair Value	December 31, 2010 Amortized Cost	Fair Value	Percent of Total Fair Value
AAA	$ 419,944	$ 451,021	24%	$ 447,163	$ 477,886	26%
AA	106,426	118,091	6	120,768	124,707	7
A	260,218	285,900	16	275,272	291,515	16
BBB	783,338	873,970	48	738,745	805,948	45
Below investment grade	113,263	107,179	6	107,149	103,532	6
Total fixed maturities	$1,683,189	$1,836,161	100%	$1,689,097	$1,803,588	100%

At December 31, 2011 and 2010, approximately 37% and 32%, respectively, of the securities rated AAA were GNMA, FNMA and FHLMC mortgage-backed securities. No holdings of any other issuer were greater than 10% of total equity.

The following tables provide information about Available-for-Sale securities with gross unrealized losses and the length of time that individual securities have been in a continuous unrealized loss position:

(in thousands, except number of securities)	December 31, 2011								
	Less than 12 months			12 months or more			Total		
Description of Securities:	Number of Securities	Fair Value	Unrealized Losses	Number of Securities	Fair Value	Unrealized Losses	Number of Securities	Fair Value	Unrealized Losses
Corporate debt securities	36	$ 92,451	$(3,707)	1	$ 9,263	$(1,951)	37	$101,714	$ (5,658)
Residential mortgage backed securities	9	19,446	(984)	12	18,970	(5,020)	21	38,416	(6,004)
Asset backed securities	1	8,600	(82)	3	2,051	(292)	4	10,651	(374)
U.S. government and agencies obligations	—	—	—	1	4,497	(10)	1	4,497	(10)
Foreign government bonds and obligations	2	527	(19)	—	—	—	2	527	(19)
Total	48	$121,024	$(4,792)	17	$34,781	$(7,273)	65	$155,805	$(12,065)

(in thousands, except number of securities)	December 31, 2010								
	Less than 12 months			12 months or more			Total		
Description of Securities:	Number of Securities	Fair Value	Unrealized Losses	Number of Securities	Fair Value	Unrealized Losses	Number of Securities	Fair Value	Unrealized Losses
Corporate debt securities	36	$109,372	$(2,478)	5	$12,394	$(1,446)	41	$121,766	$(3,924)
Residential mortgage backed securities	1	6,618	(52)	12	17,528	(3,232)	13	24,146	(3,284)
Commercial mortgage backed securities	2	9,372	(117)	—	—	—	2	9,372	(117)
Asset backed securities	1	961	(56)	3	3,782	(288)	4	4,743	(344)
State and municipal obligations	16	37,141	(1,318)	—	—	—	16	37,141	(1,318)
U.S. government and agencies obligations	1	6,808	(20)	—	—	—	1	6,808	(20)
Total	57	$170,272	$(4,041)	20	$33,704	$(4,966)	77	$203,976	$(9,007)

As part of the Company's ongoing monitoring process, management determined that a majority of the gross unrealized losses on its Available-for-Sale securities are attributable to movement in credit spreads.

The following table presents a rollforward of the cumulative amounts recognized in the Statements of Income for other-than-temporary impairments related to credit losses on securities for which a portion of the securities' total other-than-temporary impairments was recognized in other comprehensive income:

	Years Ended December 31,		
(in thousands)	2011	2010	2009
Beginning balance	$1,927	$1,894	$ 1,892
Credit losses for which an other-than-temporary impairment was not previously recognized	646	—	496
Credit losses for which an other-than-temporary impairment was previously recognized	154	33	861
Reductions for securities sold during the period (realized)	—	—	(1,355)
Ending balance	$2,727	$1,927	$ 1,894

The change in net unrealized securities gains (losses) in other comprehensive income includes three components, net of tax: (i) unrealized gains (losses) that arose from changes in the market value of securities that were held during the period; (ii) (gains) losses that were previously unrealized, but have been recognized in current period net income due to sales of Available-for-Sale securities and due to the reclassification of noncredit other-than-temporary impairment losses to credit losses and (iii) other items primarily consisting of adjustments in asset and liability balances, such as DAC, DSIC, benefit reserves and reinsurance recoverables, to reflect the expected impact on their carrying values had the unrealized gains (losses) been realized as of the respective balance sheet dates.

The following table presents a rollforward of the net unrealized securities gains (losses) on Available-for-Sale securities included in accumulated other comprehensive income:

(in thousands)	Net Unrealized Securities Gains (Losses)	Deferred Income Tax	Accumulated Other Comprehensive Income Related to Net Unrealized Securities Gains (Losses)
Balance at January 1, 2009	$ (97,915)	$ 34,271	$ (63,644)
Cumulative effect of accounting change	(1,149)	402	(747)(1)
Net unrealized securities gains arising during the period(3)	184,164	(64,458)	119,706
Reclassification of net gains included in net income	(2,943)	1,030	(1,913)
Impact on DAC, DSIC, benefit reserves and reinsurance recoverables	(35,705)	12,528	(23,177)
Balance at December 31, 2009	46,452	(16,227)	30,225(2)
Net unrealized securities gains arising during the period(3)	60,672	(21,235)	39,437
Reclassification of net gains included in net income	(2,096)	734	(1,362)
Impact on DAC, DSIC, benefit reserves and reinsurance recoverables	(37,550)	13,111	(24,439)
Balance at December 31, 2010	67,478	(23,617)	43,861(2)
Net unrealized securities gains arising during the period(3)	39,159	(13,706)	25,453
Reclassification of net gains included in net income	(678)	237	(441)
Impact on DAC, DSIC, benefit reserves and reinsurance recoverables	(16,251)	5,688	(10,563)
Balance at December 31, 2011	$ 89,708	$(31,398)	$ 58,310(2)

(1) Amount represents the cumulative effect of adopting a new accounting standard on January 1, 2009. See Note 3 for additional information on the adoption impact.
(2) Includes $(1.1) million, $(78) thousand and $(28) thousand, respectively, of noncredit related impairments on securities and net unrealized securities losses on previously impaired securities at December 31, 2011, 2010 and 2009, respectively.
(3) Includes other-than-temporary impairment losses on Available-for-Sale securities related to factors other than credit that were recognized in other comprehensive income during the period.

Net realized gains and losses on Available-for-Sale securities, determined using the specific identification method, recognized in net realized investment gains were as follows:

	Years Ended December 31,		
(in thousands)	2011	2010	2009
Gross realized investment gains	$2,036	$2,636	$11,098
Gross realized investment losses	(558)	(304)	(2,950)
Other-than-temporary impairments	(800)	(236)	(5,205)

Other-than-temporary impairments for the year ended December 31, 2011 primarily related to credit losses on non-agency residential mortgage backed securities. Other-than-temporary impairments for the year ended December 31, 2010 primarily related to credit losses on non-agency residential mortgage backed securities as well as corporate debt securities in the gaming industry. Other-than-temporary impairments for the year ended December 31, 2009 related to credit losses on non-agency residential mortgage backed securities and corporate debt securities in the gaming industry and banking and finance industries.

Available-for-Sale securities by contractual maturity at December 31, 2011 were as follows:

(in thousands)	Amortized Cost	Fair Value
Due within one year	$ 78,703	$ 79,742
Due after one year through five years	410,958	428,561
Due after five years through 10 years	460,163	511,217
Due after 10 years	259,258	320,683
	1,209,082	1,340,203
Residential mortgage backed securities	218,956	224,310
Commercial mortgage backed securities	201,865	215,274
Asset backed securities	53,286	56,374
Total	$1,683,189	$1,836,161

Actual maturities may differ from contractual maturities because issuers may have the right to call or prepay obligations. Residential mortgage backed securities, commercial mortgage backed securities and asset backed securities are not due at a single maturity date. As such, these securities were not included in the maturities distribution.

At both December 31, 2011 and 2010, bonds carried at $0.3 million were on deposit with various states as required by law.

Net investment income is summarized as follows:

(in thousands)	Years Ended December 31, 2011	2010	2009
Income on fixed maturities	$ 95,378	$ 97,524	$ 91,198
Income on commercial mortgage loans	9,496	10,560	11,716
Income on policy loans and other investments	2,042	2,167	3,056
	106,916	110,251	105,970
Less: investment expenses	3,360	3,179	2,891
Total	$103,556	$107,072	$103,079

Net realized investment gains (losses) are summarized as follows:

(in thousands)	Years Ended December 31, 2011	2010	2009
Fixed maturities	$678	$2,096	$2,943
Commercial mortgage loans	(36)	(450)	(900)
Cash equivalents	1	—	2
Total	$643	$1,646	$2,045

5. FINANCING RECEIVABLES

The Company's financing receivables include commercial mortgage loans and policy loans. Policy loans do not exceed the cash value of the policy at origination. As there is minimal risk of loss related to policy loans, the Company does not record an allowance for loan losses for policy loans.

Allowance for Loan Losses

The following table presents a rollforward of the allowance for loan losses for the years ended and the ending balance of the allowance for loan losses by impairment method:

(in thousands)	December 31, 2011	2010
Commercial Mortgage Loans		
Beginning balance	$2,538	$2,088
Charge-offs	(500)	—
Provisions	—	450
Ending balance	$2,038	$2,538
Individually evaluated for impairment	$ —	$ 500
Collectively evaluated for impairment	2,038	2,038

The recorded investment in financing receivables by impairment method was as follows:

(in thousands)	December 31, 2011	2011
Commercial Mortgage Loans		
Individually evaluated for impairment	$ —	$ 5,398
Collectively evaluated for impairment	155,331	164,991
Total	$155,331	$170,389

As of December 31, 2011 and 2010, the Company's recorded investment in financing receivables individually evaluated for impairment for which there was no related allowance for loan losses was nil and $3.5 million, respectively.

The Company has not acquired any loans with deteriorated credit quality as of the acquisition date.

Credit Quality Information

Nonperforming loans, which are generally loans 90 days or more past due, were nil and $1.9 million as of December 31, 2011 and 2010, respectively. All other loans were considered to be performing.

Commercial Mortgage Loans

The Company reviews the credit worthiness of the borrower and the performance of the underlying properties in order to determine the risk of loss on commercial mortgage loans. Based on this review, the commercial mortgage loans are assigned an internal risk rating, which management updates as necessary. Commercial mortgage loans which management has assigned its highest risk rating were nil and 3% of total commercial mortgage loans as of December 31, 2011 and 2010, respectively. Loans with the highest risk rating represent distressed loans which the Company has identified as impaired or expects to become delinquent or enter into foreclosure within the next six months. In addition, the Company reviews the concentrations of credit risk by region and property type.

Concentrations of credit risk of commercial mortgage loans by U.S. region were as follows:

	December 31, 2011			December 31, 2010		
(in thousands, except percentages)	**Loans**	**Percent of Loans**	**Funding Commitments**	**Loans**	**Percent of Loans**	**Funding Commitments**
South Atlantic	$ 34,768	23%	$ —	$ 35,563	21%	$ —
East North Central	26,527	17	—	29,896	18	—
Pacific	22,107	14	—	24,725	14	—
Mountain	21,795	14	2,400	25,656	15	—
Middle Atlantic	17,138	11	—	18,285	11	100
New England	14,503	9	—	15,795	9	—
East South Central	9,524	6	—	10,955	6	—
West South Central	4,868	3	—	5,073	3	—
West North Central	4,101	3	—	4,441	3	—
	155,331	100%	$2,400	170,389	100%	$100
Less: allowance for loan losses	2,038			2,538		
Total	$153,293			$167,851		

Concentrations of credit risk of commercial mortgage loans by property type were as follows:

	December 31, 2011			December 31, 2010		
(in thousands, except percentages)	**Loans**	**Percent of Loans**	**Funding Commitments**	**Loans**	**Percent of Loans**	**Funding Commitments**
Industrial	$ 42,582	27%	$1,300	$ 46,065	27%	$ —
Office	42,358	27	1,100	47,015	28	100
Retail	38,676	25	—	44,079	26	—
Apartments	22,650	15	—	23,714	14	—
Hotel	4,020	3	—	4,274	2	—
Mixed Use	2,958	2	—	3,068	2	—
Other	2,087	1	—	2,174	1	—
	155,331	100%	$2,400	170,389	100%	$100
Less: allowance for loan losses	2,038			2,538		
Total	$153,293			$167,851		

6. DEFERRED ACQUISITION COSTS AND DEFERRED SALES INDUCEMENT COSTS

During the third quarter of 2011, 2010 and 2009, management reviewed and updated the DAC and DSIC valuation assumptions for the Company's products. As part of its third quarter 2010 process, management extended the projection periods used for its annuity products and revised client asset value growth rates assumed for variable annuity and variable universal life contracts.

The balances of and changes in DAC were as follows:

(in thousands)	2011	2010	2009
Balance at January 1	$227,688	$221,942	$236,619
Capitalization of acquisition costs	25,183	23,289	27,171
Amortization, excluding the impact of valuation assumptions review	(19,925)	(24,994)	(21,550)
Amortization impact of valuation assumptions review	(3,900)	17,300	9,600
Impact of change in net unrealized securities gains	(5,104)	(9,849)	(29,898)
Balance at December 31	$223,942	$227,688	$221,942

The balances of and changes in DSIC were as follows:

(in thousands)	2011	2010	2009
Balance at January 1	$23,947	$22,919	$23,808
Capitalization of sales inducement costs	588	2,460	5,305
Amortization, excluding the impact of valuation assumptions review	(2,408)	(2,744)	(3,441)
Amortization impact of valuation assumptions review	(400)	2,400	400
Impact of change in net unrealized securities gains	(505)	(1,088)	(3,153)
Balance at December 31	$21,222	$23,947	$22,919

As described in Note 3, the Company adopted a new accounting standard on the recognition and presentation of other-than-temporary impairments in the first quarter of 2009. The adoption had no net impact to DAC and DSIC.

7. REINSURANCE

Generally, the Company currently reinsures 90% of the death benefit liability related to almost all individual fixed and variable universal life and term life insurance products. As a result, the Company typically retains and is at risk for 10% of each policy's death benefit from the first dollar of coverage for new sales of these policies, subject to the reinsurers fulfilling their obligations. The Company began reinsuring risks at this level during 2002 for term life insurance and 2003 for individual fixed and variable universal life insurance. Policies issued prior to these dates are not subject to these same reinsurance levels. Generally, the maximum amount of life insurance risk retained by the Company is $1.5 million on a single life and $1.5 million on any flexible premium survivorship life policy. Risk on fixed and variable universal life policies is reinsured on a yearly renewable term basis. Risk on most term life policies starting in 2002 is reinsured on a coinsurance basis, a type of reinsurance in which the reinsurer participates proportionally in all material risks and premiums associated with a policy.

For existing LTC policies, the Company, for 1996 and later issues, retained 50% of the risk and ceded the remaining 50% of the risk on a coinsurance basis to Genworth Life Insurance Company of New York ("Genworth").

The Company also has life insurance risk previously assumed under a reinsurance arrangement with an unaffiliated insurance company.

Generally, the Company retains at most $5,000 per month of risk per life on DI policies sold on policy forms introduced in August 2010 and reinsures the remainder of the risk on a coinsurance basis with unaffiliated reinsurance companies. The Company retains all risk for new claims on DI contracts sold on other policy forms. The Company also retains all risk on accidental death benefit claims and substantially all risk associated with waiver of premium provisions.

At December 31, 2011 and 2010, traditional life and universal life insurance in force aggregated $11.0 billion and $10.9 billion, respectively, of which $7.1 billion and $6.8 billion were reinsured at the respective year ends. Life insurance in force is reported on a statutory basis.

The effect of reinsurance on premiums was as follows:

	Years Ended December 31,		
(in thousands)	2011	2010	2009
Direct premiums	$ 34,635	$36,261	$ 35,949
Reinsurance ceded	(10,932)	(9,855)	(10,885)
Net premiums	$ 23,703	$26,406	$ 25,064

Policy and contract charges are presented on the Statements of Income net of $3.6 million, $3.2 million and $2.9 million of reinsurance ceded for the years ended December 31, 2011, 2010 and 2009, respectively.

Reinsurance recovered from reinsurers was $5.8 million, $3.2 million and $4.5 million for the years ended December 31, 2011, 2010 and 2009, respectively. Reinsurance contracts do not relieve the Company from its primary obligation to policyholders.

Reinsurance recoverables include approximately $67.1 million and $60.8 million related to LTC risk ceded to Genworth as of December 31, 2011 and 2010, respectively. Future policy benefits include $3.9 million and $4.4 million related to an assumed reinsurance arrangement as of December 31, 2011 and 2010, respectively.

8. FUTURE POLICY BENEFITS, POLICY CLAIMS AND OTHER POLICYHOLDERS' FUNDS AND SEPARATE ACCOUNT LIABILITIES

Future policy benefits and policy claims and other policyholders' funds consisted of the following:

(in thousands)	December 31, 2011	December 31, 2010
Fixed annuities	$1,175,207	$1,183,309
Variable annuity fixed sub-accounts	234,734	235,603
Variable annuity GMWB	66,621	17,818
Variable annuity GMAB	13,632	4,455
Other variable annuity guarantees	668	665
Total annuities	1,490,862	1,441,850
VUL/UL insurance	167,546	159,265
VUL/UL insurance additional liabilities	14,315	9,214
Other life, DI and LTC insurance	309,419	290,328
Total future policy benefits	1,982,142	1,900,657
Policy claims and other policyholders' funds	6,753	7,308
Total future policy benefits and policy claims and other policyholders' funds	$1,988,895	$1,907,965

Separate account liabilities consisted of the following:

(in thousands)	December 31, 2011	December 31, 2010
Variable annuity variable sub-accounts	$3,094,544	$3,112,417
VUL insurance variable sub-accounts	318,004	335,073
Other insurance variable sub-accounts	927	997
Total	$3,413,475	$3,448,487

Fixed Annuities

Fixed annuities include both deferred and payout contracts. Deferred contracts offer a guaranteed minimum rate of interest and security of the principal invested. Payout contracts guarantee a fixed income payment for life or the term of the contract. The Company generally invests the proceeds from the annuity payments in fixed rate securities.

Variable Annuities

Purchasers of variable annuities can select from a variety of investment options and can elect to allocate a portion to a fixed account. A vast majority of the premiums received for variable annuity contracts are held in separate accounts where the assets are held for the exclusive benefit of those contractholders.

Most of the variable annuity contracts issued by the Company contain one or more guaranteed benefits, including GMWB, GMAB, GMDB and/or GGU provisions. The Company previously offered contracts with GMIB provisions. See Note 2 and Note 9 for additional information regarding the Company's variable annuity guarantees. The Company does not currently hedge its risk under the GMDB, GGU and GMIB provisions. See Note 14 for additional information regarding derivative instruments used to hedge risks related to GMWB and GMAB provisions.

Insurance Liabilities

VUL/UL is the largest group of insurance policies written by the Company. Purchasers of VUL can select from a variety of investment options and can elect to allocate a portion to a fixed account or a separate account. A vast majority of the premiums received for VUL policies are held in separate accounts where the assets are held for the exclusive benefit of those policyholders. The Company also offers term insurance as well as disability products. The Company no longer offers stand alone LTC products but has in force policies from prior years. Insurance liabilities include accumulation values, unpaid reported claims, incurred but not reported claims and obligations for anticipated future claims.

Portions of the Company's fixed and variable universal life policies have product features that result in profits followed by losses from the insurance component of the policy. These profits followed by losses can be generated by the cost structure of the product or secondary guarantees in the policy. The secondary guarantee ensures that, subject to specified conditions, the policy will not terminate and will continue to provide a death benefit even if there is insufficient policy value to cover the monthly deductions and charges.

9. VARIABLE ANNUITY AND INSURANCE GUARANTEES

The majority of the variable annuity contracts offered by the Company contain GMDB provisions. The Company also offers variable annuities with GGU, GMWB and GMAB provisions. The Company previously offered contracts containing GMIB provisions. See Note 2 and Note 8 for additional information regarding the Company's variable annuity guarantees.

The GMDB provisions provide a specified minimum return upon death of the contractholder. The death benefit payable is the greater of (i) the contract value less any purchase payment credits subject to recapture and less a pro-rata portion of any rider fees or (ii) the GMDB provisions specified in the contract. The Company has three primary GMDB provisions:

- Return of premium — provides purchase payments minus adjusted partial surrenders.
- Reset — provides that the value resets to the account value every sixth contract anniversary minus adjusted partial surrenders. This provision is often provided in combination with the return of premium provision. This provision is no longer offered.
- Ratchet — provides that the value ratchets up to the maximum account value at specified anniversary intervals, plus subsequent purchase payments, less adjusted partial surrenders.

The variable annuity contracts with GMWB riders typically have account values that are based on an underlying portfolio of mutual funds, the values of which fluctuate based on fund performance. At issue, the guaranteed amount is equal to the amount deposited but the guarantee may be increased annually to the account value (a "step-up") in the case of favorable market performance. All new contracts with a living benefit must enroll in the Company's investment allocation program choosing from one of the five asset allocation models.

The Company has GMWB riders in force, which contain one or more of the following provisions:

- Withdrawals at a specified rate per year until the amount withdrawn is equal to the guaranteed amount.
- Withdrawals at a specified rate per year for the life of the contractholder ("GMWB for life").
- Withdrawals at a specified rate per year for joint contractholders while either is alive.
- Withdrawals based on performance of the contract.
- Withdrawals based on the age withdrawals begin.
- Once withdrawals begin, the contractholder's funds are moved to one of the three least aggressive asset allocation models.
- Credits are applied annually for a specified number of years to increase the guaranteed amount as long as withdrawals have not been taken.

Variable annuity contractholders age 79 or younger at contract issue can also obtain a principal-back guarantee by purchasing the optional GMAB rider for an additional charge. The GMAB rider guarantees that, regardless of market performance at the end of the 10-year waiting period, the contract value will be no less than the original investment or 80% of the highest anniversary value, adjusted for withdrawals. If the contract value is less than the guarantee at the end of the 10 year period, a lump sum will be added to the contract value to make the contract value equal to the guarantee value.

Certain UL policies offered by the Company provide secondary guarantee benefits. The secondary guarantee ensures that, subject to specified conditions, the policy will not terminate and will continue to provide a death benefit even if there is insufficient policy value to cover the monthly deductions and charges.

The following table provides information related to variable annuity guarantees for which the Company has established additional liabilities:

Variable Annuity Guarantees by Benefit Type[1] (in thousands, except age)	December 31, 2011 Total Contract Value	December 31, 2011 Contract Value in Separate Accounts	December 31, 2011 Net Amount at Risk[2]	December 31, 2011 Weighted Average Attained Age	December 31, 2010 Total Contract Value	December 31, 2010 Contract Value in Separate Accounts	December 31, 2010 Net Amount at Risk[2]	December 31, 2010 Weighted Average Attained Age
GMDB:								
Return of premium	$2,011,895	$1,938,491	$17,231	62	$1,870,152	$1,804,744	$ 6,774	61
Five/six-year reset	632,457	489,347	17,853	62	792,424	641,143	15,804	62
One-year ratchet	447,460	433,022	22,175	64	443,530	428,059	11,344	63
Five-year ratchet	181,760	177,014	4,008	61	180,228	175,810	1,798	61
Total — GMDB	$3,273,572	$3,037,874	$61,267	62	$3,286,334	$3,049,756	$35,720	62
GGU death benefit	$ 129	$ 114	$ —	52	$ 142	$ 127	$ —	51
GMIB	$ 19,084	$ 17,954	$ 4,072	63	$ 24,882	$ 23,352	$ 2,797	62
GMWB:								
GMWB	$ 231,605	$ 230,593	$12,287	65	$ 252,182	$ 251,003	$ 5,163	64
GMWB for life	1,243,218	1,236,664	40,035	64	1,069,666	1,066,043	5,192	63
Total — GMWB	$1,474,823	$1,467,257	$52,322	64	$1,321,848	$1,317,046	$10,355	63
GMAB	$ 233,835	$ 233,544	$ 3,756	56	$ 212,750	$ 211,578	$ 931	55

(1) Individual variable annuity contracts may have more than one guarantee and therefore may be included in more than one benefit type. Variable annuity contracts for which the death benefit equals the account value are not shown in this table.

(2) Represents the current guaranteed benefit amount in excess of the current contract value. GMIB, GMWB and GMAB benefits are subject to waiting periods and payment periods specified in the contract.

Changes in additional liabilities for variable annuity and insurance guarantees were as follows:

(in thousands)	GMDB & GGU	GMIB	GMWB	GMAB	UL
Balance at January 1, 2009	$ 2,488	$403	$ 75,843	$ 18,796	$ 943
Incurred claims	(107)	(19)	(66,655)	(14,422)	719
Paid claims	(2,056)	—	—	—	(431)
Balance at December 31, 2009	325	384	9,188	4,374	1,231
Incurred claims	661	64	8,630	81	4,926
Paid claims	(769)	—	—	—	(81)
Balance at December 31, 2010	217	448	17,818	4,455	6,076
Incurred claims	309	31	48,803	9,177	3,016
Paid claims	(337)	—	—	—	(9)
Balance at December 31, 2011	$ 189	$479	$ 66,621	$ 13,632	$9,083

The liabilities for guaranteed benefits are supported by general account assets.

The following table summarizes the distribution of separate account balances by asset type for variable annuity contracts providing guaranteed benefits:

(in thousands)	December 31, 2011	December 31, 2010
Mutual funds:		
Equity	$1,627,641	$1,715,400
Bond	1,313,343	1,232,129
Other	106,383	120,187
Total mutual funds	$3,047,367	$3,067,716

No gains or losses were recognized on assets transferred to separate accounts for the years ended December 31, 2011, 2010 and 2009.

10. LINES OF CREDIT

The Company has available a committed line of credit with Ameriprise Financial aggregating the lesser of $25 million or 5% of the Company's statutory admitted assets as of the prior year end. The interest rate for any borrowings is established by reference to LIBOR. This line of credit is renewed annually on August 1st with Ameriprise Financial and filed with the New York State Insurance Department. There were no amounts outstanding on this line of credit at December 31, 2011 and 2010.

11. FAIR VALUES OF ASSETS AND LIABILITIES

GAAP defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; that is, an exit price. The exit price assumes the asset or liability is not exchanged subject to a forced liquidation or distressed sale.

Valuation Hierarchy

The Company categorizes its fair value measurements according to a three-level hierarchy. The hierarchy prioritizes the inputs used by the Company's valuation techniques. A level is assigned to each fair value measurement based on the lowest level input that is significant to the fair value measurement in its entirety. The three levels of the fair value hierarchy are defined as follows:

Level 1 Unadjusted quoted prices for identical assets or liabilities in active markets that are accessible at the measurement date.

Level 2 Prices or valuations based on observable inputs other than quoted prices in active markets for identical assets and liabilities.

Level 3 Prices or valuations that require inputs that are both significant to the fair value measurement and unobservable.

Determination of Fair Value

The Company uses valuation techniques consistent with the market and income approaches to measure the fair value of its assets and liabilities. The Company's market approach uses prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities. The Company's income approach uses valuation techniques to convert future projected cash flows to a single discounted present value amount. When applying either approach, the Company maximizes the use of observable inputs and minimizes the use of unobservable inputs.

The following is a description of the valuation techniques used to measure fair value and the general classification of these instruments pursuant to the fair value hierarchy.

Assets

Cash Equivalents

Cash equivalents include highly liquid investments with original maturities of 90 days or less. The Company's cash equivalents are classified as Level 2 and measured at amortized cost, which is a reasonable estimate of fair value because of the short time between the purchase of the instrument and its expected realization.

Available-for-Sale Securities

When available, the fair value of securities is based on quoted prices in active markets. If quoted prices are not available, fair values are obtained from third-party pricing services, non-binding broker quotes, or other model-based valuation techniques. Level 1 securities include U.S. Treasuries. Level 2 securities include municipal and corporate bonds, residential mortgage backed securities, commercial mortgage backed securities, asset backed securities and U.S. agency and foreign government securities. The fair value of these Level 2 securities is based on a market approach with prices obtained from third-party pricing services. Observable inputs used to value these securities can include, but are not limited to reported trades, benchmark yields, issuer spreads and non-binding broker quotes. Level 3 securities primarily include corporate bonds, certain non-agency residential mortgage backed securities and asset backed securities. The fair value of corporate bonds and certain asset backed securities classified as Level 3 is typically based on a single non-binding broker quote. The fair value of certain asset backed securities and non-agency residential mortgage backed securities is obtained from third-party pricing services who use significant unobservable inputs to estimate the fair value.

Prices received from third-party pricing services are subjected to exception reporting that identifies investments with significant daily price movements as well as no movements. The Company reviews the exception reporting and resolves the exceptions through reaffirmation of the price or recording an appropriate fair value estimate. The Company also performs subsequent transaction testing. The Company performs annual due diligence of third-party pricing services. The Company's due diligence procedures include assessing the vendor's valuation qualifications, control environment, analysis of asset-class specific valuation methodologies, and understanding of sources of market observable assumptions and unobservable assumptions, if any, employed in the valuation methodology. The Company also considers the results of its exception reporting controls and any resulting price challenges that arise.

Separate Account Assets

The fair value of assets held by separate accounts is determined by the net asset value ("NAV") of the funds in which those separate accounts are invested. The NAV represents the exit price for the separate account. Separate account assets are classified as Level 2 as they are traded in principal-to-principal markets with little publicly released pricing information.

Other Assets

Derivatives that are measured using quoted prices in active markets, such as derivatives that are exchange-traded, are classified as Level 1 measurements. The fair value of derivatives that are traded in less active over-the-counter markets are generally measured using pricing models with market observable inputs such as interest rates and equity index levels. These measurements are classified as Level 2 within the fair value hierarchy and include swaps and the majority of options. The counterparties' nonperformance risk associated with uncollateralized derivative assets was immaterial at December 31, 2011 and 2010. See Note 14 for further information on the credit risk of derivative instruments and related collateral.

Liabilities

Future Policy Benefits

The Company values the embedded derivative liability attributable to the provisions of certain variable annuity riders using internal valuation models. These models calculate fair value by discounting expected cash flows from benefits plus margins for profit, risk and expenses less embedded derivative fees. The projected cash flows used by these models include observable capital market assumptions (such as, market implied equity volatility and the LIBOR swap curve) and incorporate significant unobservable inputs related to contractholder behavior assumptions (such as withdrawals and lapse rates) and margins for risk, profit and expenses that the Company believes an exit market participant would expect. The fair value of these embedded derivatives also reflects a current estimate of the Company's nonperformance risk specific to these liabilities. Given the significant unobservable inputs to this valuation, these measurements are classified as Level 3. The embedded derivative liability attributable to these provisions is recorded in future policy benefits.

Other Liabilities

The fair value of derivatives that are traded in less active over-the-counter markets are generally measured using pricing models with market observable inputs such as interest rates and equity index levels. These measurements are classified as Level 2 within the fair value hierarchy and include swaps and options. The Company's nonperformance risk associated with uncollateralized derivative liabilities was immaterial at December 31, 2011 and 2010. See Note 14 for further information on the credit risk of derivative instruments and related collateral.

The following tables present the balances of assets and liabilities measured at fair value on a recurring basis:

	December 31, 2011			
(in thousands)	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets				
Available-for-Sale securities:				
Fixed maturities:				
Corporate debt securities	$ —	$1,146,698	$81,587	$1,228,285
Residential mortgage backed securities	—	220,896	3,414	224,310
Commercial mortgage backed securities	—	215,238	36	215,274
State and municipal obligations	—	100,674	—	100,674
Asset backed securities	—	45,824	10,550	56,374
U.S. government and agencies obligations	1,425	5,532	—	6,957
Foreign government bonds and obligations	—	4,287	—	4,287
Total Available-for-Sale securities: Fixed maturities	1,425	1,739,149	95,587	1,836,161
Cash equivalents	—	81,690	—	81,690
Other assets:				
Interest rate derivative contracts	—	32,604	—	32,604
Equity derivative contracts	2,208	51,006	—	53,214
Total other assets	2,208	83,610	—	85,818
Separate account assets	—	3,413,475	—	3,413,475
Total assets at fair value	$3,633	$5,317,924	$95,587	$5,417,144
Liabilities				
Future policy benefits:				
GMWB and GMAB embedded derivatives	$ —	$ —	$79,451	$ 79,451[1]
Other liabilities:				
Interest rate derivative contracts	—	1,433	—	1,433
Equity derivative contracts	—	8,878	—	8,878
Total other liabilities	—	10,311	—	10,311
Total liabilities at fair value	$ —	$ 10,311	$79,451	$ 89,762

[1] The Company's adjustment for nonperformance risk resulted in a $25.4 million cumulative decrease to the embedded derivative liability.

(in thousands)	December 31, 2010 Level 1	Level 2	Level 3	Total
Assets				
Available-for-Sale securities:				
Fixed maturities:				
Corporate debt securities	$ —	$1,104,641	$ 79,053	$1,183,694
Commercial mortgage backed securities	—	236,355	2,100	238,455
Residential mortgage backed securities	—	113,799	107,822	221,621
Asset backed securities	—	51,711	15,024	66,735
State and municipal obligations	—	78,937	—	78,937
U.S. government and agencies obligations	1,432	8,208	—	9,640
Foreign government bonds and obligations	—	4,506	—	4,506
Total Available-for-Sale securities: Fixed maturities	1,432	1,598,157	203,999	1,803,588
Cash equivalents	—	66,199	—	66,199
Other assets:				
Interest rate derivative contracts	—	9,401	—	9,401
Equity derivative contracts	—	9,963	—	9,963
Total other assets	—	19,364	—	19,364
Separate account assets	—	3,448,487	—	3,448,487
Total assets at fair value	$1,432	$5,132,207	$203,999	$5,337,638
Liabilities				
Future policy benefits:				
GMWB and GMAB embedded derivatives	$ —	$ —	$ 21,650	$ 21,650[1]
Other liabilities:				
Interest rate derivative contracts	—	1,101	—	1,101
Equity derivative contracts	—	17,921	—	17,921
Total other liabilities	—	19,022	—	19,022
Total liabilities at fair value	$ —	$ 19,022	$ 21,650	$ 40,672

(1) The Company's adjustment for nonperformance risk resulted in a $9.4 million cumulative decrease to the embedded derivative liability.

The following tables provide a summary of changes in Level 3 assets and liabilities measured at fair value on a recurring basis:

(in thousands)	Available-for-Sale Securities: Fixed Maturities — Corporate Debt Securities	Residential Mortgage Backed Securities	Commercial Mortgage Backed Securities	Asset Backed Securities	Total	Future Policy Benefits: GMWB and GMAB Embedded Derivatives
Balance, January 1, 2011	$79,053	$107,822	$ 2,100	$15,024	$203,999	$(21,650)
Total gains (losses) included in:						
Net income	939	2,395	—	166	3,500[1]	(49,103)[2]
Other comprehensive income	1,296	(5,962)	(5)	(820)	(5,491)	—
Purchases	10,399	—	—	—	10,399	—
Sales	(6,774)	—	—	—	(6,774)	—
Issues	—	—	—	—	—	(8,028)
Settlements	(3,773)	(18,575)	(39)	(1,319)	(23,706)	(670)
Transfers into Level 3	447	—	—	—	447	—
Transfers out of Level 3	—	(82,266)	(2,020)	(2,501)	(86,787)	—
Balance, December 31, 2011	$81,587	$ 3,414	$ 36	$10,550	$ 95,587	$(79,451)
Changes in unrealized gains (losses) relating to assets and liabilities held at December 31, 2011 included in:						
Net investment income	$ (27)	$ 43	$ —	$ 141	$ 157	$ —
Net realized investment gains (losses)	—	(800)	—	—	(800)	—
Benefits, claims, losses and settlement expenses	—	—	—	—	—	(49,503)

(1) Represents a $149 thousand gain included in net realized investment gains and a $3.4 million gain included in net investment income in the Statements of Income.

(2) Included in benefits, claims, losses and settlement expenses in the Statements of Income.

(in thousands)	Available-for-Sale Securities: Fixed Maturities: Corporate Debt Securities	Residential Mortgage Backed Securities	Commercial Mortgage Backed Securities	Asset Backed Securities	Total	Other Assets	Future Policy Benefits: GMWB and GMAB Embedded Derivatives
Balance, January 1, 2010	$67,825	$121,928	$ 142	$15,656	$205,551	$ 137	$(13,413)
Total gains (losses) included in:							
Net income	6	3,497	1	122	3,626 [1]	(137) [2]	(1,334) [3]
Other comprehensive income	3,245	8,942	(4)	1,553	13,736	—	—
Purchases, sales, issues and settlements, net	7,977	(26,545)	1,961	(2,307)	(18,914)	—	(6,903)
Transfers into Level 3	—	—	—	—	—	—	—
Transfers out of Level 3	—	—	—	—	—	—	—
Balance, December 31, 2010	$79,053	$107,822	$2,100	$15,024	$203,999	$ —	$(21,650)
Changes in unrealized gains (losses) relating to assets and liabilities held at December 31, 2010 included in:							
Net investment income	$ 6	$ 3,519	$ —	$ 122	$ 3,647	$ —	$ —
Net realized investment gains (losses)	—	(33)	—	—	(33)	—	—
Benefits, claims, losses and settlement expenses	—	—	—	—	—	—	(2,113)

(1) Represents a $33 thousand loss included in net realized investment gains and a $3.7 million gain included in net investment income in the Statements of Income.

(2) Included in net investment income in the Statements of Income.

(3) Included in benefits, claims, losses and settlement expenses in the Statements of Income.

The impact to pretax income of the Company's adjustment for nonperformance risk on the fair value of its GMWB and GMAB embedded derivatives was an increase of $8.7 million and $1.0 million, net of DAC and DSIC amortization, for the years ended December 31, 2011 and 2010, respectively.

During the year ended December 31, 2011, transfers out of Level 3 to Level 2 included certain non-agency residential mortgage backed securities and sub-prime non-agency residential mortgage backed securities classified as asset backed securities with a fair value of $84.8 million. The transfers reflect improved pricing transparency of these securities, a continuing trend of increased activity in the non-agency residential mortgage backed security market and increased observability of significant inputs to the valuation methodology. All other securities transferred from Level 3 to Level 2 represent securities with fair values that are now obtained from a third-party pricing service with observable inputs. Securities transferred from Level 2 to Level 3 represent securities with fair values that are now based on a single non-binding broker quote.

The Company recognizes transfers between levels of the fair value hierarchy as of the beginning of the quarter in which each transfer occurred.

During the reporting periods, there were no material assets or liabilities measured at fair value on a nonrecurring basis.

The following table provides the carrying values and the estimated fair values of financial instruments that are not reported at fair value. All other financial instruments that are reported at fair value have been included above in the table with balances of assets and liabilities measured at fair value on a recurring basis.

	December 31, 2011		2010	
(in thousands)	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial Assets				
Commercial mortgage loans, net	$ 153,293	$ 164,125	$ 167,851	$ 173,704
Policy loans	37,367	36,190	36,484	39,876
Financial Liabilities				
Future policy benefits	$1,075,262	$1,171,288	$1,090,645	$1,139,194
Separate account liabilities	7,557	7,557	6,193	6,193

Commercial Mortgage Loans, Net

The fair value of commercial mortgage loans, except those with significant credit deterioration, is determined by discounting contractual cash flows using discount rates that reflect current pricing for loans with similar remaining maturities and characteristics including loan-to-value ratio, occupancy rate, refinance risk, debt-service coverage, location, and property condition. For commercial mortgage loans with significant credit deterioration, fair value is determined using the same adjustments as above with an additional adjustment for the Company's estimate of the amount recoverable on the loan.

Policy Loans
The fair value of policy loans is determined using discounted cash flows.

Future Policy Benefits
The fair value of fixed annuities, in deferral status, is determined by discounting cash flows using a risk neutral discount rate with adjustments for profit margin, expense margin, early policy surrender behavior, a provision for adverse deviation from estimated early policy surrender behavior and the Company's nonperformance risk specific to these liabilities. The fair value of other liabilities including non-life contingent fixed annuities in payout status and the fixed portion of a small number of variable annuity contracts classified as investment contracts is determined in a similar manner.

Separate Account Liabilities
Certain separate account liabilities are classified as investment contracts and are carried at an amount equal to the related separate account assets. Carrying value is a reasonable estimate of the fair value as it represents the exit value as evidenced by withdrawal transactions between contractholders and the Company. A nonperformance adjustment is not included as the related separate account assets act as collateral for these liabilities and minimize nonperformance risk.

12. RELATED PARTY TRANSACTIONS

Columbia Management Investment Advisers, LLC is the investment manager for the proprietary mutual funds used as investment options by the Company's variable annuity contractholders and variable life insurance policyholders. The Company provides all fund management services, other than investment management, and is compensated for the administrative services it provides. For the years ended December 31, 2011, 2010 and 2009, the Company received $11.9 million, $7.5 million and $4.8 million, respectively, from Columbia Management Investment Advisers, LLC for these services.

Charges by Ameriprise Financial and affiliated companies to the Company for use of joint facilities, technology support, marketing services and other services aggregated $26.0 million, $27.4 million and $32.3 million for 2011, 2010 and 2009, respectively. Certain of these costs are included in DAC. Expenses allocated to the Company may not be reflective of expenses that would have been incurred by the Company on a stand-alone basis.

During 2011, 2010 and 2009, the Company paid cash dividends of $78.6 million, $28.2 million and nil, respectively, to RiverSource Life. Prior to paying these dividends, the Company provided notification to the New York State Insurance Department and received a response indicating that they did not object to the payments.

The Company filed a consolidated federal income tax return for 2009 with its parent, RiverSource Life. Beginning in 2010, taxable income of the Company and its parent, RiverSource Life, is included in the consolidated federal income tax return of Ameriprise Financial. At December 31, 2011, the Company had an amount due to Ameriprise Financial for federal income taxes of $1.0 million. At December 31, 2010, the Company had an amount due from Ameriprise Financial for federal income taxes of $1.8 million. Amounts due to RiverSource Life for federal income taxes were $6.7 million at both December 31, 2011 and 2010.

13. STATUTORY ACCOUNTING PRINCIPLES AND REQUIREMENTS

State insurance statutes contain limitations as to the amount of dividends that insurers may make without providing prior notification to state regulators. For the Company, dividends which exceed the lesser of 10% of statutory surplus as of the immediately preceding year-end or statutory net gain (loss) from operations for the immediately preceding calendar year would require pre-notification to the New York State Insurance Department and are subject to potential disapproval. Statutory net gain (loss) from operations was $(3.8) million, $59.5 million and $101.0 million for the years ended December 31, 2011, 2010 and 2009, respectively.

Reconciliations of net income and shareholder's equity, as shown in the accompanying GAAP financial statements, to that determined using statutory accounting principles prescribed by the State of New York ("SAP") are as follows:

Net Income

	Years Ended December 31,		
(in thousands)	**2011**	**2010**	**2009**
Net income, per accompanying financial statements	$ 37,734	$ 52,270	$ 56,402
Capitalization/amortization of DAC, net (GAAP item)	(1,358)	(15,595)	(15,221)
Capitalization/amortization of DSIC, net (GAAP item)	2,220	(2,116)	(2,263)
Change in deferred income taxes[1][2]	(5,542)	6,789	7,335
Change in future policy benefits[1]	(5,556)	16,819	(59,162)
Current income tax expense[1]	—	(4,355)	(7,584)
Change in separate account liability adjustment (SAP item)	(2,605)	(2,812)	61,812
Derivatives[1][2]	(31,473)	11,018	46,726
Change in interest maintenance reserve (SAP item)	1,935	1,313	(3,187)
Other, net	(1,576)	(236)	1,331
Net income (loss), SAP basis[3]	$ (6,221)	$ 63,095	$ 86,189

(1) Represents valuation differences between GAAP and SAP income statement amounts.

(2) Represents amounts which are recorded directly to surplus for statutory reporting purposes.

(3) Results are significantly impacted by changes in reserves for variable annuity guaranteed benefits, however these impacts are substantially offset by unrealized gains (losses) on derivatives which are not included in statutory income but are recorded directly to surplus.

Shareholder's Equity

	December 31,	
(in thousands)	**2011**	**2010**
Shareholder's equity, per accompanying financial statements	$ 444,274	$ 470,641
DAC (GAAP item)	(223,942)	(227,688)
Net unrealized gains and losses on Available-for-Sale investments (GAAP item)	(152,972)	(114,491)
DSIC (GAAP item)	(21,222)	(23,947)
Asset valuation reserve	(18,618)	(3,279)
Future policy benefits[1][2]	16,983	10,149
Deferred income taxes, net[1]	82,178	76,153
Separate account liability adjustment (SAP item)	154,547	146,852
Non-admitted assets (SAP item)	(27,769)	(26,580)
Other, net	(17,982)	(20,037)
Capital and surplus, SAP basis[3]	$ 235,477	$ 287,773

(1) Represents valuation differences between GAAP and SAP balance sheet amounts.

(2) In 2010, RiverSource Life recorded a prior period correction of $(12.9) million to comply with New York Regulation 147 valuation requirements for variable universal life reserves.

(3) Includes unassigned surplus of $117.9 million and $168.6 million at December 31, 2011 and 2010, respectively.

14. DERIVATIVES AND HEDGING ACTIVITIES

Derivative instruments enable the Company to manage its exposure to various market risks. The value of such instruments is derived from an underlying variable or multiple variables, including equity and interest rate indices or prices. The Company primarily enters into derivative agreements for risk management purposes related to the Company's products and operations.

The Company currently uses derivatives as economic hedges. The following table presents the balance sheet location and the gross fair value of derivative instruments, including embedded derivatives:

		Asset			Liability	
Derivatives not designated as hedging instruments	**Balance Sheet Location**	**December 31, 2011**	**December 31, 2010**	**Balance Sheet Location**	**December 31, 2011**	**December 31, 2010**
		(in thousands)			(in thousands)	
GMWB and GMAB						
Interest rate contracts	Other assets	$32,604	$ 9,401	Other liabilities	$ 1,433	$ 1,101
Equity contracts	Other assets	53,214	9,963	Other liabilities	8,878	17,921
Embedded derivatives[1]	Not applicable	—	—	Future policy benefits	79,451	21,650
Total derivatives		$85,818	$19,364		$89,762	$40,672

(1) The fair values of GMWB and GMAB embedded derivatives fluctuate based on changes in equity, interest rate and credit markets.

See Note 11 for additional information regarding the Company's fair value measurement of derivative instruments.

The following table presents a summary of the impact of derivatives not designated as hedging instruments on the Statements of Income:

Derivatives not designated as hedging instruments	Location of Gain (Loss) on Derivatives Recognized in Income	Amount of Gain (Loss) on Derivatives Recognized in Income		
		2011	2010	2009
		(in thousands)		
GMWB and GMAB				
Interest rate contracts	Benefits, claims, losses and settlement expenses	$ 28,823	$ 17,503	$(12,897)
Equity contracts	Benefits, claims, losses and settlement expenses	7,402	(16,587)	(47,198)
Foreign currency contracts	Benefits, claims, losses and settlement expenses	(188)	—	—
Embedded derivatives[1]	Benefits, claims, losses and settlement expenses	(57,801)	(8,237)	81,052
Total derivatives		$(21,764)	$ (7,321)	$ 20,957

[1] The fair values of GMWB and GMAB embedded derivatives fluctuate based on changes in equity, interest rate and credit markets.

The Company holds derivative instruments that either do not qualify or are not designated for hedge accounting treatment. These derivative instruments are used as economic hedges of equity and interest rate risk related to the Company's variable annuity guaranteed benefits.

Certain of the Company's annuity contracts contain GMWB or GMAB provisions, which guarantee the right to make limited partial withdrawals each contract year regardless of the volatility inherent in the underlying investments or guarantee a minimum accumulation value of consideration received at the beginning of the contract period, after a specified holding period, respectively. The Company economically hedges the exposure related to non-life contingent GMWB and GMAB provisions primarily using various futures, options and interest rate swaps. At December 31, 2011 and 2010, the gross notional amount of derivatives contracts for the Company's GMWB and GMAB provisions was $1.8 billion and $985.7 million, respectively.

The deferred premium associated with certain options is paid semi-annually over the life of the option contract. The following is a summary of the payments the Company is scheduled to make for these options:

(in thousands)	Premiums Payable
2012	$13,403
2013	12,573
2014	12,573
2015	12,035
2016	10,639
2017-2025	25,080

Actual timing and payment amounts may differ due to future contract settlements, modifications or exercises of options prior to the full premium being paid or received.

Embedded Derivatives

Certain annuities contain GMAB and non-life contingent GMWB provisions which are considered embedded derivatives. These embedded derivatives are bifurcated from their host contracts and reported on the Balance Sheets at fair value with changes in fair value reported in earnings. As discussed above, the Company uses derivatives to mitigate the financial statement impact of these embedded derivatives.

Credit Risk

Credit risk associated with the Company's derivatives is the risk that a derivative counterparty will not perform in accordance with the terms of the applicable derivative contract. To mitigate such risk, the Company has established guidelines and oversight of credit risk through a comprehensive enterprise risk management program that includes members of senior management. Key components of this program are to require preapproval of counterparties and the use of master netting arrangements and collateral arrangements whenever practical. As of December 31, 2011 and 2010, the Company held $45.7 million and $2.2 million, respectively, in cash and cash equivalents and recorded a corresponding liability in other liabilities for collateral the Company is obligated to return to counterparties. As of December 31, 2011 and 2010, the Company had accepted additional collateral consisting of various securities with a fair value of $22.9 million and nil, respectively, which are not reflected on the Balance Sheets. As of December 31, 2011 and 2010, the Company's maximum credit exposure related to derivative assets after considering netting arrangements with counterparties and collateral arrangements was approximately $8.6 million and $9.1 million, respectively.

Certain of the Company's derivative instruments contain provisions that adjust the level of collateral the Company is required to post based on the Company's financial strength rating (or based on the debt rating of RiverSource Life's parent, Ameriprise Financial). Additionally, certain of the Company's derivative contracts contain provisions that allow the counterparty to terminate the contract if the Company does not maintain a specific financial strength rating or Ameriprise Financial's debt does not maintain a specific credit rating (generally an investment grade rating). If these termination provisions were to be triggered, the Company's counterparty could require immediate settlement of any net liability position. At December 31, 2011 and 2010, the aggregate fair value of all derivative instruments in a net liability position containing such credit risk features was $687 thousand and $10.4 million, respectively. The aggregate fair value of assets posted as collateral for such instruments as of December 31, 2011 and 2010 was $687 thousand and $10.4 million, respectively. If the credit risk features of derivative contracts that were in a net liability position at December 31, 2011 and 2010 were triggered, the Company's obligation would be limited to the net liability position.

15. INCOME TAXES

The Company qualifies as a life insurance company for federal income tax purposes. As such, the Company is subject to the Internal Revenue Code provisions applicable to life insurance companies. Ameriprise Financial provides for income taxes on a separate return basis, except that, under an agreement between Ameriprise Financial and the Company, tax benefits are recognized for losses to the extent they can be used in the consolidated return. It is the policy of Ameriprise Financial that it will reimburse its subsidiaries for any tax benefits recorded.

The components of income tax provision were as follows:

	Years Ended December 31,		
(in thousands)	**2011**	**2010**	**2009**
Current income tax:			
Federal	$16,722	$11,154	$16,836
State	(579)	720	1,677
Total current income tax	16,143	11,874	18,513
Deferred federal income tax benefit	(5,542)	6,789	7,335
Income tax provision	$10,601	$18,663	$25,848

The principal reasons that the aggregate income tax provision is different from that computed by using the U.S. statutory rate of 35% are as follows:

	Years Ended December 31,		
	2011	**2010**	**2009**
Tax at U.S. statutory rate	35.0%	35.0%	35.0%
Changes in taxes resulting from:			
Tax-exempt interest and dividend income	(10.0)	(5.3)	(5.4)
State taxes, net of federal benefit	(0.8)	0.6	1.3
Taxes applicable to prior years	(0.3)	(3.0)	1.1
Foreign tax credit, net of addback	(1.9)	(1.1)	(0.6)
Other	(0.1)	0.1	—
Income tax provision (effective tax rate)	21.9%	26.3%	31.4%

For 2011, the decrease in the effective tax rate primarily reflects a decrease in pretax income for 2011 compared to 2010 as well as a favorable audit settlement related to the dividends received deduction. For 2010, the decrease in the effective tax rate primarily reflects a decrease in pretax income for 2010 compared to 2009 while tax advantaged items increased for 2010 compared to 2009.

Deferred income tax assets and liabilities result from temporary differences between the assets and liabilities measured for GAAP reporting versus income tax return purposes. The significant components of the Company's deferred income tax assets and liabilities are reflected in the following table:

	December 31,	
(in thousands)	**2011**	**2010**
Deferred income tax assets:		
Liabilities for future policy benefits	$ 75,232	$ 60,121
Investment related	—	6,084
Capital loss and tax credit carryforward	2,106	—
Other	2,556	1,994
Gross deferred income tax assets	79,894	68,199
Deferred income tax liabilities:		
DAC	71,051	70,102
Net unrealized gains on Available-for Sale securities	31,398	23,617
Investment related	6,157	—
DSIC	7,428	8,382
Gross deferred income tax liabilities	116,034	102,101
Net deferred income tax liabilities	$ 36,140	$ 33,902

The Company is required to establish a valuation allowance for any portion of the deferred tax assets that management believes will not be realized. Significant judgment is required in determining if a valuation allowance should be established and the amount of such allowance if required. Factors used in making this determination include estimates relating to the performance of the business including the ability to generate capital gains. Consideration is given to, among other things in making this determination, i) future taxable income exclusive of reversing temporary differences and carryforwards, ii) future reversals of existing taxable temporary differences, iii) taxable income in prior carryback years, and iv) tax planning strategies. Based on analysis of the Company's tax position, management believes it is more likely than not that the results of future operations and implementation of tax planning strategies will generate sufficient taxable income to enable the Company to utilize all of its deferred tax assets. Accordingly, no valuation allowance has been established as of December 31, 2011 and 2010.

The Company has tax benefits related to capital loss carryforwards of $2.1 million which expire beginning December 31, 2015.

A reconciliation of the beginning and ending amount of gross unrecognized tax benefits is as follows:

(in thousands)	**2011**	**2010**	**2009**
Balance at January 1	$ 2,330	$ (1,602)	$(2,146)
Additions based on tax positions related to the current year	—	—	61
Additions for tax positions of prior years	6,000	12,642	807
Reductions for tax positions of prior years	(634)	(5,954)	(324)
Settlements	(1,272)	(2,756)	—
Balance at December 31	$ 6,424	$ 2,330	$(1,602)

If recognized, approximately $424 thousand, $2.3 million and $2.9 million, net of federal tax benefits, of the unrecognized tax benefits as of December 31, 2011, 2010 and 2009, respectively, would affect the effective tax rate.

The Company recognizes interest and penalties related to unrecognized tax benefits as a component of the income tax provision. The Company recognized a net reduction of $3.9 million, and a net increase of $1.8 million and $17 thousand in interest and penalties for the years ended December 31, 2011, 2010 and 2009, respectively. At December 31, 2011 and 2010, the Company had a payable of $2.0 million and a receivable of $1.9 million, respectively, related to the accrual of interest and penalties.

It is reasonably possible that the total amounts of unrecognized tax benefits will change in the next 12 months. Based on the current audit position of the Company, it is estimated that the total amount of gross unrecognized tax benefits may decrease by $6.4 million in the next 12 months.

Ameriprise Financial and the Company file income tax returns in the U.S. federal jurisdiction and various state jurisdictions. The Internal Revenue Service ("IRS") had completed its field examination of the 1997 through 2007 tax returns in recent years. However, for federal income tax purposes, these years except for 2007, continue to remain open as a consequence of certain issues under appeal. The IRS is currently auditing the Company's income tax returns for 2008 and 2009. The Company's state income tax returns are currently under examination by various jurisdictions for years ranging from 1999 through 2009.

It is possible there will be corporate tax reform in the next few years. While impossible to predict, based on current information, corporate tax reform is likely to include a reduction in the corporate tax rate coupled with reductions in tax preferred items. Any changes could have a material impact on the Company's income tax expense and deferred tax balances.

The items comprising other comprehensive income (loss) are presented net of the following income tax benefit amounts:

	Years Ended December 31,		
(in thousands)	**2011**	**2010**	**2009**
Net unrealized securities gains	$7,780	$7,390	$50,498

16. COMMITMENTS AND CONTINGENCIES

At December 31, 2011 and 2010, the Company had no material commitments to purchase investments other than mortgage loan fundings. See Note 5 for additional information.

The Company's annuity and life products all have minimum interest rate guarantees in their fixed accounts. As of December 31, 2011, these guarantees range up to 5.0%. To the extent the yield on the Company's invested assets portfolio declines below its target spread plus the minimum guarantee, the Company's profitability would be negatively affected.

Insurance companies have been the subject of increasing regulatory, legislative and judicial scrutiny. Numerous state and federal regulatory agencies have commenced examinations and other inquiries of insurance companies regarding sales and marketing practices (including sales to older consumers and disclosure practices), claims handling, and unclaimed property and escheatment practices and procedures. With regard to an industry-wide review of unclaimed property and escheatment practices and procedures, the Company is responding to a request from the New York insurance regulator regarding its abandoned property. The Company has cooperated and will continue to cooperate with the applicable regulators regarding their inquiries.

The Company is involved in the normal course of business in a number of other legal and arbitration proceedings concerning matters arising in connection with the conduct of its business activities. The Company believes that it is not a party to, nor are any of its properties the subject of, any pending legal, arbitration or regulatory investigation or proceeding that is likely to have a material adverse effect on its financial condition, results of operations or liquidity. Notwithstanding the foregoing, it is possible that the outcome of any current or future legal, arbitration or regulatory proceeding could have a material impact on results of operations in any particular reporting period as the proceedings are resolved.

The Company is required by law to be a member of the guaranty fund association in the State of New York. In the event of insolvency of one or more unaffiliated insurance companies, the Company could be adversely affected by the requirement to pay assessments to the guaranty fund association. The financial crisis of 2008 and 2009 and subsequent uncertainty and volatility in the U.S. economy and financial markets have weakened the financial condition of numerous insurers, including insurers currently in receiverships, increasing the risk of triggering guaranty fund assessments.

Uncertain economic conditions, heightened and sustained volatility in the financial markets and significant financial reform legislation may increase the likelihood that clients and other persons or regulators may present or threaten legal claims or that regulators increase the scope or frequency of examinations of the Company or the insurance industry generally.

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