

As filed with the Securities and Exchange  
Commission on April 10, 2007

Registration No. 033-75962\*  
Registration No. 811-02513

---

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM N-4

---

Post-Effective Amendment No. 48 To  
REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

and Amendment to

REGISTRATION STATEMENT UNDER THE INVESTMENT COMPANY ACT OF 1940

---

Variable Annuity Account C of

ING Life Insurance and Annuity Company

151 Farmington Avenue, TS31, Hartford, Connecticut 06156

Depositor's Telephone Number, including Area Code: (860) 723-2239

Michael A. Pignatella, Counsel

ING US Legal Services

151 Farmington Avenue, TS31, Hartford, Connecticut 06156

*(Name and Address of Agent for Service)*

---

It is proposed that this filing will become effective:

    X     immediately upon filing pursuant to paragraph (b) of Rule 485  
on April 30, 2007 pursuant to paragraph (b) of Rule 485

If appropriate, check the following box:

         this post-effective amendment designates a new effective date for a previously  
filed post-effective amendment.

Title of Securities Being Registered: Group Deferred Variable and Fixed Annuity Contracts

\*Pursuant to Rule 429(a) under the Securities Act of 1933, Registrant has included a combined prospectus under this Registration Statement which includes all the information which would currently be required in a prospectus relating to the securities covered by the following earlier Registration Statement: 33-75978.

## PART A

**ING Life Insurance and Annuity Company**  
**and its**  
**Variable Annuity Account C**

**Opportunity Plus – Multiple Option Group Variable Annuity Contracts**

**Supplement dated April 30, 2007 to your current variable annuity Contract Prospectus,  
Contract Prospectus Summary and Statement of Additional Information**

This supplement updates certain information contained in your current variable annuity Contract Prospectus, Contract Prospectus Summary and Statement of Additional Information (SAI). Please read it carefully and keep it with your variable annuity Contract Prospectus, Contract Prospectus Summary and SAI.

**NOTICE OF FUND SUBSTITUTIONS**

Effective July 27, 2007, and pursuant to applicable regulatory approvals, ING Life Insurance and Annuity Company (the “Company”) and Variable Annuity Account C (the “Separate Account”) will replace certain funds in which the subaccounts of the Separate Account invest (the “Replaced Funds”) with certain other funds (the “Substitute Funds”) as follows:

Replaced Funds	Substitute Funds
MFS Total Return Series (Initial Class)	ING MFS Total Return Portfolio (Class I)
Pioneer Equity Income VCT Portfolio (Class I)	ING Pioneer Equity Income Portfolio (Class I)
Pioneer Mid Cap Value VCT Portfolio (Class I)	ING Pioneer Mid Cap Value Portfolio (Class I)

**Important Information about the Substitutions.**

- Effective July 27, 2007, the subaccounts which invest in the Replaced Funds will no longer be available through your variable annuity contract.
- Prior to the effective date of the substitutions and for thirty days thereafter you may transfer amounts allocated to a subaccount which invests in a Replaced Fund to any other subaccount or any available fixed account free of charge and any such transfer will not count as a transfer when imposing any applicable restriction or limit on transfers.
- On the effective date of the substitutions, existing investments and ongoing allocations to a subaccount which invests in a Replaced Fund will be automatically reallocated to the subaccount which invests in the corresponding Substitute Fund. Thereafter, all future allocations directed to a subaccount which invested in a Replaced Fund will be automatically allocated to the corresponding Substitute Fund.
- The investment objective and policies of each Substitute Fund are the same as, similar to or consistent with the investment objective and policies of the corresponding Replaced Fund. The investment objective of each Substitute Fund is more fully described in each Substitute Fund's prospectus.
- A prospectus for each of the Substitute Funds has previously been sent to you or accompanies this supplement. Read these materials carefully before deciding what to do with amounts allocated to subaccounts which invest in the Replaced Funds. Should you need additional prospectuses, please call the number listed in your Contract Prospectus under "Questions: Contacting the Company" or the first page of your Contract Prospectus Summary.
- **Although the total expenses of each Substitute Fund are less than or equal to the total expenses of the corresponding Replaced Fund, you should know that the Company and its affiliates expect to collectively receive higher levels of revenue from each Substitute Fund than from the corresponding Replaced Fund. This additional revenue is primarily realized in the form of management and service fees the Substitute Funds will pay to certain of the Company's affiliates (the prospectus applicable to each Substitute Fund details these amounts). By contrast, the corresponding fees of the Replaced Funds are paid to non-ING entities. The Company therefore has a financial incentive to proceed with the substitution.**

*Insurance products issued by ING Life Insurance and Annuity Company. Securities offered through ING Financial Advisers, LLC (Member SIPC), 151 Farmington Avenue, Hartford, CT 06156, or through other Broker-Dealers with which it has a selling agreement. These companies are wholly owned, indirect subsidiaries of ING Groep N.V. Insurance obligations are the responsibility of each individual company.*

**ING LIFE INSURANCE AND ANNUITY COMPANY**  
**VARIABLE ANNUITY ACCOUNT C**  
**OPPORTUNITY PLUS**  
**CONTRACT PROSPECTUS – April 30, 2007**

**The Contracts.** The contracts described in this prospectus are group deferred variable and fixed annuity contracts issued by ING Life Insurance and Annuity Company (the Company, we, us). The contracts may be single purchase payment contracts, which allow for lump-sum payments, or installment purchase payment contracts, which allow for installment payments. They are intended to be used as funding vehicles for certain types of supplemental retirement programs, including those that qualify for beneficial tax treatment and/or to provide current income reduction under certain sections of the Internal Revenue Code of 1986, as amended (Tax Code).

**Why Reading this Prospectus is Important.** Before you participate in the contract through a supplemental retirement program, you should read this prospectus. It provides facts about the contract and its investment options. Prospective contract holders (generally a school district or an entity associated with a state operated State University of New York campus to which we issue a master contract) should read this prospectus to help determine if the contract is appropriate for those employees eligible to participate. Keep this document for future reference.

**Table of Contents ... page 3**

You may participate in this contract if you are an eligible employee of a school board or public university in the State of New York and if you are a member of the New York State United Teachers trust (NYSUT) or the United University Professions (UUP).

**Investment Options.** The contracts offer variable investment options and fixed interest options. When we establish your account, you instruct us to direct account dollars to any of the available options.

**The Funds**

AIM V.I. Capital Appreciation Fund (Series I)	ING Thornburg Value Portfolio (I Class) <sup>(2)</sup>
AIM V.I. Core Equity Fund (Series I)	ING UBS U.S. Large Cap Equity Portfolio (I Class)
American Century® Income & Growth Fund (Advisor Class) <sup>(1)</sup>	ING Van Kampen Comstock Portfolio (S Class)
Calvert Social Balanced Portfolio	ING Van Kampen Equity and Income Portfolio (I Class)
EuroPacific Growth Fund® (Class R-4) <sup>(1)</sup>	ING VP Balanced Portfolio, Inc. (Class I)
Evergreen Special Values Fund (Class A)* <sup>(1)</sup>	ING VP Global Science and Technology Portfolio (Class I)
Fidelity® VIP Asset Manager <sup>SM</sup> Portfolio (Initial Class)	ING VP Growth and Income Portfolio (Class I)
Fidelity® VIP Contrafund® Portfolio (Initial Class)	ING VP Growth Portfolio (Class I)
Fidelity® VIP Equity-Income Portfolio (Initial Class)	ING VP Index Plus International Equity Portfolio (Class S)
Fidelity® VIP High Income Portfolio (Initial Class)	ING VP Index Plus LargeCap Portfolio (Class I)
Fidelity® VIP Index 500 Portfolio (Initial Class)	ING VP Index Plus MidCap Portfolio (Class I)
Fidelity® VIP Overseas Portfolio (Initial Class)	ING VP Index Plus SmallCap Portfolio (Class I)
Franklin Small Cap Value Securities Fund (Class 2)	ING VP Intermediate Bond Portfolio (Class I)
ING Baron Small Cap Growth Portfolio (S Class)	ING VP International Equity Portfolio (Class I)
ING BlackRock Large Cap Growth Portfolio (Class I)	ING VP Money Market Portfolio (Class I)
ING FMR <sup>SM</sup> Large Cap Growth Portfolio (Class I)** <sup>(2)</sup>	ING VP Real Estate Portfolio (Class I)
ING GET U.S. Core Portfolio <sup>(3)</sup>	ING VP Small Company Portfolio (Class I)
ING Global Resources Portfolio (Class S) <sup>(4)</sup>	ING VP Strategic Allocation Conservative Portfolio (Class I)
ING JPMorgan Emerging Markets Equity Portfolio (Class I)	ING VP Strategic Allocation Growth Portfolio (Class I)
ING JPMorgan International Portfolio (I Class)	ING VP Strategic Allocation Moderate Portfolio (Class I)
ING Legg Mason Partners Aggressive Growth Portfolio (I Class)	ING VP Value Opportunity Portfolio (Class I)
ING Legg Mason Partners Large Cap Growth Portfolio (I Class)	ING Wells Fargo Small Cap Disciplined Portfolio (Class S)
ING MFS Total Return Portfolio (Class I)	Lord Abbett Series Fund - Mid-Cap Value Portfolio
ING Oppenheimer Global Portfolio (I Class)	(Class VC)
ING Oppenheimer Strategic Income Portfolio (I Class)	MFS® Total Return Series (Initial Class)
ING PIMCO High Yield Portfolio (Class I)	New Perspective Fund® (Class R-4) <sup>(1)</sup>
ING PIMCO Total Return Portfolio (S Class)	Oppenheimer Developing Markets Fund (Class A) <sup>(1)(6)</sup>
ING Pioneer Equity Income Portfolio (Class I) <sup>(5)</sup>	Pax World Balanced Fund (Individual Investor Class)
ING Pioneer Mid Cap Value Portfolio (Class I)	Pioneer Equity Income VCT Portfolio (Class I)
ING T. Rowe Price Diversified Mid Cap Growth Portfolio (I Class)	Pioneer Mid Cap Value VCT Portfolio (Class I)
ING T. Rowe Price Growth Equity Portfolio (I Class)	The Growth Fund of America® (Class R-4) <sup>(1)</sup>
	Washington Mutual Investors Fund <sup>SM</sup> (Class R-4) <sup>(1)</sup>

\* This fund is closed to new plans.

\*\* FMR is a service mark of Fidelity Management & Research Company.

(1) This fund is available to the general public. See "Investment Options - Additional Risks of Investing in the Funds."

(2) This fund has changed its name to the name listed above. See Appendix III – Fund Descriptions for a complete list of former and current fund names.

(3) The ING GET U.S. Core Portfolio is not currently available for investment.

(4) Transfers or deposits are not allowed into the subaccount investing in this fund, except for accounts established under the contract before May 1, 1998. As soon as all those who have current allocations to the subaccount under the contract have redirected their allocations to other investment options, we will close the subaccount to all investments.

(5) This fund is scheduled to be available on May 11, 2007.

(6) This fund is only available to those plans that were offering it prior to March 6, 2006.

## CONTRACT PROSPECTUS - April 30, 2007 (CONTINUED)

---

**Variable Investment Options.** These options are called subaccounts. The subaccounts are within Variable Annuity Account C (the separate account). Each subaccount invests in one of the mutual funds (funds) listed on the previous page. Earnings on amounts invested in a subaccount will vary depending upon the performance of its underlying fund. You do not invest directly in or hold shares of the funds.

**Risks Associated with Investing in the Funds.** Information about the risks of investing in the funds is located in the "Investment Options" section in this prospectus on page 9 and in each fund prospectus. Read this prospectus in conjunction with the fund prospectuses, and retain the fund prospectuses for future reference.

**Fixed Interest Options.**

- ▷ Guaranteed Accumulation Account
- ▷ Fixed Account

Except as specifically mentioned, this prospectus describes only the variable investment options. However, we describe the fixed interest options in the appendices to this prospectus. There is also a separate prospectus for the Guaranteed Accumulation Account.

**Compensation.** We pay compensation to broker-dealers whose registered representatives sell the contracts. See "Contract Distribution" for further information about the amount of compensation we pay.

**Getting Additional Information.** You may obtain the April 30, 2007 Statement of Additional Information (SAI) free of charge by indicating your request on your enrollment materials, by calling the Opportunity Plus Service Center at 1-800-677-4636 or by writing to us at the address listed in "Contract Overview-Questions: Contacting the Company." You may also obtain an SAI for any of the funds, or a Guaranteed Accumulation Account prospectus, by calling that number. This prospectus, the Guaranteed Accumulation Account prospectus, the SAI and other information about the separate account may be obtained by accessing the Securities and Exchange Commission's (SEC) website, <http://www.sec.gov>. Copies of this information may also be obtained, after paying a duplicating fee, by contacting the SEC Public Reference Branch. Information on the operation of the SEC Public Reference Branch may be obtained by calling 1-202-551-8090 or 1-800-SEC-0330, e-mailing [publicinfo@sec.gov](mailto:publicinfo@sec.gov) or by writing to SEC Public Reference Branch, 100 F Street, NE, Room 1580, Washington, D.C. 20549. When looking for information regarding the contracts offered through this prospectus, you may find it useful to use the number assigned to the registration statement under the Securities Act of 1933. This number is 033-75962. The number assigned to the registration statement for the Guaranteed Accumulation Account is 333-1141040. The SAI table of contents is listed on page 41 of this prospectus. The SAI is incorporated into this prospectus by reference.

**Additional Disclosure Information.** Neither the SEC, nor any state securities commission, has approved or disapproved the securities offered through this prospectus or passed on the accuracy or adequacy of this prospectus. Any representation to the contrary is a criminal offense. This prospectus is valid only when accompanied by current prospectuses of the funds. We do not intend for this prospectus to be an offer to sell or a solicitation of an offer to buy these securities in any state that does not permit their sale. We have not authorized anyone to provide you with information that is different than that contained in this prospectus.

## TABLE OF CONTENTS

<b>Contract Overview</b>	<b>4</b>
Who's Who	
The Contract and Your Supplemental Retirement Program	
Contract Rights	
Contract Facts	
Questions: Contacting the Company (sidebar)	
Sending Forms and Written Requests in Good Order (sidebar)	
Contract Phases: Accumulation Phase, The Income Phase	
<b>Fee Table</b>	<b>6</b>
<b>Condensed Financial Information</b>	<b>8</b>
<b>Variable Annuity Account C</b>	<b>8</b>
<b>The Company</b>	<b>8</b>
<b>Investment Options</b>	<b>9</b>
<b>Transfers</b>	<b>11</b>
<b>Contract Purchase or Participation</b>	<b>14</b>
<b>Contract Ownership and Rights</b>	<b>15</b>
<b>Right to Cancel</b>	<b>15</b>
<b>Fees</b>	<b>16</b>
<b>Your Account Value</b>	<b>21</b>
<b>Withdrawals</b>	<b>22</b>
<b>Loans</b>	<b>23</b>
<b>Systematic Distribution Options</b>	<b>24</b>
<b>Death Benefit</b>	<b>25</b>
<b>The Income Phase</b>	<b>27</b>
<b>Contract Distribution</b>	<b>30</b>
<b>Taxation</b>	<b>33</b>
<b>Other Topics</b>	<b>39</b>
Opportunity Plus Service Center - Performance Reporting - Voting Rights - Contract Modification - Legal Matters and Proceedings - Payment Delay or Suspension - Intent to Confirm Quarterly	
<b>Contents of the Statement of Additional Information</b>	<b>41</b>
<b>Appendix I - Guaranteed Accumulation Account</b>	<b>42</b>
<b>Appendix II - Fixed Account</b>	<b>44</b>
<b>Appendix III - Fund Descriptions</b>	<b>45</b>
<b>Appendix IV - Condensed Financial Information</b>	<b>CFI-I</b>

**Questions: Contacting the**

**Company:** To answer your questions, contact your local representative or write or call the Company through:

For all regular mail, please use:

Opportunity Plus Service Center  
ING National Trust  
P.O. Box 9810  
Providence, RI 02940-8010

For overnight delivery, please use:

Opportunity Plus Service Center  
ING National Trust  
101 Sabin Street  
Pawtucket, RI 02860

1-800-OPP-INFO  
(1-800-677-4636)

**Sending Forms and Written Requests in Good Order.**

If you are writing to change your beneficiary, request a withdrawal, or for any other purpose, contact your local representative or the Company through the Opportunity Plus Service Center to learn what information is required in order for the request to be in “good order.” By contacting us, we can provide you with the appropriate administrative form for your requested transaction.

Generally, a request is considered to be in “good order” when it is signed, dated and made with such clarity and completeness that we are not required to exercise any discretion in carrying it out. We can only act upon written requests that are received in good order.

## CONTRACT OVERVIEW

The following is a summary. Please read each section of this prospectus for additional information.

### Who’s Who

**You (the participant):** The individual participating in a supplemental retirement program, where the program uses the contract as a funding option.

**Plan Sponsor:** The sponsor of your supplemental retirement program. Generally, your employer.

**Contract Holder:** The person or entity to whom we issue the contract. The contract holder is the school district or an entity associated with a state operated State University of New York campus to which we have issued the master contract. We may also refer to the contract holder as the contract owner.

**We, us, our (the Company):** ING Life Insurance and Annuity Company. We issue the contract.

### The Contract and Your Supplemental Retirement Program

**Supplemental Retirement Program (plan):** A plan sponsor has established a supplemental retirement program for you. The term “contract(s)” in this prospectus refers to the group deferred variable annuity contract offered as a funding option for that plan.

**Plan Type:** We refer to the supplemental retirement program in this prospectus as a 403(b) or Roth 403(b) plan. For a description, see “Taxation.”

**Use of an Annuity Contract in your Plan:** Under the federal tax laws, earnings on amounts held in annuity contracts are generally not taxed until they are withdrawn. However, in the case of a qualified retirement account (such as a 403(b) or Roth 403(b) plan), an annuity contract is not necessary to obtain this favorable tax treatment and does not provide any tax benefits beyond the deferral already available to the tax qualified account itself. Annuities do provide other features and benefits (such as the guaranteed death benefit and the option of lifetime income phase options at established rates) that may be valuable to you. You should discuss your alternatives with your local representative taking into account the additional fees and expenses you may incur in an annuity. See “Contract Purchase or Participation.”

### Contract Rights

You hold all rights under the contract and may make all elections for your accounts.

### Contract Facts

**Free Look/Right to Cancel:** Contract holders and participants may cancel their purchase no later than ten days after they receive the contract (or other document evidencing their interest). See “Right to Cancel.”

**Death Benefit:** A beneficiary may receive a benefit in the event of your death during both the accumulation and income phases. The availability of a death benefit during the income phase depends upon the income phase payment option selected. See “Death Benefit” and “The Income Phase.”

**Withdrawals:** During the accumulation phase, you may, subject to the limits in the contract, withdraw all or a part of your account value. Certain fees and taxes may apply. See “Withdrawals” and “Taxation.” Amounts withdrawn from the Guaranteed Accumulation Account may be subject to a market value adjustment. See Appendix I.

**Systematic Distribution Options:** You may elect to receive regular payments from your account, while retaining the account in the accumulation phase. See “Systematic Distribution Options.”

**Fees:** Certain fees are deducted from your account value. See “Fee Table” and “Fees.”

**Taxation:** Amounts you receive as a distribution will generally be included in your gross income and will be subject to taxation. Tax penalties may apply in some circumstances. See “Taxation.”

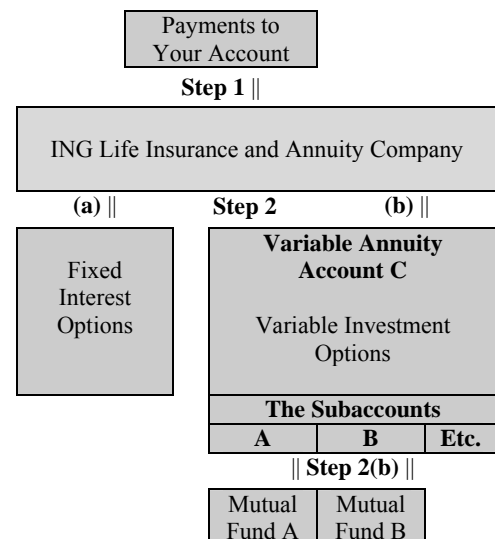
## Contract Phases

### I. The Accumulation Phase. (Accumulating retirement benefits)

**STEP 1:** You provide ING Life Insurance and Annuity Company with your completed enrollment materials and we may set up one or more accounts for you. We may set up account(s) for employer contributions and/or contributions from your salary.

**STEP 2:** You direct us to invest your account dollars in any of the following investment options:

- (a) Fixed Interest Options; or
- (b) Variable Investment Options. (The variable investment options are the subaccounts of Variable Annuity Account C. Each one invests in a specific mutual fund.) The subaccount(s) selected purchases shares of its corresponding fund.



### II. The Income Phase. (Receiving income phase payments from your contract)

If you wish to begin receiving payments from your contract, you may elect from the options available. The contract offers several income phase payment options, if you wish to elect one (see “The Income Phase”). In general, you may:

- ▷ Receive income phase payments over a lifetime or for a specified period;
- ▷ Receive income phase payments monthly, quarterly, semi-annually or annually;
- ▷ Select an income phase payment option that provides a death benefit to your beneficiary(ies); and
- ▷ Select fixed income phase payments, variable income phase payments (that vary based on the performance of the variable investment options you select), or a combination of fixed and variable income phase payments.



**In This Section:**

- ▷ Maximum Contract Holder Transaction Expenses
- ▷ Separate Account Annual Expenses
- ▷ Total Annual Fund Operating Expenses
- ▷ Hypothetical Examples
- ▷ Fees Deducted by the Funds

**Also See the “Fees” Section for:**

- ▷ Early Withdrawal Charge Schedules
- ▷ How, When and Why Fees are Deducted
- ▷ Redemption Fees
- ▷ Premium and Other Taxes
- ▷ ING GET Fund Guarantee Charge

**See “The Income Phase” for:**

- ▷ Fees During the Income Phase

## FEE TABLE

The following tables describe the fees and expenses that you will pay when buying, owning, and withdrawing from your contract. The first table describes the fees and expenses that you will pay at the time that you buy the contract, withdraw from the contract, take a loan from the contract or transfer cash value between investment options. State premium taxes may also be deducted.\* See “The Income Phase” for fees that may apply after you begin receiving payments under the contract.

### *Maximum Contract Holder Transaction Expenses*

Early Withdrawal Charge<sup>1</sup>  
(as a percentage of amount withdrawn) 5.0%

- <sup>1</sup> This is a deferred sales charge. For Single Purchase Payment Contracts, there is no withdrawal charge. For Installment Purchase Payment Contracts, the early withdrawal charge applies to account values in the Fixed Account and to account values in the subaccounts and the Guaranteed Accumulation Account that were attributable to amounts held in the Fixed Account at any time. The early withdrawal charge reduces over time and may be calculated differently where both a Roth 403(b) account and traditional 403(b) account are available. These fees may be waived, reduced or eliminated in certain circumstances. See the “Fees” section.

The next table describes the fees and expenses that you will pay periodically during the time that you own the contract, not including fund fees and expenses.

### *Separate Account Annual Expenses*

(as a percentage of average account value)

Mortality and Expense Risk Charge	1.00% <sup>2</sup>	
Maximum Administrative Expense Charge	0.25% <sup>3</sup>	(currently 0.0%)
ING GET Fund Guarantee Charge	<u>0.25%</u> <sup>4</sup>	(only if selected as an investment option)
Total Separate Account Annual Expenses	<u>1.50%</u>	

- <sup>2</sup> The mortality and expense risk charge for the ING VP Money Market Portfolio subaccount is 0.35% on an annual basis.

- <sup>3</sup> We do not currently impose an administrative expense charge. However, we reserve the right to deduct a daily charge of not more than 0.25% on an annual basis from the subaccounts.

- <sup>4</sup> The ING GET Fund Guarantee Charge is deducted daily during the guarantee period only from amounts allocated to the ING GET U.S. Core Portfolio investment option. See “Investment Options-ING GET U.S. Core Portfolio” and “Fees-ING GET U.S. Core Portfolio Guarantee Charge” for a description of the ING GET Fund Guarantee Charge. No series of the ING GET U.S. Core Portfolio is currently available for investment under the contract.

\* State premium taxes (which currently range from 0.0% to 4.0% of premium payments) may apply, but are not reflected in the fee tables or examples. See “Premium and Other Taxes.”

The next item shows the minimum and maximum total operating expenses charged by the funds that you may pay periodically during the time that you own the contract. The minimum and maximum expenses listed below are based on expenses for the funds' most recent fiscal year ends without taking into account any fee waiver or expense reimbursement arrangements that may apply. More detail concerning each fund's fees and expenses is contained in the prospectus for each fund.

	Minimum	Maximum
<b>Total Annual Fund Operating Expenses</b> (expenses that are deducted from fund assets, including management fees, distribution (12b-1) and/or service fees, and other expenses)	0.10%	1.37%

### ***Hypothetical Examples***

The following Examples are intended to help you compare the cost of investing in the contract with the cost of investing in other variable annuity contracts. These costs include contract holder transaction expenses, the maximum separate account annual expenses applicable to the particular fund, and fund fees and expenses.

**Example 1:** The following Examples assume that you invest \$10,000 in the contract for the time periods indicated. The Examples also assume that your investment has a 5.0% return each year and assume the **maximum** fees and expenses of any of the funds. Although your actual costs may be higher or lower, based on these assumptions, your costs would be:

<b>(A) If you withdraw your entire account value at the end of the applicable time period*:</b>				<b>(B) If you do not withdraw your entire account value or if you select an income phase payment option at the end of the applicable time period**:</b>			
<u>1 Year</u>	<u>3 Years</u>	<u>5 Years</u>	<u>10 Years</u>	<u>1 Year</u>	<u>3 Years</u>	<u>5 Years</u>	<u>10 Years</u>
\$777	\$1,351	\$1,953	\$2,954	\$265	\$814	\$1,390	\$2,954

**Example 2:** The following Examples assume that you invest \$10,000 in the contract for the time periods indicated. The Examples also assume that your investment has a 5.0% return each year and assume the **minimum** fees and expenses of any of the funds. Although your actual costs may be higher or lower, based on these assumptions, your costs would be:

<b>(A) If you withdraw your entire account value at the end of the applicable time period*:</b>				<b>(B) If you do not withdraw your entire account value or if you select an income phase payment option at the end of the applicable time period**:</b>			
<u>1 Year</u>	<u>3 Years</u>	<u>5 Years</u>	<u>10 Years</u>	<u>1 Year</u>	<u>3 Years</u>	<u>5 Years</u>	<u>10 Years</u>
\$656	\$984	\$1,338	\$1,624	\$137	\$428	\$739	\$1,624

\* This example reflects deduction of an early withdrawal charge calculated using the schedule applicable to Installment Purchase Payment Contracts. The Installment Purchase Payment Contracts schedule is listed in "Fees." Under that schedule, if only one \$10,000 payment was made as described above, fewer than 5 purchase payment periods would have been completed at the end of years 1, 3 and 5, and the 5.0% charge would apply. At the end of the tenth account year the early withdrawal charge is waived regardless of the number of purchase payment periods completed, and no early withdrawal charge would apply.

\*\* This example does not apply if during the income phase a nonlifetime payment option with variable payments is selected and a lump-sum withdrawal is requested within 3 years after payments start. In this case, the lump-sum payment is treated as a withdrawal during the accumulation phase and may be subject to an early withdrawal charge as shown in Example A.

### ***Fees Deducted by the Funds***

**Fund Fee Information.** The fund prospectuses show the investment advisory fees, 12b-1 fees and other expenses including service fees (if applicable) charged annually by each fund. See the "Fees" section of this prospectus, and the fund prospectuses, for further information. Fund fees are one factor that impact the value of a fund share. To learn about additional factors, refer to the fund prospectuses.

The Company may receive compensation from each of the funds or the funds' affiliates based on an annual percentage of the average net assets held in that fund by the Company. The percentage paid may vary from one fund company to another. For certain funds, some of this compensation may be paid out of 12b-1 fees or service fees that are deducted from fund assets. Any such fees deducted from fund assets are disclosed in the fund prospectuses. The Company may also receive additional compensation from certain funds for administrative, recordkeeping or other services provided by the Company to the funds or the funds' affiliates. These additional payments may also be used

by the Company to finance distribution. These additional payments are made by the funds or the funds' affiliates to the Company and do not increase, directly or indirectly, the fund fees and expenses. See "Fees-Fund Fees and Expenses" for additional information.

In the case of fund companies affiliated with the Company, where an affiliated investment adviser employs subadvisers to manage the funds, no direct payments are made to the Company or the affiliated investment adviser by the subadvisers. Subadvisers may provide reimbursement for employees of the Company or its affiliates to attend business meetings or training conferences. Investment management fees are apportioned between the affiliated investment adviser and the subadviser. This apportionment varies by subadviser, resulting in varying amounts of revenue retained by the investment adviser. This apportionment of the investment advisory fee does not increase, directly or indirectly, fund fees and expenses. See "Fees-Fund Fees and Expenses" for additional information.

**How Fees are Deducted.** Fees are deducted from the value of the fund shares on a daily basis, which in turn affects the value of each subaccount that purchases fund shares.

## CONDENSED FINANCIAL INFORMATION

---

**Understanding Condensed Financial Information.** In Appendix IV, we provide condensed financial information about the Variable Annuity Account C subaccounts available under the contracts. The tables show the value of the subaccounts over the past 10 years. For subaccounts that were not available 10 years ago, we give a history from the date of first availability.

**Financial Statements.** The statements of assets and liabilities, the statements of operations, the statements of changes in net assets and the related notes to financial statements for Variable Annuity Account C and the consolidated financial statements and the related notes to financial statements for ING Life Insurance and Annuity Company are located in the Statement of Additional Information.

## VARIABLE ANNUITY ACCOUNT C

---

We established Variable Annuity Account C (the separate account) in 1976 as a continuation of the separate account of Aetna Variable Annuity Life Insurance Company established in 1974 under Arkansas law. The separate account was established as a segregated asset account to fund variable annuity contracts. The separate account is registered as a unit investment trust under the Investment Company Act of 1940 (the "40 Act"). It also meets the definition of "separate account" under the federal securities laws.

The separate account is divided into "subaccounts." These subaccounts invest directly in shares of a pre-assigned fund.

Although we hold title to the assets of the separate account, such assets are not chargeable with the liabilities of any other business that we conduct. Income, gains or losses of the separate account are credited to or charged against the assets of the separate account without regard to other income, gains or losses of ING Life Insurance and Annuity Company. All obligations arising under the contracts are obligations of ING Life Insurance and Annuity Company.

## THE COMPANY

---

ING Life Insurance and Annuity Company (the Company, we, us, our) issues the contracts described in this prospectus and is responsible for providing each contract's insurance and annuity benefits. We are a direct, wholly owned subsidiary of Lion Connecticut Holdings Inc.

We are a stock life insurance company organized under the insurance laws of the State of Connecticut in 1976 and an indirect wholly owned subsidiary of ING Groep N.V., a global financial institution active in the fields of insurance, banking and asset management. Through a merger, our operations include the business of Aetna Variable Annuity Life Insurance Company (formerly known as Participating Annuity Life Insurance Company, an Arkansas life insurance company organized in 1954). Prior to May 1, 2002, the Company was known as Aetna Life Insurance and Annuity Company.

We are engaged in the business of issuing life insurance and annuities.

Our principal executive offices are located at:

151 Farmington Avenue  
Hartford, Connecticut 06156

**Regulatory Developments – the Company and the Industry.** As with many financial services companies, the Company and its affiliates have received informal and formal requests for information from various state and federal governmental agencies and self-regulatory organizations in connection with inquiries and investigations of the products and practices of the financial services industry. In each case, the Company and its affiliates have been and are providing full cooperation.

**Investment and Retirement Plan Products and Other Regulatory Matters.** The New York Attorney General, other federal and state regulators and self-regulatory agencies are also conducting broad inquiries and investigations involving the insurance and retirement industries. These initiatives currently focus on, among other things, compensation, revenue sharing, and other sales incentives; potential conflicts of interest; potential anti-competitive activity; reinsurance; marketing practices; specific product types (including group annuities and indexed annuities); and disclosure. It is likely that the scope of these industry investigations will further broaden before they conclude. The Company and certain of its U.S. affiliates have received formal and informal requests in connection with such investigations, and are cooperating fully with each request for information. Some of these matters could result in regulatory action involving the Company.

These initiatives also may result in new legislation and regulation that could significantly affect the financial services industry, including businesses in which the Company is engaged.

In light of these and other developments, U.S. affiliates of ING, including the Company, periodically review whether modifications to their business practices are appropriate.

**Investment Product Regulatory Issues.** Since 2002, there has been increased governmental and regulatory activity relating to mutual funds and variable insurance products. This activity has primarily focused on inappropriate trading of fund shares; directed brokerage; compensation; sales practices, suitability, and supervision; arrangements with service providers; pricing; compliance and controls; adequacy of disclosure; and document retention.

In addition to responding to governmental and regulatory requests on fund trading issues, ING management, on its own initiative, conducted, through special counsel and a national accounting firm, an extensive internal review of mutual fund trading in ING insurance, retirement, and mutual fund products. The goal of this review was to identify any instances of inappropriate trading in those products by third parties or by ING investment professionals and other ING personnel.

The internal review identified several isolated arrangements allowing third parties to engage in frequent trading of mutual funds within the variable insurance and mutual fund products of certain affiliates of the Company, and identified other circumstances where frequent trading occurred despite measures taken by ING intended to combat market timing. Each of the arrangements has been terminated and disclosed to regulators, to the independent trustees of ING Funds (U.S.) and in Company reports previously filed with the Securities and Exchange Commission (“SEC”) pursuant to the Securities Exchange Act of 1934, as amended.

Action may be taken by regulators with respect to certain ING affiliates before investigations relating to fund trading are completed. The potential outcome of such action is difficult to predict but could subject certain affiliates to adverse consequences, including, but not limited to, settlement payments, penalties, and other financial liability. It is not currently anticipated, however, that the actual outcome of any such action will have a material adverse effect on ING or ING’s U.S.-based operations, including the Company.

ING has agreed to indemnify and hold harmless the ING Funds from all damages resulting from wrongful conduct by ING or its employees or from ING’s internal investigation, any investigations conducted by any governmental or self-regulatory agencies, litigation or other formal proceedings, including any proceedings by the SEC. Management reported to the ING Funds Board that ING management believes that the total amount of any indemnification obligations will not be material to ING or ING’s U.S.-based operations, including the Company.

## **INVESTMENT OPTIONS**

---

The contract offers variable investment options and fixed interest options. When we establish your account(s), you instruct us to direct account dollars to any of the available options.

**Variable Investment Options.** These options are called subaccounts. The subaccounts are within Variable Annuity Account C (the separate account), a separate account of the Company. Each subaccount invests in a specific mutual fund. Earnings on amounts invested in a subaccount will vary depending upon the performance and fees of its underlying fund. You do not invest directly in or hold shares of the funds.

- **Fund Descriptions.** We provide brief descriptions of the funds in Appendix III. Please refer to the fund prospectuses for additional information. Fund prospectuses may be obtained, free of charge, from the Opportunity Plus Service Center at the address and telephone number listed under “Contract Overview-Questions: Contacting the Company,” by accessing the SEC’s website or by contacting the SEC Public Reference Branch.

**Fixed Interest Options.** For descriptions of the fixed interest options, see Appendix I and II and the Guaranteed Accumulation Account prospectus. The Guaranteed Accumulation Account Prospectus may be obtained free of charge from the Opportunity Plus Service Center at the address and telephone number listed in “Contract Overview-Questions: Contacting the Company,” by accessing the SEC’s website or by contacting the SEC Public Reference Branch.

**ING GET U.S. Core Portfolio.** An ING GET U.S. Core Portfolio (“ING GET Fund”) series may be available during the accumulation phase of the contract. We make a guarantee, as described below, when you allocate money into an ING GET Fund series. Each ING GET Fund series has an offering period of three months or longer, which precedes the guarantee period. The ING GET Fund investment option may not be available under your contract, under your plan, or in your state.

Various series of the ING GET Fund may be offered from time to time and additional charges will apply if you elect to invest in one of these series. We are not currently offering any series of the ING GET Fund for investment. The Company makes a guarantee when you direct money into an ING GET Fund series. We guarantee that the value of an accumulation unit of the ING GET Fund subaccount for that series under the Contract on the maturity date will not be less than its value as determined after the close of business on the last day of the offering period for that ING GET Fund series. If the value on the maturity date is lower than it was on the last day of the offering period, we will add funds to the ING GET Fund subaccount for that series to make up the difference. This means that if you remain invested in the ING GET Fund series until the maturity date, at the maturity date, you will receive no less than the value of your separate account investment directed to the ING GET Fund series as of the last day of the offering period, less charges not reflected in the accumulation unit value such as the maintenance fee and less any amounts you transfer or withdraw from the ING GET Fund subaccount for that series.

The value of dividends and distributions made by the ING GET Fund series throughout the guarantee period is taken into account in determining whether, for purposes of the guarantee, the value of your ING GET Fund investment on the maturity date is no less than its value as of the last day of the offering period. If you withdraw or transfer funds from an ING GET Fund series prior to the maturity date, we will process the transactions at the actual unit value next determined after we receive your request. The ING GET Fund subaccount is not available for dollar cost averaging, automatic rebalancing, or for income phase payments.

Before the maturity date, we will send a notice to each participant who has allocated amounts to the ING GET Fund series. This notice will remind you that the maturity date is approaching and that you must choose other investment options for your ING GET Fund series amounts. If you do not make a choice, on the maturity date we will transfer your ING GET Fund series amounts to another available series of the ING GET Fund that is then accepting deposits under your contract or plan. If no ING GET Fund is then available under your contract or plan, we will transfer your ING GET Fund series amounts to a balanced fund advised by ING Investments, LLC (or another adviser affiliated with the Company) available under the contract that has the best 5-year standardized performance. If there are no such balanced funds available under the contract, we will transfer your ING GET Fund series amounts to a core U.S. equity fund advised by ING Investments, LLC (or another adviser affiliated with the Company) available under the contract that has the best 5-year standardized performance. All amounts not transferred to a new ING GET Fund series, as outlined above, will be subject to market risk including the possible loss of principal.

Please see the ING GET U.S. Core Portfolio prospectus for a complete description of the ING GET Fund investment option, including charges and expenses.

#### ***Selecting Investment Options***

- **Choose options appropriate for you.** Your local representative can help you evaluate which investment options may be appropriate for your financial goals.
- **Understand the risks associated with the options you choose.** Some subaccounts invest in funds that are considered riskier than others. Funds with additional risks are expected to have a value that rises and falls more rapidly and to a greater degree than other funds. For example, funds investing in foreign or international securities are subject to additional risks not associated with domestic investments, and their performance may vary accordingly. Also, funds using derivatives in their investment strategy may be subject to additional risks.
- **Be informed.** Read this prospectus, the fund prospectuses, fixed interest option appendices, and the Guaranteed Accumulation Account prospectus.

**Limits on Option Availability.** We may add, withdraw or substitute funds, subject to the conditions in the contract and compliance with regulatory requirements. In the case of a substitution, the new fund may have different fees and charges than the fund it replaced.

**Limits on Number of Options Selected.** No more than 18 investment options may be selected for your account at any one time during the accumulation phase. If you have an outstanding loan, you may currently make a total of 18 cumulative selections over the life of your account. Each subaccount, the Fixed Account, and each classification of the Guaranteed Accumulation Account counts as one option. If you have a loan on the account, each option counts toward the limit, even after the full value is transferred to other options.

### ***Additional Risks of Investing in the Funds***

**Insurance-Dedicated Funds** (*Mixed and Shared Funding*) Most of the funds described in this prospectus are available only to insurance companies for their variable contracts. Such funds are often referred to as “insurance-dedicated funds,” and are used for “mixed” and “shared” funding.

“Mixed funding” occurs when shares of a fund, which the subaccounts buy for variable annuity contracts, are bought for variable life insurance contracts issued by us or other insurance companies.

“Shared funding” occurs when shares of a fund, which the subaccounts buy for variable annuity contracts, are also bought by other insurance companies for their variable annuity contracts.

- ▷ Mixed-bought for annuities and life insurance.
- ▷ Shared-bought by more than one company.

**Public Funds.** The following funds, which the subaccounts buy for variable annuity contracts, are also available to the general public:

- ▷ American Century<sup>®</sup> Income & Growth Fund
- ▷ EuroPacific Growth Fund<sup>®</sup>
- ▷ Evergreen Special Values Fund
- ▷ New Perspective Fund<sup>®</sup>
- ▷ Oppenheimer Developing Markets Fund
- ▷ Pax World Balanced Fund
- ▷ The Growth Fund of America<sup>®</sup>
- ▷ Washington Mutual Investors Fund<sup>SM</sup>

See “Taxation - Section 403(b) Tax Deferred Annuities” for a discussion of investing in one of the public funds under a 403(b) or Roth 403(b) annuity contract.

**Possible Conflicts of Interest.** With respect to the insurance-dedicated funds and the public funds, it is possible that a conflict of interest may arise due to mixed and shared funding, a change in law affecting the operations of variable annuity separate accounts, differences in the voting instructions of the contract holder and others maintaining a voting interest in the funds, or some other reason. Such a conflict could adversely impact the value of a fund. For example, if a conflict of interest occurred and one of the subaccounts withdrew its investment in a fund, the fund may be forced to sell its securities at disadvantageous prices, causing its share value to decrease. Each insurance-dedicated fund’s board of directors or trustees will monitor events in order to identify any material irreconcilable conflicts which may arise and to determine what action, if any, should be taken to address such conflicts. With respect to both the public funds and the insurance-dedicated funds, in the event of a conflict, the Company will take any steps necessary to protect contract holders and annuitants maintaining a voting interest in the funds, including the withdrawal of Variable Annuity Account C from participation in the funds which are involved in the conflict.

## **TRANSFERS**

---

**Transfers Among Investment Options.** During the accumulation phase and the income phase, you may transfer among investment options. During the income phase you may make up to twelve transfers per calendar year among available investment options. You may make a request in writing, by telephone or electronically. Transfers must be made in accordance with the terms of the contract and your plan. Transfers to an ING GET Fund series may only be made during the offering period for that ING GET Fund series. Transfers from fixed interest options are restricted as outlined in Appendices I and II.

**Value of Transferred Dollars.** The value of amounts transferred into or out of the subaccounts will be based on the subaccount unit values next determined after we receive your request in good order at the Opportunity Plus Service Center, or if you are participating in the Dollar Cost Averaging Program, after your scheduled transfer. (See “Contract Overview–Questions: Contacting the Company.”)

**Telephone and Electronic Transfers: Security Measures.** To prevent fraudulent use of telephone and electronic transactions (including, but not limited to, Internet transactions), we have established security procedures. These include recording calls on our toll-free telephone lines and requiring use of a personal identification number (PIN) to execute transactions. You are responsible for keeping your PIN and account information confidential. If we fail to follow reasonable security procedures, we may be liable for losses due to unauthorized or fraudulent telephone or other electronic transactions. We are not liable for losses resulting from telephone or electronic instructions we believe to be genuine. If a loss occurs when we rely on such instructions, you will bear the loss.

**Limits Imposed by Underlying Funds.** Most underlying funds have their own excessive trading policies, and orders for the purchase of fund shares are subject to acceptance or rejection by the underlying fund. We reserve the right to reject, without prior notice, any allocation or transfer to a subaccount if the corresponding fund will not accept the allocation or transfer for any reason.

**Limits on Frequent or Disruptive Transfers.** The contract is not designed to serve as a vehicle for frequent transfers. Frequent transfer activity can disrupt management of a fund and raise its expenses through:

- Increased trading and transaction costs;
- Forced and unplanned portfolio turnover;
- Lost opportunity costs; and
- Large asset swings that decrease the fund’s ability to provide maximum investment return to all contract holders and participants.

This in turn can have an adverse effect on fund performance. **Accordingly, individuals or organizations that use market-timing investment strategies or make frequent transfers should not purchase or participate in the contract.**

We have an excessive trading policy and monitor transfer activity. You will violate our excessive trading policy if your transfer activity:

- Exceeds our current definition of excessive trading, as defined below;
- Is identified as problematic by an underlying fund (even if the activity does not exceed our monitoring standard for excessive trading);
- Is determined, in our sole discretion, to be disruptive due to the excessive dollar amounts involved; or
- Is determined, in our sole discretion, to be not in the best interests of other contract holders or participants.

If we determine that you have violated our excessive trading policy, we will take the following actions. Upon the first violation, we will send to you a one time warning letter. After a second violation we will suspend your transfer privileges via facsimile, telephone, email and the Internet, and your transfer privileges will be limited to submission by regular U.S. mail for a period of six months. Our suspension of your electronic transfer privileges will relate to all transfers, not just those fund(s) involved in the excessive transfer activity, and may extend to other Company variable annuity contracts that you own or participate in. It may also be extended to other variable contracts and variable life insurance policies that are issued to you by our affiliates, or that you participate in. At the end of the six month suspension period, your electronic transfer privileges will be reinstated. If, however, you violate our excessive trading policy again, after your electronic transfer privileges have been reinstated, we will suspend your electronic transfer privileges permanently. We will notify you in writing if we take any of these actions.

Additionally, if we determine that our excessive trading policy has been violated by a market-timing organization or an individual or other party that is authorized to give transfer instructions on your behalf, whether such violation relates to your contract or to another contract holder or participant’s variable contract or policy, we will also take the following actions, without prior notice:

- Not accept transfer instructions from that organization, individual or other party; and
- Not accept preauthorized transfer forms from market timing organizations, individuals or other parties acting on behalf of more than one contract holder or participant at a time.

Our current definition of excessive trading is more than one purchase and sale of the same underlying fund within a 30-day period. We do not count transfers associated with scheduled dollar cost averaging or automatic rebalancing programs and transfers involving certain de minimis amounts when determining whether transfer activity is excessive.

The Company does not allow exceptions to our excessive trading policy. We reserve the right to modify our excessive trading policy, or the policy as it relates to a particular fund, at any time without prior notice, depending on, among other factors, the needs of the underlying fund(s), the best interests of contract holders, participants, and fund investors, and/or state or federal regulatory requirements. If we modify our policy, it will be applied uniformly to all contract holders and participants or, as applicable, to all contract holders and participants investing in the underlying fund.

Our excessive trading policy may not be completely successful in preventing market timing or excessive trading activity. If it is not completely successful, fund performance and management may be adversely affected, as noted above.

**The Company Intends to Modify its Excessive Trading Policy in October 2007.** At that time, the Company will begin restricting electronic transfer privileges if a contract holder or participant (1) requests two purchases and subsequent sales of the same fund in a 60 calendar day period; or (2) requests six purchases and subsequent sales of the same fund within a twelve month period. We may change these planned modifications before they are implemented.

The Company intends to notify contract holders and participants before we implement these changes; however, failure to provide this notice will not prevent the Company from implementing these or any other changes to our excessive trading policy.

**Agreements to Share Information with Funds.** As required by Rule 22c-2 under the 1940 Act, the Company has entered into information sharing agreements with each of the fund companies whose funds are offered through the contract. Contract holder and participant trading information is shared under these agreements as necessary for the fund companies to monitor fund trading and the Company's excessive trading policy. Under these agreements, the Company is required to share information regarding contract holder and participant transactions, including but not limited to information regarding fund transfers initiated by you. In addition to information about contract holder and participant transactions, this information may include personal contract holder and participant information, including names and social security numbers or other tax identification numbers.

As a result of this information sharing, a fund company may direct us to restrict a contract holder or participant's transactions if the fund determines that the contract holder or participant has violated the fund's trading policies. This could include the fund directing us to reject any allocations of purchase payments or account value to the fund.

**The Dollar Cost Averaging Program.** The contracts allow you to participate in our dollar cost averaging program. There is no additional charge for this program. Dollar cost averaging is a system for investing that buys fixed dollar amounts of an investment at regular intervals, regardless of price. Our program transfers, at regular intervals, a fixed dollar amount from the ING VP Money Market Portfolio to the Fixed Account, Guaranteed Accumulation Account, or one or more subaccounts that you select. Allocations to the Fixed Account may limit your ability to execute subsequent transfers out of this fixed option. Amounts transferred to or from the Fixed Account and subsequently withdrawn from the contract during the accumulation phase may be subject to early withdrawal charge. See "Fees." Amounts transferred from the Guaranteed Accumulation Account before the end of a guaranteed term may be subject to a market value adjustment. See Appendix I and the Guaranteed Accumulation Account prospectus. Dollar cost averaging is not permitted into the ING Global Resources Portfolio or ING GET Fund subaccounts. Dollar cost averaging neither ensures a profit nor guarantees against loss in a declining market. You should consider your financial ability to continue purchases through periods of low price levels. For additional information about this program, contact your local representative or the Opportunity Plus Service Center at the number listed in "Contract Overview-Questions: Contacting the Company." This program is not available to the participants in the Asset Rebalancing Program.

**The Asset Rebalancing Program.** This program allows you to have your account value automatically reallocated to specified percentages on a scheduled basis. If elected, only account values invested in the variable investment options (excluding the ING GET Fund subaccount and the ING Global Resources Portfolio) are eligible to be rebalanced. Account values invested in the Guaranteed Accumulation Account and the Fixed Account are not eligible to be rebalanced. To elect to participate in Asset Rebalancing, you should contact the Opportunity Plus Service Center at the number listed in "Contract Overview-Questions: Contacting the Company." This program is not available to participants in the Dollar Cost Averaging Program.



## CONTRACT PURCHASE OR PARTICIPATION

---

**Contracts Available for Purchase.** The contracts available for purchase are deferred annuity contracts that the Company offers in connection with supplemental retirement programs under Tax Code Section 403(b), including Roth 403(b). The plans are established by school boards and public universities in the state of New York, for participants who are members and agency fee payers of the New York State United Teachers Trust (NYSUT) and United University Professions (UUP).

There are two group deferred variable annuity contracts:

- (1) Single purchase payment contracts issued for lump-sum transfers to us of amounts accumulated under a pre-existing plan; and
- (2) Installment purchase payment contracts established to accept continuing periodic payments.

We reserve the right to set a minimum purchase payment on single purchase payment contracts. Lump-sum transfers below this minimum will be applied to an installment purchase payment contract.

When considering whether to purchase or participate in the contract, you should consult with your financial representative about your financial goals, investment time horizon and risk tolerance.

**Types of Accounts.** There are three types of accounts that may be available under your contract:

- a) An employer pre-tax account that will be credited with employer contributions (if any) and any portion of any transfer or rollover contributions attributable to such amounts.
- b) An employee pre-tax account that will be credited with employee salary reduction contributions (if any) and the portion of any transfer or rollover contributions attributable to such amounts.
- c) An employee Roth 403(b) account that will be credited with employee after-tax salary contributions to the Roth 403(b) account (if any) and the portion of any transfer or rollover contribution attributable to such amounts.

**Use of an Annuity Contract in your Plan.** Under the federal tax laws, earnings on amounts held in annuity contracts are generally not taxed until they are withdrawn. However, in the case of a qualified retirement account (such as a 403(b) or Roth 403(b) retirement plan), an annuity contract is not necessary to obtain this favorable tax treatment and does not provide any tax benefits beyond the deferral already available to the tax qualified account itself. Annuities do provide other features and benefits (such as the guaranteed death benefit or the option of lifetime income phase options at established rates) that may be valuable to you. You should discuss your alternatives with your local representative taking into account the additional fees and expenses you may incur in an annuity.

**Purchasing the Contract.** The contract holder completes the required forms and the local representative submits them to the Company. We approve the forms and issue a contract to the contract holder.

**Participating in the Contract.** To participate in the contract, your local representative will assist you in completing an enrollment form and submitting it to the Opportunity Plus Service Center. (See “Contract Overview-Questions: Contacting the Company.”) If your enrollment is accepted, we establish one or more accounts for you under the contract(s). We may establish an employee account for contributions from your salary or rollover amount, an employer account for employer contributions, and a Roth 403(b) account for employee contributions from your salary or rollover amount. Your account includes amounts held under both the installment purchase payment contract and the single purchase payment contract.

**Acceptance or Rejection of Application or Enrollment Forms.** We must accept or reject an application or your enrollment materials within two business days of receipt. If the forms are incomplete, we may hold any forms and accompanying payments for five days, unless you consent to our holding them longer. Under limited circumstances, we may also agree, for a particular plan, to hold payments for longer periods with the permission of the contract holder. If we agree to this, we will deposit the payments in the ING VP Money Market Portfolio subaccount until the forms are completed (for a maximum of 105 days). If we reject the application or enrollment forms, we will return the forms and any payments.

**Allocating Purchase Payments to the Investment Options.** You direct us to allocate initial purchase payments to the investment options available under the plan. Generally you will specify this information on your enrollment materials. After your enrollment, changes to allocations for future purchase payments or transfer of existing balances among investment options may be requested in writing and by telephone or electronically.

Allocations must be in whole percentages and there may be limitations on the number of investment options that can be selected at any one time. (See “Investment Options” and “Transfers.”)

**Factors to Consider in the Purchase Decision.** The decision to purchase or participate in the contract should be discussed with your local representative. Make sure that you understand the investment options it provides, its other features, the risks and potential benefits you will face, and the fees and expenses you will incur when, together with your financial representative, you consider an investment in the contract. You should pay attention to the following issues, among others:

- (1) Long-Term Investment - This contract is a long-term investment, and is typically most useful as part of a personal supplement retirement program. Early withdrawals may be restricted by the Tax Code or your plan or may expose you to early withdrawal charges or tax penalties. The value of deferred taxation on earnings grows with the amount of time funds are left in the contract. You should not participate in this contract if you are looking for a short-term investment or expect to need to make withdrawals before you are 59½.
- (2) Investment Risk - The value of investment options available under this contract may fluctuate with the markets and interest rates. You should not participate in this contract in order to invest in these options if you cannot risk getting back less money than you put in.
- (3) Features and Fees - The fees for this contract reflect costs associated with the features and benefits it provides. As you consider this contract, you should determine the value that these various benefits and features have for you, given your particular circumstances, and consider the charges for those features.
- (4) Exchanges - Replacing an existing insurance contract with this contract may not be beneficial to you. If this contract will be a replacement for another annuity contract or mutual fund option under the plan, you should compare the two options carefully, compare the costs associated with each, and identify additional benefits available under this contract. If you are exchanging from another annuity contract, New York state law requires completion of Replacement Forms, which will assist you in this comparison. You should consider whether these additional benefits justify incurring a new schedule of early withdrawal charges or any increased charges that might apply under this contract. Also, be sure to talk to your local representative or tax adviser to make sure that the exchange will be handled so that it is tax free.

**Other Products.** We and our affiliates offer various other products with different features and terms than these contracts, which may offer some or all of the same funds. These products have different benefits, fees and charges, and may offer different share classes of the funds offered in this contract that are less expensive. These other products may or may not better match your needs. You should be aware that there are alternative options available, and, if you are interested in learning more about these other products, contact your registered representative. These alternative options may not be available under your plan.

---

## CONTRACT OWNERSHIP AND RIGHTS

---

**Who Owns the Contract?** The contract holder. The contract holder is the school district or an entity associated with a state operated State University of New York campus to which we have issued the master contract.

**Who Owns Money Accumulated Under the Contract?** We establish one or more accounts for you under the contracts. Generally, we establish an employee account to receive salary reduction and rollover amounts, an employer account to receive employer contributions, and a Roth 403(b) account to receive employee after-tax salary reduction and rollover amounts. You have the right to the value of your employee account and any employer account.

**What Rights Do I Have Under the Contract?** You hold all rights under the contract and may make all elections for your accounts.

---

## RIGHT TO CANCEL

---

**When and How to Cancel.** You or the contract holder may cancel your purchase within ten days after receiving the contract (or other document evidencing your interest) by returning it to the Opportunity Plus Service Center or your local representative along with a written notice of cancellation.

**Refunds.** We will produce a refund to you or the contract holder not later than seven days after we receive the contract or other document evidencing your interest and the written notice of cancellation at the Opportunity Plus Service Center. The refund will equal the dollars contributed to the contract plus any earnings or less any losses attributable to the purchase payments allocated to the variable investment options. Any mortality and expense risk charges and administrative expense charges (if any) deducted during the period you held the contract will not be

returned. We will not deduct an early withdrawal charge. We will not apply a market value adjustment to any amounts you contributed to the Guaranteed Accumulation Account.

## FEES

### *Types of Fees*

There are four types of fees your account may incur:

- ▷ **Transaction Fees**
  - Early Withdrawal Charge
  - Redemption Fees
- ▷ **Fees Deducted from Investments in the Subaccounts**
  - Mortality and Expense Risk Charge
  - Administrative Expense Charge
- ▷ **Fund Fees and Expenses**
- ▷ **ING GET Fund Guarantee Charge**

### *Terms to Understand in the Schedules*

- ▷ **Account Year**-a 12-month period measured from the date we establish your account, or measured from any anniversary of that date.
- ▷ **Purchase Payment Period** (for installment purchase payment contracts)-the period of time it takes to complete the number of installment payments expected to be made to your account over a year. For example, if your payment frequency is monthly, a payment period is completed after 12 payments are made. If only 11 payments are made, the payment period is not completed until the twelfth payment is made. At any given time, the number of payment periods completed can not exceed the number of account years completed, regardless of the number of payments made.

The following repeats and adds to information provided in the “Fee Table” section. Please review both this section and the Fee Table for information on fees.

### **Maximum Transaction Fees**

#### *Early Withdrawal Charge*

Under installment purchase payment contracts, withdrawals of all or a portion of your Fixed Account value, or account values held in the subaccounts or the Guaranteed Accumulation Account that were attributable to amounts held in the Fixed Account at any time, may be subject to a charge. In the case of a partial withdrawal where you request a specified dollar amount, the amount withdrawn from your account will be the amount you specified plus adjustment for any applicable early withdrawal charge. There is no early withdrawal charge under installment purchase payment contracts of amounts distributed under the terms of a settlement agreement with the New York Attorney General dated October 10, 2006, nor on any earnings attributable to such distributed amounts. In addition, there is no early withdrawal charge for any amounts withdrawn under single purchase payment contracts.

**Amount.** The charge is a percentage of the amount withdrawn. The percentage will be determined by the early withdrawal charge schedule that applies to your account. The charge will never be more than 8.5% of total payments to your account.

**Purpose.** This is a deferred sales charge. The charge reimburses us for some of the sales and administrative expenses associated with the contract. If our expenses are greater than the amount we collect for the early withdrawal charge, we may use any of our corporate assets, including potential profit that may arise from the mortality and expense risk charge, to make up any difference.

The early withdrawal charge applies to:

- Amounts deposited in the Fixed Account and any earnings on such amounts;
- Amounts that came from a subaccount or the Guaranteed Accumulation Account but then transferred to the Fixed Account (and any earnings on such amounts); or
- Amounts that came from the Fixed Account but were then transferred to a subaccount or the Guaranteed Accumulation Account (and any earnings on such amounts).

### **Early Withdrawal Charge Schedules:**

<b>Withdrawals from the Fixed Account and Variable Investment Options*</b>	
<u>Purchase Payment Periods Completed</u>	<u>Early Withdrawal Charge</u>
Fewer than 5	5.0%
5 or more but fewer than 7	4.0%
7 or more but fewer than 9	3.0%
9 or 10	2.0%
More than 10	0.0%

### **Early Withdrawal Charge Schedule For the Guaranteed Accumulation Account For Certain New York Contracts**

The following schedule applies to withdrawals from the Guaranteed Accumulation Account under installment purchase payment master contracts issued after July 29, 1993 in the State of New York. This schedule is based on the number of completed account years. For all other contracts, the applicable early withdrawal charge schedule for withdrawals from the Guaranteed Accumulation Account under installment purchase payment contracts is the same schedule that applies to withdrawals from the Variable Investment Options and the Fixed Account above.

<b>Withdrawals from the Guaranteed Accumulation Account for Certain Installment Purchase Payment Contracts*</b>	
<u>Account Years Completed</u>	<u>Early Withdrawal Charge</u>
Fewer than 3	5.0%
3 or more but fewer than 4	4.0%
4 or more but fewer than 5	3.0%
5 or more but fewer than 6	2.0%
6 or more but fewer than 7	1.0%
7 or more	0.0%

\* The early withdrawal charge applies to account values in the variable investment options and the Guaranteed Accumulation Account only if they were attributable to amounts held in the Fixed Account at any time.

**Early Withdrawal Charge Schedule When Two or More Accounts are Available.** There is no early withdrawal charge for single purchase payment contracts. For installment purchase payment contracts, for the purposes of calculating early withdrawal charges, the number of purchase payment periods will be calculated in the following manner:

- a) The employer pre-tax account, if any, will at all times be credited with the same number of purchase payment periods as the employee account (either employee pre-tax or employee Roth 403(b)) with the greatest number of purchase payment periods completed.
- b) If an employee Roth 403(b) account or employee pre-tax account is established and the other type of employee account was already in existence, the new employee account will initially be credited with the same number of purchase payments as were made, if any, to the existing employee account. After the new employee account is established, the number of additional purchase payment periods credited from that point forward to either employee account will be based solely on the number of subsequent purchase payments, if any, made to that particular employee account. This may result in a different number of purchase payment periods completed for the employee pre-tax account and the employee Roth 403(b) account.

For example, if a Roth 403(b) installment account is established for a participant who at that time has made 23 installment payments to her pre-tax 403(b) employee installment account, when the participant's Roth 403(b) installment account is initially established we will credit it with the same number of installment payments as were made to the existing account (i.e., 23). Thereafter, any future payments the participant makes to her pre-tax account will be credited toward the number of payment periods completed for that account only, while any future payments the participant makes to her Roth 403(b) account will be credited toward the number of payment periods completed only for the Roth 403(b) account.

**Waiver.** The early withdrawal charge is waived for portions of a withdrawal where one or more of the following apply:

- ▷ Used to provide payments to you during the income phase;
- ▷ Paid because of your death before income phase payments begin;

- ▷ Paid where your account value is \$2,500 or less and no part of the account has been taken as a withdrawal or a loan or used to provide income phase payments within the prior 12 months;
- ▷ Taken because of the election of a systematic distribution option (See “Systematic Distribution Options”);
- ▷ Taken when you are 59½ or older, have an installment purchase payment account and have completed at least nine purchase payment periods;
- ▷ Withdrawn due to disability as specified in the Tax Code;
- ▷ Taken on or after the tenth anniversary of the effective date of the account;
- ▷ Due to a financial hardship as defined in the Tax Code; or
- ▷ Withdrawn due to your separation from service with your current employer, while meeting the age and service requirements to receive benefits under the New York State Teachers’ or Employee’s Retirement Systems (even if you are not a member of either system).

**Severance from Employment.** Although the Tax Code permits distributions upon a participant’s severance from employment, the contracts do not provide for a waiver of early withdrawal charges unless the severance from employment would have otherwise qualified as a separation from service prior to the Economic Growth and Tax Relief Reconciliation Act of 2001, and you meet the other requirements set forth in the contract.

**Free Withdrawals.** If you are between the ages of 59½ and 70½, you may withdraw up to 10% of your account value during each calendar year without being charged a withdrawal fee. The free withdrawal only applies to the first partial withdrawal you make in each calendar year. The 10% amount will be based on your account value calculated on the valuation date next following our receipt of your request for withdrawal. Outstanding contract loans are excluded from the account value when calculating the 10% free withdrawal amount.

The free withdrawal will not apply:

- ▷ To a full withdrawal of your account; or
- ▷ To partial withdrawals due to a default on a contract loan.

### ***Redemption Fees***

Certain funds may deduct redemption fees as a result of withdrawals, transfers, or other fund transactions you initiate. If applicable, we may deduct the amount of any redemption fees imposed by the underlying mutual funds as a result of withdrawals, transfers or other fund transactions you initiate. Redemption fees, if any, are separate and distinct from any transaction charges or other charges deducted from your account value. For a more complete description of the funds’ fees and expenses, review each fund’s prospectus.

### **Fees Deducted From Investments in the Subaccounts**

#### ***Mortality and Expense Risk Charge***

**Amount.** During the accumulation phase the mortality and expense risk charge is 1.00% annually of your account value invested in the subaccounts, except the ING VP Money Market Portfolio subaccount, for which the mortality and expense risk charge is 0.35% annually. See “The Income Phase - Charges Deducted” for fees deducted during the income phase.

**When/How.** We deduct this fee daily from the subaccounts corresponding to the funds you select. We do not deduct this from any fixed interest option.

**Purpose.** The fee compensates us for the mortality and expense risks we assume under the contracts.

- ▷ The mortality risks are those risks associated with our promise to make lifetime payments based on annuity rates specified in the contracts and our funding of the death benefit and other payments we make to owners or beneficiaries of the accounts.
- ▷ The expense risk is the risk that the actual expenses we incur under the contracts will exceed the maximum costs that we can charge.

If the amount we deduct for this fee is not enough to cover our mortality costs and expenses under the contracts, we will bear the loss. We may use any excess to recover distribution costs relating to the contract and as a source of profit. We expect to make a profit from this fee.

### ***Administrative Expense Charge***

**Maximum Amount.** 0.25%. We currently do not impose this fee. We reserve the right, however, to charge up to 0.25% on an annual basis from your account value invested in the funds.

**When/How.** If imposed, we will deduct this fee daily from your account value held in the subaccounts corresponding to the funds you select. This fee may be assessed during the accumulation phase and/or the income phase. If we are imposing this fee under the contract when you enter the income phase, the fee will apply to you during the entire income phase.

**Purpose.** This fee helps defray our administrative expenses that cannot be covered by the mortality and expense risk charge described above. The fee is not intended to exceed the average expected cost of administering the contracts. We do not expect to make a profit from this fee.

### **Fund Fees and Expenses**

As shown in the fund prospectuses and described in the “Fees Deducted by the Funds” section of this prospectus, each fund deducts management fees from the amounts allocated to the fund. In addition, each fund deducts other expenses that may include service fees that may be used to compensate service providers, including the Company and its affiliates, for administrative and contract holder services provided on behalf of the fund. Furthermore, certain funds deduct a distribution or 12b-1 fee, which is used to finance any activity that is primarily intended to result in the sale of fund shares. **For a more complete description of the funds’ fees and expenses, review each fund’s prospectus.**

The Company or its U.S. affiliates receive substantial revenue from each of the funds or the funds’ affiliates, although the amount and types of revenue vary with respect to each of the funds offered through the contract. This revenue is one of several factors we consider when determining contract fees and charges and whether to offer a fund through our contracts. **Fund revenue is important to the Company’s profitability, and it is generally more profitable for us to offer affiliated funds than to offer unaffiliated funds.**

In terms of total dollar amounts received, the greatest amount of revenue generally comes from assets allocated to funds managed by Directed Services LLC or other Company affiliates, which funds may or may not also be subadvised by a Company affiliate. Assets allocated to funds managed by a Company affiliate but subadvised by unaffiliated third parties generally generate the next greatest amount of revenue. Finally, assets allocated to unaffiliated funds generate the least amount of revenue. The Company expects to make a profit from this revenue to the extent it exceeds the Company’s expenses, including the payment of sales compensation to our distributors.

### **Types of Revenue Received from Affiliated Funds**

Affiliated funds are (a) funds managed by Directed Services LLC or other Company affiliates, which may or may not also be subadvised by another Company affiliate; and (b) funds managed by a Company affiliate but that are subadvised by unaffiliated third parties.

Revenues received by the Company from affiliated funds may include:

- A share of the management fee deducted from fund assets;
- Service fees that are deducted from fund assets;
- For certain share classes, the Company or its affiliates may also receive compensation paid out of 12b-1 fees that are deducted from fund assets ; and
- Other revenues that may be based either on an annual percentage of average net assets held in the fund by the Company or a percentage of the fund’s management fees.

These revenues may be received as cash payments or according to a variety of financial accounting techniques which are used to allocate revenue and profits across the organization. In the case of affiliated funds subadvised by unaffiliated third parties, any sharing of the management fee between the Company and the affiliated investment adviser is based on the amount of such fee remaining after the subadvisory fee has been paid to the unaffiliated subadviser. Because subadvisory fees vary by subadviser, varying amounts of revenue are retained by the affiliated investment adviser and ultimately shared with the Company.

## Types of Revenue Received from Unaffiliated Funds

Revenue received from each of the unaffiliated funds or their affiliates is based on an annual percentage of the average net assets held in that fund by the Company. Some unaffiliated funds or their affiliates pay us more than others and some of the amounts we receive may be significant.

Revenues received by the Company or its affiliates from unaffiliated funds include:

- For certain funds, compensation paid from 12b-1 fees or service fees that are deducted from fund assets; and
- Additional payments for administrative, recordkeeping or other services that we provide to the funds or their affiliates, such as processing purchase and redemption requests, and mailing fund prospectuses, periodic reports and proxy materials. These additional payments do not increase directly or indirectly the fees and expenses shown in each fund prospectus. These additional payments may be used by us to finance distribution of the contract.

These revenues are received as cash payments, and if the unaffiliated fund families currently offered through the contract were individually ranked according to the total amount they paid to the Company or its affiliates in 2006, in connection with the registered variable annuity contracts issued by the Company, that ranking would be as follows:

- |                                  |                                  |
|----------------------------------|----------------------------------|
| 1. Fidelity Investments          | 7. Evergreen Investments         |
| 2. American Funds                | 8. Pax World Funds               |
| 3. Lord Abbett Funds             | 9. AIM Investments               |
| 4. Franklin Templeton Investment | 10. MFS Investment Management    |
| 5. Pioneer Investments           | 11. Calvert Funds                |
| 6. Oppenheimer Funds             | 12. American Century Investments |

Some of the fund families listed above may not have paid any amounts in 2006 to the Company or its affiliates in connection with the Company's registered variable annuity contracts. If the revenues received from affiliated funds were included in the table above, payments from Directed Services LLC and other Company affiliates would be at the top of the list.

In addition to the types of revenue received from affiliated and unaffiliated funds described above, affiliated and unaffiliated funds and their investment advisers, subadvisers or affiliates may participate at their own expense in Company sales conferences or educational and training meetings. In relation to such participation, a fund's investment adviser, subadviser or affiliate may help offset the cost of the meetings or sponsor events associated with the meetings. In exchange for these expense offset or sponsorship arrangements, the investment adviser, subadviser or affiliate may receive certain benefits and access opportunities to Company sales representatives and wholesalers rather than monetary benefits. These benefits and opportunities include, but are not limited to co-branded marketing materials; targeted marketing sales opportunities; training opportunities at meetings; training modules for sales personnel; and opportunity to host due diligence meetings for representatives and wholesalers.

Please note certain management personnel and other employees of the Company or its affiliates may receive a portion of their total employment compensation based on the amount of net assets allocated to affiliated funds. **See "Contract Distribution."**

**Premium and Other Taxes.** Currently, there is no premium tax on annuities under New York regulations. If the state does impose a premium tax, it would be deducted from the amount applied to an income phase payment option. We reserve the right to deduct a charge for state premium tax at any time from the purchase payment(s) or from the account value at any time, but no earlier than when we have a tax liability under state law.

In addition, the Company reserves the right to assess a charge for any federal taxes due against the separate account. (See "Taxation.")

## ING GET Fund Guarantee Charge

Various series of the ING GET Fund may be offered from time to time, and additional charges may apply if you elect to invest in one of these series. The ING GET Fund guarantee charge is deducted each business day during the guarantee period if you elect to invest in the ING GET Fund. The amount of the ING GET Fund guarantee charge is 0.25% and is deducted from amounts allocated to the ING GET Fund investment option. This charge compensates us for the cost of providing a guarantee of accumulation unit values of the ING GET Fund subaccount. See "Investment Options - ING GET U.S. Core Portfolio."



## YOUR ACCOUNT VALUE

---

During the accumulation phase, your account value at any given time equals:

- ▷ Account dollars directed to the fixed interest options, including interest earnings to date; less
- ▷ Deductions, if any, from the fixed interest options (e.g. withdrawals, fees); plus
- ▷ The current dollar value of amounts held in the subaccounts, which takes into account investment performance and fees deducted from the subaccounts.

**Subaccount Accumulation Units.** When a fund is selected as an investment option, your account dollars invest in “accumulation units” of the Variable Annuity Account C subaccount corresponding to that fund. The subaccount invests directly in the fund shares. The value of your interests in a subaccount is expressed as the number of accumulation units you hold multiplied by an “accumulation unit value,” as described below, for each unit.

**Accumulation Unit Value (AUV).** The value of each accumulation unit in a subaccount is called the accumulation unit value or AUV. The AUV varies daily in relation to the underlying fund’s investment performance. The value also reflects deductions for fund fees and expenses, the mortality and expense risk charge, and the administrative charge (if any). We discuss these deductions in more detail in “Fee Table” and “Fees.”

**Valuation.** We determine the AUV every business day after the close of the New York Stock Exchange (normally at 4:00 p.m. Eastern Time). At that time, we calculate the current AUV by multiplying the AUV last calculated by the “net investment factor” of the subaccount. The net investment factor measures the investment performance of the subaccount from one valuation to the next.

Current AUV = Prior AUV x Net Investment Factor

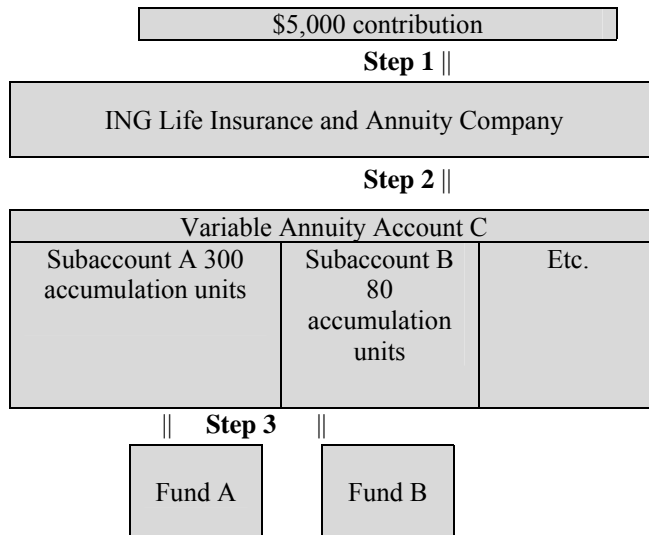
**Net Investment Factor.** The net investment factor for a subaccount between two consecutive valuations, equals the sum of 1.0000 plus the net investment rate.

**Net Investment Rate.** The net investment rate is computed according to a formula that is equivalent to the following:

- ▷ The net assets of the fund held by the subaccount as of the current valuation; minus
- ▷ The net assets of the fund held by the subaccount at the preceding valuation; plus or minus
- ▷ Taxes or provisions for taxes, if any, due to subaccount operations (with any federal income tax liability offset by foreign tax credits to the extent allowed); divided by
- ▷ The total value of the subaccount units at the preceding valuation; minus
- ▷ A daily deduction for the mortality and expense risk charge and administrative expense charge, if any, and any other fees, such as guarantee charges for the ING GET Fund, deducted daily from investments in the separate account.

The net investment rate may be either positive or negative.

**Hypothetical Illustration.** As a hypothetical illustration, assume that an investor contributes \$5,000 to his account and directs us to invest \$3,000 in Fund A and \$2,000 in Fund B. After receiving the contribution and following the next close of business of the New York Stock Exchange (normally at 4:00 p.m. Eastern Time), the applicable AUV's are \$10 for Subaccount A, and \$25 for Subaccount B. The investor's account is credited with 300 accumulation units of Subaccount A and 80 accumulation units of Subaccount B.



**Step 1:** You make an initial contribution of \$5,000.

**Step 2:**

A. You direct us to invest \$3,000 in Fund A. The purchase payment purchases 300 accumulation units of Subaccount A (\$3,000 divided by the current \$10 AUV).

B. You direct us to invest \$2,000 in Fund B. The purchase payment purchases 80 accumulation units of Subaccount B (\$2,000 divided by the current \$25 AUV).

**Step 3:** The separate account then purchases shares of the applicable funds at the then current market value (net asset value or NAV).

The fund's subsequent investment performance, expenses and charges, and the daily charges deducted from the subaccount, will cause the AUV to move up or down on a daily basis.

**Purchase Payments to Your Account.** If all or a portion of initial purchase payments are directed to the subaccounts, they will purchase subaccount accumulation units at the AUV next computed after our acceptance of the applicable application or enrollment forms. Any subsequent purchase payments or transfers directed to the subaccounts that we receive by the close of business of the New York Stock Exchange will purchase subaccount accumulation units at the AUV computed after the close of the New York Stock Exchange (normally at 4:00 p.m. Eastern Time) on that day. The value of subaccounts may vary day to day.

## WITHDRAWALS

**Making a Withdrawal.** Subject to the Tax Code withdrawal restrictions described below, you may withdraw all or a portion of your account value at any time during the accumulation phase.

**Steps for Making a Withdrawal.** You must:

➤ Select the Withdrawal Amount.

(1) Full Withdrawal: You will receive, reduced by any required withholding tax, tax penalties, and redemption fees (if applicable), your account value allocated to the subaccounts, the Guaranteed Accumulation Account (plus or minus any applicable market value adjustment) and to the Fixed Account, minus any applicable early withdrawal charge.

(2) Partial Withdrawal (Percentage or Specified Dollar Amount): You will receive, reduced by any required withholding tax, tax penalties, and redemption fees (if applicable), the amount you specify, subject to the value available in your account. However, the amount actually withdrawn from your account will be the amount you specified plus adjustment for any applicable early withdrawal charge, and any positive or negative market value adjustment for amounts withdrawn from the Guaranteed Accumulation Account.

### Taxes, Fees and Deductions

Amounts withdrawn may be subject to one or more of the following:

- **Early Withdrawal Charge** (see "Fees-Early Withdrawal Charge")
- **Redemption Fees** (see "Fees-Redemption Fees")
- **Market Value Adjustment** (see Appendix I)
- **Tax Penalty** (see "Taxation")
- **Tax Withholding** (see "Taxation")

To determine which may apply, refer to the appropriate sections of this prospectus, contact your local representative or call the Company at the number listed in "Contract Overview-Questions: Contacting the Company."

- Select Investment Options. If not specified, we will withdraw dollars in the same proportion as the values you hold in the various investment options, from each investment option in which you have an account value.
- Properly complete a disbursement form and submit it to the Opportunity Plus Service Center.

**Calculation of Your Withdrawal.** We determine your account value every normal business day after the close of the New York Stock Exchange (normally at 4:00 p.m. Eastern Time). We pay withdrawal amounts based on your account value either:

- (1) As of the next valuation after we receive a request for withdrawal in good order at the Opportunity Plus Service Center, or
- (2) On such later date as specified on the disbursement form (as allowed under our administrative procedures).

**Delivery of Payment.** Payments for withdrawal requests will be made in accordance with SEC requirements. Normally, the payment will be sent not later than seven calendar days following our receipt of the disbursement form in good order at the Opportunity Plus Service Center.

**Withdrawal Restrictions from 403(b) Plans.** Section 403(b)(11) of the Tax Code generally prohibits withdrawal under 403(b) contracts prior to your death, disability, attainment of age 59½, severance from employment or financial hardship, of the following:

- (1) Salary reduction contributions made after December 31, 1988;
- (2) Earnings on those contributions, and;
- (3) Earnings during such period on amounts held as of December 31, 1988.

Income attributable to salary reduction contributions and credited on or after January 1, 1989, may not be distributed in the case of hardship.

**Reinvestment Privilege.** The contract allows one-time use of a reinvestment privilege. Within 30 days after a full withdrawal, if allowed by law and the contract, you may elect to reinvest all or a portion of the proceeds. We must receive reinvested amounts within 60 days of the withdrawal. We will credit the account for the amount reinvested based on the subaccount values next computed following our receipt of your request and the amount to be reinvested. We will credit the amount reinvested proportionally for early withdrawal charges imposed at the time of withdrawal. We will reinvest in the same investment options and proportions in place at the time of withdrawal. If you withdraw amounts from a series of the ING GET Fund and then elect to reinvest them, we will reinvest them in a GET Fund series that is then accepting deposits, if one is available. If one is not available, we will reallocate your GET amounts among other investment options in which you invested, on a pro rata basis. Special rules apply to reinvestments of amounts withdrawn from the Guaranteed Accumulation Account (see Appendix I). Seek competent advice regarding the tax consequences associated with reinvestment.

## LOANS

---

**Availability.** You may take a loan from your account value during the accumulation phase. Loans are only allowed from amounts allocated to certain subaccounts and fixed interest options. Loans are not available under contracts issued as a Roth 403(b) annuity or from Roth 403(b) accounts. Additional restrictions may apply under the Tax Code or due to our administrative practices. We reserve the right not to grant a loan request if the participant has an outstanding loan in default.

**Requests.** If you are eligible to obtain a loan, you may request one by properly completing the loan request form and submitting it to the Opportunity Plus Service Center. Read the terms of the loan agreement before submitting any request.

### Features of a Systematic Distribution Option

If available under your plan, a systematic distribution option allows you to receive regular payments from your account without moving into the income phase. By remaining in the accumulation phase, you retain certain rights and investment flexibility not available during the income phase. Because the account remains in the accumulation phase, all accumulation phase charges continue to apply

## SYSTEMATIC DISTRIBUTION OPTIONS

---

**Availability of Systematic Distribution Options.** These options may be exercised at any time during the accumulation phase of the contract. To exercise one of these options the account value must meet any minimum dollar amount and age criteria applicable to that option. To determine which systematic distribution options are available, call the Opportunity Plus Service Center at 1-800-677-4636.

The following systematic distribution options may be available:

- ▷ **SWO-Systematic Withdrawal Option.** SWO is a series of automatic partial withdrawals from your account based on the payment method selected. It is designed for those who want a periodic income while retaining investment flexibility for amounts accumulated under the contract. You may not elect this option if you have an outstanding contract loan.
- ▷ **LEO-Life Expectancy Option.** This option provides for annual payments for a number of years equal to your life expectancy or the life expectancy or the expectancy of you and a designated beneficiary. It is designed to meet the substantially equal periodic payment exception to the 10% premature distribution penalty under Tax Code section 72. (See "Taxation.")
- ▷ **ECO-Estate Conservation Option.** ECO offers the same investment flexibility as SWO, but is designed for those who want to receive only the minimum distribution that the Tax Code requires each year. Under ECO, we calculate the minimum distribution amount required by law at the later of age 70½ or retirement and pay you that amount once a year.

**Availability of Systematic Distribution Options.** The Company may offer additional systematic distribution options or discontinue the availability of one or all of the systematic distribution options at any time, and/or change the terms of future elections.

**Terminating a Systematic Distribution Option.** Once a systematic distribution option is elected, you may revoke it at any time by submitting a written request to the Opportunity Plus Service Center. Any revocation will apply only to the amount not yet paid. Once an option is revoked for an account, it may not be elected again until the next calendar year, nor may any other systematic distribution option be elected unless the Tax Code permits it.

**Taxation.** Withdrawals received through these options and revocations of elections may have tax consequences. See "Taxation."

## DEATH BENEFIT

---

The contract provides a death benefit in the event of your death, which is payable to the beneficiary you name for your account. The designated beneficiary may be changed at any time. Such change will not become effective until written notice of the change is received by the Company. In the event there is no beneficiary designated on your account, the death benefit will be payable to your estate.

### *During the Accumulation Phase*

#### **Payment Process**

1. Following your death, your beneficiary must provide the Company with proof of death acceptable to us and a payment request in good order.
2. The payment request should include selection of a benefit payment option.
3. Within seven calendar days after we receive proof of death acceptable to us and a payment request in good order at the Opportunity Plus Service Center, we will mail payment, unless otherwise requested.

Until a payment option is selected, account dollars will remain invested as at the time of your death, and no distribution will be made.

If you die during the accumulation phase of your account, the following payment options are available to your beneficiary, if allowed by the Tax Code:

- ▷ Lump-sum payment;
- ▷ Payment in accordance with any of the available income phase payment options (see “The Income Phase-Payment Options”); or
- ▷ Payment in accordance with an available systematic distribution option (subject to certain limitations) (see “Systematic Distribution Options”).

The beneficiary may also leave the account value invested in the contract, subject to Tax Code limits on the length of time amounts may remain invested.

Effective December 31, 2006, a guaranteed death benefit was made available under the contract, which generally guarantees that the death benefit payable under the contract will never be less than the amount of adjusted purchase payments made to your account (as defined below), less a proportional adjustment for amounts withdrawn or borrowed from your account. The guaranteed death benefit applies to all death benefits payable on or after December 31, 2006. There is no additional charge for the guaranteed death benefit.

**Calculating the Value of the Death Benefit.** The death benefit is guaranteed to be the greater of (a) or (b) as calculated as of the next valuation following our receipt of proof of death and a payment request in good order at the Opportunity Plus Service Center where:

- (a) is the adjusted purchase payment total, which is the sum of all purchase payment(s) to your account, minus a proportional adjustment for withdrawals and amounts taken as a loan, which amount will never be less than zero; or
- (b) is the current account value, excluding amounts taken as a loan, plus any positive aggregate market value adjustment (MVA), as applicable.

#### **During the Income Phase**

This section provides information about the accumulation phase. For death benefit information applicable to the income phase, see “Income Phase.”

If the amount of the death benefit in (a) is greater than the amount in (b), the Company will deposit the difference in your account. The amount, if any, will be credited to the ING VP Money Market Portfolio and deposited as of the second valuation (the date of the second close of the New York Stock Exchange) following our receipt of proof of death acceptable to us and a payment request in good order at the Opportunity Plus Service Center.

If the beneficiary in that situation requests an immediate payment or begins income phase payments, the amount paid will be the current account value, excluding any amounts taken as a loan, plus any positive MVA, as of the third valuation (the date of the third close of the New York Stock Exchange) following our receipt of proof of death acceptable to us and a payment request in good order at the Opportunity Plus Service Center.

If the amount of the death benefit in (a) is less than the amount in (b), and the beneficiary requests an immediate payment or begins income phase payments, the amount paid will be the current account value, excluding any amounts taken as a loan, as of the second valuation (the date of the second close of the New York Stock Exchange) following our receipt of proof of death acceptable to us and a payment request in good order at the Opportunity Plus Service Center.

In the event a beneficiary elects to defer distribution of the death benefit, the amount paid to the beneficiary when the beneficiary elects to begin distribution of the death benefit will equal the current account value, excluding any amounts taken as a loan, as of the next valuation (the date of the next close of the New York Stock Exchange) following our receipt of the distribution request. The amount paid may be more or less than the amount of the death benefit determined above on the date notice of death and an election to defer payment was received. No additional death benefit is payable upon the beneficiary's death.

**Calculating Adjusted Purchase Payments.** For accounts established on or after December 31, 2006, the adjusted purchase payment total above is initially equal to the first purchase payment. For accounts established before December 31, 2006, the adjusted purchase payment total is initially equal to the current account value, excluding any amounts taken as a loan, as of the close of the New York Stock Exchange (NYSE) on the last business day in December 2006 on which the NYSE was open (December 29, 2006). For all accounts, the adjusted purchase payment total is then adjusted for each subsequent purchase payment, loan repayment, or partial withdrawal. The adjustment for subsequent purchase payments and loan repayments will be dollar for dollar. The adjustment for partial withdrawals will be proportionate, reducing the adjusted purchase payment total in the same proportion that the current account value, excluding any amounts taken as loans, was reduced on the date of the partial withdrawal. The proportionate adjustment of the adjusted purchase payment total for each partial withdrawal is defined as the adjusted purchase payment total at that time, multiplied by the fraction A divided by B (A/B), where:

- (a) A is the current account value, excluding amounts taken as a loan, immediately after the partial withdrawal; and
- (b) B is the current account value, excluding amounts taken as a loan, before the partial withdrawal.

**Tax Code Requirements.** The Tax Code requires distribution of death benefit proceeds within a certain period of time. Failure to begin receiving death benefit payments within those time periods can result in tax penalties. Regardless of the method of payment, death benefit proceeds will generally be taxed to the beneficiary in the same manner as if you had received those payments (see "Taxation" for additional information).

## THE INCOME PHASE

---

During the income phase you stop contributing dollars to your account and start receiving payments from your accumulated account value.

**Initiating Payments.** At least 30 days prior to the date you want to start receiving income phase payments, you must notify us in writing of the following:

- ▷ Payment start date;
- ▷ Income phase payment option (see the income phase payment options table in this section);
- ▷ Payment frequency (i.e., monthly, quarterly, semi-annually or annually);
- ▷ Choice of fixed, variable or a combination of both fixed and variable payments; and
- ▷ Selection of an assumed net investment rate (only if variable payments are elected).

Your account will continue in the accumulation phase until you properly initiate payments. Once a payment option is selected, it may not be changed; however, certain options allow you to withdraw a lump sum.

**What Affects Income Phase Payment Amounts?** Some of the factors that may affect the amount of your income phase payment include: your age, your account value, the income phase payment option selected, number of guaranteed payments (if any) selected, whether fixed, variable or a combination of both fixed and variable payments are selected and, for variable payments, the assumed net investment rate selected.

**Fixed Payments.** Amounts funding fixed income phase payments will be held in the Company's general account. The amount of fixed payment amounts do not vary over time.

**Variable Payments.** Amounts funding your variable income phase payments will be held in the subaccount(s) selected. The contracts may restrict the subaccounts available during the income phase. You may make up to twelve transfers per calendar year among available investment options. For variable payments, an assumed net investment rate must be selected.

**Assumed Net Investment Rate.** If you select variable income phase payments, you must also select an assumed net investment rate of either 5.0% or 3.5%. If you select a 5.0% rate, your first income phase payment will be higher, but subsequent payments will increase only if the investment performance of the subaccounts selected is greater than 5.0% annually, after deduction of fees. Payment amounts will decline if the investment performance is less than 5.0%, after deduction of fees.

If you select a 3.5% rate, your first income phase payment will be lower and subsequent payments will increase more rapidly or decline more slowly depending upon the investment performance of the subaccounts selected. For more information about selecting an assumed net investment rate, request a copy of the Statement of Additional Information by calling the Opportunity Plus Service Center (see "Contract Overview-Questions: Contacting the Company").

We may have used the following terms in prior prospectuses:

**Annuity Phase** – Income Phase

**Annuity Option** – Payment Option

**Annuity Payment** – Income Phase Payment

**Annuitization** – Initiating Income Phase Payments

**Minimum Payment Amounts.** The income phase payment option selected must result in one or both of the following:

- ▷ A first income phase payment of at least \$20; or
- ▷ Total yearly income phase payments of at least \$100.

If your account value is too low to meet these minimum payment amounts, you must elect a lump-sum payment.

**Charges Deducted.** When you select an income payment phase option (one of the options listed in the tables on the next page), a mortality and expense risk charge, consisting of a daily deduction of 1.25% on an annual basis, will be deducted from amounts held in the subaccounts. This charge compensates us for mortality and expense risks we assume under variable income phase payout options and is applicable to all variable income phase payout options, including variable nonlifetime options under which we do not assume mortality risk. In this situation, this charge will be used to cover expenses. Although we expect to make a profit from this fee, we do not always do so. We may also deduct a daily administrative charge from amounts held in the subaccounts. For variable options under which we do not assume a mortality risk, we may make a larger profit than under other options. (See “Fees.”)

**Death Benefit During the Income Phase.** The death benefits that may be available to a beneficiary are outlined in the following payment option table below. If a lump-sum payment is due as a death benefit, we will make payment within seven calendar days after we receive proof of death acceptable to us and the payment request in good order at the following address:

Customer Service Settlements 5906  
ING U.S. Financial Services  
P.O. Box 2883  
Hartford, CT 06156-8785

Unless the beneficiary elects otherwise, lump-sum payments will generally be made into an interest bearing account that is backed by our general account. This account can be accessed by the beneficiary through a checkbook feature. The beneficiary may access death benefit proceeds at any time through the checkbook without penalty. Interest credited under this account may be less than under other settlement options.

**Taxation.** To avoid certain tax penalties, you and any beneficiary must meet the distribution rules imposed by the Tax Code. (See “Taxation.”)

### ***Income Phase Payment Options***

The following tables list the income phase payment options and accompanying death benefits which may be available under the contracts. Some contracts restrict the options and the terms available. Check with your contract holder for details. We may offer additional income phase payment options under the contract from time to time.



**Terms used in the Tables:**

**Annuitant:** The person(s) on whose life expectancy the income phase payments are calculated.

**Beneficiary:** The person designated to receive the death benefit payable under the contract.

<b>Lifetime Income Phase Payment Options</b>	
Life Income	<p><b>Length of Payments:</b> For as long as the annuitant lives. It is possible that only one payment will be made should the annuitant die prior to the second payment's due date.</p> <p><b>Death Benefit-None:</b> All payments end upon the annuitant's death.</p>
Life Income-Guaranteed Payments*	<p><b>Length of Payments:</b> For as long as the annuitant lives, with the option of having payments guaranteed for a choice of 5-30 years or as otherwise specified in the contract.</p> <p><b>Death Benefit-Payment to the Beneficiary:</b> If the annuitant dies before we have made all the guaranteed payments, we will continue to pay the beneficiary the remaining payments. Unless prohibited by a prior election of the contractholder, the beneficiary may elect to receive a lump-sum payment equal to the present value of the remaining guaranteed payments.</p>
Life Income-Two Lives	<p><b>Length of Payments:</b> For as long as either annuitant lives. It is possible that only one payment will be made should both annuitants die before the second payment's due date.</p> <p><b>Continuing Payments:</b></p> <p>(a) This option allows a choice of 100%, 66⅔% or 50% of the payment to continue to the surviving annuitant after the first death; or</p> <p>(b) 100% of the payment to continue to the annuitant on the second annuitant's death, and 50% of the payment to continue to the second annuitant on the annuitant's death.</p> <p><b>Death Benefit-None:</b> Payments end after the deaths of both annuitants.</p>
Life Income - Two Lives - Guaranteed Payments*	<p><b>Length of Payments:</b> For as long as either annuitant lives, with payments guaranteed for a minimum of 60 months and a maximum of 360 months, or as otherwise specified in the contract.</p> <p><b>Continuing Payments:</b> 100% of the payment to continue to the surviving annuitant after the first death.</p> <p><b>Death Benefit-Payment to the Beneficiary:</b> If both annuitants die before the guaranteed payments have all been paid, we will continue to pay the beneficiary the remaining payments. Unless prohibited by a prior election of the contractholder, the beneficiary may elect to receive a lump-sum payment equal to the present value of the remaining guaranteed payments.</p>
Life Income - Refund Option - fixed payment only	<p><b>Length of Payments:</b> For as long as either annuitant lives.</p> <p><b>Death Benefit-Payment to the Beneficiary:</b> Following the annuitant's death, we will pay a lump-sum payment equal to the amount originally applied to the payment option (less any premium tax) and less the total amount of fixed income payments paid.</p>
Life Income - Two Lives-Cash Refund Option - fixed payment only	<p><b>Length of Payments:</b> For as long as the annuitant lives.</p> <p><b>Continuing Payment:</b> 100% of the payment to continue after the first death.</p> <p><b>Death Benefit-Payment to the Beneficiary:</b> When both annuitants die, we will pay a lump-sum payment equal to the amount applied to the income phase payment option (less any premium tax) and less the total amount of fixed income phase payments paid.</p>
<b>Nonlifetime Income Phase Payment Options</b>	
Nonlifetime-Guaranteed Payments*	<p><b>Length of Payments:</b> Payments generally may be fixed or variable and may be made for 3-30 years. In certain cases a lump-sum payment may be requested at any time (see below).</p> <p><b>Death Benefit-Payment to the Beneficiary:</b> If the annuitant dies before we make all the guaranteed payments, we will continue to pay the beneficiary the remaining payments. Unless prohibited by a prior election of the contractholder, the beneficiary may receive a lump-sum payment equal to the present value of the remaining guaranteed payments, and we will not impose any early withdrawal charge.</p>

**Lump-Sum Payment:** If the "Nonlifetime-Guaranteed Payments" option is elected with variable payments, you may request at any time that all or a portion of the present value of the remaining payments be paid in one sum. A lump sum elected before three years of payments have been completed will be treated as a withdrawal during the accumulation phase and we will charge any applicable early withdrawal charge. If the early withdrawal charge is based on completed purchase payment periods, each year that passes after income payments begin will be treated as a completed purchase payment period, even if no additional payments are made. (See "Fees-Early Withdrawal Charge.") Lump-sum payments will be sent within seven calendar days after we receive the request for payment in good order at the Opportunity Plus Service Center.

**Calculation of Lump-Sum Payments:** If a lump-sum payment is available to a beneficiary or to you in the options above, the rate we use to calculate the present value of the remaining guaranteed payments is the same rate we use to calculate the income phase payments (i.e., the actual fixed rate used for fixed payments, or the 3.5% or 5.0% assumed net investment rate for variable payments).

\*Guaranteed period payments may not extend beyond the shorter of your life expectancy or until your age 95.

## **CONTRACT DISTRIBUTION**

---

**General.** The Company's subsidiary, ING Financial Advisers, LLC serves as the principal underwriter for the contracts. ING Financial Advisers, LLC, a Delaware limited liability company, is registered as a broker-dealer with the SEC. ING Financial Advisers, LLC is also a member of the National Association of Securities Dealers, Inc. ("NASD") and the Securities Investor Protection Corporation. ING Financial Advisers, LLC's principal office is located at 151 Farmington Avenue, Hartford, Connecticut 06156.

The contracts are offered to the public by individuals who are registered representatives of ING Financial Advisers, LLC or other broker dealers that have entered into a selling arrangement with ING Financial Advisers, LLC. We refer to ING Financial Advisers, LLC and the other broker-dealers selling the contracts as "distributors."

All registered representatives selling the contracts must also be licensed as insurance agents for the Company.

The following is a list of broker-dealers that are affiliated with the Company:

Bancnorth Investment Group, Inc.  
Directed Services LLC  
Financial Network Investment Corporation  
Guaranty Brokerage Services, Inc.  
ING America Equities, Inc.  
ING Direct Funds Limited  
ING DIRECT Securities, Inc.  
ING Financial Markets LLC  
ING Financial Partners, Inc.  
ING Funds Distributor, LLC  
ING Investment Management Services LLC  
ING Private Wealth management LLC  
Multi-Financial Securities Corporation  
PrimeVest Financial Services, Inc.  
Systematized Benefits Administrators, Inc.

Registered representatives of distributors who solicit sales of the contracts typically receive a portion of the compensation paid to the distributor in the form of commissions or other compensation, depending upon the agreement between the distributor and the registered representative. This compensation, as well as other incentives or payments, is not paid directly by contract holders or the separate account. We intend to recoup this compensation and other sales expenses paid to distributors through fees and charges imposed under the contracts.

**Commission Payments.** Persons who offer and sell the contracts may be paid a commission. The commissions paid on transferred assets and recurring payments made during the first year of the participant account range from 1.0% to 4.0%. After the first year of the participant account, renewal commissions up to 0.75% may be paid on recurring payments up to the amount of the previous year's payments, and commissions of up to 4.0% may be paid on recurring payments in excess of this amount. In addition, the Company may pay an asset based commission ranging up to 0.10%.

We may also pay ongoing annual compensation of up to 40% of the commissions paid during the year in connection with certain premium received during that year, if the registered representative attains a certain threshold of sales of Company contracts. Individual registered representatives may receive all or a portion of compensation paid to their distributor, depending upon the firm's practices. Commissions and annual payments, when combined, could exceed 4.0% of total premium payments. To the extent permitted by SEC and NASD rules and other applicable laws and regulations, we may also pay or allow other promotional incentives or payments in the form of cash payments or other compensation to distributors, which may require the registered representative to attain a certain threshold of sales of Company products.

We may also enter into special compensation arrangements with certain distributors based on those firms' aggregate or anticipated sales of the contracts or other criteria. These special compensation arrangements will not be offered to all distributors, and the terms of such arrangements may differ among distributors based on various factors. Any such compensation payable to a distributor will not result in any additional direct charge to you by us.

Some sales personnel may receive various types of non-cash compensation as special sales incentives, including trips, and we may also pay for some sales personnel to attend educational and/or business seminars. Any such compensation will be paid in accordance with SEC and NASD rules. Management personnel of the Company, and of its affiliated broker-dealers, may receive additional compensation if the overall amount of investments in funds advised by the Company or its affiliates meets certain target levels or increases over time. Compensation for certain management personnel, including sales management personnel, may be enhanced if the overall amount of investments in the contracts and other products issued or advised by the Company or its affiliates increases over time. Certain sales management personnel may also receive compensation that is a specific percentage of the commissions paid to distributors or of purchase payments received under the contracts.

In addition to direct cash compensation for sales of contracts described above, ING Financial Advisers, LLC may also pay distributors additional compensation or reimbursement of expenses for their efforts in selling contracts to you and other customers. These amounts may include:

- Marketing/distribution allowances that may be based on the percentages of purchase payments received, the aggregate commissions paid and/or the aggregate assets held in relation to certain types of designated insurance products issued by the Company and/or its affiliates during the year;
- Loans or advances of commissions in anticipation of future receipt of purchase payments (a form of lending to registered representatives). These loans may have advantageous terms, such as reduction or elimination of the interest charged on the loan and/or forgiveness of the principal amount of the loan, which may be conditioned on fixed insurance product sales;
- Education and training allowances to facilitate our attendance at certain educational and training meetings to provide information and training about our products. We also hold training programs from time to time at our own expense;
- Sponsorship payments or reimbursements for distributors to use in sales contests and/or meetings for their registered representatives who sell our products. We do not hold contests based solely on sales of this product;
- Certain overrides and other benefits that may include cash compensation based on the amount of earned commissions, representative recruiting or other activities that promote the sale of contracts; and
- Additional cash or noncash compensation and reimbursements permissible under existing law. This may include, but is not limited to, cash incentives, merchandise, trips, occasional entertainment, meals and tickets to sporting events, client appreciation events, business and educational enhancement items, payment for travel expenses (including meals and lodging) to pre-approved training and education seminars, and payment for advertising and sales campaigns.

We pay dealer concessions, wholesaling fees, overrides, bonuses, other allowances and benefits and the costs of all other incentives or training programs from our resources, which include the fees and charges imposed under the contracts.

The following is a list of the top 25 selling firms that, during 2006, received the most compensation, in the aggregate, from us in connection with the sale of registered variable annuity contracts issued by the Company, ranked by total dollars received.

- |   |   |
|---|---|
| 1) Symetra Investment Services, Inc.        | 14) National Planning Corporation                             |
| 2) AIG Financial Advisors Inc.              | 15) Jefferson Pilot Securities Corporation                    |
| 3) Walnut Street Securities, Inc.®          | 16) Morgan Keegan and Company, Inc.                           |
| 4) Lincoln Investment Planning, Inc.        | 17) Cadaret, Grant & Co., Inc.                                |
| 5) Securities America, Inc.                 | 18) Tower Square Securities, Inc.                             |
| 6) ING Financial Partners, Inc.             | 19) Financial Telesis Inc./JHW Financial & Insurance Services |
| 7) Financial Network Investment Corporation | 20) Mutual Service Corporation                                |
| 8) Linsco/Private Ledger Corp.              | 21) Huckin Financial Group, Inc.                              |
| 9) Valor Insurance Agency, Inc.             | 22) Northwestern Mutual Investment Services, LLC              |
| 10) Multi-Financial Securities Corporation  | 23) Waterstone Financial Group                                |
| 11) Edward D. Jones & Co., L.P.             | 24) Royal Alliance Associates, Inc.                           |
| 12) Wachovia Securities, LLC                | 25) NFP Securities, Inc.                                      |
| 13) USI Securities, Inc.                    |   |

If the amounts paid to ING Financial Advisers, LLC were included, ING Financial Advisers, LLC would be at the top of the list.

This is a general discussion of the types and levels of compensation paid by us for the sale of our variable annuity contracts. It is important for you to know that the payment of volume or sales-based compensation to a distributor or registered representative may provide that registered representative a financial incentive to promote our contracts over those of another Company, and may also provide a financial incentive to promote one of our contracts over another.

The names of the distributor and the registered representative responsible for your account are stated in your enrollment materials.

### **Third Party Compensation Arrangements.**

- ▷ The Company may seek to promote itself and the contracts by sponsoring or contributing to events sponsored by various associations, professional organizations and labor organizations.
- ▷ The Company may make payments to associations and organizations, including labor organizations, which endorse or otherwise recommend the contracts to their membership. If an endorsement is a factor in your contract purchasing decision, more information on the payment arrangement, if any, is available upon your request.
- ▷ At the direction of the contract holder, we may make payments to the contract holder, its representatives or third party service providers intended to defray or cover the costs of plan or program related administration.

# TAXATION

## I. Introduction

This section discusses our understanding of current federal income tax laws affecting the contracts. You should keep the following in mind when reading it:

- ▷ Your tax position (or the tax position of the designated beneficiary, as applicable) determines federal taxation of amounts held or paid out under the contracts;
- ▷ Tax laws change. It is possible that a change in the future could affect contracts issued in the past;
- ▷ This section addresses federal income tax rules and does not discuss federal estate and gift tax implications, state and local taxes or any other tax provisions; and
- ▷ We do not make any guarantee about the tax treatment of the contract or any transaction involving the contracts.

We do not intend this information to be tax advice. For advice about the effect of federal income taxes or any other taxes on amounts held or paid out under the contracts, consult a tax adviser. No attempt is made to provide more than general information about the use of the contracts with tax-qualified retirement arrangements.

For more comprehensive information contact the Internal Revenue Service (IRS).

## Qualified Contracts

The contracts are available for purchase on a tax-qualified basis (qualified contracts).

Qualified contracts are designed for use by individuals and/or employers whose premium payments are comprised solely of proceeds from and/or contributions under retirement plans or programs intended to qualify for special income tax treatment under the Tax Code.

## II. Taxation of Qualified Contracts

### General

The contracts are primarily designed for use with Tax Code section 403(b) and Roth 403(b) plans. (We refer to these as “qualified plans”). The tax rules applicable to participants in these qualified plans vary according to the type of plan and the terms and conditions of the plan itself. The ultimate effect of federal income taxes on the amounts held under a contract, or on income phase payments, depends on the type of retirement plan or program, the tax and employment status of the individual concerned, and on your tax status. Special favorable tax treatment may be available for contributions and distributions. In addition, certain requirements must be satisfied in purchasing a qualified contract with proceeds from a tax-qualified plan or program in order to continue receiving favorable tax treatment.

Adverse tax consequences may result from: contributions in excess of specified limits, distributions before age 59½ (subject to certain exceptions), distributions that do not conform to specified commencement and minimum distribution rules, and in other specified circumstances. Some qualified plans are subject to additional distribution or other requirements that may not be incorporated into our contract. No attempt is made to provide more than general information about the use of the contracts with qualified plans. Contract holders, participants, annuitants, and beneficiaries are cautioned that the rights of any person to any benefit under these qualified plans may be subject to the terms and conditions of the plan themselves, regardless of the terms and conditions of the contract. The Company is not bound by the terms and conditions of such plans to the extent such terms contradict the contract, unless we consent.

### In this Section

#### I. Introduction

#### II. Taxation of Qualified Contracts

#### III. Possible Changes in Taxation

#### IV. Taxation of the Company

When consulting a tax adviser, be certain that he or she has expertise in the Tax Code sections applicable to your tax concerns.

Generally, contract holders, participants, and beneficiaries are responsible for determining that contributions, distributions and other transactions with respect to the contract comply with applicable law. Therefore, you should seek competent legal and tax advice regarding the suitability of a contract for your particular situation. The following discussion assumes that qualified contracts are purchased with proceeds from and/or contributions under retirement plans or programs that qualify for the intended special federal tax treatment.

### **Tax Deferral**

Under the federal tax laws, earnings on amounts held in annuity contracts are generally not taxed until they are withdrawn. However, in the case of a qualified plan, such as a 403(b) or Roth 403(b) plan, an annuity contract is not necessary to obtain this favorable tax treatment and does not provide any tax benefits beyond the deferral already available to the qualified plan itself. Annuities do provide other features and benefits (such as the option of lifetime income phase options at established rates) that may be valuable to you. You should discuss your alternatives with your financial representative taking into account the additional fees and expenses you may incur in an annuity.

**Section 403(b) Tax-Deferred Annuities.** The contracts are available as Tax Code section 403(b) tax-deferred annuities. Section 403(b) of the Tax Code allows employees of certain Tax Code section 501(c)(3) organizations and public schools to exclude from their gross income the premium payments made, within certain limits, to a contract that will provide an annuity for the employee's retirement.

The contracts may also be available as a Roth 403(b) contract, as described in Tax Code section 402A, and we may set up accounts for you under the contract for Roth 403(b) contributions. Tax Code section 402A allows employees of public schools and certain Tax Code section 501(c)(3) organizations to contribute after-tax salary contributions to a Roth 403(b), which provides for tax-free distributions, subject to certain restrictions.

In November, 2004 the Treasury Department proposed regulations which, if finalized, are not scheduled to take effect until after 2007. These proposed regulations may not be relied upon until they become final. We reserve the right to modify the contracts to comply with these regulations where allowed, or where required by law. The proposed regulations include: (a) the ability to terminate a 403(b) plan, which would entitle a participant to a distribution; (b) a revocation or modification of IRS Revenue Ruling 90-24, which would increase restrictions on a participant's right to transfer his or her 403(b) accounts; and (c) the imposition of withdrawal restrictions on non-salary reduction contribution amounts, as well as other changes.

In addition to being offered as an investment option under the contract, shares of the following funds:

American Century<sup>®</sup> Income & Growth Fund  
EuroPacific Growth Fund<sup>®</sup>  
Evergreen Special Values Fund  
New Perspective Fund<sup>®</sup>  
Oppenheimer Developing Markets Fund  
Pax World Balanced Fund  
The Growth Fund of America<sup>®</sup>  
Washington Mutual Investors Fund<sup>SM</sup>

are also offered for sale directly to the general public. In order to qualify for favorable tax treatment under Tax Code section 403(b), a contract must be considered an "annuity." In Revenue Procedure 99-44, the IRS concluded that it will treat a contract as an annuity for tax purposes under Tax Code section 403(b), notwithstanding that contract premiums are invested at the contract holder's direction in publicly available securities. This treatment will be available provided no additional tax liability would have been incurred if the contribution was paid into a trust or a custodial account in an arrangement that satisfied the requirements of Tax Code section 401(a) or 403(b)(7)(A). We believe that the contracts satisfy the requirements set forth in Revenue Procedure 99-44 and will therefore be treated as an annuity for tax purposes, notwithstanding the fact that investments may be made in publicly available securities. However, the exact nature of the requirements of Revenue Procedure 99-44 is unclear, and you should consider consulting with a tax adviser before electing to invest in a fund that is offered for sale to the general public.

Revenue Procedure 99-44 does not specifically address the use of publicly available securities in annuity contracts designed for use as a Roth 403(b). However, we believe that under this analysis such investment should not impact the treatment of such contracts as annuity contracts for purposes of Tax Code section 403(b). You should consider consulting with a tax adviser before electing to invest in a fund that is offered for sale to the general public through one of these contracts.

## Contributions

In order to be excludable from gross income for federal income tax purposes, total annual contributions to certain qualified plans are limited by the Tax Code. We provide general information on these requirements for certain plans below. You should consult with your tax adviser in connection with contributions to a qualified contract.

**403(b) and Roth 403(b) Plans.** The total annual contributions (including pre-tax and Roth 403(b) after-tax contributions) by you and your employer cannot exceed, generally, the lesser of 100% of your compensation or \$45,000. Compensation means your compensation for the year from the employer sponsoring the plan and, for years beginning after December 31, 1997, includes any elective deferrals under Tax Code section 402(g) and any amounts not includible in gross income under Tax Code sections 125 or 457.

This limit applies to your contributions as well as to any contributions made by your employer on your behalf. An additional requirement limits your salary reduction contributions to a 403(b) or Roth 403(b) plan to generally no more than \$15,500. Contribution limits are subject to annual adjustments for cost-of-living increases. Your own limit may be higher or lower, depending upon certain conditions.

With the exception of Roth 403(b) contributions, purchase payments to your account(s) will generally be excluded from your gross income. Roth 403(b) salary reduction contributions are made on an after-tax basis.

**Catch-up Contributions.** Notwithstanding the contribution limits noted above, a participant in a 403(b) or Roth 403(b) plan who is at least age 50 by the end of the plan year may contribute an additional amount not to exceed the lesser of:

- (a) \$5,000; or
- (b) The participant's compensation for the year reduced by any other elective deferrals of the participant for the year.

Additional catch-up provisions may be available. For advice on using a catch-up provision, please consult with your tax adviser.

## Distributions - General

Certain tax rules apply to distributions from the contracts. A distribution is any amount taken from a contract including withdrawals, income phase payments, rollovers, exchanges and death benefit proceeds. We report the taxable portion of all distributions to the IRS.

**403(b) Plans.** All distributions from these plans are taxed as received unless one of the following is true:

- The distribution is an eligible rollover distribution and is rolled over to another plan eligible to receive rollovers or to a traditional IRA in accordance with the Tax Code;
- You made after-tax contributions to the plan. In this case, depending upon the type of distribution, the amount will be taxed according to the rules detailed in the Tax Code; or
- The distribution is a qualified health insurance premium of a retired public safety officer as defined in the Pension Protection Act of 2006.

A payment is an eligible rollover distribution unless it is:

- part of a series of substantially equal periodic payments (at least one per year) made over the life expectancy of the participant or the joint life expectancy of the participant and his designated beneficiary or for a specified period of 10 years or more;
- a required minimum distribution under Tax Code section 401(a)(9);
- a hardship withdrawal;
- otherwise excludable from income; or
- not recognized under applicable regulations as eligible for rollover.

The Tax Code imposes a 10% penalty tax on the taxable portion of any distribution from a contract used with a 403(b) plan unless certain exceptions, including one or more of the following, have occurred:

- a) You have attained age 59½;
- b) You have become disabled, as defined in the Tax Code;
- c) You have died and the distribution is to your beneficiary;
- d) You have separated from service with the sponsor at or after age 55;

- e) The distribution amount is rolled over into another eligible retirement plan or to an IRA in accordance with the terms of the Tax Code;
- f) You have separated from service with the plan sponsor and the distribution amount is made in substantially equal periodic payments (at least annually) over your life or the life expectancy or the joint lives or joint life expectancies of you and your designated beneficiary;
- g) The distribution is made due to an IRS levy upon your plan;
- h) The withdrawal amount is paid to an alternate payee under a Qualified Domestic Relations Order (QDRO); or
- i) The distribution is a qualified reservist distribution as defined under the Pension Protection Act of 2006.

In addition, the 10% penalty tax does not apply to the amount of a distribution equal to unreimbursed medical expenses incurred by you during the taxable year that qualify for deduction as specified in the Tax Code. The Tax Code may provide other exceptions or impose other penalty taxes in other circumstances.

**403(b) Plans.** Distribution of amounts restricted under Tax Code section 403(b)(11) may only occur upon your death, attainment of age 59½, severance from employment, disability or financial hardship. Such distributions remain subject to other applicable restrictions under the Tax Code.

If, pursuant to Revenue Ruling 90-24, the Company agrees to accept amounts transferred from a Tax Code section 403(b)(7) custodial account, such amounts will be subject to the withdrawal restrictions set forth in Tax Code section 403(b)(7)(A)(ii).

**Roth 403(b) Plans.** You may take partial or full withdrawals of purchase payments made by salary reduction and earnings credited on those purchase payments from a Roth 403(b) account only if you have:

- a) Attained age 59½;
- b) Experienced a severance from employment;
- c) Become disabled as defined in the Tax Code;
- d) Died;
- e) Experienced financial hardship as defined by the Tax Code; or
- f) Met other circumstances as allowed by federal law, regulations or rulings.

The amount available for financial hardship is limited to the lesser of the amount necessary to satisfy the financial hardship or the amount attributable to salary reduction contributions (excluding earnings on such contributions).

A partial or full withdrawal of purchase payments made by salary reduction to a Roth 403(b) account and earnings credited on those purchase payments will be excludable from income if it is a qualified distribution. A qualified distribution from a Roth 403(b) account is one that meets the following requirements.

1. The withdrawal occurs after the 5-year taxable period measured from the earlier of:
  - a) the first taxable year you made a designated Roth 403(b) contribution to any designated Roth 403(b) account established for you under the same applicable retirement plan as defined in Tax Code section 402A; or
  - b) if a rollover contribution was made from a designated Roth 403(b) account previously established for you under another applicable retirement plan, the first taxable year for which you made a designated Roth 403(b) contribution to such previously established account; and
2. The withdrawal occurs after you attain age 59½, die with payment being made to your beneficiary, or become disabled as defined in the Tax Code.

**Special Hurricane-Related Relief.** The Katrina Emergency Tax Relief Act and the Gulf Opportunity Zone Act provide tax relief to victims of Hurricanes Katrina, Rita and Wilma. The relief includes a waiver of the 10% penalty tax on qualified hurricane distributions from eligible retirement plans, including 403(b) plans. In addition, the 20% mandatory withholding rules do not apply to these distributions and the tax may be spread out ratably over a three-year period. A recipient of qualified hurricane distribution may also elect to re-contribute all or a portion of the distribution to an eligible retirement plan within three (3) years of receipt without tax consequences. Other relief may also apply. You should consult a competent tax adviser for further information.



**Lifetime Required Minimum Distributions (403(b) and Roth 403(b) Plans)**

To avoid certain tax penalties, you and any designated beneficiary must meet the required minimum distribution requirements imposed by the Tax Code. These rules dictate the following:

- ▷ Start date for distributions;
- ▷ The time period in which all amounts in your contract(s) must be distributed; and
- ▷ Distribution amounts.

**Start Date.** Generally, you must begin receiving distributions by April 1 of the calendar year following the calendar year in which you attain age 70½ or retire, whichever occurs later, unless the Company maintains separate records of amounts held as of December 31, 1986. In this case distribution of these amounts generally must begin by the end of the calendar year in which you attain age 75 or retire, if later. However, if you take any distributions in excess of the minimum required amount, then special rules require that the excess be distributed from the December 31, 1986 balance.

**Time Period.** We must pay out distributions from the contract over a period not extending beyond one of the following time periods:

- ▷ Over your life or the joint lives of you and your designated beneficiary; or
- ▷ Over a period not greater than your life expectancy or the joint life expectancies of you and your designated beneficiary.

**Distribution Amounts.** The amount of each required minimum distribution must be calculated in accordance with Tax Code Section 401(a)(9). The entire interest in the account includes the amount of any outstanding rollover, transfer, recharacterization, if applicable, and the actuarial present value of any other benefits provided under the account, such as guaranteed death benefits.

**50% Excise Tax.** If you fail to receive the required minimum distribution for any tax year, a 50% excise tax may be imposed on the required amount that was not distributed.

Further information regarding required minimum distributions may be found in your contract or certificate.

**Required Distributions Upon Death (403(b) and Roth 403(b) Plans)**

Different distribution requirements apply after your death, depending upon if you have begun receiving required minimum distributions. Further information regarding required distributions upon death may be found in your contract or certificate.

If your death occurs on or after you begin receiving minimum distributions under the contract, distributions generally must be made at least as rapidly as under the method in effect at the time of your death. Tax Code section 401(a)(9) provides specific rules for calculating the minimum required distributions at your death.

If your death occurs before you begin receiving minimum distributions under the contract, your entire balance must be distributed by December 31 of the calendar year containing the fifth anniversary of the date of your death. For example, if you died on September 1, 2007, your entire balance must be distributed to the designated beneficiary by December 31, 2012. However, if distributions begin by December 31 of the calendar year following the calendar year of your death, then payments may be made within one of the following timeframes:

- ▷ Over the life of the designated beneficiary; or
- ▷ Over a period not extending beyond the life expectancy of the designated beneficiary.

**Start Dates for Spousal Beneficiaries.** If the designated beneficiary is your spouse, distributions must begin on or before the later of the following:

- ▷ December 31 of the calendar year following the calendar year of your death; or
- ▷ December 31 of the calendar year in which you would have attained age 70½.

**No Designated Beneficiary.** If there is no designated beneficiary, the entire interest generally must be distributed by the end of the calendar year containing the fifth anniversary of the contract holder's death.

#### **Withholding**

Any taxable distributions under the contract are generally subject to withholding. Federal income tax liability rates vary according to the type of distribution and the recipient's tax status.

**403(b) and Roth 403(b) Plans.** Generally, distributions from these plans are subject to a mandatory 20% federal income tax withholding. However, mandatory withholding will not be required if you elect a direct rollover of the distributions to an eligible retirement plan or in the case of certain distributions described in the Tax Code.

**Non-resident Aliens.** If you or your designated beneficiary is a non-resident alien, then any withholding is governed by Tax Code section 1441 based on the individual's citizenship, the country of domicile and treaty status.

#### **Assignment and Other Transfers**

**403(b) and Roth 403(b) Plans.** Adverse tax consequences to the plan and/or to you may result if your beneficial interest in the contract is assigned or transferred to persons other than:

- ▷ A plan participant as a means to provide benefit payments;
- ▷ An alternate payee under a qualified domestic relations order in accordance with Tax Code section 414(p); or
- ▷ The Company as collateral for a loan.

### ***III. Possible Changes in Taxation***

Although the likelihood of legislative change and tax reform is uncertain, there is always the possibility that the tax treatment of the contracts could change by legislation or other means. It is also possible that any change could be retroactive (that is, effective before the date of the change). The Pension Protection Act of 2006 made permanent pension and IRA provisions under the Economic Growth and Tax Relief Reconciliation Act of 2001. You should consult a tax adviser with respect to legislative developments and their effect on the contract.

### ***IV. Taxation of the Company***

We are taxed as a life insurance company under the Tax Code. Variable Annuity Account C is not a separate entity from us. Therefore, it is not taxed separately as a "regulated investment company" but is taxed as part of the Company.

We automatically apply investment income and capital gains attributable to the separate account to increase reserves under the contracts. Because of this, under existing federal tax law we believe that any such income and gains will not be taxed to the extent that such income and gains are applied to increase reserves under the contracts. In addition, any foreign tax credits attributable to the separate account will be first used to reduce any income taxes imposed on the separate account before being used by the Company.

In summary, we do not expect that we will incur any federal income tax liability attributable to the separate account and we do not intend to make any provision for such taxes. However, changes in federal tax laws and/or their interpretation may result in our being taxed on income or gains attributable to the separate account. In this case we may impose a charge against the separate account (with respect to some or all of the contracts) to set aside provisions to pay such taxes. We may deduct this amount from the separate account, including from your contract value invested in the subaccounts.

## OTHER TOPICS

---

### *Opportunity Plus Service Center*

We established the Opportunity Plus Service Center to provide administrative support to you and other participants of the Opportunity Plus Program. This office handles enrollment, billing, transfers, redemptions and inquiries. Send forms and correspondence to:

For all regular mail, please use:

Opportunity Plus Service Center  
ING National Trust  
P.O. Box 9810  
Providence, RI 02940-8010

For overnight delivery, please use:

Opportunity Plus Service Center  
ING National Trust  
101 Sabin Street  
Pawtucket, RI 02860

Telephone Number: 1-800-OPP-INFO (1-800-677-4636)

### *Performance Reporting*

We may advertise different types of historical performance for the subaccounts including:

- ▷ Standardized average annual total returns; and
- ▷ Non-standardized average annual total returns.

We may also advertise certain ratings, rankings or other information related to the Company, the subaccounts or the funds.

**Standardized Average Annual Total Returns.** We calculate standardized average annual total returns according to a formula prescribed by the SEC. This shows the percentage return applicable to \$1,000 invested in the subaccount over the most recent month end, one, five and 10-year periods. If the investment option was not available for the full period, we give a history from the date money was first received in that option under the separate account or from the date the fund was first available under the separate account. As an alternative to providing the most recent month-end performance, we may provide a phone number, website or both where these returns may be obtained. Standardized average annual total returns reflect the deduction of all recurring charges during each period (e.g., mortality and expense risk charges, administrative expense charges, (if any) ING GET Fund guarantee charges (if any) and any applicable early withdrawal charges).

**Non-Standardized Average Annual Total Returns.** We calculate non-standardized average annual total returns in a similar manner as that stated above, except we may include returns that do not reflect the deduction of any applicable early withdrawal charge. If we reflected these charges in the calculation, they would decrease the level of performance reflected by the calculation. Non-standardized returns may also include performance from the fund's inception date, if that date is earlier than the one we use for standardized returns.

### *Voting Rights*

Each of the subaccounts holds shares in a fund and each is entitled to vote at regular and special meetings of that fund. Under our current view of applicable law, we will vote the shares for each subaccount as instructed by persons having a voting interest in the subaccount. Under the contracts described in this prospectus, you have a fully vested interest in the value of your account. Therefore, under the plan you generally have the right to instruct the contract

holder how to direct us to vote shares attributable to your account. Currently, for group contracts used with section 403(b) and Roth 403(b) plans, we obtain participant voting instructions directly from participants, subject to receipt of authorization from the contract holder to accept such instructions. We will vote shares for which instructions have not been received in the same proportion as those for which we received instructions. Each person who has a voting interest in the separate account will receive periodic reports relating to the funds in which he or she has an interest, as well as any proxy materials and a form on which to give voting instructions. Voting instructions will be solicited by a written communication at least 14 days before the meeting.

The number of votes (including fractional votes) any person is entitled to direct will be determined as of the record date set by any fund in which that person invests through the subaccounts.

- ▷ During the accumulation phase the number of votes is equal to the portion of the account value invested in the fund, divided by the net asset value of one share of that fund.
- ▷ During the income phase the number of votes is equal to the portion of reserves set aside for the contract's share of the fund, divided by the net asset value of one share of that fund.

### ***Contract Modification***

We may change the contract as required by federal or state law, including any future changes necessary to maintain the contract, or account as a designated Roth 403(b) annuity contract or account under the Tax Code, regulations, IRS rulings or requirements. In addition, we may, upon 30 days' written notice to the contract holder, make other changes to group contracts that would apply only to individuals who become participants under that contract after the effective date of such changes. If the group contract holder does not agree to a change, we reserve the right to refuse to establish new accounts under the contract. Certain changes will require the approval of appropriate state or federal regulatory authorities.

### ***Legal Matters and Proceedings***

We are not aware of any pending legal proceedings which involve the separate account as a party.

The Company is involved in threatened or pending lawsuits/arbitrations arising from the normal conduct of business. Due to the climate in insurance and business litigation/arbitrations, suits against the Company sometimes include claims for substantial compensatory, consequential, or punitive damages and other types of relief. Moreover, certain claims are asserted as class actions, purporting to represent a group of similarly situated individuals. While it is not possible to forecast the outcome of such lawsuits/arbitrations, in light of existing insurance, reinsurance, and established reserves, it is the opinion of management that the disposition of such lawsuits/arbitrations will not have a materially adverse effect on the Company's operations or financial position.

ING Financial Advisers, LLC, the principal underwriter and distributor of the contract (the "distributor"), is a party to threatened or pending lawsuits/arbitration that generally arise from the normal conduct of business. Some of these suits may seek class action status and sometimes include claims for substantial compensatory, consequential or punitive damages and other types of relief. ING Financial Advisers, LLC is not involved in any legal proceeding which, in the opinion of management, is likely to have a material adverse effect on its ability to distribute the contract.

### ***Payment Delay or Suspension***

We reserve the right to suspend or postpone the date of any payment of benefits or values under the following circumstances: (a) on any valuation date when the New York Stock Exchange is closed (except customary weekend and holidays) when trading on the New York Stock Exchange is restricted; (b) when an emergency exists as determined by the SEC so that disposal of the securities held in the subaccounts is not reasonably practicable or it is not reasonably practicable to fairly determine the value of the subaccount's assets; (c) during any other periods the SEC may by order permit for the protection of investors. The conditions under which restricted trading or an emergency exists shall be determined by the rules and regulations of the SEC.

### ***Intent to Confirm Quarterly***

We will provide confirmation of scheduled transactions quarterly rather than immediately to the participant.

## **CONTENTS OF THE STATEMENT OF ADDITIONAL INFORMATION**

---

The Statement of Additional Information contains more specific information on the separate account and the contract, as well as the financial statements of the separate account and the Company. A list of the contents of the SAI is set forth below:

General Information and History

Variable Annuity Account C

Offering and Purchase of Contracts

Income Phase Payments

Sales Material and Advertising

Independent Registered Public Accounting Firm

Financial Statements of the Separate Account

Consolidated Financial Statements of ING Life Insurance and Annuity Company

You may request an SAI by calling the Opportunity Plus Service Center at the number listed in “Contract Overview–Questions: Contacting the Company.”

## APPENDIX I

### GUARANTEED ACCUMULATION ACCOUNT

---

The Guaranteed Accumulation Account is a fixed interest option that may be available during the accumulation phase under the contracts. This Appendix is only a summary of certain facts about the Guaranteed Accumulation Account. Please read the Guaranteed Accumulation Account prospectus before investing in this option. You may obtain a copy of the Guaranteed Accumulation Account prospectus by contacting us at the Opportunity Plus Service Center at the address or telephone number listed in “Contract Overview-Questions: Contacting the Company.”

**General Disclosure.** Amounts that you invest in the Guaranteed Accumulation Account will earn a guaranteed interest rate if amounts are left in the Guaranteed Accumulation Account for the specified period of time. If you withdraw or transfer those amounts before the specified period of time has elapsed, we may apply a “market value adjustment,” which may be positive or negative.

When you decide to invest money in the Guaranteed Accumulation Account, you will want to contact your local representative or the Company to learn:

- ▷ The interest rate we will apply to the amounts that you invest in the Guaranteed Accumulation Account. We change this rate periodically, so be certain you know what rate we guarantee on the day your account dollars are invested into the Guaranteed Accumulation Account.
- ▷ The period of time your account dollars need to remain in the Guaranteed Accumulation Account in order to earn that rate. You are required to leave your account dollars in the Guaranteed Accumulation Account for a specified period of time (guaranteed term), in order to earn the guaranteed interest rate.

**Deposit Periods.** A deposit period is the time during which we offer a specific interest rate if you deposit dollars for a certain guaranteed term. For a particular interest rate and guaranteed term to apply to your account dollars, you must invest them during the deposit period during which that rate and term are offered.

**Interest Rates.** We guarantee different interest rates, depending upon when account dollars are invested in the Guaranteed Accumulation Account. The interest rate we guarantee is an annual effective yield; that means that the rate reflects a full year’s interest. We credit interest daily at a rate that will provide the guaranteed annual effective yield over one year. The guaranteed interest rate will never be less than the rate stated in the contract.

**Fees and Other Deductions.** If all or a portion of your account value in the Guaranteed Accumulation Account is withdrawn, you may incur the following:

- ▷ Market Value Adjustment (MVA) - as described in this appendix and in the Guaranteed Accumulation Account prospectus;
- ▷ Tax Penalties and/or Tax withholding - see “Taxation”; or
- ▷ Early Withdrawal Charge - see “Fees.”

We do not make deductions from amounts in the Guaranteed Accumulation Account to cover mortality and expense risks. Rather, we consider these risks when determining the credited rate.

**Market Value Adjustment (MVA).**

If you withdraw or transfer your account value from the Guaranteed Accumulation Account before the guaranteed term is completed, an MVA may apply. The MVA reflects the change in the value of the investment due to changes in interest rates since the date of deposit. The MVA may be positive or negative. If you have elected ECO as described in “Systematic Distribution Options,” no MVA applies to amounts withdrawn from the Guaranteed Accumulation Account.

- If interest rates at the time of withdrawal have increased since the date of deposit, the value of the investment decreases and the MVA will be negative. This could result in your receiving less than the amount you paid into the Guaranteed Accumulation Account.
- If interest rates at the time of withdrawal have decreased since the date of deposit, the value of the investment increases and the MVA will be positive.

**Guaranteed Terms.** The guaranteed term is the period of time account dollars must be left in the Guaranteed Accumulation Account in order to earn the guaranteed interest rate specified for that guaranteed term. We offer different guaranteed terms at different times. Check with your representative or the Company to learn the details about the guaranteed term(s) currently being offered.

In general we offer the following guaranteed terms:

- Short-term-three years or fewer; and
- Long-term-ten years or less, but greater than three years.

At the end of a guaranteed term, you may:

- Transfer dollars to a new guaranteed term;
- Transfer dollars to other available investment options; or
- Withdraw dollars.

Deductions may apply to withdrawals. See “Fees and Other Deductions” in this section.

**Transfer of Account Dollars.** Generally, account dollars invested in the Guaranteed Accumulation Account may be transferred among guaranteed terms offered through the Guaranteed Accumulation Account, and/or to other investment options offered through the contract. However, transfers may not be made during the deposit period in which your account dollars are invested in the Guaranteed Accumulation Account or for 90 days after the close of that deposit period. We will apply an MVA to transfers made before the end of a guaranteed term.

**Income Phase.** The Guaranteed Accumulation Account can not be used as an investment option during the income phase. However, you may notify us at least 30 days in advance to elect a variable payment option and to transfer your Guaranteed Accumulation Account dollars to any of the subaccounts available during the income phase.

**Borrowing Against Amounts held in the Guaranteed Accumulation Account.** You cannot take a loan from your account value in the Guaranteed Accumulation Account. However, we include your account value in the Guaranteed Accumulation Account when determining the amount of your account value we will distribute as a loan.

**Reinvesting Amounts Withdrawn from the Guaranteed Accumulation Account.** If amounts are withdrawn from the Guaranteed Accumulation Account and then reinvested in the Guaranteed Accumulation Account, we will apply the reinvested amount to the current deposit period. This means that the guaranteed annual interest rate, and guaranteed terms available on the date of reinvestment, will apply. Amounts will be reinvested proportionately in the same way as they were allocated before withdrawal.

We will not credit your account for market value adjustments that were deducted at the time of withdrawal or refund any taxes that were withheld, unless required by law.

## APPENDIX II

### FIXED ACCOUNT

---

The Fixed Account is an investment option available during the accumulation phase under the contracts. Amounts allocated to the Fixed Account are held in the Company's general account which supports insurance and annuity obligations. The Fixed Account is only available under installment purchase payment contracts.

Additional information about this option may be found in the contract.
--

**General Disclosure.** Interests in the Fixed Account have not been registered with the SEC in reliance on exemptions under the Securities Act of 1933, as amended. Disclosure in this prospectus about the Fixed Account may be subject to certain generally applicable provisions of the federal securities laws relating to the accuracy and completeness of the statements. Disclosure in this Appendix regarding the Fixed Account has not been reviewed by the SEC.

**Interest Rates.** The Fixed Account guarantees that amounts allocated to this option will earn the minimum interest rate specified in the contract. We may credit a higher interest rate from time to time, but the rate we credit will never fall below the guaranteed minimum specified in the contract. Among other factors, the safety of the interest rate guarantees are based on the claims-paying ability of the Company. Amounts applied to the Fixed Account will earn the interest rate in effect at the time money is applied. Amounts in the Fixed Account will reflect a compound interest rate as credited by us. The rate we quote is an annual effective yield. There may be multiple interest rates in effect under the contract at any given time.

Our determination of credited interest rates reflects a number of factors, including mortality and expense risks, interest rate guarantees, the investment income earned on invested assets and the amortization of any capital gains and/or losses realized on the sale of invested assets. Under this option, we assume the risk of investment gain or loss by guaranteeing the amounts you allocate to this option and promising a minimum interest rate and income phase payment.

**Charges.** We do not make deductions from amounts in the Fixed Account to cover mortality and expense risks. We consider these risks when determining the credited rate. If you make a withdrawal from amounts in the Fixed Account, an early withdrawal charge may apply. (See "Fees-Early Withdrawal Charge.")

**Transfers.** During the accumulation phase, you may transfer account dollars from the Fixed Account to any other available investment option. There is no limit on the number of transfers that you can make out of the Fixed Account in a calendar year. However, we only allow you to transfer amounts which equal your account value in the Fixed Account multiplied by the current maximum percentage of the transfer allowed (the "window") minus any previous transfers you made from this option during the calendar year. We will waive the transfer limit when your account value in the Fixed Account is \$1,000 or less.

**Income Phase.** By notifying the Opportunity Plus Service Center at least 30 days before income payments begin, you may elect to have amounts transferred to one or more of the subaccounts available during the income phase to provide variable payments.

**Contract Loans.** Contract loans may be made from pre-tax account values held in the Fixed Account.



## APPENDIX III FUND DESCRIPTIONS

### List of Fund Name Changes

Current Fund Name	Former Fund Name
ING FMR <sup>SM</sup> Large Cap Growth Portfolio	ING FMR <sup>SM</sup> Earnings Growth Portfolio
ING Thornburg Value Portfolio	ING MFS Capital Opportunities Portfolio

The investment results of the mutual funds (funds) are likely to differ significantly and there is no assurance that any of the funds will achieve their respective investment objectives. You should consider the investment objectives, risks and charges, and expenses of the funds carefully before investing. Please refer to the fund prospectuses for additional information. Shares of the funds will rise and fall in value and you could lose money by investing in the funds. Shares of the funds are not bank deposits and are not guaranteed, endorsed or insured by any financial institution, the Federal Deposit Insurance Corporation or any other government agency. Except as noted, all funds are diversified, as defined under the Investment Company Act of 1940. Fund prospectuses may be obtained free of charge at the address and telephone number listed in “Contract Overview-Questions: Contacting the Company,” by accessing the SEC’s website or by contacting the SEC Public Reference Branch.

Certain funds offered under the contracts have investment objectives and policies similar to other funds managed by the fund’s investment adviser. The investment results of a fund may be higher or lower than those of other funds managed by the same adviser. There is no assurance and no representation is made that the investment results of any fund will be comparable to those of another fund managed by the same investment adviser.

For the share class of each fund offered through your contract, please see the cover page.

Fund Name	Investment Adviser/ Subadviser	Investment Objective(s)
AIM Variable Insurance Funds - AIM V.I. Capital Appreciation Fund	A I M Advisors, Inc.	Seeks growth of capital.
AIM Variable Insurance Funds - AIM V.I. Core Equity Fund	A I M Advisors, Inc.	Seeks growth of capital.
American Century <sup>®</sup> Income & Growth Fund	American Century Investment Management, Inc.	Seeks long-term capital growth. Income is a secondary objective.
Calvert Variable Series, Inc. –Social Balanced Portfolio	Calvert Asset Management Company, Inc.  <b>Subadvisers:</b> New Amsterdam Partners LLC and SsgA Funds Management, Inc.	Seeks to achieve a competitive total return through an actively managed portfolio of stocks, bonds and money market instruments which offer income and capital growth opportunity and which satisfy the investment and social criteria.
EuroPacific Growth Fund <sup>®</sup>	Capital Research and Management Company	Seeks to provide long-term growth of capital by investing in companies based outside the United States.
Evergreen Equity Trust - Evergreen Special Values Fund	Evergreen Investment Management Company, LLC	Seeks to produce growth of capital.

<b>Fund Name</b>	<b>Investment Adviser/ Subadviser</b>	<b>Investment Objective(s)</b>
<b>Fidelity® Variable Insurance Products – Fidelity® VIP Asset Manager<sup>SM</sup> Portfolio</b>	<p>Fidelity Management &amp; Research Company</p> <p><b>Subadvisers:</b>  Fidelity Investments Money Management, Inc.; FMR Co., Inc.; Fidelity Research &amp; Analysis Company; Fidelity Management &amp; Research (U.K.) Inc.; Fidelity International Investment Advisors; Fidelity International Investment Advisors (U.K.) Limited; Fidelity Investments Japan Limited</p>	Seeks to obtain high total return with reduced risk over the long term by allocating its assets among stocks, bonds and short-term instruments.
<b>Fidelity® Variable Insurance Products – Fidelity® VIP Contrafund® Portfolio</b>	<p>Fidelity Management &amp; Research Company</p> <p><b>Subadvisers:</b>  FMR Co., Inc.; Fidelity Research &amp; Analysis Company; Fidelity Management &amp; Research (U.K.) Inc.; Fidelity International Investment Advisors; Fidelity International Investment Advisors (U.K.) Limited; Fidelity Investments Japan Limited</p>	Seeks long-term capital appreciation.
<b>Fidelity® Variable Insurance Products – Fidelity® VIP Equity-Income Portfolio</b>	<p>Fidelity Management &amp; Research Company</p> <p><b>Subadvisers:</b> FMR Co., Inc.; Fidelity Research &amp; Analysis Company; Fidelity Management &amp; Research (U.K.) Inc.; Fidelity International Investment Advisors; Fidelity International Investment Advisors (U.K.) Limited; Fidelity Investments Japan Limited</p>	Seeks reasonable income. Also considers the potential for capital appreciation. Seeks to achieve a yield which exceeds the composite yield on the securities comprising the Standard & Poor's 500 <sup>SM</sup> Index (S&P 500®).

<b>Fund Name</b>	<b>Investment Adviser/ Subadviser</b>	<b>Investment Objective(s)</b>
<b>Fidelity® Variable Insurance Products – Fidelity® VIP High Income Portfolio</b>	Fidelity Management & Research Company  <b>Subadvisers:</b> FMR Co., Inc.; Fidelity Research & Analysis Company; Fidelity Management & Research (U.K.) Inc.; Fidelity International Investment Advisors; Fidelity International Investment Advisors (U.K.) Limited; Fidelity Investments Japan Limited	Seeks a high level of current income while also considering growth of capital.
<b>Fidelity® Variable Insurance Products – Fidelity® VIP Index 500 Portfolio</b>	Fidelity Management & Research Company  <b>Subadvisers:</b> Geode Capital Management, LLC (Geode <sup>SM</sup> ); FMR Co., Inc.	Seeks investment results that correspond to the total return of common stocks publicly traded in the United States, as represented by the S&P 500®.
<b>Fidelity® Variable Insurance Products – Fidelity® VIP Overseas Portfolio</b>	Fidelity Management & Research Company	Seeks long-term growth of capital.
<b>Franklin Templeton Variable Insurance Products Trust – Franklin Small Cap Value Securities Fund</b>	Franklin Advisory Services, LLC	Seeks long-term total return.
<b>ING Partners, Inc. – ING Baron Small Cap Growth Portfolio</b>	Directed Services LLC  <b>Subadviser:</b> BAMCO, Inc. (BAMCO)	Seeks capital appreciation.
<b>ING Investors Trust – ING BlackRock Large Cap Growth Portfolio</b>	Directed Services LLC  <b>Subadviser:</b> BlackRock Investment Management, LLC	Seeks long-term growth of capital.
<b>ING Investors Trust – ING FMR<sup>SM</sup> Large Cap Growth Portfolio*</b>  *FMR is a service mark of Fidelity Management & Research Company	Directed Services LLC  <b>Subadviser:</b> Fidelity Management & Research Co.	Seeks growth of capital over the long term. The Portfolio's investment objective is not fundamental and may be changed without a shareholder vote.
<b>ING Variable Insurance Trust – ING GET U.S. Core Portfolio</b>	ING Investments, LLC  <b>Subadviser:</b> ING Investment Management Co. (ING IM)	Seeks to achieve maximum total return and minimal exposure of the Series' assets to a market value loss by participating, to the extent possible, in favorable equity market performance during the guarantee period.
<b>ING Investors Trust – ING Global Resources Portfolio</b>	Directed Services LLC  <b>Subadviser:</b> ING Investment Management Co.	A <i>non-diversified</i> portfolio that seeks long-term capital appreciation.

<b>Fund Name</b>	<b>Investment Adviser/ Subadviser</b>	<b>Investment Objective(s)</b>
<b>ING Investors Trust – ING JPMorgan Emerging Markets Equity Portfolio</b>	Directed Services LLC  <b>Subadviser:</b> J.P. Morgan Investment Management Inc.	Seeks capital appreciation.
<b>ING Partners, Inc. – ING JPMorgan International Portfolio</b>	Directed Services LLC  <b>Subadviser:</b> J.P. Morgan Asset Management (U.K.) Limited (JPMAM (UK))	Seeks long-term growth of capital.
<b>ING Partners Inc. – ING Legg Mason Partners Aggressive Growth Portfolio</b>	Directed Services LLC  <b>Subadviser:</b> ClearBridge Advisors, LLC (ClearBridge)	Seeks long-term growth of capital.
<b>ING Partners, Inc. – ING Legg Mason Partners Large Cap Growth Portfolio</b>	Directed Services LLC  <b>Subadviser:</b> ClearBridge Advisors, LLC (ClearBridge)	Seeks long-term capital appreciation.
<b>ING Investors Trust – ING MFS Total Return Portfolio</b>	Directed Services LLC  <b>Subadviser:</b> Massachusetts Financial Services Company	Seeks above-average income (compared to a portfolio entirely invested in equity securities) consistent with the prudent employment of capital. Secondarily seeks reasonable opportunity for growth of capital and income.
<b>ING Partners, Inc. – ING Oppenheimer Global Portfolio</b>	Directed Services LLC  <b>Subadviser:</b> OppenheimerFunds, Inc. (Oppenheimer)	Seeks capital appreciation.
<b>ING Partners, Inc. – ING Oppenheimer Strategic Income Portfolio</b>	Directed Services LLC  <b>Subadviser:</b> OppenheimerFunds, Inc. (Oppenheimer)	Seeks a high level of current income principally derived from interest on debt securities.
<b>ING Investors Trust – ING PIMCO High Yield Portfolio</b>	Directed Services LLC  <b>Subadviser:</b> Pacific Investment Management Company LLC	Seeks maximum total return, consistent with preservation of capital and prudent investment management. The Portfolio's investment objective is not fundamental and may be changed without a shareholder vote.
<b>ING Partners, Inc. – ING PIMCO Total Return Portfolio</b>	Directed Services LLC  <b>Subadviser:</b> Pacific Investment Management Company LLC (PIMCO)	Seeks maximum total return, consistent with capital preservation and prudent investment management.
<b>ING Investors Trust - ING Pioneer Equity Income Portfolio</b>	Directed Services LLC  <b>Subadviser:</b> Pioneer Investment Management, Inc.	Seeks current income and long-term growth of capital from a portfolio consisting primarily of equity securities of U.S. corporations that are expected to produce income. The Portfolio's investment objective is not fundamental and may be changed without a shareholder vote.

<b>Fund Name</b>	<b>Investment Adviser/ Subadviser</b>	<b>Investment Objective(s)</b>
<b>ING Investors Trust – ING Pioneer Mid Cap Value Portfolio</b>	Directed Services LLC  <b>Subadviser:</b> Pioneer Investment Management, Inc.	Seeks capital appreciation. The Portfolio's investment objective is not fundamental and may be changed without a shareholder vote.
<b>ING Partners, Inc. – ING T. Rowe Price Diversified Mid Cap Growth Portfolio</b>	Directed Services LLC  <b>Subadviser:</b> T. Rowe Price Associates, Inc. (T. Rowe Price)	Seeks long-term capital appreciation.
<b>ING Partners, Inc. – ING T. Rowe Price Growth Equity Portfolio</b>	Directed Services LLC  <b>Subadviser:</b> T. Rowe Price Associates, Inc. (T. Rowe Price)	Seeks long-term capital growth, and secondarily, increasing dividend income.
<b>ING Partners, Inc. – ING Thornburg Value Portfolio</b>	Directed Services LLC  <b>Subadviser:</b> Thornburg Investment Management (Thornburg)	Seeks capital appreciation.
<b>ING Partners, Inc. – ING UBS U.S. Large Cap Equity Portfolio</b>	Directed Services LLC  <b>Subadviser:</b> UBS Global Asset Management (Americas) Inc. (UBS Global AM)	Seeks long-term growth of capital and future income.
<b>ING Partners, Inc. – ING Van Kampen Comstock Portfolio</b>	Directed Services LLC  <b>Subadviser:</b> Van Kampen	Seeks capital growth and income.
<b>ING Partners, Inc. – ING Van Kampen Equity and Income Portfolio</b>	Directed Services LLC  <b>Subadviser:</b> Van Kampen	Seeks total return, consisting of long-term capital appreciation and current income.
<b>ING VP Balanced Portfolio, Inc.</b>	ING Investments, LLC  <b>Subadviser:</b> ING Investment Management Co.	Seeks to maximize investment return, consistent with reasonable safety of principal, by investing in a diversified portfolio of one or more of the following asset classes: stocks, bonds and cash equivalents, based on the judgment of the Portfolio's management, of which of those sectors or mix thereof offers the best investment prospects.
<b>ING Variable Portfolios, Inc. – ING VP Global Science and Technology Portfolio</b>	ING Investments, LLC  <b>Subadviser:</b> BlackRock Advisors, LLC	Seeks long-term capital appreciation.
<b>ING Variable Funds – ING VP Growth and Income Portfolio</b>	ING Investments, LLC  <b>Subadviser:</b> ING Investment Management Co.	Seeks to maximize total return through investments in a diversified portfolio of common stocks and securities convertible into common stock.
<b>ING Variable Portfolios, Inc. – ING VP Growth Portfolio</b>	ING Investments, LLC  <b>Subadviser:</b> ING Investment Management Co.	Seeks growth of capital through investment in a diversified portfolio consisting primarily of common stocks and securities convertible into common stocks believed to offer growth potential.

Fund Name	Investment Adviser/ Subadviser	Investment Objective(s)
<b>ING Investors Trust – ING VP Index Plus International Equity Portfolio</b>	Directed Services LLC  <b>Subadviser:</b> ING Investment Management Advisors, B.V.	Seeks to outperform the total return performance of the Morgan Stanley Capital International Europe Australasia and Far East <sup>®</sup> Index (“MSCI EAFE <sup>®</sup> Index”), while maintaining a market level of risk. The Portfolio’s investment objective is not fundamental and may be changed without a shareholder vote.
<b>ING Variable Portfolios, Inc. – ING VP Index Plus LargeCap Portfolio</b>	ING Investments, LLC  <b>Subadviser:</b> ING Investment Management Co.	Seeks to outperform the total return performance of the Standard & Poor’s 500 Composite Stock Price Index (S&P 500 Index), while maintaining a market level of risk.
<b>ING Variable Portfolios, Inc. – ING VP Index Plus MidCap Portfolio</b>	ING Investments, LLC  <b>Subadviser:</b> ING Investment Management Co.	Seeks to outperform the total return performance of the Standard & Poor’s MidCap 400 Index (S&P MidCap 400 Index), while maintaining a market level of risk.
<b>ING Variable Portfolios, Inc. – ING VP Index Plus SmallCap Portfolio</b>	ING Investments, LLC  <b>Subadviser:</b> ING Investment Management Co.	Seeks to outperform the total return performance of the Standard & Poor’s SmallCap 600 Index (S&P SmallCap 600 Index), while maintaining a market level of risk.
<b>ING VP Intermediate Bond Portfolio</b>	ING Investments, LLC  <b>Subadviser:</b> ING Investment Management Co.	Seeks to maximize total return consistent with reasonable risk, through investment in a diversified portfolio consisting primarily of debt securities.
<b>ING Variable Portfolios, Inc. – ING VP International Equity Portfolio</b>	ING Investments, LLC  <b>Subadviser:</b> ING Investment Management Co.	Seeks long-term capital growth primarily through investment in a diversified portfolio of common stocks principally traded in countries outside of the United States. The Portfolio will not target any given level of current income.
<b>ING VP Money Market Portfolio</b>	ING Investments, LLC  <b>Subadviser:</b> ING Investment Management Co.	Seeks to provide high current return, consistent with preservation of capital and liquidity, through investment in high-quality money market instruments. <b>There is no guarantee that the ING VP Money Market Subaccount will have a positive or level return.</b>
<b>ING Variable Products Trust – ING VP Real Estate Portfolio</b>	ING Investments, LLC  <b>Subadviser:</b> ING Clarion Real Estate Securities L.P.	A <i>non-diversified</i> portfolio that seeks total return. This objective is not fundamental and may not be changed without a shareholder vote.
<b>ING Variable Portfolios, Inc. – ING VP Small Company Portfolio</b>	ING Investments, LLC  <b>Subadviser:</b> ING Investment Management Co.	Seeks growth of capital primarily through investment in a diversified portfolio of common stocks and securities of companies with smaller market capitalizations.

<b>Fund Name</b>	<b>Investment Adviser/ Subadviser</b>	<b>Investment Objective(s)</b>
<b>ING Strategic Allocation Portfolios, Inc. – ING VP Strategic Allocation Conservative Portfolio</b>	ING Investments, LLC  <b>Subadviser:</b> ING Investment Management Co.	Seeks to provide total return consistent with preservation of capital. Managed for investors primarily seeking total return consistent with capital preservation who generally have an investment horizon exceeding 5 years and a low level of risk tolerance.
<b>ING Strategic Allocation Portfolios, Inc. – ING VP Strategic Allocation Growth Portfolio</b>	ING Investments, LLC  <b>Subadviser:</b> ING Investment Management Co.	Seeks to provide capital appreciation. Managed for investors seeking capital appreciation who generally have an investment horizon exceeding 15 years and a high level of risk tolerance.
<b>ING Strategic Allocation Portfolios, Inc. – ING VP Strategic Allocation Moderate Portfolio</b>	ING Investments, LLC  <b>Subadviser:</b> ING Investment Management Co.	Seeks to provide total return (i.e., income and capital appreciation, both realized and unrealized). Managed for investors seeking a balance between income and capital appreciation who generally have an investment horizon exceeding 10 years and a moderate level of risk tolerance.
<b>ING Variable Portfolios, Inc. – ING VP Value Opportunity Portfolio</b>	ING Investments, LLC  <b>Subadviser:</b> ING Investment Management Co.	Seeks growth of capital primarily through investment in a diversified portfolio of common stocks.
<b>ING Investors Trust – ING Wells Fargo Small Cap Disciplined Portfolio</b>	Directed Services LLC  <b>Subadviser:</b> Wells Capital Management, Inc.	Seeks long-term capital appreciation. The Portfolio's investment objective is not fundamental and may be changed without a shareholder vote.
<b>Lord Abbett Series Fund, Inc. – Mid-Cap Value Portfolio</b>	Lord, Abbett & Co. LLC (Lord Abbett)	Seeks capital appreciation through investments, primarily in equity securities, which are believed to be undervalued in the marketplace.
<b>MFS<sup>®</sup> Variable Insurance Trust<sup>SM</sup> - MFS<sup>®</sup> Total Return Series</b>	Massachusetts Financial Services Company	Seeks to provide total return.
<b>New Perspective Fund<sup>®</sup></b>	Capital Research and Management Company	Seeks to provide long-term growth of capital through investments all over the world, including the United States. Future income is a secondary objective.
<b>Oppenheimer Developing Markets Fund</b>	OppenheimerFunds, Inc.	Aggressively seeks capital appreciation.
<b>Pax World Balanced Fund</b>	Pax World Management Corp.	Seeks income and conservation of principal and secondarily possible long-term growth of capital.
<b>Pioneer Variable Contracts Trust - Pioneer Equity Income VCT Portfolio</b>	Pioneer Investment Management, Inc.	Seeks current income and long-term growth of capital from a portfolio consisting primarily of income producing equity securities of U.S. corporations.
<b>Pioneer Variable Contracts Trust – Pioneer Mid Cap Value VCT Portfolio</b>	Pioneer Investment Management, Inc.	Seeks capital appreciation by investing in a diversified portfolio of securities consisting primarily of common stocks.
<b>The Growth Fund of America<sup>®</sup></b>	Capital Research and Management Company	Seeks to provide long-term growth of capital through a diversified portfolio of common stocks.
<b>Washington Mutual Investors Fund<sup>SM</sup></b>	Capital Research and Management Company	Seeks to provide current income and the opportunity for growth of principal consistent with sound common stock investing.

## APPENDIX IV

### CONDENSED FINANCIAL INFORMATION

Except for subaccounts which did not commence operations as of December 31, 2006, the following table gives (1) the accumulation unit value (AUV) at the beginning of the period, (2) the AUV at the end of the period and (3) the total number of accumulation units outstanding at the end of the period for each subaccount of Variable Annuity Account C available under the contracts for the indicated periods. For those subaccounts that commenced operations during the period ended December 31, 2006 the “Value at beginning of period” shown is the value at first date of investment.

**TABLE I**  
FOR CONTRACTS WITH TOTAL SEPARATE ACCOUNT ANNUAL EXPENSES OF  
0.35% FOR ING MONEY MARKET PORTFOLIO AND 1.00% FOR ALL OTHER SUBACCOUNTS  
(Selected data for accumulation units outstanding throughout each period)

	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>
<b>AIM V.I. CAPITAL APPRECIATION FUND</b>										
(Funds were first received in this option during September 2000)										
Value at beginning of period	\$6.22	\$5.77	\$5.47	\$4.26	\$5.693	\$7.50	\$9.838			
Value at end of period	\$6.54	\$6.22	\$5.77	\$5.47	\$4.26	\$5.693	\$7.50			
Number of accumulation units outstanding at end of period	323,718	189,954	214,416	213,322	175,779	134,976	69,307			
<b>AIM V.I. CORE EQUITY FUND</b>										
(Funds were first received in this option during September 2000)										
Value at beginning of period	\$6.93	\$6.65	\$6.16	\$5.00	\$5.988	\$7.842	\$9.776			
Value at end of period	\$8.01	\$6.93	\$6.65	\$6.16	\$5.00	\$5.988	\$7.842			
Number of accumulation units outstanding at end of period	404,385	254,967	341,503	378,274	375,191	309,796	380,759			
<b>AMERICAN CENTURY® INCOME &amp; GROWTH FUND</b>										
(Funds were first received in this option during February 2001)										
Value at beginning of period	\$10.38	\$10.03	\$8.99	\$7.02	\$8.823	\$9.317				
Value at end of period	\$12.01	\$10.38	\$10.03	\$8.99	\$7.02	\$8.823				
Number of accumulation units outstanding at end of period	493,914	537,573	430,969	270,116	157,164	57,413				
<b>CALVERT SOCIAL BALANCED PORTFOLIO</b>										
Value at beginning of period	\$30.61	\$29.27	\$27.31	\$23.11	\$26.578	\$28.864	\$30.131	\$27.186	\$23.675	\$19.965
Value at end of period	\$32.97	\$30.61	\$29.27	\$27.31	\$23.11	\$26.578	\$28.864	\$30.131	\$27.186	\$23.675
Number of accumulation units outstanding at end of period	486,325	530,186	578,904	618,903	627,715	679,480	708,861	880,319	917,567	929,282
<b>EUROPACIFIC GROWTH FUND®</b>										
(Funds were first received in this option during May 2005)										
Value at beginning of period	\$12.09	\$9.87								
Value at end of period	\$14.58	\$12.09								
Number of accumulation units outstanding at end of period	1,126,138	298,219								
<b>EVERGREEN SPECIAL VALUES FUND</b>										
(Funds were first received in this option during February 2001)										
Value at beginning of period	\$19.92	\$18.22	\$15.33	\$11.44	\$12.433	\$11.026				
Value at end of period	\$23.95	\$19.92	\$18.22	\$15.33	\$11.44	\$12.433				
Number of accumulation units outstanding at end of period	2,175,935	2,031,497	1,643,534	1,093,807	795,240	300,428				
<b>FIDELITY® VIP ASSET MANAGER<sup>SM</sup> PORTFOLIO</b>										
Value at beginning of period	\$18.77	\$18.23	\$17.45	\$14.94	\$16.538	\$17.427	\$18.343	\$16.719	\$14.715	\$12.349
Value at end of period	\$19.95	\$18.77	\$18.23	\$17.45	\$14.94	\$16.538	\$17.427	\$18.343	\$16.719	\$14.715
Number of accumulation units outstanding at end of period	815,717	903,477	1,017,631	1,144,415	1,128,596	1,202,498	1,239,976	1,511,789	1,596,943	1,576,603



## Condensed Financial Information (continued)

	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>
<b>FIDELITY® VIP CONTRAFUND® PORTFOLIO</b>										
Value at beginning of period	\$32.97	\$28.47	\$24.91	\$19.58	\$21.82	\$25.13	\$27.214	\$22.177	\$17.276	\$14.092
Value at end of period	\$36.46	\$32.97	\$28.47	\$24.91	\$19.58	\$21.82	\$25.13	\$27.214	\$22.177	\$17.276
Number of accumulation units outstanding at end of period	4,854,925	4,554,960	3,987,863	3,526,154	3,283,776	3,132,236	3,098,835	3,780,287	3,333,320	2,706,862
<b>FIDELITY® VIP EQUITY-INCOME PORTFOLIO</b>										
Value at beginning of period	\$23.77	\$22.68	\$20.54	\$15.92	\$19.36	\$20.588	\$19.201	\$18.285	\$16.587	\$13.11
Value at end of period	\$28.29	\$23.77	\$22.68	\$20.54	\$15.92	\$19.36	\$20.588	\$19.201	\$18.285	\$16.587
Number of accumulation units outstanding at end of period	2,330,504	2,306,989	2,369,317	2,209,984	1,950,075	1,746,306	1,521,271	2,271,494	2,533,673	2,139,178
<b>FIDELITY® VIP HIGH INCOME PORTFOLIO</b>										
(Funds were first received in this option during May 1998)										
Value at beginning of period	\$9.19	\$9.03	\$8.33	\$6.61	\$6.453	\$7.389	\$9.638	\$9.023	\$9.995	
Value at end of period	\$10.12	\$9.19	\$9.03	\$8.33	\$6.61	\$6.453	\$7.389	\$9.638	\$9.023	
Number of accumulation units outstanding at end of period	571,769	484,034	424,740	481,946	283,022	227,668	159,263	194,440	178,601	
<b>FIDELITY® VIP INDEX 500 PORTFOLIO</b>										
Value at beginning of period	\$24.42	\$23.53	\$21.49	\$16.90	\$21.956	\$25.246	\$28.147	\$23.65	\$18.662	\$14.24
Value at end of period	\$27.98	\$24.42	\$23.53	\$21.49	\$16.90	\$21.956	\$25.246	\$28.147	\$23.65	\$18.662
Number of accumulation units outstanding at end of period	4,183,212	4,282,810	4,392,230	4,214,321	3,848,604	3,861,877	3,615,259	4,354,723	3,947,187	3,093,080
<b>FIDELITY® VIP OVERSEAS PORTFOLIO</b>										
(Funds were first received in this option during September 2000)										
Value at beginning of period	\$9.82	\$8.33	\$7.40	\$5.21	\$6.608	\$8.471	\$9.535			
Value at end of period	\$11.47	\$9.82	\$8.33	\$7.40	\$5.21	\$6.608	\$8.471			
Number of accumulation units outstanding at end of period	369,267	303,048	289,347	245,549	349,672	28,690	5,930			
<b>FRANKLIN SMALL CAP VALUE SECURITIES FUND</b>										
(Funds were first received in this option during June 2003)										
Value at beginning of period	\$17.59	\$16.33	\$13.33	\$10.95						
Value at end of period	\$20.37	\$17.59	\$16.33	\$13.33						
Number of accumulation units outstanding at end of period	360,740	298,925	212,288	20,815						
<b>ING AMERICAN CENTURY SELECT PORTFOLIO (INITIAL CLASS)</b>										
(Funds were first received in this option during April 2005)										
Value at beginning of period	\$10.49	\$9.77								
Value at end of period	\$10.22	\$10.49								
Number of accumulation units outstanding at end of period	2,117,829	2,327,183								
<b>ING BARON SMALL CAP GROWTH PORTFOLIO</b>										
(Funds were first received in this option during May 2003)										
Value at beginning of period	\$17.55	\$16.51	\$13.03	\$10.39						
Value at end of period	\$20.02	\$17.55	\$16.51	\$13.03						
Number of accumulation units outstanding at end of period	536,101	490,493	391,073	121,637						
<b>ING FMR<sup>SM</sup> LARGE CAP GROWTH PORTFOLIO</b>										
(Funds were first received in this option during June 2006)										
Value at beginning of period	\$9.24									
Value at end of period	\$9.93									
Number of accumulation units outstanding at end of period	2,172									

## Condensed Financial Information (continued)

	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>
<b>ING JPMORGAN EMERGING MARKETS EQUITY PORTFOLIO</b>										
(Funds were first received in this option during November 2005)										
Value at beginning of period	\$11.39	\$10.54								
Value at end of period	\$15.35	\$11.39								
Number of accumulation units outstanding at end of period	979,897	821,241								
<b>ING JPMORGAN INTERNATIONAL PORTFOLIO</b>										
(Funds were first received in this option during November 1997)										
Value at beginning of period	\$24.97	\$22.92	\$19.47	\$15.19	\$18.733	\$25.91	\$32.585	\$20.829	\$17.709	\$17.49
Value at end of period	\$30.21	\$24.97	\$22.92	\$19.47	\$15.19	\$18.733	\$25.91	\$32.585	\$20.829	\$17.709
Number of accumulation units outstanding at end of period	1,223,494	1,326,642	1,495,568	1,754,269	1,878,240	2,129,254	2,322,473	2,807,485	2,962,631	3,237,710
<b>ING LEGG MASON PARTNERS AGGRESSIVE GROWTH PORTFOLIO</b>										
(Funds were first received in this option during November 1997)										
Value at beginning of period	\$15.71	\$14.24	\$13.11	\$9.58	\$14.963	\$20.22	\$28.71	\$19.268	\$15.046	\$15.236
Value at end of period	\$17.16	\$15.71	\$14.24	\$13.11	\$9.58	\$14.963	\$20.22	\$28.71	\$19.268	\$15.046
Number of accumulation units outstanding at end of period	1,364,568	1,479,955	1,787,806	2,191,575	2,103,643	2,375,971	2,380,370	3,024,975	3,101,880	2,707,904
<b>ING LEGG MASON PARTNERS LARGE CAP GROWTH PORTFOLIO</b>										
(Funds were first received in this option during April 2005)										
Value at beginning of period	\$11.25	\$9.82								
Value at end of period	\$11.61	\$11.25								
Number of accumulation units outstanding at end of period	222,276	251,187								
<b>ING MFS TOTAL RETURN PORTFOLIO</b>										
(Funds were first received in this option during May 2006)										
Value at beginning of period	\$9.79									
Value at end of period	\$10.78									
Number of accumulation units outstanding at end of period	13,850									
<b>ING OPPENHEIMER GLOBAL PORTFOLIO (INITIAL CLASS)</b>										
(Funds were first received in this option during April 2005)										
Value at beginning of period	\$11.66	\$9.71								
Value at end of period	\$13.62	\$11.66								
Number of accumulation units outstanding at end of period	9,479,603	9,918,176								
<b>ING OPPENHEIMER STRATEGIC INCOME PORTFOLIO</b>										
(Funds were first received in this option during April 2005)										
Value at beginning of period	\$10.15	\$10.01								
Value at end of period	\$10.89	\$10.15								
Number of accumulation units outstanding at end of period	685,845	644,905								

## Condensed Financial Information (continued)

	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>
<b>ING PIMCO HIGH YIELD PORTFOLIO</b>										
(Funds were first received in this option during May 2006)										
Value at beginning of period	\$9.94									
Value at end of period	\$10.58									
Number of accumulation units outstanding at end of period	18,758									
<b>ING PIMCO TOTAL RETURN PORTFOLIO</b>										
(Funds were first received in this option during May 2003)										
Value at beginning of period	\$10.58	\$10.47	\$10.13	\$10.05						
Value at end of period	\$10.89	\$10.58	\$10.47	\$10.13						
Number of accumulation units outstanding at end of period	600,663	663,553	542,483	189,541						
<b>ING PIONEER MID CAP VALUE PORTFOLIO</b>										
(Funds were first received in this option during May 2006)										
Value at beginning of period	\$9.51									
Value at end of period	\$10.54									
Number of accumulation units outstanding at end of period	7,611									
<b>ING THORNBURG VALUE PORTFOLIO</b>										
(Funds were first received in this option during November 1997)										
Value at beginning of period	\$29.48	\$29.32	\$26.23	\$20.69	\$29.926	\$40.196	\$43.112	\$29.339	\$23.44	\$23.106
Value at end of period	\$34.10	\$29.48	\$29.32	\$26.23	\$20.69	\$29.926	\$40.196	\$43.112	\$29.339	\$23.44
Number of accumulation units outstanding at end of period	1,062,400	1,226,375	1,485,047	1,836,502	1,909,558	2,239,840	2,301,513	2,448,587	2,244,308	2,018,219
<b>ING T. ROWE PRICE DIVERSIFIED MID CAP GROWTH PORTFOLIO</b>										
(Funds were first received in this option during April 2005)										
Value at beginning of period	\$11.19	\$9.55								
Value at end of period	\$12.09	\$11.19								
Number of accumulation units outstanding at end of period	4,225,986	4,553,354								
<b>ING T. ROWE PRICE GROWTH EQUITY PORTFOLIO</b>										
(Funds were first received in this option during November 1997)										
Value at beginning of period	\$25.03	\$23.81	\$21.86	\$16.86	\$22.204	\$24.994	\$25.283	\$20.929	\$16.608	\$16.276
Value at end of period	\$28.07	\$25.03	\$23.81	\$21.86	\$16.86	\$22.204	\$24.994	\$25.283	\$20.929	\$16.608
Number of accumulation units outstanding at end of period	1,417,850	1,611,950	1,771,556	1,670,473	1,456,936	1,470,698	1,359,111	1,549,310	1,564,888	1,317,058
<b>ING UBS U.S. LARGE CAP EQUITY PORTFOLIO</b>										
(Funds were first received in this option during November 1997)										
Value at beginning of period	\$16.29	\$15.04	\$13.24	\$10.70	\$14.393	\$18.387	\$17.796	\$14.528	\$11.96	\$12.195
Value at end of period	\$18.47	\$16.29	\$15.04	\$13.24	\$10.70	\$14.393	\$18.387	\$17.796	\$14.528	\$11.96
Number of accumulation units outstanding at end of period	754,938	788,992	811,334	858,894	866,515	955,110	999,127	194,296	1,379,653	232,418
<b>ING VAN KAMPEN COMSTOCK PORTFOLIO</b>										
(Funds were first received in this option during May 2003)										
Value at beginning of period	\$14.77	\$14.42	\$12.47	\$10.15						
Value at end of period	\$16.94	\$14.77	\$14.42	\$12.47						
Number of accumulation units outstanding at end of period	1,075,448	1,142,127	777,786	302,672						

## Condensed Financial Information (continued)

	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>
<b>ING VAN KAMPEN EQUITY AND INCOME PORTFOLIO (INITIAL CLASS)</b>										
(Funds were first received in this option during April 2005)										
Value at beginning of period	\$10.73	\$9.83								
Value at end of period	\$11.97	\$10.73								
Number of accumulation units outstanding at end of period	1,816,696	1,132,003								
<b>ING VP BALANCED PORTFOLIO, INC.</b>										
Value at beginning of period	\$34.85	\$33.76	\$31.17	\$26.48	\$29.827	\$31.47	\$32.002	\$28.524	\$24.70	\$20.419
Value at end of period	\$37.95	\$34.85	\$33.76	\$31.17	\$26.48	\$29.827	\$31.47	\$32.002	\$28.524	\$24.70
Number of accumulation units outstanding at end of period	992,419	1,083,124	1,212,176	1,296,685	1,335,579	1,490,555	1,630,256	2,155,445	2,294,877	2,160,305
<b>ING VP GLOBAL SCIENCE AND TECHNOLOGY PORTFOLIO</b>										
(Funds were first received in this option during September 2000)										
Value at beginning of period	\$3.94	\$3.56	\$3.64	\$2.53	\$4.352	\$5.71	\$9.391			
Value at end of period	\$4.19	\$3.94	\$3.56	\$3.64	\$2.53	\$4.352	\$5.71			
Number of accumulation units outstanding at end of period	914,446	1,082,710	864,758	915,253	428,288	342,338	138,503			
<b>ING VP GROWTH AND INCOME PORTFOLIO</b>										
Value at beginning of period	\$215.73	\$201.50	\$187.76	\$150.43	\$202.587	\$250.928	\$284.994	\$245.765	\$217.359	\$169.448
Value at end of period	\$243.92	\$215.73	\$201.50	\$187.76	\$150.43	\$202.587	\$250.928	\$284.994	\$245.765	\$217.359
Number of accumulation units outstanding at end of period	618,831	675,776	784,200	907,962	985,007	1,137,553	1,257,857	1,555,542	1,747,097	1,826,355
<b>ING VP GROWTH PORTFOLIO</b>										
(Funds were first received in this option during September 2000)										
Value at beginning of period	\$5.81	\$5.37	\$5.06	\$3.92	\$5.57	\$7.718	\$9.343			
Value at end of period	\$5.91	\$5.81	\$5.37	\$5.06	\$3.92	\$5.57	\$7.718			
Number of accumulation units outstanding at end of period	224,525	224,789	241,500	222,350	147,672	108,472	87,757			
<b>ING VP INDEX PLUS INTERNATIONAL EQUITY PORTFOLIO</b>										
(Funds were first received in this option during May 2006)										
Value at beginning of period	\$10.44									
Value at end of period	\$11.10									
Number of accumulation units outstanding at end of period	61,162									
<b>ING VP INDEX PLUS LARGE CAP PORTFOLIO</b>										
(Funds were first received in this option during December 1997)										
Value at beginning of period	\$19.55	\$18.74	\$17.12	\$13.71	\$17.645	\$20.645	\$23.044	\$18.772	\$14.444	\$14.493
Value at end of period	\$22.18	\$19.55	\$18.74	\$17.12	\$13.71	\$17.645	\$20.645	\$23.044	\$18.772	\$14.444
Number of accumulation units outstanding at end of period	2,024,733	2,140,821	2,392,049	2,418,495	2,268,115	2,246,477	2,198,550	2,748,955	1,302,825	17,771
<b>ING VP INDEX PLUS MIDCAP PORTFOLIO</b>										
(Funds were first received in this option during May 1998)										
Value at beginning of period	\$21.76	\$19.78	\$17.13	\$13.07	\$15.014	\$15.377	\$12.967	\$11.338	\$9.928	
Value at end of period	\$23.58	\$21.76	\$19.78	\$17.13	\$13.07	\$15.014	\$15.377	\$12.967	\$11.338	
Number of accumulation units outstanding at end of period	1,947,854	1,856,102	1,675,767	1,232,142	916,636	517,509	344,475	73,984	35,201	

## Condensed Financial Information (continued)

	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>
<b>ING VP INDEX PLUS SMALLCAP PORTFOLIO</b>										
(Funds were first received in this option during May 1998)										
Value at beginning of period	\$16.44	\$15.43	\$12.77	\$9.47	\$11.025	\$10.881	\$10.019	\$9.157	\$10.193	
Value at end of period	\$18.53	\$16.44	\$15.43	\$12.77	\$9.47	\$11.025	\$10.881	\$10.019	\$9.157	
Number of accumulation units outstanding at end of period	1,363,094	1,316,513	1,155,531	810,650	562,448	292,147	185,350	118,433	81,388	
<b>ING VP INTERMEDIATE BOND PORTFOLIO</b>										
Value at beginning of period	\$75.03	\$73.47	\$70.76	\$67.24	\$62.692	\$58.266	\$53.738	\$54.819	\$51.33	\$47.992
Value at end of period	\$77.30	\$75.03	\$73.47	\$70.76	\$67.24	\$62.692	\$58.266	\$53.738	\$54.819	\$51.33
Number of accumulation units outstanding at end of period	685,422	673,418	623,553	672,361	774,013	697,898	603,259	867,416	994,987	959,336
<b>ING VP INTERNATIONAL EQUITY PORTFOLIO</b>										
(Funds were first received in this option during September 2000)										
Value at beginning of period	\$7.77	\$6.71	\$5.79	\$4.43	\$6.096	\$8.094	\$9.61			
Value at end of period	\$9.49	\$7.77	\$6.71	\$5.79	\$4.43	\$6.096	\$8.094			
Number of accumulation units outstanding at end of period	164,313	106,520	54,102	27,705	9,052	5,361	2,641			
<b>ING VP MONEY MARKET PORTFOLIO</b>										
Value at beginning of period	\$51.39	\$50.07	\$49.72	\$49.45	\$48.828	\$47.123	\$44.501	\$42.883	\$41.174	\$39.528
Value at end of period	\$53.71	\$51.39	\$50.07	\$49.72	\$49.45	\$48.828	\$47.123	\$44.501	\$42.883	\$41.174
Number of accumulation units outstanding at end of period	2,061,958	367,555	384,115	456,502	804,354	764,353	685,272	845,679	564,537	455,502
<b>ING VP NATURAL RESOURCES TRUST</b>										
Value at beginning of period	\$24.79	\$17.52	\$15.71	\$12.16	\$12.543	\$15.08	\$12.882	\$11.433	\$14.403	\$13.611
Value at end of period	\$29.87	\$24.79	\$17.52	\$15.71	\$12.16	\$12.543	\$15.08	\$12.882	\$11.433	\$14.403
Number of accumulation units outstanding at end of period	357,258	395,735	274,150	239,847	255,162	261,255	269,501	437,491	534,962	650,486
<b>ING VP REAL ESTATE PORTFOLIO</b>										
(Funds were first received in this option during May 2004)										
Value at beginning of period	\$15.49	\$13.91	\$10.33							
Value at end of period	\$20.88	\$15.49	\$13.91							
Number of accumulation units outstanding at end of period	570,376	305,485	135,858							
<b>ING VP SMALL COMPANY PORTFOLIO</b>										
(Funds were first received in this option during September 2000)										
Value at beginning of period	\$12.03	\$11.02	\$9.73	\$7.15	\$9.41	\$9.145	\$10.292			
Value at end of period	\$13.92	\$12.03	\$11.02	\$9.73	\$7.15	\$9.41	\$9.145			
Number of accumulation units outstanding at end of period	450,154	435,923	519,294	585,454	541,321	361,370	136,234			
<b>ING VP STRATEGIC ALLOCATION CONSERVATIVE PORTFOLIO</b>										
(Funds were first received in this option during May 1997)										
Value at beginning of period	\$17.67	\$17.19	\$16.08	\$14.29	\$15.088	\$15.62	\$15.07	\$14.248	\$13.491	\$12.296
Value at end of period	\$18.96	\$17.67	\$17.19	\$16.08	\$14.29	\$15.088	\$15.62	\$15.07	\$14.248	\$13.491
Number of accumulation units outstanding at end of period	97,184	105,629	103,950	49,925	53,498	51,196	44,930	46,462	95,526	2,279

## Condensed Financial Information (continued)

	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>
<b>ING VP STRATEGIC ALLOCATION GROWTH PORTFOLIO</b>										
(Funds were first received in this option during February 1997)										
Value at beginning of period	\$18.90	\$17.98	\$16.21	\$13.17	\$15.425	\$17.624	\$17.94	\$15.886	\$15.422	\$13.291
Value at end of period	\$21.18	\$18.90	\$17.98	\$16.21	\$13.17	\$15.425	\$17.624	\$17.94	\$15.886	\$15.422
Number of accumulation units outstanding at end of period	136,097	104,165	89,601	54,494	37,872	33,425	28,874	33,852	21,430	380
<b>ING VP STRATEGIC ALLOCATION MODERATE PORTFOLIO</b>										
(Funds were first received in this option during February 1997)										
Value at beginning of period	\$18.02	\$17.39	\$15.93	\$13.47	\$15.04	\$16.343	\$16.458	\$15.12	\$14.456	\$12.577
Value at end of period	\$19.84	\$18.02	\$17.39	\$15.93	\$13.47	\$15.04	\$16.343	\$16.458	\$15.12	\$14.456
Number of accumulation units outstanding at end of period	129,552	115,515	95,249	49,780	34,761	43,445	36,196	30,738	31,468	873
<b>ING VP VALUE OPPORTUNITY PORTFOLIO</b>										
(Funds were first received in this option during May 1998)										
Value at beginning of period	\$14.53	\$13.72	\$12.58	\$10.20	\$13.911	\$15.556	\$14.274	\$12.088	\$11.472	
Value at end of period	\$16.70	\$14.53	\$13.72	\$12.58	\$10.20	\$13.911	\$15.556	\$14.274	\$12.088	
Number of accumulation units outstanding at end of period	578,588	611,768	817,817	921,089	941,931	698,722	227,331	74,768	33,957	
<b>ING WELLS FARGO SMALL CAP DISCIPLINED PORTFOLIO</b>										
(Funds were first received in this option during May 2006)										
Value at beginning of period	\$10.10									
Value at end of period	\$10.42									
Number of accumulation units outstanding at end of period	39,943									
<b>LORD ABBETT SERIES FUND - MID-CAP VALUE PORTFOLIO</b>										
(Funds were first received in this option during May 2003)										
Value at beginning of period	\$16.80	\$15.68	\$12.77	\$10.11						
Value at end of period	\$18.67	\$16.80	\$15.68	\$12.77						
Number of accumulation units outstanding at end of period	961,268	886,813	500,249	92,123						
<b>MFS® TOTAL RETURN SERIES</b>										
(Funds were first received in this option during May 1998)										
Value at beginning of period	\$14.80	\$14.54	\$13.19	\$11.45	\$12.20	\$12.30	\$10.72	\$10.531	\$10.182	
Value at end of period	\$16.40	\$14.80	\$14.54	\$13.19	\$11.45	\$12.20	\$12.30	\$10.72	\$10.531	
Number of accumulation units outstanding at end of period	2,475,155	2,858,116	2,358,001	1,730,462	1,234,811	694,079	167,946	63,822	36,633	
<b>NEW PERSPECTIVE FUND®</b>										
(Funds were first received in this option during May 2005)										
Value at beginning of period	\$11.44	\$10.02								
Value at end of period	\$13.57	\$11.44								
Number of accumulation units outstanding at end of period	138,930	29,909								
<b>OPPENHEIMER DEVELOPING MARKETS FUND</b>										
(Funds were first received in this option during February 2001)										
Value at beginning of period	\$26.84	\$19.19	\$14.57	\$8.91	\$9.145	\$10.467				
Value at end of period	\$33.26	\$26.84	\$19.19	\$14.57	\$8.91	\$9.145				
Number of accumulation units outstanding at end of period	1,173,367	1,122,704	757,938	428,805	145,247	24,356				

## Condensed Financial Information (continued)

	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>
<b>PAX WORLD BALANCED FUND</b>										
(Funds were first received in this option during February 2001)										
Value at beginning of period	\$11.17	\$10.70	\$9.54	\$8.21	\$9.102	\$9.85				
Value at end of period	\$12.24	\$11.17	\$10.70	\$9.54	\$8.21	\$9.102				
Number of accumulation units outstanding at end of period	790,821	712,293	518,200	353,096	188,163	253,700				
<b>PIONEER EQUITY INCOME VCT PORTFOLIO</b>										
(Funds were first received in this option during May 2003)										
Value at beginning of period	\$14.64	\$13.99	\$12.14	\$10.02						
Value at end of period	\$17.75	\$14.64	\$13.99	\$12.14						
Number of accumulation units outstanding at end of period	1,068,757	596,607	159,521	12,743						
<b>PIONEER MID CAP VALUE VCT PORTFOLIO</b>										
(Funds were first received in this option during May 2003)										
Value at beginning of period	\$17.38	\$16.27	\$13.46	\$10.16						
Value at end of period	\$19.37	\$17.38	\$16.27	\$13.46						
Number of accumulation units outstanding at end of period	407,217	356,627	239,677	21,362						
<b>THE GROWTH FUND OF AMERICA<sup>®</sup></b>										
(Funds were first received in this option during May 2005)										
Value at beginning of period	\$11.74	\$9.96								
Value at end of period	\$12.90	\$11.74								
Number of accumulation units outstanding at end of period	1,088,939	510,995								
<b>WASHINGTON MUTUAL INVESTORS FUND<sup>SM</sup></b>										
(Funds were first received in this option during May 2005)										
Value at beginning of period	\$10.60	\$10.09								
Value at end of period	\$12.38	\$10.60								
Number of accumulation units outstanding at end of period	521,512	271,058								

***FOR MASTER APPLICATIONS ONLY***

---

*I hereby acknowledge receipt of an Account C Opportunity Plus group deferred variable annuity prospectus dated April 30, 2007 as well as all current prospectuses pertaining to the variable investment options available under the contracts.*

*\_\_\_ Please send an Account C Statement of Additional Information (Form No. SAI.75962-07) dated April 30, 2007.*

---

**CONTRACT HOLDER'S SIGNATURE**

---

**DATE**



## PART B

<p style="text-align: center;"><b>VARIABLE ANNUITY ACCOUNT C OF ING LIFE INSURANCE AND ANNUITY COMPANY</b></p>
--

**Statement of Additional Information dated April 30, 2007  
For  
OPPORTUNITY PLUS**

**Multiple Option Group Variable Annuity Contracts**

This Statement of Additional Information is not a prospectus and should be read in conjunction with the current prospectus for Variable Annuity Account C (the "Separate Account") dated April 30, 2007 relating to the Opportunity Plus Multiple Option Group Variable Annuity Contracts issued by Variable Annuity Account C (the "Separate Account") and ILIAC (the "Company").

A free prospectus is available upon request from the local ING Life Insurance and Annuity Company office or by writing to or calling:

For regular mail, please use:

Opportunity Plus Service Center  
ING National Trust  
P.O. Box 9810  
Providence, RI 02940-8010

For overnight delivery, please use:

Opportunity Plus Service Center  
ING National Trust  
101 Sabin Street  
Pawtucket, RI 02860

1-800-677-4636

Read the prospectus before you invest. Unless otherwise indicated, terms used in this Statement of Additional Information have the same meaning as in the prospectus.

**TABLE OF CONTENTS**

	Page
General Information and History	2
Variable Annuity Account C	3
Offering and Purchase of Contracts	4
Income Phase Payments	4
Sales Material and Advertising	5
Independent Registered Public Accounting Firm	6
Financial Statements of the Separate Account	S-1
Consolidated Financial Statements of ING Life Insurance and Annuity Company	C-1

## GENERAL INFORMATION AND HISTORY

ING Life Insurance and Annuity Company (the “Company,” we, us, our) is a stock life insurance company which was organized under the insurance laws of the State of Connecticut in 1976. Prior to May 1, 2002, the Company was known as Aetna Life Insurance and Annuity Company. Through a merger, it succeeded to the business of Aetna Variable Annuity Life Insurance Company (formerly Participating Annuity Life Insurance Company organized in 1954).

As of December 31, 2006, the Company had \$59 billion invested through their products, including \$50 billion in their separate accounts (of which the Company’s invest management affiliates manage or oversee the management of \$19 billion). The Company is ranked based on assets among the top 2% of all life and health insurance companies rated by A.M. Best Company as of July 19, 2006. The Company is an indirect wholly owned subsidiary of ING Groep N.V., a global financial institution active in the fields of insurance, banking and asset management and is a direct, wholly owned subsidiary of Lion Connecticut Holdings Inc. The Company is engaged in the business of issuing life insurance policies and annuity contracts. Our Home Office is located at 151 Farmington Avenue, Hartford, Connecticut 06156.

In addition to serving as the principal underwriter and the depositor for the separate account, the Company is a registered investment adviser under the Investment Advisers Act of 1940.

The Company has established the Opportunity Plus Service Center to provide administrative support to contract holders and participants investing in the Opportunity Plus Contract. This office will handle enrollments, billing, transfers, redemptions, and inquiries for all Opportunity Plus contract holders and participants. All forms and correspondence should be sent to:

For regular mail, please use:

Opportunity Plus Service Center  
ING National Trust  
P.O. Box 9810  
Providence, RI 02940-8010

For overnight delivery, please use:

Opportunity Plus Service Center  
ING National Trust  
101 Sabin Street  
Pawtucket, RI 02860

Telephone number: 1-800-677-4636

Other than the mortality and expense risk charge, administrative expense charge and ING GET Fund guarantee charge, if any, described in the prospectus, all expenses incurred in the operations of the separate account are borne by the Company. However, the Company does receive compensation for certain administrative costs or distribution costs from the funds or affiliates of the funds used as funding options under the contract. (See “Fees” in the prospectus.)

The assets of the separate account are held by the Company. The separate account has no custodian. However, the funds in whose shares the assets of the separate account are invested each have custodians, as discussed in their respective prospectuses.

From this point forward, the term “contract(s)” refers only to those offered through the prospectus.

## VARIABLE ANNUITY ACCOUNT C

Variable Annuity Account C is a separate account established by the Company for the purpose of funding variable annuity contracts issued by the Company. The separate account is registered with the Securities and Exchange Commission (SEC) as a unit investment trust under the Investment Company Act of 1940, as amended. Payments to accounts under the contract may be allocated to one or more of the subaccounts. Each subaccount invests in the shares of only one of the funds listed below. We may make additions to, deletions from or substitution of available variable investment options as permitted by law and subject to the conditions of the contract. The availability of the funds is subject to applicable regulatory authorization. The funds currently available under the contract are as follows:

AIM V.I. Capital Appreciation Fund (Series I)	ING T. Rowe Price Growth Equity Portfolio (I Class)
AIM V.I. Core Equity Fund (Series I)	ING Thornburg Value Portfolio (I Class) <sup>(2)</sup>
American Century <sup>®</sup> Income & Growth Fund (Advisor Class) <sup>(1)</sup>	ING UBS U.S. Large Cap Equity Portfolio (I Class)
Calvert Social Balanced Portfolio	ING Van Kampen Comstock Portfolio (S Class)
EuroPacific Growth Fund <sup>®</sup> (Class R-4) <sup>(1)</sup>	ING Van Kampen Equity and Income Portfolio (I Class)
Evergreen Special Values Fund (Class A) <sup>* (1)</sup>	ING VP Balanced Portfolio, Inc. (Class I)
Fidelity <sup>®</sup> VIP Asset Manager <sup>SM</sup> Portfolio (Initial Class)	ING VP Global Science and Technology Portfolio (Class I)
Fidelity <sup>®</sup> VIP Contrafund <sup>®</sup> Portfolio (Initial Class)	ING VP Growth and Income Portfolio (Class I)
Fidelity <sup>®</sup> VIP Equity-Income Portfolio (Initial Class)	ING VP Growth Portfolio (Class I)
Fidelity <sup>®</sup> VIP High Income Portfolio (Initial Class)	ING VP Index Plus International Equity Portfolio (Class S)
Fidelity <sup>®</sup> VIP Index 500 Portfolio (Initial Class)	ING VP Index Plus LargeCap Portfolio (Class I)
Fidelity <sup>®</sup> VIP Overseas Portfolio (Initial Class)	ING VP Index Plus MidCap Portfolio (Class I)
Franklin Small Cap Value Securities Fund (Class 2)	ING VP Index Plus SmallCap Portfolio (Class I)
ING Baron Small Cap Growth Portfolio (S Class)	ING VP Intermediate Bond Portfolio (Class I)
ING BlackRock Large Cap Growth Portfolio (Class I)	ING VP International Equity Portfolio (Class I)
ING FMR <sup>SM</sup> Large Cap Growth Portfolio (Class I) <sup>(**)(2)</sup>	ING VP Money Market Portfolio (Class I)
ING GET U.S. Core Portfolio <sup>(3)</sup>	ING VP Real Estate Portfolio (Class I)
ING Global Resources Portfolio (Class S) <sup>(4)</sup>	ING VP Small Company Portfolio (Class I)
ING JPMorgan Emerging Markets Equity Portfolio (Class I)	ING VP Strategic Allocation Conservative Portfolio (Class I)
ING JPMorgan International Portfolio (I Class)	ING VP Strategic Allocation Growth Portfolio (Class I)
ING Legg Mason Partners Aggressive Growth Portfolio (I Class)	ING VP Strategic Allocation Moderate Portfolio (Class I)
ING Legg Mason Partners Large Cap Growth Portfolio (I Class)	ING VP Value Opportunity Portfolio (Class I)
ING MFS Total Return Portfolio (Class I)	ING Wells Fargo Small Cap Disciplined Portfolio (Class S)
ING Oppenheimer Global Portfolio (I Class)	Lord Abbett Series Fund - Mid-Cap Value Portfolio (Class VC)
ING Oppenheimer Strategic Income Portfolio (I Class)	MFS <sup>®</sup> Total Return Series (Initial Class)
ING PIMCO High Yield Portfolio (Class I)	New Perspective Fund <sup>®</sup> (Class R-4) <sup>(1)</sup>
ING PIMCO Total Return Portfolio (S Class)	Oppenheimer Developing Markets Fund (Class A) <sup>(1)(6)</sup>
ING Pioneer Equity Income Portfolio (Class I) <sup>(5)</sup>	Pax World Balanced Fund (Individual Investor Class)
ING Pioneer Mid Cap Value Portfolio (Class I)	Pioneer Equity Income VCT Portfolio (Class I)
ING T. Rowe Price Diversified Mid Cap Growth Portfolio (I Class)	Pioneer Mid Cap Value VCT Portfolio (Class I)
	The Growth Fund of America <sup>®</sup> (Class R-4) <sup>(1)</sup>
	Washington Mutual Investors Fund <sup>SM</sup> (Class R-4) <sup>(1)</sup>

\* This fund is closed to new plans.

\*\* FMR<sup>SM</sup> is a service mark of Fidelity Management & Research Company

- (1) This fund is available to the general public. See "Additional Risks of Investing in the Funds" in the Contract Prospectus.
- (2) This fund has changed its name to the name listed above. See "Appendix III – Fund Descriptions," in the Contract Prospectus for a list of former and current fund names.
- (3) The ING GET U.S. Core Portfolio is not currently available for investment.
- (4) Transfers or deposits are not allowed into the subaccount investing in this fund, except from accounts established under the contract before May 1, 1998. As soon as all those who have current allocations to the subaccount under the contract have redirected their allocations to other investment options, we will close the subaccount to all investments (except loan repayments that we automatically deposit into the subaccount according to our loan repayment procedures).
- (5) This fund is scheduled to be available on May 11, 2007.
- (6) This fund is only available to those plans that were offering the fund prior to March 6, 2006.

Complete descriptions of each of the funds, including their investment objectives, policies, risks and fees and expenses, is contained in the prospectuses and statements of additional information for each of the funds.

## **OFFERING AND PURCHASE OF CONTRACTS**

The Company's subsidiary, ING Financial Advisers, LLC serves as the principal underwriter for contracts. ING Financial Advisers, LLC, a Delaware limited liability company, is registered as a broker-dealer with the SEC. ING Financial Advisers, LLC is also a member of the National Association of Securities Dealers, Inc. and the Securities Investor Protection Corporation. ING Financial Advisers, LLC's principal office is located at 151 Farmington Avenue, Hartford, Connecticut 06156. The contracts are distributed through life insurance agents licensed to sell variable annuities who are registered representatives of ING Financial Advisers, LLC or of other registered broker-dealers who have entered into sales arrangements with ING Financial Advisers, LLC. The offering of the contracts is continuous. A description of the manner in which contracts are purchased may be found in the prospectus under the sections titled "Contract - Ownership and Rights" and "Your Account Value."

Compensation paid to the principal underwriter, ING Financial Advisers, LLC, for the years ending December 31, 2006, 2005 and 2004 amounted to approximately \$43,390,180.16, \$36,978,063.93 and \$33,938,738.36 respectively. These amounts reflect approximate compensation paid to ING Financial Advisers, LLC attributable to regulatory and operating expenses associated with the distribution of all registered variable annuity products issued by Variable Annuity Account C of ING Life Insurance and Annuity Company.

## **INCOME PHASE PAYMENTS**

When you begin receiving payments under the contract during the income phase (see "Income Phase" in the prospectus), the value of your account is determined using accumulation unit values as of the tenth valuation before the first payment is due. Such value (less any applicable premium tax charge) is applied to provide payments to you in accordance with the payment options and investment options elected.

The annuity option tables found in the contract show, for each option, the amount of the first payment for each \$1,000 of value applied. Thereafter, variable annuity payments fluctuate as the Annuity Unit value(s) fluctuates with the investment experience of the selected investment option(s). The first payment and subsequent payments also vary depending on the assumed net investment rate selected (3.5% or 5.0% per annum). Selection of a 5.0% rate causes a higher first payment, but payments will increase thereafter only to the extent that the net investment rate increases by more than 5.0% on an annual basis. Payments would decline if the rate failed to increase by 5.0%. Use of the 3.5% assumed rate causes a lower first payment, but subsequent payments would increase more rapidly or decline more slowly as changes occur in the net investment rate.

When the income phase begins, the annuitant is credited with a fixed number of Annuity Units (which does not change thereafter) in each of the designated investment options. This number is calculated by dividing (a) by (b), where (a) is the amount of the first payment based on a particular investment option, and (b) is the then current Annuity Unit value for that investment option. As noted, Annuity Unit values fluctuate from one valuation to the next (see "Account Value" in the prospectus); such fluctuations reflect changes in the net investment factor for the appropriate subaccount(s) (with a ten day valuation lag which gives the Company time to process payments) and a mathematical adjustment which offsets the assumed net investment rate of 3.5% or 5.0% per annum.

The operation of all these factors can be illustrated by the following hypothetical example. These procedures will be performed separately for the investment options selected during the income phase.

### **EXAMPLE:**

Assume that, at the date payments are to begin, there are 3,000 accumulation units credited under a particular contract or account and that the value of an accumulation unit for the tenth valuation prior to retirement was \$13.650000. This produces a total value of \$40,950.

Assume also that no premium tax charge is payable and that the annuity table in the contract provides, for the payment option elected, a first monthly variable payment of \$6.68 per \$1,000 of value applied; the annuitant's first monthly payment would thus be 40.950 multiplied by \$6.68, or \$273.55.

Assume then that the value of an Annuity Unit upon the valuation on which the first payment was due was \$13.400000. When this value is divided into the first monthly payment, the number of Annuity Units is determined to be 20.414. The value of this number of Annuity Units will be paid in each subsequent month.

Suppose there were 30 days between the initial and second payment valuation dates. If the net investment factor with respect to the appropriate subaccount is 1.0032737 as of the tenth valuation preceding the due date of the second monthly income phase payment, multiplying this factor by  $.9971779^* = .9999058^{30}$  (to take into account 30 days of the assumed net investment rate of 3.5% per annum built into the number of Annuity Units determined above) produces a result of 1.000442. This is then multiplied by the Annuity Unit value for the prior valuation (\$13.400000 from above) to produce an Annuity Unit value of \$13.405928 for the valuation occurring when the second income phase payment is due.

The second monthly income phase payment is then determined by multiplying the number of Annuity Units by the current Annuity Unit value, or 20.414 times \$13.405928, which produces a payment of \$273.67.

\*If an assumed net investment rate of 5.0% is elected, the appropriate factor to take into account such assumed rate would be  $.9959968 = .9998663^{30}$ .

### **SALES MATERIAL AND ADVERTISING**

We may include hypothetical illustrations in our sales literature that explain the mathematical principles of dollar cost averaging, compounded interest, tax deferred accumulation, and the mechanics of variable annuity contracts. We may also discuss the difference between variable annuity contracts and other types of savings or investment products such as, personal savings accounts and certificates of deposit.

We may distribute sales literature that compares the percentage change in accumulation unit values for any of the subaccounts to established market indices such as the Standard & Poor's 500 Stock Index and the Dow Jones Industrial Average or to the percentage change in values of other management investment companies that have investment objectives similar to the subaccount being compared.

We may publish in advertisements and reports, the ratings and other information assigned to us by one or more independent rating organizations such as A.M. Best Company, Duff & Phelps, Standard & Poor's Corporation and Moody's Investors Service, Inc. The purpose of the ratings is to reflect our financial strength and/or claims-paying ability. We may also quote ranking services such as Morningstar's Variable Annuity/Life Performance Report and Lipper's Variable Insurance Products Performance Analysis Service (VIPPAS), which rank variable annuity or life subaccounts or their underlying funds by performance and/or investment objective. We may categorize funds in terms of the asset classes they represent and use such categories in marketing material for the contracts. We may illustrate in advertisements the performance of the underlying funds, if accompanied by performance which also shows the performance of such funds reduced by applicable charges under the separate account. We may also show in advertisements the portfolio holdings of the underlying funds, updated at various intervals. From time to time, we will quote articles from newspapers and magazines or other publications or reports, such as The Wall Street Journal, Money Magazine, USA Today and The VARDS Report.

We may provide in advertising, sales literature, periodic publications or other materials information on various topics of interest to current and prospective contract holders or participants. These topics may include the relationship between sectors of the economy and the economy as a whole and its effect on various securities markets, investment strategies and techniques (such as value investing, market timing, dollar cost averaging, asset allocation, constant ratio transfer and account rebalancing), the advantages and disadvantages of investing in tax-deferred and taxable investments, customer profiles and hypothetical purchase and investment scenarios, financial management and tax and retirement planning, and investment alternatives to certificates of deposit and other financial instruments, including comparison between the contracts and the characteristics of and market for such financial instruments.

#### **INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

Ernst & Young LLP, 55 Ivan Allen Jr. Boulevard, Suite 1000, Atlanta, GA 30308 is the independent registered public accounting firm for the separate account and for the Company. The services provided to the separate account include primarily the audit of the separate account's financial statements.

**FINANCIAL STATEMENTS**

**Variable Annuity Account C of**

**ING Life Insurance and Annuity Company**

*Year ended December 31, 2006*

*with Report of Independent Registered Public Accounting Firm*



This page intentionally left blank.

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Financial Statements**  
**Year ended December 31, 2006**

**Contents**

Report of Independent Registered Public Accounting Firm	1
Audited Financial Statements	
Statements of Assets and Liabilities	5
Statements of Operations	53
Statements of Changes in Net Assets	102
Notes to Financial Statements	163

This page intentionally left blank.

# Report of Independent Registered Public Accounting Firm

## The Board of Directors and Participants ING Life Insurance and Annuity Company

We have audited the accompanying statements of assets and liabilities of the Divisions constituting Variable Annuity Account C of ING Life Insurance and Annuity Company (the “Account”) as of December 31, 2006, and the related statements of operations and changes in net assets for the periods disclosed in the financial statements. These financial statements are the responsibility of the Account’s management. Our responsibility is to express an opinion on these financial statements based on our audits. The Account is comprised of the following Divisions:

### AIM Growth Series:

- AIM Mid Cap Core Equity Fund - Class A
- AIM Small Cap Growth Fund - Class A

### AIM Investment Funds:

- AIM Global Health Care Fund - Investor Class

### AIM Variable Insurance Funds:

- AIM V.I. Capital Appreciation Fund - Series I Shares
- AIM V.I. Core Equity Fund - Series I Shares
- AIM V.I. Growth Fund - Series I Shares
- AIM V.I. Premier Equity Fund - Series I Shares

### AllianceBernstein Growth and Income Fund, Inc.:

- AllianceBernstein Growth and Income Fund, Inc. - Class A

### AllianceBernstein Variable Products Series Fund, Inc.:

- AllianceBernstein Growth and Income Portfolio - Class A

### Allianz Funds:

- Allianz NFJ Small-Cap Value - Class A

### American Balanced Fund®, Inc.:

- American Balanced Fund® - Class R-3

### American Century Quantitative Equity Funds, Inc.:

- American Century Income & Growth Fund - Advisor Class

### Ariel Investment Trust:

- Ariel Appreciation Fund
- Ariel Fund

### Baron Investment Funds Trust:

- Baron Asset Fund
- Baron Growth Fund

### Calvert Variable Series, Inc.:

- Calvert Social Balanced Portfolio

### Capital One Funds:

- Capital One Mid Cap Equity Fund - Class A

### DWS Institutional Funds:

- DWS Equity 500 Index Fund - Class S

### EuroPacific Growth Fund®:

- EuroPacific Growth Fund® - Class R-3
- EuroPacific Growth Fund® - Class R-4

### Evergreen Equity Trust:

- Evergreen Special Values Fund - Class A

### Fidelity® Advisor Series I:

- Fidelity® Advisor Mid Cap Fund - Class T

### Fidelity® Variable Insurance Products:

- Fidelity® VIP Equity-Income Portfolio - Initial Class
- Fidelity® VIP Growth Portfolio - Initial Class
- Fidelity® VIP High Income Portfolio - Initial Class
- Fidelity® VIP Overseas Portfolio - Initial Class

### Fidelity® Variable Insurance Products II:

- Fidelity® VIP Asset Manager<sup>SM</sup> Portfolio - Initial Class
- Fidelity® VIP Contrafund® Portfolio - Initial Class
- Fidelity® VIP Index 500 Portfolio - Initial Class

### Fidelity® Variable Insurance Products III:

- Fidelity® VIP Mid Cap Portfolio - Initial Class

### Franklin Mutual Series Fund, Inc.:

- Mutual Discovery Fund - Class R

### Franklin Strategic Series:

- Franklin Small-Mid Cap Growth Fund - Class A

### Franklin Templeton Variable Insurance Products Trust:

- Franklin Small Cap Value Securities Fund - Class 2

### ING Equity Trust:

- ING Financial Services Fund - Class A
- ING Real Estate Fund - Class A

### ING Funds Trust:

- ING GNMA Income Fund - Class A
- ING Intermediate Bond Fund - Class A

### ING GET Fund:

- ING GET Fund - Series L
- ING GET Fund - Series Q
- ING GET Fund - Series S

### ING Investors Trust:

- ING AllianceBernstein Mid Cap Growth Portfolio - Service Class
- ING BlackRock Large Cap Growth Portfolio - Service Class
- ING Evergreen Health Sciences Portfolio - Service Class
- ING FMR<sup>SM</sup> Diversified Mid Cap Portfolio - Service Class
- ING FMR<sup>SM</sup> Large Cap Growth Portfolio - Institutional Class
- ING JPMorgan Emerging Markets Equity Portfolio - Adviser Class
- ING JPMorgan Emerging Markets Equity Portfolio - Institutional Class
- ING JPMorgan Emerging Markets Equity Portfolio - Service Class
- ING JPMorgan Small Cap Core Equity Portfolio - Service Class
- ING JPMorgan Value Opportunities Portfolio - Institutional Class
- ING JPMorgan Value Opportunities Portfolio - Service Class
- ING Julius Baer Foreign Portfolio - Service Class
- ING Legg Mason Partners All Cap Portfolio - Service Class
- ING Legg Mason Value Portfolio - Service Class
- ING Lord Abbett Affiliated Portfolio - Institutional Class
- ING Marsico Growth Portfolio - Service Class

ING Investors Trust (continued):

ING Marsico International Opportunities  
Portfolio - Service Class  
ING MFS Total Return Portfolio - Adviser Class  
ING MFS Total Return Portfolio - Institutional Class  
ING MFS Total Return Portfolio - Service Class  
ING MFS Utilities Portfolio - Service Class  
ING Oppenheimer Main Street Portfolio® - Service Class  
ING PIMCO High Yield Portfolio - Institutional Class  
ING PIMCO High Yield Portfolio - Service Class  
ING Pioneer Fund Portfolio - Institutional Class  
ING Pioneer Fund Portfolio - Service Class  
ING Pioneer Mid Cap Value Portfolio - Institutional Class  
ING Pioneer Mid Cap Value Portfolio - Service Class  
ING Stock Index Portfolio - Institutional Class  
ING T. Rowe Price Capital Appreciation Portfolio - Service  
Class  
ING T. Rowe Price Equity Income Portfolio - Adviser Class  
ING T. Rowe Price Equity Income Portfolio - Service Class  
ING Templeton Global Growth Portfolio - Institutional Class  
ING Templeton Global Growth Portfolio - Service Class  
ING Van Kampen Equity Growth Portfolio - Service Class  
ING Van Kampen Growth and Income Portfolio - Service Class  
ING Van Kampen Real Estate Portfolio - Institutional Class  
ING Van Kampen Real Estate Portfolio - Service Class  
ING VP Index Plus International Equity Portfolio - Service Class  
ING Wells Fargo Mid Cap Disciplined Portfolio - Service Class  
ING Wells Fargo Small Cap Disciplined Portfolio - Service Class

ING Mutual Funds:

ING International Fund - Class Q  
ING International SmallCap Fund - Class A

ING Partners, Inc.:

ING American Century Large Company Value  
Portfolio - Adviser Class  
ING American Century Large Company Value  
Portfolio - Service Class  
ING American Century Select Portfolio - Initial Class  
ING American Century Select Portfolio - Service Class  
ING American Century Small-Mid Cap Value  
Portfolio - Adviser Class  
ING American Century Small-Mid Cap Value  
Portfolio - Service Class  
ING Baron Asset Portfolio - Service Class  
ING Baron Small Cap Growth Portfolio - Adviser Class  
ING Baron Small Cap Growth Portfolio - Service Class  
ING Columbia Small Cap Value II Portfolio - Service Class  
ING Davis Venture Value Portfolio - Service Class  
ING Fidelity® VIP Mid Cap Portfolio - Service Class  
ING Fundamental Research Portfolio - Adviser Class  
ING Fundamental Research Portfolio - Service Class  
ING Goldman Sachs® Capital Growth Portfolio - Service Class  
ING Goldman Sachs® Structured Equity  
Portfolio - Adviser Class  
ING JPMorgan International Portfolio - Adviser Class  
ING JPMorgan International Portfolio - Initial Class  
ING JPMorgan International Portfolio - Service Class  
ING JPMorgan Mid Cap Value Portfolio - Adviser Class  
ING JPMorgan Mid Cap Value Portfolio - Service Class  
ING Legg Mason Partners Aggressive Growth  
Portfolio - Adviser Class

ING Partners, Inc. (continued):

ING Legg Mason Partners Aggressive Growth  
Portfolio - Initial Class  
ING Legg Mason Partners Aggressive Growth  
Portfolio - Service Class  
ING Legg Mason Partners Large Cap Growth  
Portfolio - Adviser Class  
ING Legg Mason Partners Large Cap Growth  
Portfolio - Initial Class  
ING Neuberger Berman Partners Portfolio - Service Class  
ING Neuberger Berman Regency Portfolio - Service Class  
ING OpCap Balanced Value Portfolio - Service Class  
ING Oppenheimer Global Portfolio - Adviser Class  
ING Oppenheimer Global Portfolio - Initial Class  
ING Oppenheimer Global Portfolio - Service Class  
ING Oppenheimer Strategic Income Portfolio - Adviser Class  
ING Oppenheimer Strategic Income Portfolio - Initial Class  
ING PIMCO Total Return Portfolio - Adviser Class  
ING PIMCO Total Return Portfolio - Service Class  
ING Pioneer High Yield Portfolio - Initial Class  
ING Pioneer High Yield Portfolio - Service Class  
ING Solution 2015 Portfolio - Adviser Class  
ING Solution 2015 Portfolio - Service Class  
ING Solution 2025 Portfolio - Adviser Class  
ING Solution 2025 Portfolio - Service Class  
ING Solution 2035 Portfolio - Adviser Class  
ING Solution 2035 Portfolio - Service Class  
ING Solution 2045 Portfolio - Adviser Class  
ING Solution 2045 Portfolio - Service Class  
ING Solution Income Portfolio - Adviser Class  
ING Solution Income Portfolio - Service Class  
ING T. Rowe Price Diversified Mid Cap Growth  
Portfolio - Adviser Class  
ING T. Rowe Price Diversified Mid Cap Growth  
Portfolio - Initial Class  
ING T. Rowe Price Diversified Mid Cap Growth  
Portfolio - Service Class  
ING T. Rowe Price Growth Equity Portfolio - Adviser Class  
ING T. Rowe Price Growth Equity Portfolio - Initial Class  
ING T. Rowe Price Growth Equity Portfolio - Service Class  
ING Templeton Foreign Equity Portfolio - Service Class  
ING Thornburg Value Portfolio - Adviser Class  
ING Thornburg Value Portfolio - Initial Class  
ING UBS U.S. Large Cap Equity Portfolio - Initial Class  
ING UBS U.S. Large Cap Equity Portfolio - Service Class  
ING UBS U.S. Small Cap Growth Portfolio - Service Class  
ING Van Kampen Comstock Portfolio - Adviser Class  
ING Van Kampen Comstock Portfolio - Service Class  
ING Van Kampen Equity and Income Portfolio - Adviser Class  
ING Van Kampen Equity and Income Portfolio - Initial Class  
ING Van Kampen Equity and Income Portfolio - Service Class  
ING Strategic Allocation Portfolios, Inc.:  
ING VP Strategic Allocation Conservative Portfolio - Class I  
ING VP Strategic Allocation Growth Portfolio - Class I  
ING VP Strategic Allocation Moderate Portfolio - Class I  
ING Variable Funds:  
ING VP Growth and Income Portfolio - Class I

ING Variable Insurance Trust:

- ING GET U.S. Core Portfolio - Series 1
- ING GET U.S. Core Portfolio - Series 2
- ING GET U.S. Core Portfolio - Series 3
- ING GET U.S. Core Portfolio - Series 5
- ING GET U.S. Core Portfolio - Series 6
- ING GET U.S. Core Portfolio - Series 7
- ING GET U.S. Core Portfolio - Series 8
- ING GET U.S. Core Portfolio - Series 9
- ING GET U.S. Core Portfolio - Series 10
- ING GET U.S. Core Portfolio - Series 11

ING Variable Portfolios, Inc.:

- ING VP Global Science and Technology Portfolio - Class I
- ING VP Growth Portfolio - Class I
- ING VP Index Plus LargeCap Portfolio - Class I
- ING VP Index Plus LargeCap Portfolio - Class S
- ING VP Index Plus MidCap Portfolio - Class I
- ING VP Index Plus MidCap Portfolio - Class S
- ING VP Index Plus SmallCap Portfolio - Class I
- ING VP Index Plus SmallCap Portfolio - Class S
- ING VP International Equity Portfolio - Class I
- ING VP International Equity Portfolio - Class S
- ING VP Small Company Portfolio - Class I
- ING VP Small Company Portfolio - Class S
- ING VP Value Opportunity Portfolio - Class I

ING Variable Products Trust:

- ING VP Financial Services Portfolio - Class I
- ING VP International Value Portfolio - Class I
- ING VP International Value Portfolio - Class S
- ING VP MidCap Opportunities Portfolio - Class I
- ING VP MidCap Opportunities Portfolio - Class S
- ING VP Real Estate Portfolio - Class I
- ING VP SmallCap Opportunities Portfolio - Class I
- ING VP SmallCap Opportunities Portfolio - Class S

ING VP Balanced Portfolio, Inc.:

- ING VP Balanced Portfolio - Class I

ING VP Intermediate Bond Portfolio:

- ING VP Intermediate Bond Portfolio - Class I
- ING VP Intermediate Bond Portfolio - Class S

ING VP Money Market Portfolio:

- ING VP Money Market Portfolio - Class I

ING VP Natural Resources Trust:

- ING VP Natural Resources Trust

Janus Adviser Series:

- Janus Adviser Balanced Fund - Class S

Janus Aspen Series:

- Janus Aspen Series Balanced Portfolio - Institutional Shares
- Janus Aspen Series Flexible Bond Portfolio - Institutional Shares
- Janus Aspen Series Large Cap Growth Portfolio - Institutional Shares
- Janus Aspen Series Mid Cap Growth Portfolio - Institutional Shares
- Janus Aspen Series Worldwide Growth Portfolio - Institutional Shares

Legg Mason Value Trust, Inc.:

- Legg Mason Value Trust, Inc. - Primary Class

LKCM Funds:

- LKCM Aquinas Growth Fund

Lord Abnett Affiliated Fund, Inc.:

- Lord Abnett Affiliated Fund - Class A

Lord Abnett Mid Cap Value Fund, Inc.:

- Lord Abnett Mid-Cap Value Fund, Inc. - Class A

Lord Abnett Research Fund, Inc.:

- Lord Abnett Small-Cap Value Fund - Class A

Lord Abnett Series Fund, Inc.:

- Lord Abnett Series Fund - Growth and Income Portfolio - Class VC

- Lord Abnett Series Fund - Mid-Cap Value Portfolio - Class VC

Massachusetts Investors Growth Stock Fund:

- Massachusetts Investors Growth Stock Fund - Class A

MFS® Variable Insurance Trust<sup>SM</sup>:

- MFS® Total Return Series - Initial Class

Moderate Allocation Portfolio:

- Moderate Allocation Portfolio

Neuberger Berman Equity Funds®:

- Neuberger Berman Socially Responsive Fund® - Trust Class

New Perspective Fund®, Inc.:

- New Perspective Fund®, Inc. - Class R-3

- New Perspective Fund®, Inc. - Class R-4

Oppenheimer Capital Appreciation Fund:

- Oppenheimer Capital Appreciation Fund - Class A

Oppenheimer Developing Markets Fund:

- Oppenheimer Developing Markets Fund - Class A

Oppenheimer Global Fund:

- Oppenheimer Global Fund - Class A

Oppenheimer Main Street Funds®, Inc.:

- Oppenheimer Main Street Fund® - Class A

Oppenheimer Variable Account Funds:

- Oppenheimer Aggressive Growth Fund/VA

- Oppenheimer Global Securities/VA

- Oppenheimer Main Street Fund®/VA

- Oppenheimer Main Street Small Cap Fund®/VA

- Oppenheimer Strategic Bond Fund/VA

Pax World Balanced Fund, Inc.:

- Pax World Balanced Fund, Inc.

PIMCO Variable Insurance Trust:

- PIMCO Real Return Portfolio - Administrative Class

Pioneer Fund:

- Pioneer Fund - Class A

Pioneer High Yield Fund:

- Pioneer High Yield Fund - Class A

Pioneer Variable Contracts Trust:

- Pioneer Equity Income VCT Portfolio - Class I

- Pioneer Fund VCT Portfolio - Class I

- Pioneer High Yield VCT Portfolio - Class I

- Pioneer Mid Cap Value VCT Portfolio - Class I

T. Rowe Price Mid-Cap Value Fund, Inc.:

- T. Rowe Price Mid-Cap Value Fund - R Class

T. Rowe Price Value Fund, Inc.:

- T. Rowe Price Value Fund - Advisor Class

Templeton Funds, Inc.:

- Templeton Foreign Fund - Class A

Templeton Growth Fund, Inc.:

- Templeton Growth Fund, Inc. - Class A

Templeton Income Trust:

- Templeton Global Bond Fund - Class A

The Growth Fund of America®, Inc.:

- The Growth Fund of America® - Class R-3

- The Growth Fund of America® - Class R-4

The Income Fund of America®, Inc.:  
The Income Fund of America® - Class R-3  
UBS Funds:  
UBS U.S. Small Cap Growth Fund - Class A  
Vanguard® Variable Insurance Fund:  
Diversified Value Portfolio  
Equity Income Portfolio  
Small Company Growth Portfolio

Wanger Advisors Trust:  
Wanger Select  
Wanger U.S. Smaller Companies  
Washington Mutual Investors Fund<sup>SM</sup>, Inc.:  
Washington Mutual Investors Fund<sup>SM</sup>, Inc. - Class R-3  
Washington Mutual Investors Fund<sup>SM</sup>, Inc. - Class R-4  
Wells Fargo Funds Trust:  
Wells Fargo Advantage Small Cap Value Fund - Class A

We conducted our audits 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. We were not engaged to perform an audit of the Account's internal control over financial reporting. Our audits include consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Account's internal control over financial reporting. Accordingly, we express no such opinion. An audit also 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. Our procedures included confirmation of securities owned as of December 31, 2006, by correspondence with the transfer agents. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of each of the respective Divisions constituting Variable Annuity Account C of ING Life Insurance and Annuity Company at December 31, 2006, the results of their operations and changes in their net assets for the periods disclosed in the financial statements, in conformity with U.S. generally accepted accounting principles.

/s/ Ernst & Young LLP

Atlanta, Georgia  
March 23, 2007

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Statements of Assets and Liabilities**  
**December 31, 2006**  
*(Dollars in thousands)*

	<b>AIM Mid Cap Core Equity Fund - Class A</b>	<b>AIM Small Cap Growth Fund - Class A</b>	<b>AIM Global Health Care Fund - Investor Class</b>	<b>AIM V.I. Capital Appreciation Fund - Series I Shares</b>	<b>AIM V.I. Core Equity Fund - Series I Shares</b>
<b>Assets</b>					
Investments in mutual funds					
at fair value	\$ 234	\$ 17	\$ 114	\$ 32,998	\$ 49,722
Total assets	234	17	114	32,998	49,722
<b>Liabilities</b>					
Payable to related parties	-	-	-	2	3
Total liabilities	-	-	-	2	3
Net assets	<u>\$ 234</u>	<u>\$ 17</u>	<u>\$ 114</u>	<u>\$ 32,996</u>	<u>\$ 49,719</u>
<b>Net assets</b>					
Accumulation units	\$ 234	\$ 17	\$ 114	\$ 32,931	\$ 49,702
Contracts in payout (annuitization)	-	-	-	65	17
Total net assets	<u>\$ 234</u>	<u>\$ 17</u>	<u>\$ 114</u>	<u>\$ 32,996</u>	<u>\$ 49,719</u>
 Total number of mutual fund shares	 <u>8,989</u>	 <u>595</u>	 <u>3,996</u>	 <u>1,258,518</u>	 <u>1,826,661</u>
 Cost of mutual fund shares	 <u>\$ 258</u>	 <u>\$ 17</u>	 <u>\$ 122</u>	 <u>\$ 29,274</u>	 <u>\$ 41,142</u>

*The accompanying notes are an integral part of these financial statements.*



**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Statements of Assets and Liabilities**  
**December 31, 2006**  
*(Dollars in thousands)*

	<b>AllianceBernstein Growth and Income Fund, Inc. - Class A</b>	<b>AllianceBernstein Growth and Income Portfolio - Class A</b>	<b>Allianz NFJ Small-Cap Value - Class A</b>	<b>American Balanced Fund® - Class R-3</b>	<b>American Century Income &amp; Growth Fund - Advisor Class</b>
<b>Assets</b>					
Investments in mutual funds					
at fair value	\$ 65	\$ 557	\$ 477	\$ 5,014	\$ 5,990
Total assets	65	557	477	5,014	5,990
<b>Liabilities</b>					
Payable to related parties	-	-	-	-	-
Total liabilities	-	-	-	-	-
Net assets	<u>\$ 65</u>	<u>\$ 557</u>	<u>\$ 477</u>	<u>\$ 5,014</u>	<u>\$ 5,990</u>
<b>Net assets</b>					
Accumulation units	\$ 65	\$ 557	\$ 477	\$ 5,014	\$ 5,990
Contracts in payout (annuitization)	-	-	-	-	-
Total net assets	<u>\$ 65</u>	<u>\$ 557</u>	<u>\$ 477</u>	<u>\$ 5,014</u>	<u>\$ 5,990</u>
 Total number of mutual fund shares	 <u>14,739</u>	 <u>20,493</u>	 <u>15,277</u>	 <u>264,463</u>	 <u>180,041</u>
 Cost of mutual fund shares	 <u>\$ 58</u>	 <u>\$ 506</u>	 <u>\$ 461</u>	 <u>\$ 4,754</u>	 <u>\$ 5,416</u>

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Statements of Assets and Liabilities**  
**December 31, 2006**  
*(Dollars in thousands)*

	<b>Ariel Appreciation Fund</b>	<b>Ariel Fund</b>	<b>Baron Asset Fund</b>	<b>Baron Growth Fund</b>	<b>Calvert Social Balanced Portfolio</b>
<b>Assets</b>					
Investments in mutual funds					
at fair value	\$ 629	\$ 660	\$ 1,029	\$ 1,434	\$ 65,401
Total assets	629	660	1,029	1,434	65,401
<b>Liabilities</b>					
Payable to related parties	-	-	-	-	4
Total liabilities	-	-	-	-	4
Net assets	<u>\$ 629</u>	<u>\$ 660</u>	<u>\$ 1,029</u>	<u>\$ 1,434</u>	<u>\$ 65,397</u>
<b>Net assets</b>					
Accumulation units	\$ 629	\$ 660	\$ 1,029	\$ 1,434	\$ 65,282
Contracts in payout (annuitization)	-	-	-	-	115
Total net assets	<u>\$ 629</u>	<u>\$ 660</u>	<u>\$ 1,029</u>	<u>\$ 1,434</u>	<u>\$ 65,397</u>
 Total number of mutual fund shares	 <u>13,022</u>	 <u>12,731</u>	 <u>17,214</u>	 <u>28,745</u>	 <u>32,217,096</u>
 Cost of mutual fund shares	 <u>\$ 607</u>	 <u>\$ 667</u>	 <u>\$ 985</u>	 <u>\$ 1,330</u>	 <u>\$ 61,010</u>

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Statements of Assets and Liabilities**  
**December 31, 2006**  
*(Dollars in thousands)*

	<b>Capital One Mid Cap Equity Fund - Class A</b>	<b>DWS Equity 500 Index Fund - Class S</b>	<b>EuroPacific Growth Fund® - Class R-3</b>	<b>EuroPacific Growth Fund® - Class R-4</b>	<b>Evergreen Special Values Fund - Class A</b>
<b>Assets</b>					
Investments in mutual funds					
at fair value	\$ 96	\$ 167	\$ 3,767	\$ 141,238	\$ 105,940
Total assets	96	167	3,767	141,238	105,940
<b>Liabilities</b>					
Payable to related parties	-	-	-	8	6
Total liabilities	-	-	-	8	6
Net assets	<u>\$ 96</u>	<u>\$ 167</u>	<u>\$ 3,767</u>	<u>\$ 141,230</u>	<u>\$ 105,934</u>
<b>Net assets</b>					
Accumulation units	\$ 96	\$ 167	\$ 3,767	\$ 141,230	\$ 105,934
Contracts in payout (annuitization)	-	-	-	-	-
Total net assets	<u>\$ 96</u>	<u>\$ 167</u>	<u>\$ 3,767</u>	<u>\$ 141,230</u>	<u>\$ 105,934</u>
 Total number of mutual fund shares	 <u>5,625</u>	 <u>1,052</u>	 <u>82,066</u>	 <u>3,071,724</u>	 <u>3,870,663</u>
 Cost of mutual fund shares	 <u>\$ 99</u>	 <u>\$ 150</u>	 <u>\$ 3,434</u>	 <u>\$ 125,631</u>	 <u>\$ 102,981</u>

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Statements of Assets and Liabilities**  
**December 31, 2006**  
*(Dollars in thousands)*

	<b>Fidelity® Advisor Mid Cap Fund - Class T</b>	<b>Fidelity® VIP Equity-Income Portfolio - Initial Class</b>	<b>Fidelity® VIP Growth Portfolio - Initial Class</b>	<b>Fidelity® VIP High Income Portfolio - Initial Class</b>	<b>Fidelity® VIP Overseas Portfolio - Initial Class</b>
<b>Assets</b>					
Investments in mutual funds					
at fair value	\$ 694	\$ 455,757	\$ 295,839	\$ 7,752	\$ 51,713
Total assets	694	455,757	295,839	7,752	51,713
<b>Liabilities</b>					
Payable to related parties	-	26	17	-	3
Total liabilities	-	26	17	-	3
Net assets	<u>\$ 694</u>	<u>\$ 455,731</u>	<u>\$ 295,822</u>	<u>\$ 7,752</u>	<u>\$ 51,710</u>
<b>Net assets</b>					
Accumulation units	\$ 694	\$ 450,867	\$ 295,589	\$ 7,665	\$ 51,710
Contracts in payout (annuitization)	-	4,864	233	87	-
Total net assets	<u>\$ 694</u>	<u>\$ 455,731</u>	<u>\$ 295,822</u>	<u>\$ 7,752</u>	<u>\$ 51,710</u>
 Total number of mutual fund shares	<u>27,859</u>	<u>17,395,319</u>	<u>8,247,526</u>	<u>1,220,758</u>	<u>2,157,397</u>
 Cost of mutual fund shares	<u>\$ 662</u>	<u>\$ 399,254</u>	<u>\$ 316,563</u>	<u>\$ 7,895</u>	<u>\$ 39,322</u>

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Statements of Assets and Liabilities**  
**December 31, 2006**  
*(Dollars in thousands)*

	<b>Fidelity® VIP Asset Manager<sup>SM</sup> Portfolio - Initial Class</b>	<b>Fidelity® VIP Contrafund® Portfolio - Initial Class</b>	<b>Fidelity® VIP Index 500 Portfolio - Initial Class</b>	<b>Fidelity® VIP Mid Cap Portfolio - Initial Class</b>	<b>Mutual Discovery Fund - Class R</b>
<b>Assets</b>					
Investments in mutual funds					
at fair value	\$ 18,361	\$ 1,176,647	\$ 128,852	\$ 5,451	\$ 1,438
Total assets	18,361	1,176,647	128,852	5,451	1,438
<b>Liabilities</b>					
Payable to related parties	1	65	7	-	-
Total liabilities	1	65	7	-	-
Net assets	<u>\$ 18,360</u>	<u>\$ 1,176,582</u>	<u>\$ 128,845</u>	<u>\$ 5,451</u>	<u>\$ 1,438</u>
<b>Net assets</b>					
Accumulation units	\$ 18,360	\$ 1,168,093	\$ 128,845	\$ 5,451	\$ 1,438
Contracts in payout (annuitization)	-	8,489	-	-	-
Total net assets	<u>\$ 18,360</u>	<u>\$ 1,176,582</u>	<u>\$ 128,845</u>	<u>\$ 5,451</u>	<u>\$ 1,438</u>
Total number of mutual fund shares	<u>1,168,725</u>	<u>37,389,483</u>	<u>798,540</u>	<u>156,783</u>	<u>48,025</u>
Cost of mutual fund shares	<u>\$ 16,683</u>	<u>\$ 925,833</u>	<u>\$ 103,921</u>	<u>\$ 5,223</u>	<u>\$ 1,276</u>

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Statements of Assets and Liabilities**  
**December 31, 2006**  
*(Dollars in thousands)*

	<b>Franklin Small- Mid Cap Growth Fund - Class A</b>	<b>Franklin Small Cap Value Securities Fund - Class 2</b>	<b>ING Financial Services Fund - Class A</b>	<b>ING Real Estate Fund - Class A</b>	<b>ING GNMA Income Fund - Class A</b>
<b>Assets</b>					
Investments in mutual funds					
at fair value	\$ 556	\$ 88,526	\$ 84	\$ 2,373	\$ 973
Total assets	556	88,526	84	2,373	973
<b>Liabilities</b>					
Payable to related parties	-	5	-	-	-
Total liabilities	-	5	-	-	-
Net assets	\$ 556	\$ 88,521	\$ 84	\$ 2,373	\$ 973
<b>Net assets</b>					
Accumulation units	\$ 556	\$ 87,354	\$ 84	\$ 2,373	\$ 973
Contracts in payout (annuitization)	-	1,167	-	-	-
Total net assets	\$ 556	\$ 88,521	\$ 84	\$ 2,373	\$ 973
Total number of mutual fund shares	14,724	4,711,314	3,494	125,266	117,088
Cost of mutual fund shares	\$ 547	\$ 73,785	\$ 81	\$ 2,069	\$ 983

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Statements of Assets and Liabilities**  
**December 31, 2006**  
*(Dollars in thousands)*

	<b>ING Intermediate Bond Fund - Class A</b>	<b>ING GET Fund - Series Q</b>	<b>ING GET Fund - Series S</b>	<b>ING AllianceBernstein Mid Cap Growth Portfolio - Service Class</b>	<b>ING BlackRock Large Cap Growth Portfolio - Service Class</b>
<b>Assets</b>					
Investments in mutual funds					
at fair value	\$ 1,633	\$ 2,909	\$ 10,254	\$ 3,286	\$ -
Total assets	1,633	2,909	10,254	3,286	-
<b>Liabilities</b>					
Payable to related parties	-	-	1	-	-
Total liabilities	-	-	1	-	-
Net assets	<u>\$ 1,633</u>	<u>\$ 2,909</u>	<u>\$ 10,253</u>	<u>\$ 3,286</u>	<u>\$ -</u>
<b>Net assets</b>					
Accumulation units	\$ 1,633	\$ 2,909	\$ 10,253	\$ 3,286	\$ -
Contracts in payout (annuitization)	-	-	-	-	-
Total net assets	<u>\$ 1,633</u>	<u>\$ 2,909</u>	<u>\$ 10,253</u>	<u>\$ 3,286</u>	<u>\$ -</u>
 Total number of mutual fund shares	 <u>160,265</u>	 <u>284,045</u>	 <u>988,809</u>	 <u>193,961</u>	 <u>2</u>
 Cost of mutual fund shares	 <u>\$ 1,649</u>	 <u>\$ 2,847</u>	 <u>\$ 9,932</u>	 <u>\$ 3,831</u>	 <u>\$ -</u>

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Statements of Assets and Liabilities**  
**December 31, 2006**  
*(Dollars in thousands)*

	<b>ING Evergreen Health Sciences Portfolio - Service Class</b>	<b>ING FMR<sup>SM</sup> Diversified Mid Cap Portfolio - Service Class</b>	<b>ING FMR<sup>SM</sup> Large Cap Growth Portfolio - Institutional Class</b>	<b>ING JPMorgan Emerging Markets Equity Portfolio - Adviser Class</b>	<b>ING JPMorgan Emerging Markets Equity Portfolio - Institutional Class</b>
<b>Assets</b>					
Investments in mutual funds					
at fair value	\$ 4,440	\$ 14,605	\$ 162	\$ 57	\$ 29,173
Total assets	4,440	14,605	162	57	29,173
<b>Liabilities</b>					
Payable to related parties	-	1	-	-	2
Total liabilities	-	1	-	-	2
Net assets	<u>\$ 4,440</u>	<u>\$ 14,604</u>	<u>\$ 162</u>	<u>\$ 57</u>	<u>\$ 29,171</u>
<b>Net assets</b>					
Accumulation units	\$ 4,440	\$ 14,604	\$ 162	\$ 57	\$ 29,171
Contracts in payout (annuitization)	-	-	-	-	-
Total net assets	<u>\$ 4,440</u>	<u>\$ 14,604</u>	<u>\$ 162</u>	<u>\$ 57</u>	<u>\$ 29,171</u>
Total number of mutual fund shares	<u>364,817</u>	<u>1,091,568</u>	<u>14,882</u>	<u>2,939</u>	<u>1,487,665</u>
Cost of mutual fund shares	<u>\$ 4,108</u>	<u>\$ 14,520</u>	<u>\$ 159</u>	<u>\$ 51</u>	<u>\$ 23,544</u>

*The accompanying notes are an integral part of these financial statements.*



**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Statements of Assets and Liabilities**  
**December 31, 2006**  
*(Dollars in thousands)*

	<b>ING JPMorgan Emerging Markets Equity Portfolio - Service Class</b>	<b>ING JPMorgan Small Cap Core Equity Portfolio - Service Class</b>	<b>ING JPMorgan Value Opportunities Portfolio - Institutional Class</b>	<b>ING JPMorgan Value Opportunities Portfolio - Service Class</b>	<b>ING Julius Baer Foreign Portfolio - Service Class</b>
<b>Assets</b>					
Investments in mutual funds					
at fair value	\$ 21,611	\$ 1,643	\$ 26	\$ 824	\$ 30,168
Total assets	21,611	1,643	26	824	30,168
<b>Liabilities</b>					
Payable to related parties	1	-	-	-	2
Total liabilities	1	-	-	-	2
Net assets	<u>\$ 21,610</u>	<u>\$ 1,643</u>	<u>\$ 26</u>	<u>\$ 824</u>	<u>\$ 30,166</u>
<b>Net assets</b>					
Accumulation units	\$ 21,610	\$ 1,643	\$ 26	\$ 824	\$ 30,166
Contracts in payout (annuitization)	-	-	-	-	-
Total net assets	<u>\$ 21,610</u>	<u>\$ 1,643</u>	<u>\$ 26</u>	<u>\$ 824</u>	<u>\$ 30,166</u>
Total number of mutual fund shares	<u>1,103,752</u>	<u>115,478</u>	<u>2,017</u>	<u>64,924</u>	<u>1,788,291</u>
Cost of mutual fund shares	<u>\$ 18,552</u>	<u>\$ 1,605</u>	<u>\$ 25</u>	<u>\$ 788</u>	<u>\$ 25,798</u>

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Statements of Assets and Liabilities**  
**December 31, 2006**  
*(Dollars in thousands)*

	<b>ING Legg Mason Partners All Cap Portfolio - Service Class</b>	<b>ING Legg Mason Value Portfolio - Service Class</b>	<b>ING Lord Abbott Affiliated Portfolio - Institutional Class</b>	<b>ING Marsico Growth Portfolio - Service Class</b>	<b>ING Marsico International Opportunities Portfolio - Service Class</b>
<b>Assets</b>					
Investments in mutual funds					
at fair value	\$ 35	\$ 3,415	\$ 1,068	\$ 2,747	\$ 7,306
Total assets	35	3,415	1,068	2,747	7,306
<b>Liabilities</b>					
Payable to related parties	-	-	-	-	-
Total liabilities	-	-	-	-	-
Net assets	<u>\$ 35</u>	<u>\$ 3,415</u>	<u>\$ 1,068</u>	<u>\$ 2,747</u>	<u>\$ 7,306</u>
<b>Net assets</b>					
Accumulation units	\$ 35	\$ 3,415	\$ 1,043	\$ 2,747	\$ 7,306
Contracts in payout (annuitization)	-	-	25	-	-
Total net assets	<u>\$ 35</u>	<u>\$ 3,415</u>	<u>\$ 1,068</u>	<u>\$ 2,747</u>	<u>\$ 7,306</u>
 Total number of mutual fund shares	 <u>2,286</u>	 <u>303,330</u>	 <u>84,236</u>	 <u>165,676</u>	 <u>478,169</u>
 Cost of mutual fund shares	 <u>\$ 33</u>	 <u>\$ 3,179</u>	 <u>\$ 1,016</u>	 <u>\$ 2,588</u>	 <u>\$ 6,488</u>

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Statements of Assets and Liabilities**  
**December 31, 2006**  
*(Dollars in thousands)*

	<b>ING MFS Total Return Portfolio - Adviser Class</b>	<b>ING MFS Total Return Portfolio - Institutional Class</b>	<b>ING MFS Total Return Portfolio - Service Class</b>	<b>ING MFS Utilities Portfolio - Service Class</b>	<b>ING Oppenheimer Main Street Portfolio® - Service Class</b>
<b>Assets</b>					
Investments in mutual funds					
at fair value	\$ 45	\$ 269	\$ 36,561	\$ 13,023	\$ 825
Total assets	45	269	36,561	13,023	825
<b>Liabilities</b>					
Payable to related parties	-	-	2	1	-
Total liabilities	-	-	2	1	-
Net assets	<u>\$ 45</u>	<u>\$ 269</u>	<u>\$ 36,559</u>	<u>\$ 13,022</u>	<u>\$ 825</u>
<b>Net assets</b>					
Accumulation units	\$ 45	\$ 269	\$ 36,559	\$ 13,022	\$ 825
Contracts in payout (annuitization)	-	-	-	-	-
Total net assets	<u>\$ 45</u>	<u>\$ 269</u>	<u>\$ 36,559</u>	<u>\$ 13,022</u>	<u>\$ 825</u>
 Total number of mutual fund shares	 <u>2,388</u>	 <u>14,128</u>	 <u>1,924,255</u>	 <u>894,453</u>	 <u>41,586</u>
 Cost of mutual fund shares	 <u>\$ 43</u>	 <u>\$ 255</u>	 <u>\$ 35,177</u>	 <u>\$ 11,505</u>	 <u>\$ 763</u>

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Statements of Assets and Liabilities**  
**December 31, 2006**  
*(Dollars in thousands)*

	<b>ING PIMCO High Yield Portfolio - Institutional Class</b>	<b>ING PIMCO High Yield Portfolio - Service Class</b>	<b>ING Pioneer Fund Portfolio - Institutional Class</b>	<b>ING Pioneer Fund Portfolio - Service Class</b>	<b>ING Pioneer Mid Cap Value Portfolio - Institutional Class</b>
<b>Assets</b>					
Investments in mutual funds					
at fair value	\$ 247	\$ 5,070	\$ 2,509	\$ 25	\$ 783
Total assets	247	5,070	2,509	25	783
<b>Liabilities</b>					
Payable to related parties	-	-	-	-	-
Total liabilities	-	-	-	-	-
Net assets	<u>\$ 247</u>	<u>\$ 5,070</u>	<u>\$ 2,509</u>	<u>\$ 25</u>	<u>\$ 783</u>
<b>Net assets</b>					
Accumulation units	\$ 247	\$ 5,070	\$ 2,466	\$ 25	\$ 766
Contracts in payout (annuitization)	-	-	43	-	17
Total net assets	<u>\$ 247</u>	<u>\$ 5,070</u>	<u>\$ 2,509</u>	<u>\$ 25</u>	<u>\$ 783</u>
 Total number of mutual fund shares	 <u>23,953</u>	 <u>491,266</u>	 <u>194,203</u>	 <u>1,925</u>	 <u>63,404</u>
 Cost of mutual fund shares	 <u>\$ 243</u>	 <u>\$ 4,999</u>	 <u>\$ 2,440</u>	 <u>\$ 24</u>	 <u>\$ 750</u>

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Statements of Assets and Liabilities**  
**December 31, 2006**  
*(Dollars in thousands)*

	<b>ING Pioneer Mid Cap Value Portfolio - Service Class</b>	<b>ING Stock Index Portfolio - Institutional Class</b>	<b>ING T. Rowe Price Capital Appreciation Portfolio - Service Class</b>	<b>ING T. Rowe Price Equity Income Portfolio - Adviser Class</b>	<b>ING T. Rowe Price Equity Income Portfolio - Service Class</b>
<b>Assets</b>					
Investments in mutual funds					
at fair value	\$ 6	\$ 3,625	\$ 86,929	\$ 215	\$ 87,801
Total assets	6	3,625	86,929	215	87,801
<b>Liabilities</b>					
Payable to related parties	-	-	5	-	5
Total liabilities	-	-	5	-	5
Net assets	<u>\$ 6</u>	<u>\$ 3,625</u>	<u>\$ 86,924</u>	<u>\$ 215</u>	<u>\$ 87,796</u>
<b>Net assets</b>					
Accumulation units	\$ 6	\$ 3,625	\$ 86,924	\$ 215	\$ 87,796
Contracts in payout (annuitization)	-	-	-	-	-
Total net assets	<u>\$ 6</u>	<u>\$ 3,625</u>	<u>\$ 86,924</u>	<u>\$ 215</u>	<u>\$ 87,796</u>
 Total number of mutual fund shares	 <u>485</u>	 <u>282,078</u>	 <u>3,266,793</u>	 <u>14,060</u>	 <u>5,668,223</u>
 Cost of mutual fund shares	 <u>\$ 6</u>	 <u>\$ 3,350</u>	 <u>\$ 82,814</u>	 <u>\$ 202</u>	 <u>\$ 76,871</u>

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Statements of Assets and Liabilities**  
**December 31, 2006**  
*(Dollars in thousands)*

	<b>ING Templeton Global Growth Portfolio - Institutional Class</b>	<b>ING Templeton Global Growth Portfolio - Service Class</b>	<b>ING Van Kampen Equity Growth Portfolio - Service Class</b>	<b>ING Van Kampen Growth and Income Portfolio - Service Class</b>	<b>ING Van Kampen Real Estate Portfolio - Institutional Class</b>
<b>Assets</b>					
Investments in mutual funds					
at fair value	\$ -	\$ 1,421	\$ 14	\$ 15,705	\$ 754
Total assets	-	1,421	14	15,705	754
<b>Liabilities</b>					
Payable to related parties	-	-	-	1	-
Total liabilities	-	-	-	1	-
Net assets	\$ -	\$ 1,421	\$ 14	\$ 15,704	\$ 754
<b>Net assets</b>					
Accumulation units	\$ -	\$ 1,421	\$ 14	\$ 15,704	\$ -
Contracts in payout (annuitization)	-	-	-	-	754
Total net assets	\$ -	\$ 1,421	\$ 14	\$ 15,704	\$ 754
Total number of mutual fund shares	5	98,058	1,176	555,551	19,307
Cost of mutual fund shares	\$ -	\$ 1,325	\$ 14	\$ 14,916	\$ 707

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Statements of Assets and Liabilities**  
**December 31, 2006**  
*(Dollars in thousands)*

	<b>ING Van Kampen Real Estate Portfolio - Service Class</b>	<b>ING VP Index Plus International Equity Portfolio - Service Class</b>	<b>ING Wells Fargo Mid Cap Disciplined Portfolio - Service Class</b>	<b>ING Wells Fargo Small Cap Disciplined Portfolio - Service Class</b>	<b>ING International Fund - Class Q</b>
<b>Assets</b>					
Investments in mutual funds					
at fair value	\$ 16,906	\$ 2,537	\$ 767	\$ 1,141	\$ 7
Total assets	16,906	2,537	767	1,141	7
<b>Liabilities</b>					
Payable to related parties	1	-	-	-	-
Total liabilities	1	-	-	-	-
Net assets	<u>\$ 16,905</u>	<u>\$ 2,537</u>	<u>\$ 767</u>	<u>\$ 1,141</u>	<u>\$ 7</u>
<b>Net assets</b>					
Accumulation units	\$ 16,905	\$ 2,537	\$ 767	\$ 1,141	\$ 7
Contracts in payout (annuitization)	-	-	-	-	-
Total net assets	<u>\$ 16,905</u>	<u>\$ 2,537</u>	<u>\$ 767</u>	<u>\$ 1,141</u>	<u>\$ 7</u>
Total number of mutual fund shares	<u>434,704</u>	<u>193,841</u>	<u>43,161</u>	<u>100,184</u>	<u>531</u>
Cost of mutual fund shares	<u>\$ 15,708</u>	<u>\$ 2,438</u>	<u>\$ 718</u>	<u>\$ 1,104</u>	<u>\$ 7</u>

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Statements of Assets and Liabilities**  
**December 31, 2006**  
*(Dollars in thousands)*

	<b>ING International SmallCap Fund - Class A</b>	<b>ING American Century Large Company Value Portfolio - Adviser Class</b>	<b>ING American Century Large Company Value Portfolio - Service Class</b>	<b>ING American Century Select Portfolio - Initial Class</b>	<b>ING American Century Select Portfolio - Service Class</b>
<b>Assets</b>					
Investments in mutual funds					
at fair value	\$ 837	\$ 9	\$ 5,290	\$ 131,565	\$ -
Total assets	837	9	5,290	131,565	-
<b>Liabilities</b>					
Payable to related parties	-	-	-	8	-
Total liabilities	-	-	-	8	-
Net assets	<u>\$ 837</u>	<u>\$ 9</u>	<u>\$ 5,290</u>	<u>\$ 131,557</u>	<u>\$ -</u>
<b>Net assets</b>					
Accumulation units	\$ 837	\$ 9	\$ 5,266	\$ 131,278	\$ -
Contracts in payout (annuitization)	-	-	24	279	-
Total net assets	<u>\$ 837</u>	<u>\$ 9</u>	<u>\$ 5,290</u>	<u>\$ 131,557</u>	<u>\$ -</u>
 Total number of mutual fund shares	 <u>16,273</u>	 <u>549</u>	 <u>329,598</u>	 <u>14,363,034</u>	 <u>14</u>
 Cost of mutual fund shares	 <u>\$ 691</u>	 <u>\$ 8</u>	 <u>\$ 4,584</u>	 <u>\$ 125,967</u>	 <u>\$ -</u>

*The accompanying notes are an integral part of these financial statements.*



**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Statements of Assets and Liabilities**  
**December 31, 2006**  
*(Dollars in thousands)*

	<b>ING American Century Small- Mid Cap Value Portfolio - Adviser Class</b>	<b>ING American Century Small- Mid Cap Value Portfolio - Service Class</b>	<b>ING Baron Asset Portfolio - Service Class</b>	<b>ING Baron Small Cap Growth Portfolio - Adviser Class</b>	<b>ING Baron Small Cap Growth Portfolio - Service Class</b>
<b>Assets</b>					
Investments in mutual funds					
at fair value	\$ 22	\$ 33,828	\$ 306	\$ 63	\$ 91,456
Total assets	22	33,828	306	63	91,456
<b>Liabilities</b>					
Payable to related parties	-	2	-	-	5
Total liabilities	-	2	-	-	5
Net assets	<u>\$ 22</u>	<u>\$ 33,826</u>	<u>\$ 306</u>	<u>\$ 63</u>	<u>\$ 91,451</u>
<b>Net assets</b>					
Accumulation units	\$ 22	\$ 33,324	\$ 306	\$ 63	\$ 90,943
Contracts in payout (annuitization)	-	502	-	-	508
Total net assets	<u>\$ 22</u>	<u>\$ 33,826</u>	<u>\$ 306</u>	<u>\$ 63</u>	<u>\$ 91,451</u>
 Total number of mutual fund shares	 <u>1,636</u>	 <u>2,503,953</u>	 <u>27,568</u>	 <u>3,470</u>	 <u>4,989,426</u>
 Cost of mutual fund shares	 <u>\$ 20</u>	 <u>\$ 29,758</u>	 <u>\$ 293</u>	 <u>\$ 60</u>	 <u>\$ 72,615</u>

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Statements of Assets and Liabilities**  
**December 31, 2006**  
*(Dollars in thousands)*

	<b>ING Columbia Small Cap Value II Portfolio - Service Class</b>	<b>ING Davis Venture Value Portfolio - Service Class</b>	<b>ING Fidelity® VIP Mid Cap Portfolio - Service Class</b>	<b>ING Fundamental Research Portfolio - Adviser Class</b>	<b>ING Fundamental Research Portfolio - Service Class</b>
<b>Assets</b>					
Investments in mutual funds					
at fair value	\$ 39	\$ 9,469	\$ 110	\$ 5	\$ 1,510
Total assets	39	9,469	110	5	1,510
<b>Liabilities</b>					
Payable to related parties	-	1	-	-	-
Total liabilities	-	1	-	-	-
Net assets	<u>\$ 39</u>	<u>\$ 9,468</u>	<u>\$ 110</u>	<u>\$ 5</u>	<u>\$ 1,510</u>
<b>Net assets</b>					
Accumulation units	\$ 39	\$ 9,406	\$ 110	\$ 5	\$ 1,510
Contracts in payout (annuitization)	-	62	-	-	-
Total net assets	<u>\$ 39</u>	<u>\$ 9,468</u>	<u>\$ 110</u>	<u>\$ 5</u>	<u>\$ 1,510</u>
 Total number of mutual fund shares	<u>3,877</u>	<u>480,674</u>	<u>7,875</u>	<u>480</u>	<u>150,591</u>
 Cost of mutual fund shares	<u>\$ 36</u>	<u>\$ 8,389</u>	<u>\$ 108</u>	<u>\$ 5</u>	<u>\$ 1,276</u>

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Statements of Assets and Liabilities**  
**December 31, 2006**  
*(Dollars in thousands)*

	<b>ING Goldman Sachs® Capital Growth Portfolio - Service Class</b>	<b>ING Goldman Sachs® Structured Equity Portfolio - Adviser Class</b>	<b>ING JPMorgan International Portfolio - Adviser Class</b>	<b>ING JPMorgan International Portfolio - Initial Class</b>	<b>ING JPMorgan International Portfolio - Service Class</b>
<b>Assets</b>					
Investments in mutual funds					
at fair value	\$ 2,157	\$ 2	\$ 20	\$ 150,212	\$ 16
Total assets	2,157	2	20	150,212	16
<b>Liabilities</b>					
Payable to related parties	-	-	-	9	-
Total liabilities	-	-	-	9	-
Net assets	<u>\$ 2,157</u>	<u>\$ 2</u>	<u>\$ 20</u>	<u>\$ 150,203</u>	<u>\$ 16</u>
<b>Net assets</b>					
Accumulation units	\$ 2,076	\$ 2	\$ 20	\$ 148,489	\$ 16
Contracts in payout (annuitization)	81	-	-	1,714	-
Total net assets	<u>\$ 2,157</u>	<u>\$ 2</u>	<u>\$ 20</u>	<u>\$ 150,203</u>	<u>\$ 16</u>
Total number of mutual fund shares	<u>173,671</u>	<u>137</u>	<u>1,244</u>	<u>9,238,141</u>	<u>959</u>
Cost of mutual fund shares	<u>\$ 1,933</u>	<u>\$ 2</u>	<u>\$ 19</u>	<u>\$ 99,304</u>	<u>\$ 15</u>

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Statements of Assets and Liabilities**  
**December 31, 2006**  
*(Dollars in thousands)*

	<b>ING JPMorgan Mid Cap Value Portfolio - Adviser Class</b>	<b>ING JPMorgan Mid Cap Value Portfolio - Service Class</b>	<b>ING Legg Mason Partners Aggressive Growth Portfolio - Adviser Class</b>	<b>ING Legg Mason Partners Aggressive Growth Portfolio - Initial Class</b>	<b>ING Legg Mason Partners Aggressive Growth Portfolio - Service Class</b>
<b>Assets</b>					
Investments in mutual funds					
at fair value	\$ 91	\$ 32,580	\$ 17	\$ 203,819	\$ 82
Total assets	91	32,580	17	203,819	82
<b>Liabilities</b>					
Payable to related parties	-	2	-	12	-
Total liabilities	-	2	-	12	-
Net assets	<u>\$ 91</u>	<u>\$ 32,578</u>	<u>\$ 17</u>	<u>\$ 203,807</u>	<u>\$ 82</u>
<b>Net assets</b>					
Accumulation units	\$ 91	\$ 31,593	\$ 17	\$ 203,615	\$ 82
Contracts in payout (annuitization)	-	985	-	192	-
Total net assets	<u>\$ 91</u>	<u>\$ 32,578</u>	<u>\$ 17</u>	<u>\$ 203,807</u>	<u>\$ 82</u>
 Total number of mutual fund shares	<u>5,694</u>	<u>2,014,868</u>	<u>356</u>	<u>4,151,090</u>	<u>1,693</u>
 Cost of mutual fund shares	<u>\$ 87</u>	<u>\$ 28,621</u>	<u>\$ 16</u>	<u>\$ 208,786</u>	<u>\$ 73</u>

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Statements of Assets and Liabilities**  
**December 31, 2006**  
*(Dollars in thousands)*

	<b>ING Legg Mason Partners Large Cap Growth Portfolio - Adviser Class</b>	<b>ING Legg Mason Partners Large Cap Growth Portfolio - Initial Class</b>	<b>ING Neuberger Berman Partners Portfolio - Service Class</b>	<b>ING Neuberger Berman Regency Portfolio - Service Class</b>	<b>ING OpCap Balanced Value Portfolio - Service Class</b>
<b>Assets</b>					
Investments in mutual funds					
at fair value	\$ 33	\$ 3,850	\$ 232	\$ 1	\$ 13,498
Total assets	33	3,850	232	1	13,498
<b>Liabilities</b>					
Payable to related parties	-	-	-	-	1
Total liabilities	-	-	-	-	1
Net assets	<u>\$ 33</u>	<u>\$ 3,850</u>	<u>\$ 232</u>	<u>\$ 1</u>	<u>\$ 13,497</u>
<b>Net assets</b>					
Accumulation units	\$ 33	\$ 3,850	\$ 232	\$ 1	\$ 13,176
Contracts in payout (annuitization)	-	-	-	-	321
Total net assets	<u>\$ 33</u>	<u>\$ 3,850</u>	<u>\$ 232</u>	<u>\$ 1</u>	<u>\$ 13,497</u>
 Total number of mutual fund shares	<u>2,821</u>	<u>322,449</u>	<u>21,278</u>	<u>138</u>	<u>898,098</u>
 Cost of mutual fund shares	<u>\$ 32</u>	<u>\$ 3,626</u>	<u>\$ 232</u>	<u>\$ 1</u>	<u>\$ 11,550</u>

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Statements of Assets and Liabilities**  
**December 31, 2006**  
*(Dollars in thousands)*

	<b>ING Oppenheimer Global Portfolio - Adviser Class</b>	<b>ING Oppenheimer Global Portfolio - Initial Class</b>	<b>ING Oppenheimer Global Portfolio - Service Class</b>	<b>ING Oppenheimer Strategic Income Portfolio - Adviser Class</b>	<b>ING Oppenheimer Strategic Income Portfolio - Initial Class</b>
<b>Assets</b>					
Investments in mutual funds					
at fair value	\$ 96	\$ 921,383	\$ 180	\$ 127	\$ 112,899
Total assets	96	921,383	180	127	112,899
<b>Liabilities</b>					
Payable to related parties	-	53	-	-	6
Total liabilities	-	53	-	-	6
Net assets	<u>\$ 96</u>	<u>\$ 921,330</u>	<u>\$ 180</u>	<u>\$ 127</u>	<u>\$ 112,893</u>
<b>Net assets</b>					
Accumulation units	\$ 96	\$ 918,715	\$ 180	\$ 127	\$ 111,321
Contracts in payout (annuitization)	-	2,615	-	-	1,572
Total net assets	<u>\$ 96</u>	<u>\$ 921,330</u>	<u>\$ 180</u>	<u>\$ 127</u>	<u>\$ 112,893</u>
 Total number of mutual fund shares	 <u>5,914</u>	 <u>55,238,778</u>	 <u>11,051</u>	 <u>11,793</u>	 <u>10,453,645</u>
 Cost of mutual fund shares	 <u>\$ 91</u>	 <u>\$ 673,879</u>	 <u>\$ 162</u>	 <u>\$ 122</u>	 <u>\$ 105,151</u>

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Statements of Assets and Liabilities**  
**December 31, 2006**  
*(Dollars in thousands)*

	<b>ING PIMCO Total Return Portfolio - Adviser Class</b>	<b>ING PIMCO Total Return Portfolio - Service Class</b>	<b>ING Pioneer High Yield Portfolio - Initial Class</b>	<b>ING Pioneer High Yield Portfolio - Service Class</b>	<b>ING Solution 2015 Portfolio - Adviser Class</b>
<b>Assets</b>					
Investments in mutual funds					
at fair value	\$ 269	\$ 62,927	\$ 1,000	\$ 6	\$ 2,850
Total assets	269	62,927	1,000	6	2,850
<b>Liabilities</b>					
Payable to related parties	-	4	-	-	-
Total liabilities	-	4	-	-	-
Net assets	\$ 269	\$ 62,923	\$ 1,000	\$ 6	\$ 2,850
<b>Net assets</b>					
Accumulation units	\$ 269	\$ 62,205	\$ 1,000	\$ 6	\$ 2,850
Contracts in payout (annuitization)	-	718	-	-	-
Total net assets	\$ 269	\$ 62,923	\$ 1,000	\$ 6	\$ 2,850
Total number of mutual fund shares	24,390	5,663,956	97,813	612	240,700
Cost of mutual fund shares	\$ 264	\$ 61,573	\$ 986	\$ 6	\$ 2,698

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Statements of Assets and Liabilities**  
**December 31, 2006**  
*(Dollars in thousands)*

	<b>ING Solution 2015 Portfolio - Service Class</b>	<b>ING Solution 2025 Portfolio - Adviser Class</b>	<b>ING Solution 2025 Portfolio - Service Class</b>	<b>ING Solution 2035 Portfolio - Adviser Class</b>	<b>ING Solution 2035 Portfolio - Service Class</b>
<b>Assets</b>					
Investments in mutual funds					
at fair value	\$ 15,209	\$ 4,390	\$ 18,184	\$ 3,854	\$ 12,007
Total assets	15,209	4,390	18,184	3,854	12,007
<b>Liabilities</b>					
Payable to related parties	1	-	1	-	1
Total liabilities	1	-	1	-	1
Net assets	<u>\$ 15,208</u>	<u>\$ 4,390</u>	<u>\$ 18,183</u>	<u>\$ 3,854</u>	<u>\$ 12,006</u>
<b>Net assets</b>					
Accumulation units	\$ 15,208	\$ 4,390	\$ 18,183	\$ 3,854	\$ 12,006
Contracts in payout (annuitization)	-	-	-	-	-
Total net assets	<u>\$ 15,208</u>	<u>\$ 4,390</u>	<u>\$ 18,183</u>	<u>\$ 3,854</u>	<u>\$ 12,006</u>
 Total number of mutual fund shares	 <u>1,278,073</u>	 <u>357,500</u>	 <u>1,473,579</u>	 <u>304,647</u>	 <u>944,692</u>
 Cost of mutual fund shares	 <u>\$ 14,242</u>	 <u>\$ 4,133</u>	 <u>\$ 16,892</u>	 <u>\$ 3,593</u>	 <u>\$ 11,098</u>

*The accompanying notes are an integral part of these financial statements.*



**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Statements of Assets and Liabilities**  
**December 31, 2006**  
*(Dollars in thousands)*

	<b>ING Solution 2045 Portfolio - Adviser Class</b>	<b>ING Solution 2045 Portfolio - Service Class</b>	<b>ING Solution Income Portfolio - Adviser Class</b>	<b>ING Solution Income Portfolio - Service Class</b>	<b>ING T. Rowe Price Diversified Mid Cap Growth Portfolio - Adviser Class</b>
<b>Assets</b>					
Investments in mutual funds					
at fair value	\$ 2,250	\$ 7,586	\$ 1,657	\$ 2,746	\$ 39
Total assets	2,250	7,586	1,657	2,746	39
<b>Liabilities</b>					
Payable to related parties	-	-	-	-	-
Total liabilities	-	-	-	-	-
Net assets	<u>\$ 2,250</u>	<u>\$ 7,586</u>	<u>\$ 1,657</u>	<u>\$ 2,746</u>	<u>\$ 39</u>
<b>Net assets</b>					
Accumulation units	\$ 2,250	\$ 7,586	\$ 1,657	\$ 2,746	\$ 39
Contracts in payout (annuitization)	-	-	-	-	-
Total net assets	<u>\$ 2,250</u>	<u>\$ 7,586</u>	<u>\$ 1,657</u>	<u>\$ 2,746</u>	<u>\$ 39</u>
 Total number of mutual fund shares	 <u>172,914</u>	 <u>580,822</u>	 <u>149,511</u>	 <u>246,698</u>	 <u>4,340</u>
 Cost of mutual fund shares	 <u>\$ 2,094</u>	 <u>\$ 7,046</u>	 <u>\$ 1,620</u>	 <u>\$ 2,658</u>	 <u>\$ 38</u>

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Statements of Assets and Liabilities**  
**December 31, 2006**  
*(Dollars in thousands)*

	<b>ING T. Rowe Price Diversified Mid Cap Growth Portfolio - Initial Class</b>	<b>ING T. Rowe Price Diversified Mid Cap Growth Portfolio - Service Class</b>	<b>ING T. Rowe Price Growth Equity Portfolio - Adviser Class</b>	<b>ING T. Rowe Price Growth Equity Portfolio - Initial Class</b>	<b>ING T. Rowe Price Growth Equity Portfolio - Service Class</b>
<b>Assets</b>					
Investments in mutual funds					
at fair value	\$ 397,310	\$ 425	\$ 143	\$ 281,547	\$ 867
Total assets	397,310	425	143	281,547	867
<b>Liabilities</b>					
Payable to related parties	23	-	-	16	-
Total liabilities	23	-	-	16	-
Net assets	<u>\$ 397,287</u>	<u>\$ 425</u>	<u>\$ 143</u>	<u>\$ 281,531</u>	<u>\$ 867</u>
<b>Net assets</b>					
Accumulation units	\$ 396,937	\$ 425	\$ 143	\$ 280,428	\$ 867
Contracts in payout (annuitization)	350	-	-	1,103	-
Total net assets	<u>\$ 397,287</u>	<u>\$ 425</u>	<u>\$ 143</u>	<u>\$ 281,531</u>	<u>\$ 867</u>
Total number of mutual fund shares	<u>43,092,153</u>	<u>46,651</u>	<u>2,443</u>	<u>4,743,035</u>	<u>14,739</u>
Cost of mutual fund shares	<u>\$ 323,794</u>	<u>\$ 394</u>	<u>\$ 134</u>	<u>\$ 231,875</u>	<u>\$ 763</u>

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Statements of Assets and Liabilities**  
**December 31, 2006**  
*(Dollars in thousands)*

	<b>ING Templeton Foreign Equity Portfolio - Service Class</b>	<b>ING Thornburg Value Portfolio - Adviser Class</b>	<b>ING Thornburg Value Portfolio - Initial Class</b>	<b>ING UBS U.S. Large Cap Equity Portfolio - Initial Class</b>	<b>ING UBS U.S. Large Cap Equity Portfolio - Service Class</b>
<b>Assets</b>					
Investments in mutual funds					
at fair value	\$ 302	\$ 54	\$ 117,363	\$ 135,288	\$ 3
Total assets	302	54	117,363	135,288	3
<b>Liabilities</b>					
Payable to related parties	-	-	7	8	-
Total liabilities	-	-	7	8	-
Net assets	<u>\$ 302</u>	<u>\$ 54</u>	<u>\$ 117,356</u>	<u>\$ 135,280</u>	<u>\$ 3</u>
<b>Net assets</b>					
Accumulation units	\$ 302	\$ 54	\$ 117,037	\$ 133,790	\$ 3
Contracts in payout (annuitization)	-	-	319	1,490	-
Total net assets	<u>\$ 302</u>	<u>\$ 54</u>	<u>\$ 117,356</u>	<u>\$ 135,280</u>	<u>\$ 3</u>
Total number of mutual fund shares	<u>25,121</u>	<u>1,708</u>	<u>3,684,859</u>	<u>12,811,404</u>	<u>308</u>
Cost of mutual fund shares	<u>\$ 285</u>	<u>\$ 50</u>	<u>\$ 113,726</u>	<u>\$ 127,636</u>	<u>\$ 3</u>

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Statements of Assets and Liabilities**  
**December 31, 2006**  
*(Dollars in thousands)*

	<b>ING UBS U.S. Small Cap Growth Portfolio - Service Class</b>	<b>ING Van Kampen Comstock Portfolio - Adviser Class</b>	<b>ING Van Kampen Comstock Portfolio - Service Class</b>	<b>ING Van Kampen Equity and Income Portfolio - Adviser Class</b>	<b>ING Van Kampen Equity and Income Portfolio - Initial Class</b>
<b>Assets</b>					
Investments in mutual funds					
at fair value	\$ 24	\$ 151	\$ 100,247	\$ 21	\$ 378,578
Total assets	24	151	100,247	21	378,578
<b>Liabilities</b>					
Payable to related parties	-	-	6	-	21
Total liabilities	-	-	6	-	21
Net assets	<u>\$ 24</u>	<u>\$ 151</u>	<u>\$ 100,241</u>	<u>\$ 21</u>	<u>\$ 378,557</u>
<b>Net assets</b>					
Accumulation units	\$ 24	\$ 151	\$ 98,305	\$ 21	\$ 376,807
Contracts in payout (annuitization)	-	-	1,936	-	1,750
Total net assets	<u>\$ 24</u>	<u>\$ 151</u>	<u>\$ 100,241</u>	<u>\$ 21</u>	<u>\$ 378,557</u>
 Total number of mutual fund shares	 <u>2,493</u>	 <u>11,431</u>	 <u>7,537,365</u>	 <u>567</u>	 <u>9,840,871</u>
 Cost of mutual fund shares	 <u>\$ 24</u>	 <u>\$ 146</u>	 <u>\$ 88,227</u>	 <u>\$ 21</u>	 <u>\$ 328,473</u>

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Statements of Assets and Liabilities**  
**December 31, 2006**  
*(Dollars in thousands)*

	<b>ING Van Kampen Equity and Income Portfolio - Service Class</b>	<b>ING VP Strategic Allocation Conservative Portfolio - Class I</b>	<b>ING VP Strategic Allocation Growth Portfolio - Class I</b>	<b>ING VP Strategic Allocation Moderate Portfolio - Class I</b>	<b>ING VP Growth and Income Portfolio - Class I</b>
<b>Assets</b>					
Investments in mutual funds					
at fair value	\$ 90	\$ 39,522	\$ 88,597	\$ 82,812	\$ 1,940,308
Total assets	90	39,522	88,597	82,812	1,940,308
<b>Liabilities</b>					
Payable to related parties	-	2	5	5	120
Total liabilities	-	2	5	5	120
Net assets	<u>\$ 90</u>	<u>\$ 39,520</u>	<u>\$ 88,592</u>	<u>\$ 82,807</u>	<u>\$ 1,940,188</u>
<b>Net assets</b>					
Accumulation units	\$ 90	\$ 38,716	\$ 88,134	\$ 81,838	\$ 1,786,484
Contracts in payout (annuitization)	-	804	458	969	153,704
Total net assets	<u>\$ 90</u>	<u>\$ 39,520</u>	<u>\$ 88,592</u>	<u>\$ 82,807</u>	<u>\$ 1,940,188</u>
Total number of mutual fund shares	<u>2,352</u>	<u>2,916,726</u>	<u>5,193,230</u>	<u>5,405,489</u>	<u>82,990,091</u>
Cost of mutual fund shares	<u>\$ 86</u>	<u>\$ 37,345</u>	<u>\$ 72,795</u>	<u>\$ 72,063</u>	<u>\$ 2,245,223</u>

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Statements of Assets and Liabilities**  
**December 31, 2006**  
*(Dollars in thousands)*

	<b>ING GET U.S. Core Portfolio - Series 1</b>	<b>ING GET U.S. Core Portfolio - Series 2</b>	<b>ING GET U.S. Core Portfolio - Series 3</b>	<b>ING GET U.S. Core Portfolio - Series 5</b>	<b>ING GET U.S. Core Portfolio - Series 6</b>
<b>Assets</b>					
Investments in mutual funds					
at fair value	\$ 995	\$ 7,606	\$ 27,887	\$ 685	\$ 3,931
Total assets	995	7,606	27,887	685	3,931
<b>Liabilities</b>					
Payable to related parties	-	1	2	-	-
Total liabilities	-	1	2	-	-
Net assets	<u>\$ 995</u>	<u>\$ 7,605</u>	<u>\$ 27,885</u>	<u>\$ 685</u>	<u>\$ 3,931</u>
<b>Net assets</b>					
Accumulation units	\$ 995	\$ 7,605	\$ 27,885	\$ 685	\$ 3,931
Contracts in payout (annuitization)	-	-	-	-	-
Total net assets	<u>\$ 995</u>	<u>\$ 7,605</u>	<u>\$ 27,885</u>	<u>\$ 685</u>	<u>\$ 3,931</u>
 Total number of mutual fund shares	 <u>95,680</u>	 <u>740,613</u>	 <u>2,697,041</u>	 <u>62,229</u>	 <u>354,769</u>
 Cost of mutual fund shares	 <u>\$ 955</u>	 <u>\$ 7,396</u>	 <u>\$ 26,952</u>	 <u>\$ 623</u>	 <u>\$ 3,544</u>

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Statements of Assets and Liabilities**  
**December 31, 2006**  
*(Dollars in thousands)*

	<b>ING GET U.S. Core Portfolio - Series 7</b>	<b>ING GET U.S. Core Portfolio - Series 8</b>	<b>ING GET U.S. Core Portfolio - Series 9</b>	<b>ING GET U.S. Core Portfolio - Series 10</b>	<b>ING GET U.S. Core Portfolio - Series 11</b>
<b>Assets</b>					
Investments in mutual funds					
at fair value	\$ 3,556	\$ 1,507	\$ 168	\$ 76	\$ 47
Total assets	3,556	1,507	168	76	47
<b>Liabilities</b>					
Payable to related parties	-	-	-	-	-
Total liabilities	-	-	-	-	-
Net assets	<u>\$ 3,556</u>	<u>\$ 1,507</u>	<u>\$ 168</u>	<u>\$ 76</u>	<u>\$ 47</u>
<b>Net assets</b>					
Accumulation units	\$ 3,556	\$ 1,507	\$ 168	\$ 76	\$ 47
Contracts in payout (annuitization)	-	-	-	-	-
Total net assets	<u>\$ 3,556</u>	<u>\$ 1,507</u>	<u>\$ 168</u>	<u>\$ 76</u>	<u>\$ 47</u>
 Total number of mutual fund shares	 <u>322,942</u>	 <u>136,257</u>	 <u>15,356</u>	 <u>6,940</u>	 <u>4,351</u>
 Cost of mutual fund shares	 <u>\$ 3,232</u>	 <u>\$ 1,363</u>	 <u>\$ 154</u>	 <u>\$ 70</u>	 <u>\$ 44</u>

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Statements of Assets and Liabilities**  
**December 31, 2006**  
*(Dollars in thousands)*

	<b>ING VP Global Science and Technology Portfolio - Class I</b>	<b>ING VP Growth Portfolio - Class I</b>	<b>ING VP Index Plus LargeCap Portfolio - Class I</b>	<b>ING VP Index Plus LargeCap Portfolio - Class S</b>	<b>ING VP Index Plus MidCap Portfolio - Class I</b>
<b>Assets</b>					
Investments in mutual funds					
at fair value	\$ 37,596	\$ 67,841	\$ 539,483	\$ 7	\$ 421,751
Total assets	37,596	67,841	539,483	7	421,751
<b>Liabilities</b>					
Payable to related parties	2	4	31	-	23
Total liabilities	2	4	31	-	23
Net assets	<u>\$ 37,594</u>	<u>\$ 67,837</u>	<u>\$ 539,452</u>	<u>\$ 7</u>	<u>\$ 421,728</u>
<b>Net assets</b>					
Accumulation units	\$ 37,594	\$ 67,563	\$ 534,224	\$ 7	\$ 420,287
Contracts in payout (annuitization)	-	274	5,228	-	1,441
Total net assets	<u>\$ 37,594</u>	<u>\$ 67,837</u>	<u>\$ 539,452</u>	<u>\$ 7</u>	<u>\$ 421,728</u>
Total number of mutual fund shares	<u>8,208,822</u>	<u>6,370,019</u>	<u>30,862,881</u>	<u>408</u>	<u>22,326,679</u>
Cost of mutual fund shares	<u>\$ 31,868</u>	<u>\$ 64,378</u>	<u>\$ 456,021</u>	<u>\$ 7</u>	<u>\$ 348,098</u>

*The accompanying notes are an integral part of these financial statements.*



**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Statements of Assets and Liabilities**  
**December 31, 2006**  
*(Dollars in thousands)*

	<b>ING VP Index Plus MidCap Portfolio - Class S</b>	<b>ING VP Index Plus SmallCap Portfolio - Class I</b>	<b>ING VP Index Plus SmallCap Portfolio - Class S</b>	<b>ING VP International Equity Portfolio - Class I</b>	<b>ING VP International Equity Portfolio - Class S</b>
<b>Assets</b>					
Investments in mutual funds					
at fair value	\$ 43	\$ 189,887	\$ 52	\$ 22,627	\$ 18
Total assets	43	189,887	52	22,627	18
<b>Liabilities</b>					
Payable to related parties	-	10	-	1	-
Total liabilities	-	10	-	1	-
Net assets	<u>\$ 43</u>	<u>\$ 189,877</u>	<u>\$ 52</u>	<u>\$ 22,626</u>	<u>\$ 18</u>
<b>Net assets</b>					
Accumulation units	\$ 43	\$ 188,566	\$ 52	\$ 21,478	\$ 18
Contracts in payout (annuitization)	-	1,311	-	1,148	-
Total net assets	<u>\$ 43</u>	<u>\$ 189,877</u>	<u>\$ 52</u>	<u>\$ 22,626</u>	<u>\$ 18</u>
 Total number of mutual fund shares	<u>2,305</u>	<u>10,555,114</u>	<u>2,923</u>	<u>1,841,069</u>	<u>1,486</u>
 Cost of mutual fund shares	<u>\$ 42</u>	<u>\$ 149,715</u>	<u>\$ 51</u>	<u>\$ 17,747</u>	<u>\$ 16</u>

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Statements of Assets and Liabilities**  
**December 31, 2006**  
*(Dollars in thousands)*

	<b>ING VP Small Company Portfolio - Class I</b>	<b>ING VP Small Company Portfolio - Class S</b>	<b>ING VP Value Opportunity Portfolio - Class I</b>	<b>ING VP Financial Services Portfolio - Class I</b>	<b>ING VP International Value Portfolio - Class I</b>
<b>Assets</b>					
Investments in mutual funds					
at fair value	\$ 169,096	\$ 11	\$ 96,815	\$ 3,621	\$ 123,760
Total assets	169,096	11	96,815	3,621	123,760
<b>Liabilities</b>					
Payable to related parties	9	-	5	-	7
Total liabilities	9	-	5	-	7
Net assets	<u>\$ 169,087</u>	<u>\$ 11</u>	<u>\$ 96,810</u>	<u>\$ 3,621</u>	<u>\$ 123,753</u>
<b>Net assets</b>					
Accumulation units	\$ 168,111	\$ 11	\$ 96,760	\$ 3,621	\$ 121,652
Contracts in payout (annuitization)	976	-	50	-	2,101
Total net assets	<u>\$ 169,087</u>	<u>\$ 11</u>	<u>\$ 96,810</u>	<u>\$ 3,621</u>	<u>\$ 123,753</u>
 Total number of mutual fund shares	 <u>7,792,444</u>	 <u>505</u>	 <u>6,112,027</u>	 <u>271,029</u>	 <u>8,110,074</u>
 Cost of mutual fund shares	 <u>\$ 132,772</u>	 <u>\$ 11</u>	 <u>\$ 73,613</u>	 <u>\$ 3,441</u>	 <u>\$ 102,943</u>

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Statements of Assets and Liabilities**  
**December 31, 2006**  
*(Dollars in thousands)*

	<b>ING VP International Value Portfolio - Class S</b>	<b>ING VP MidCap Opportunities Portfolio - Class I</b>	<b>ING VP MidCap Opportunities Portfolio - Class S</b>	<b>ING VP Real Estate Portfolio - Class I</b>	<b>ING VP SmallCap Opportunities Portfolio - Class I</b>
<b>Assets</b>					
Investments in mutual funds					
at fair value	\$ 60	\$ 6,141	\$ 3	\$ 86,711	\$ 10,191
Total assets	60	6,141	3	86,711	10,191
<b>Liabilities</b>					
Payable to related parties	-	-	-	5	-
Total liabilities	-	-	-	5	-
Net assets	<u>\$ 60</u>	<u>\$ 6,141</u>	<u>\$ 3</u>	<u>\$ 86,706</u>	<u>\$ 10,191</u>
<b>Net assets</b>					
Accumulation units	\$ 60	\$ 6,141	\$ 3	\$ 86,706	\$ 10,191
Contracts in payout (annuitization)	-	-	-	-	-
Total net assets	<u>\$ 60</u>	<u>\$ 6,141</u>	<u>\$ 3</u>	<u>\$ 86,706</u>	<u>\$ 10,191</u>
 Total number of mutual fund shares	 <u>3,909</u>	 <u>752,537</u>	 <u>338</u>	 <u>4,419,530</u>	 <u>510,293</u>
 Cost of mutual fund shares	 <u>\$ 57</u>	 <u>\$ 5,334</u>	 <u>\$ 3</u>	 <u>\$ 66,083</u>	 <u>\$ 8,867</u>

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Statements of Assets and Liabilities**  
**December 31, 2006**  
*(Dollars in thousands)*

	<b>ING VP SmallCap Opportunities Portfolio - Class S</b>	<b>ING VP Balanced Portfolio - Class I</b>	<b>ING VP Intermediate Bond Portfolio - Class I</b>	<b>ING VP Intermediate Bond Portfolio - Class S</b>	<b>ING VP Money Market Portfolio - Class I</b>
<b>Assets</b>					
Investments in mutual funds					
at fair value	\$ 10	\$ 588,400	\$ 400,169	\$ 12	\$ 362,788
Total assets	10	588,400	400,169	12	362,788
<b>Liabilities</b>					
Payable to related parties	-	36	23	-	16
Total liabilities	-	36	23	-	16
Net assets	<u>\$ 10</u>	<u>\$ 588,364</u>	<u>\$ 400,146</u>	<u>\$ 12</u>	<u>\$ 362,772</u>
<b>Net assets</b>					
Accumulation units	\$ 10	\$ 560,088	\$ 393,348	\$ 12	\$ 361,458
Contracts in payout (annuitization)	-	28,276	6,798	-	1,314
Total net assets	<u>\$ 10</u>	<u>\$ 588,364</u>	<u>\$ 400,146</u>	<u>\$ 12</u>	<u>\$ 362,772</u>
 Total number of mutual fund shares	 <u>494</u>	 <u>40,163,808</u>	 <u>30,877,209</u>	 <u>931</u>	 <u>27,079,995</u>
 Cost of mutual fund shares	 <u>\$ 10</u>	 <u>\$ 556,595</u>	 <u>\$ 416,123</u>	 <u>\$ 12</u>	 <u>\$ 352,655</u>

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Statements of Assets and Liabilities**  
**December 31, 2006**  
*(Dollars in thousands)*

	<b>ING VP Natural Resources Trust</b>	<b>Janus Adviser Balanced Fund - Class S</b>	<b>Janus Aspen Series Balanced Portfolio - Institutional Shares</b>	<b>Janus Aspen Series Flexible Bond Portfolio - Institutional Shares</b>	<b>Janus Aspen Series Large Cap Growth Portfolio - Institutional Shares</b>
<b>Assets</b>					
Investments in mutual funds					
at fair value	\$ 72,985	\$ 1	\$ 394	\$ 114	\$ 148
Total assets	72,985	1	394	114	148
<b>Liabilities</b>					
Payable to related parties	4	-	-	-	-
Total liabilities	4	-	-	-	-
Net assets	<u>\$ 72,981</u>	<u>\$ 1</u>	<u>\$ 394</u>	<u>\$ 114</u>	<u>\$ 148</u>
<b>Net assets</b>					
Accumulation units	\$ 72,981	\$ 1	\$ 394	\$ 114	\$ 148
Contracts in payout (annuitization)	-	-	-	-	-
Total net assets	<u>\$ 72,981</u>	<u>\$ 1</u>	<u>\$ 394</u>	<u>\$ 114</u>	<u>\$ 148</u>
 Total number of mutual fund shares	 <u>2,717,245</u>	 <u>23</u>	 <u>14,132</u>	 <u>10,172</u>	 <u>6,409</u>
 Cost of mutual fund shares	 <u>\$ 65,279</u>	 <u>\$ 1</u>	 <u>\$ 355</u>	 <u>\$ 118</u>	 <u>\$ 127</u>

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Statements of Assets and Liabilities**  
**December 31, 2006**  
*(Dollars in thousands)*

	<b>Janus Aspen Series Mid Cap Growth Portfolio - Institutional Shares</b>	<b>Janus Aspen Series Worldwide Growth Portfolio - Institutional Shares</b>	<b>Legg Mason Value Trust, Inc. - Primary Class</b>	<b>LKCM Aquinas Growth Fund</b>	<b>Lord Abbett Affiliated Fund - Class A</b>
<b>Assets</b>					
Investments in mutual funds					
at fair value	\$ 466	\$ 353	\$ 1,514	\$ 183	\$ 1,244
Total assets	466	353	1,514	183	1,244
<b>Liabilities</b>					
Payable to related parties	-	-	-	-	-
Total liabilities	-	-	-	-	-
Net assets	<u>\$ 466</u>	<u>\$ 353</u>	<u>\$ 1,514</u>	<u>\$ 183</u>	<u>\$ 1,244</u>
<b>Net assets</b>					
Accumulation units	\$ 466	\$ 353	\$ 1,514	\$ 183	\$ 1,244
Contracts in payout (annuitization)	-	-	-	-	-
Total net assets	<u>\$ 466</u>	<u>\$ 353</u>	<u>\$ 1,514</u>	<u>\$ 183</u>	<u>\$ 1,244</u>
 Total number of mutual fund shares	 <u>14,136</u>	 <u>10,865</u>	 <u>20,826</u>	 <u>11,851</u>	 <u>81,400</u>
 Cost of mutual fund shares	 <u>\$ 397</u>	 <u>\$ 307</u>	 <u>\$ 1,304</u>	 <u>\$ 166</u>	 <u>\$ 1,192</u>

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Statements of Assets and Liabilities**  
**December 31, 2006**  
*(Dollars in thousands)*

	<b>Lord Abbett Mid-Cap Value Fund, Inc. - Class A</b>	<b>Lord Abbett Small-Cap Value Fund - Class A</b>	<b>Lord Abbett Series Fund - Growth and Income Portfolio - Class VC</b>	<b>Lord Abbett Series Fund - Mid-Cap Value Portfolio - Class VC</b>	<b>Massachusetts Investors Growth Stock Fund - Class A</b>
<b>Assets</b>					
Investments in mutual funds					
at fair value	\$ 1,081	\$ 1,379	\$ 142,223	\$ 156,243	\$ 596
Total assets	1,081	1,379	142,223	156,243	596
<b>Liabilities</b>					
Payable to related parties	-	-	8	9	-
Total liabilities	-	-	8	9	-
Net assets	<u>\$ 1,081</u>	<u>\$ 1,379</u>	<u>\$ 142,215</u>	<u>\$ 156,234</u>	<u>\$ 596</u>
<b>Net assets</b>					
Accumulation units	\$ 1,081	\$ 1,379	\$ 140,790	\$ 155,036	\$ 596
Contracts in payout (annuitization)	-	-	1,425	1,198	-
Total net assets	<u>\$ 1,081</u>	<u>\$ 1,379</u>	<u>\$ 142,215</u>	<u>\$ 156,234</u>	<u>\$ 596</u>
 Total number of mutual fund shares	<u>48,244</u>	<u>46,462</u>	<u>4,847,422</u>	<u>7,173,678</u>	<u>43,213</u>
 Cost of mutual fund shares	<u>\$ 1,090</u>	<u>\$ 1,347</u>	<u>\$ 120,443</u>	<u>\$ 142,265</u>	<u>\$ 531</u>

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Statements of Assets and Liabilities**  
**December 31, 2006**  
*(Dollars in thousands)*

	<b>MFS® Total Return Series - Initial Class</b>	<b>Moderate Allocation Portfolio</b>	<b>Neuberger Berman Socially Responsive Fund® - Trust Class</b>	<b>New Perspective Fund®, Inc. - Class R-3</b>	<b>New Perspective Fund®, Inc. - Class R-4</b>
<b>Assets</b>					
Investments in mutual funds					
at fair value	\$ 81,025	\$ 25	\$ 519	\$ 1,204	\$ 27,927
Total assets	81,025	25	519	1,204	27,927
<b>Liabilities</b>					
Payable to related parties	5	-	-	-	2
Total liabilities	5	-	-	-	2
Net assets	<u>\$ 81,020</u>	<u>\$ 25</u>	<u>\$ 519</u>	<u>\$ 1,204</u>	<u>\$ 27,925</u>
<b>Net assets</b>					
Accumulation units	\$ 81,020	\$ 25	\$ 519	\$ 1,204	\$ 27,925
Contracts in payout (annuitization)	-	-	-	-	-
Total net assets	<u>\$ 81,020</u>	<u>\$ 25</u>	<u>\$ 519</u>	<u>\$ 1,204</u>	<u>\$ 27,925</u>
 Total number of mutual fund shares	 <u>3,701,457</u>	 <u>1,194</u>	 <u>29,132</u>	 <u>38,375</u>	 <u>885,168</u>
 Cost of mutual fund shares	 <u>\$ 70,813</u>	 <u>\$ 25</u>	 <u>\$ 489</u>	 <u>\$ 1,129</u>	 <u>\$ 25,555</u>

*The accompanying notes are an integral part of these financial statements.*



**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Statements of Assets and Liabilities**  
**December 31, 2006**  
*(Dollars in thousands)*

	<b>Oppenheimer Capital Appreciation Fund - Class A</b>	<b>Oppenheimer Developing Markets Fund - Class A</b>	<b>Oppenheimer Global Fund - Class A</b>	<b>Oppenheimer Main Street Fund® - Class A</b>	<b>Oppenheimer Aggressive Growth Fund/VA</b>
<b>Assets</b>					
Investments in mutual funds					
at fair value	\$ 414	\$ 163,892	\$ 130	\$ 175	\$ 1
Total assets	414	163,892	130	175	1
<b>Liabilities</b>					
Payable to related parties	-	10	-	-	-
Total liabilities	-	10	-	-	-
Net assets	\$ 414	\$ 163,882	\$ 130	\$ 175	\$ 1
<b>Net assets</b>					
Accumulation units	\$ 414	\$ 163,882	\$ 130	\$ 175	\$ -
Contracts in payout (annuitization)	-	-	-	-	1
Total net assets	\$ 414	\$ 163,882	\$ 130	\$ 175	\$ 1
Total number of mutual fund shares	8,965	3,977,006	1,767	4,297	27
Cost of mutual fund shares	\$ 363	\$ 134,370	\$ 123	\$ 170	\$ 1

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Statements of Assets and Liabilities**  
**December 31, 2006**  
*(Dollars in thousands)*

	<b>Oppenheimer Global Securities/VA</b>	<b>Oppenheimer Main Street Fund®/VA</b>	<b>Oppenheimer Main Street Small Cap Fund®/VA</b>	<b>Oppenheimer Strategic Bond Fund/VA</b>	<b>Pax World Balanced Fund, Inc.</b>
<b>Assets</b>					
Investments in mutual funds					
at fair value	\$ 765	\$ 123	\$ 4,722	\$ 128	\$ 50,100
Total assets	765	123	4,722	128	50,100
<b>Liabilities</b>					
Payable to related parties	-	-	-	-	3
Total liabilities	-	-	-	-	3
Net assets	<u>\$ 765</u>	<u>\$ 123</u>	<u>\$ 4,722</u>	<u>\$ 128</u>	<u>\$ 50,097</u>
<b>Net assets</b>					
Accumulation units	\$ 765	\$ -	\$ 4,722	\$ 128	\$ 50,097
Contracts in payout (annuitization)	-	123	-	-	-
Total net assets	<u>\$ 765</u>	<u>\$ 123</u>	<u>\$ 4,722</u>	<u>\$ 128</u>	<u>\$ 50,097</u>
 Total number of mutual fund shares	 <u>20,802</u>	 <u>4,958</u>	 <u>246,589</u>	 <u>24,410</u>	 <u>2,042,385</u>
 Cost of mutual fund shares	 <u>\$ 656</u>	 <u>\$ 106</u>	 <u>\$ 4,502</u>	 <u>\$ 122</u>	 <u>\$ 47,996</u>

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Statements of Assets and Liabilities**  
**December 31, 2006**  
*(Dollars in thousands)*

	<b>PIMCO Real Return Portfolio - Administrative Class</b>	<b>Pioneer Fund - Class A</b>	<b>Pioneer High Yield Fund - Class A</b>	<b>Pioneer Equity Income VCT Portfolio - Class I</b>	<b>Pioneer Fund VCT Portfolio - Class I</b>
<b>Assets</b>					
Investments in mutual funds					
at fair value	\$ 25,437	\$ 46	\$ 1,880	\$ 119,314	\$ 9,713
Total assets	25,437	46	1,880	119,314	9,713
<b>Liabilities</b>					
Payable to related parties	1	-	-	7	-
Total liabilities	1	-	-	7	-
Net assets	<u>\$ 25,436</u>	<u>\$ 46</u>	<u>\$ 1,880</u>	<u>\$ 119,307</u>	<u>\$ 9,713</u>
<b>Net assets</b>					
Accumulation units	\$ 25,436	\$ 46	\$ 1,880	\$ 116,312	\$ 9,514
Contracts in payout (annuitization)	-	-	-	2,995	199
Total net assets	<u>\$ 25,436</u>	<u>\$ 46</u>	<u>\$ 1,880</u>	<u>\$ 119,307</u>	<u>\$ 9,713</u>
 Total number of mutual fund shares	 <u>2,130,408</u>	 <u>948</u>	 <u>173,773</u>	 <u>4,785,979</u>	 <u>391,644</u>
 Cost of mutual fund shares	 <u>\$ 27,051</u>	 <u>\$ 44</u>	 <u>\$ 1,923</u>	 <u>\$ 102,238</u>	 <u>\$ 8,543</u>

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Statements of Assets and Liabilities**  
**December 31, 2006**  
*(Dollars in thousands)*

	<b>Pioneer High Yield VCT Portfolio - Class I</b>	<b>Pioneer Mid Cap Value VCT Portfolio - Class I</b>	<b>T. Rowe Price Mid-Cap Value Fund - R Class</b>	<b>T. Rowe Price Value Fund - Advisor Class</b>	<b>Templeton Foreign Fund - Class A</b>
<b>Assets</b>					
Investments in mutual funds					
at fair value	\$ 12,298	\$ 81,311	\$ 1,010	\$ 30	\$ 876
Total assets	12,298	81,311	1,010	30	876
<b>Liabilities</b>					
Payable to related parties	1	5	-	-	-
Total liabilities	1	5	-	-	-
Net assets	<u>\$ 12,297</u>	<u>\$ 81,306</u>	<u>\$ 1,010</u>	<u>\$ 30</u>	<u>\$ 876</u>
<b>Net assets</b>					
Accumulation units	\$ 12,297	\$ 80,187	\$ 1,010	\$ 30	\$ 876
Contracts in payout (annuitization)	-	1,119	-	-	-
Total net assets	<u>\$ 12,297</u>	<u>\$ 81,306</u>	<u>\$ 1,010</u>	<u>\$ 30</u>	<u>\$ 876</u>
Total number of mutual fund shares	<u>1,116,995</u>	<u>4,001,543</u>	<u>40,234</u>	<u>1,127</u>	<u>64,238</u>
Cost of mutual fund shares	<u>\$ 12,283</u>	<u>\$ 87,253</u>	<u>\$ 929</u>	<u>\$ 28</u>	<u>\$ 783</u>

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Statements of Assets and Liabilities**  
**December 31, 2006**  
*(Dollars in thousands)*

	<b>Templeton Growth Fund, Inc. - Class A</b>	<b>Templeton Global Bond Fund - Class A</b>	<b>The Growth Fund of America® - Class R-3</b>	<b>The Growth Fund of America® - Class R-4</b>	<b>The Income Fund of America® - Class R-3</b>
<b>Assets</b>					
Investments in mutual funds					
at fair value	\$ 693	\$ 33,056	\$ 7,813	\$ 196,595	\$ 1,032
Total assets	693	33,056	7,813	196,595	1,032
<b>Liabilities</b>					
Payable to related parties	-	2	-	11	-
Total liabilities	-	2	-	11	-
Net assets	<u>\$ 693</u>	<u>\$ 33,054</u>	<u>\$ 7,813</u>	<u>\$ 196,584</u>	<u>\$ 1,032</u>
<b>Net assets</b>					
Accumulation units	\$ 693	\$ 33,054	\$ 7,813	\$ 196,584	\$ 1,032
Contracts in payout (annuitization)	-	-	-	-	-
Total net assets	<u>\$ 693</u>	<u>\$ 33,054</u>	<u>\$ 7,813</u>	<u>\$ 196,584</u>	<u>\$ 1,032</u>
 Total number of mutual fund shares	 <u>27,021</u>	 <u>2,991,497</u>	 <u>240,779</u>	 <u>6,019,429</u>	 <u>50,796</u>
 Cost of mutual fund shares	 <u>\$ 637</u>	 <u>\$ 32,133</u>	 <u>\$ 7,128</u>	 <u>\$ 173,796</u>	 <u>\$ 968</u>

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Statements of Assets and Liabilities**  
**December 31, 2006**  
*(Dollars in thousands)*

	<b>UBS U.S. Small Cap Growth Fund - Class A</b>	<b>Diversified Value Portfolio</b>	<b>Equity Income Portfolio</b>	<b>Small Company Growth Portfolio</b>	<b>Wanger Select</b>
<b>Assets</b>					
Investments in mutual funds					
at fair value	\$ 265	\$ 100	\$ 235	\$ 18	\$ 26,053
Total assets	265	100	235	18	26,053
<b>Liabilities</b>					
Payable to related parties	-	-	-	-	1
Total liabilities	-	-	-	-	1
Net assets	<u>\$ 265</u>	<u>\$ 100</u>	<u>\$ 235</u>	<u>\$ 18</u>	<u>\$ 26,052</u>
<b>Net assets</b>					
Accumulation units	\$ 265	\$ 100	\$ 235	\$ 18	\$ 26,052
Contracts in payout (annuitization)	-	-	-	-	-
Total net assets	<u>\$ 265</u>	<u>\$ 100</u>	<u>\$ 235</u>	<u>\$ 18</u>	<u>\$ 26,052</u>
 Total number of mutual fund shares	 <u>18,172</u>	 <u>6,042</u>	 <u>11,276</u>	 <u>936</u>	 <u>996,300</u>
 Cost of mutual fund shares	 <u>\$ 256</u>	 <u>\$ 87</u>	 <u>\$ 207</u>	 <u>\$ 18</u>	 <u>\$ 22,909</u>

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Statements of Assets and Liabilities**  
**December 31, 2006**  
*(Dollars in thousands)*

	<b>Wanger U.S. Smaller Companies</b>	<b>Washington Mutual Investors Fund<sup>SM</sup>, Inc. - Class R-3</b>	<b>Washington Mutual Investors Fund<sup>SM</sup>, Inc. - Class R-4</b>	<b>Wells Fargo Advantage Small Cap Value Fund - Class A</b>
<b>Assets</b>				
Investments in mutual funds				
at fair value	\$ 17,112	\$ 3,858	\$ 88,161	\$ 21
Total assets	17,112	3,858	88,161	21
<b>Liabilities</b>				
Payable to related parties	1	-	5	-
Total liabilities	1	-	5	-
Net assets	<u>\$ 17,111</u>	<u>\$ 3,858</u>	<u>\$ 88,156</u>	<u>\$ 21</u>
<b>Net assets</b>				
Accumulation units	\$ 17,111	\$ 3,858	\$ 88,156	\$ 21
Contracts in payout (annuitization)	-	-	-	-
Total net assets	<u>\$ 17,111</u>	<u>\$ 3,858</u>	<u>\$ 88,156</u>	<u>\$ 21</u>
 Total number of mutual fund shares	 <u>470,616</u>	 <u>111,196</u>	 <u>2,535,550</u>	 <u>671</u>
 Cost of mutual fund shares	 <u>\$ 16,040</u>	 <u>\$ 3,473</u>	 <u>\$ 77,799</u>	 <u>\$ 22</u>

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Statements of Operations**  
**For the year ended December 31, 2006**  
*(Dollars in thousands)*

	<b>AIM Mid Cap Core Equity Fund - Class A</b>	<b>AIM Small Cap Growth Fund - Class A</b>	<b>AIM Global Health Care Fund - Investor Class</b>	<b>AIM V.I. Capital Appreciation Fund - Series I Shares</b>	<b>AIM V.I. Core Equity Fund - Series I Shares</b>
<b>Net investment income (loss)</b>					
Income:					
Dividends	\$ 2	\$ -	\$ -	\$ 19	\$ 269
Total investment income	2	-	-	19	269
Expenses:					
Mortality, expense risk and other charges	1	-	1	311	459
Total expenses	1	-	1	311	459
Net investment income (loss)	1	-	(1)	(292)	(190)
<b>Realized and unrealized gain (loss) on investments</b>					
Net realized gain (loss) on investments	2	-	2	554	(663)
Capital gains distributions	40	1	11	-	-
Total realized gain (loss) on investments and capital gains distributions	42	1	13	554	(663)
Net unrealized appreciation (depreciation) of investments	(23)	-	(10)	409	6,785
Net realized and unrealized gain (loss) on investments	19	1	3	963	6,122
Net increase (decrease) in net assets resulting from operations	\$ 20	\$ 1	\$ 2	\$ 671	\$ 5,932

*The accompanying notes are an integral part of these financial statements.*



**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Statements of Operations**  
**For the year ended December 31, 2006**  
*(Dollars in thousands)*

	<b>AIM V.I. Growth Fund - Series I Shares</b>	<b>AIM V.I. Premier Equity Fund - Series I Shares</b>	<b>AllianceBernstein Growth and Income Fund, Inc. - Class A</b>	<b>AllianceBernstein Growth and Income Portfolio - Class A</b>	<b>Allianz NFJ Small-Cap Value - Class A</b>
<b>Net investment income (loss)</b>					
Income:					
Dividends	\$ -	\$ 173	\$ 1	\$ 7	\$ 8
Total investment income	-	173	1	7	8
Expenses:					
Mortality, expense risk and other charges	61	56	1	5	4
Total expenses	61	56	1	5	4
Net investment income (loss)	(61)	117	-	2	4
<b>Realized and unrealized gain (loss) on investments</b>					
Net realized gain (loss) on investments	3,829	1,940	2	3	11
Capital gains distributions	-	-	-	26	35
Total realized gain (loss) on investments and capital gains distributions	3,829	1,940	2	29	46
Net unrealized appreciation (depreciation) of investments	(2,636)	(1,190)	4	43	19
Net realized and unrealized gain (loss) on investments	1,193	750	6	72	65
Net increase (decrease) in net assets resulting from operations	\$ 1,132	\$ 867	\$ 6	\$ 74	\$ 69

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Statements of Operations**  
**For the year ended December 31, 2006**  
*(Dollars in thousands)*

	<b>American Balanced Fund® - Class R-3</b>	<b>American Century Income &amp; Growth Fund - Advisor Class</b>	<b>Ariel Appreciation Fund</b>	<b>Ariel Fund</b>	<b>Baron Asset Fund</b>
<b>Net investment income (loss)</b>					
Income:					
Dividends	\$ 94	\$ 92	\$ -	\$ -	\$ -
Total investment income	94	92	-	-	-
Expenses:					
Mortality, expense risk and other charges	36	57	6	8	7
Total expenses	36	57	6	8	7
Net investment income (loss)	58	35	(6)	(8)	(7)
<b>Realized and unrealized gain (loss) on investments</b>					
Net realized gain (loss) on investments	13	259	3	2	4
Capital gains distributions	103	270	41	38	67
Total realized gain (loss) on investments and capital gains distributions	116	529	44	40	71
Net unrealized appreciation (depreciation) of investments	256	276	17	18	24
Net realized and unrealized gain (loss) on investments	372	805	61	58	95
Net increase (decrease) in net assets resulting from operations	\$ 430	\$ 840	\$ 55	\$ 50	\$ 88

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Statements of Operations**  
**For the year ended December 31, 2006**  
*(Dollars in thousands)*

	<b>Baron Growth Fund</b>	<b>Calvert Social Balanced Portfolio</b>	<b>Capital One Mid Cap Equity Fund - Class A</b>	<b>DWS Equity 500 Index Fund - Class S</b>	<b>EuroPacific Growth Fund® - Class R-3</b>
<b>Net investment income (loss)</b>					
Income:					
Dividends	\$ -	\$ 1,487	\$ -	\$ 2	\$ 49
Total investment income	-	1,487	-	2	49
Expenses:					
Mortality, expense risk and other charges	13	677	1	1	15
Total expenses	13	677	1	1	15
Net investment income (loss)	(13)	810	(1)	1	34
<b>Realized and unrealized gain (loss) on investments</b>					
Net realized gain (loss) on investments	28	(731)	2	1	25
Capital gains distributions	68	1,141	10	-	201
Total realized gain (loss) on investments and capital gains distributions	96	410	12	1	226
Net unrealized appreciation (depreciation) of investments	81	3,669	-	16	178
Net realized and unrealized gain (loss) on investments	177	4,079	12	17	404
Net increase (decrease) in net assets resulting from operations	\$ 164	\$ 4,889	\$ 11	\$ 18	\$ 438

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Statements of Operations**  
**For the year ended December 31, 2006**  
*(Dollars in thousands)*

	<b>EuroPacific Growth Fund® - Class R-4</b>	<b>Evergreen Special Values Fund - Class A</b>	<b>Fidelity® Advisor Mid Cap Fund - Class T</b>	<b>Fidelity® VIP Equity-Income Portfolio - Initial Class</b>	<b>Fidelity® VIP Growth Portfolio - Initial Class</b>
<b>Net investment income (loss)</b>					
Income:					
Dividends	\$ 2,165	\$ 385	\$ -	\$ 14,123	\$ 1,250
Total investment income	2,165	385	-	14,123	1,250
Expenses:					
Mortality, expense risk and other charges	1,007	946	5	4,307	3,285
Total expenses	1,007	946	5	4,307	3,285
Net investment income (loss)	1,158	(561)	(5)	9,816	(2,035)
<b>Realized and unrealized gain (loss) on investments</b>					
Net realized gain (loss) on investments	1,139	1,988	9	3,383	(16,934)
Capital gains distributions	7,681	15,846	62	51,416	-
Total realized gain (loss) on investments and capital gains distributions	8,820	17,834	71	54,799	(16,934)
Net unrealized appreciation (depreciation) of investments	9,098	(943)	8	10,067	36,558
Net realized and unrealized gain (loss) on investments	17,918	16,891	79	64,866	19,624
Net increase (decrease) in net assets resulting from operations	\$ 19,076	\$ 16,330	\$ 74	\$ 74,682	\$ 17,589

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Statements of Operations**  
**For the year ended December 31, 2006**  
*(Dollars in thousands)*

	<b>Fidelity® VIP High Income Portfolio - Initial Class</b>	<b>Fidelity® VIP Overseas Portfolio - Initial Class</b>	<b>Fidelity® VIP Asset Manager<sup>SM</sup> Portfolio - Initial Class</b>	<b>Fidelity® VIP Contrafund® Portfolio - Initial Class</b>	<b>Fidelity® VIP Index 500 Portfolio - Initial Class</b>
<b>Net investment income (loss)</b>					
Income:					
Dividends	\$ 575	\$ 431	\$ 502	\$ 14,355	\$ 2,028
Total investment income	575	431	502	14,355	2,028
Expenses:					
Mortality, expense risk and other charges	68	525	187	11,237	1,213
Total expenses	68	525	187	11,237	1,213
Net investment income (loss)	507	(94)	315	3,118	815
<b>Realized and unrealized gain (loss) on investments</b>					
Net realized gain (loss) on investments	(24)	3,603	(229)	33,159	(1,184)
Capital gains distributions	-	299	-	93,484	-
Total realized gain (loss) on investments and capital gains distributions	(24)	3,902	(229)	126,643	(1,184)
Net unrealized appreciation (depreciation) of investments	165	3,982	1,011	(17,340)	16,944
Net realized and unrealized gain (loss) on investments	141	7,884	782	109,303	15,760
Net increase (decrease) in net assets resulting from operations	\$ 648	\$ 7,790	\$ 1,097	\$ 112,421	\$ 16,575

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Statements of Operations**  
**For the year ended December 31, 2006**  
*(Dollars in thousands)*

	<b>Fidelity® VIP Mid Cap Portfolio - Initial Class</b>	<b>Mutual Discovery Fund - Class R</b>	<b>Franklin Small- Mid Cap Growth Fund - Class A</b>	<b>Franklin Small Cap Value Securities Fund - Class 2</b>	<b>ING Financial Services Fund - Class A</b>
<b>Net investment income (loss)</b>					
Income:					
Dividends	\$ 1	\$ 22	\$ -	\$ 516	\$ 1
Total investment income	1	22	-	516	1
Expenses:					
Mortality, expense risk and other charges	-	8	5	854	-
Total expenses	-	8	5	854	-
Net investment income (loss)	1	14	(5)	(338)	1
<b>Realized and unrealized gain (loss) on investments</b>					
Net realized gain (loss) on investments	(41)	16	4	3,379	-
Capital gains distributions	41	51	39	2,890	7
Total realized gain (loss) on investments and capital gains distributions	-	67	43	6,269	7
Net unrealized appreciation (depreciation) of investments	228	123	(14)	5,398	3
Net realized and unrealized gain (loss) on investments	228	190	29	11,667	10
Net increase (decrease) in net assets resulting from operations	\$ 229	\$ 204	\$ 24	\$ 11,329	\$ 11

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Statements of Operations**  
**For the year ended December 31, 2006**  
*(Dollars in thousands)*

	<b>ING Real Estate Fund - Class A</b>	<b>ING GNMA Income Fund - Class A</b>	<b>ING Intermediate Bond Fund - Class A</b>	<b>ING GET Fund - Series L</b>	<b>ING GET Fund - Series Q</b>
<b>Net investment income (loss)</b>					
Income:					
Dividends	\$ 41	\$ 46	\$ 57	\$ 28	\$ 119
Total investment income	41	46	57	28	119
Expenses:					
Mortality, expense risk and other charges	14	8	8	2	38
Total expenses	14	8	8	2	38
Net investment income (loss)	27	38	49	26	81
<b>Realized and unrealized gain (loss) on investments</b>					
Net realized gain (loss) on investments	29	(10)	(2)	(54)	8
Capital gains distributions	149	-	-	-	4
Total realized gain (loss) on investments and capital gains distributions	178	(10)	(2)	(54)	12
Net unrealized appreciation (depreciation) of investments	288	1	(5)	30	31
Net realized and unrealized gain (loss) on investments	466	(9)	(7)	(24)	43
Net increase (decrease) in net assets resulting from operations	<u>\$ 493</u>	<u>\$ 29</u>	<u>\$ 42</u>	<u>\$ 2</u>	<u>\$ 124</u>

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Statements of Operations**  
**For the year ended December 31, 2006**  
*(Dollars in thousands)*

	<b>ING GET Fund - Series S</b>	<b>ING AllianceBernstein Mid Cap Growth Portfolio - Service Class</b>	<b>ING BlackRock Large Cap Growth Portfolio - Service Class</b>	<b>ING Evergreen Health Sciences Portfolio - Service Class</b>	<b>ING FMR<sup>SM</sup> Diversified Mid Cap Portfolio - Service Class</b>
<b>Net investment income (loss)</b>					
Income:					
Dividends	\$ 388	\$ -	\$ -	\$ -	\$ -
Total investment income	388	-	-	-	-
Expenses:					
Mortality, expense risk and other charges	163	33	-	34	115
Total expenses	163	33	-	34	115
Net investment income (loss)	225	(33)	-	(34)	(115)
<b>Realized and unrealized gain (loss) on investments</b>					
Net realized gain (loss) on investments	40	(306)	-	91	124
Capital gains distributions	145	475	-	1	983
Total realized gain (loss) on investments and capital gains distributions	185	169	-	92	1,107
Net unrealized appreciation (depreciation) of investments	259	(515)	-	326	(106)
Net realized and unrealized gain (loss) on investments	444	(346)	-	418	1,001
Net increase (decrease) in net assets resulting from operations	\$ 669	\$ (379)	\$ -	\$ 384	\$ 886

*The accompanying notes are an integral part of these financial statements.*



**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Statements of Operations**  
**For the year ended December 31, 2006**  
*(Dollars in thousands)*

	<b>ING FMR<sup>SM</sup> Large Cap Growth Portfolio - Institutional Class</b>	<b>ING JPMorgan Emerging Markets Equity Portfolio - Adviser Class</b>	<b>ING JPMorgan Emerging Markets Equity Portfolio - Institutional Class</b>	<b>ING JPMorgan Emerging Markets Equity Portfolio - Service Class</b>	<b>ING JPMorgan Small Cap Core Equity Portfolio - Service Class</b>
<b>Net investment income (loss)</b>					
Income:					
Dividends	\$ -	\$ -	\$ 151	\$ 61	\$ -
Total investment income	-	-	151	61	-
Expenses:					
Mortality, expense risk and other charges	-	-	232	152	12
Total expenses	-	-	232	152	12
Net investment income (loss)	-	-	(81)	(91)	(12)
<b>Realized and unrealized gain (loss) on investments</b>					
Net realized gain (loss) on investments	5	-	1,170	1,253	21
Capital gains distributions	-	-	271	138	29
Total realized gain (loss) on investments and capital gains distributions	5	-	1,441	1,391	50
Net unrealized appreciation (depreciation) of investments	3	6	5,217	2,491	37
Net realized and unrealized gain (loss) on investments	8	6	6,658	3,882	87
Net increase (decrease) in net assets resulting from operations	\$ 8	\$ 6	\$ 6,577	\$ 3,791	\$ 75

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Statements of Operations**  
**For the year ended December 31, 2006**  
*(Dollars in thousands)*

	<b>ING JPMorgan Value Opportunities Portfolio - Institutional Class</b>	<b>ING JPMorgan Value Opportunities Portfolio - Service Class</b>	<b>ING Julius Baer Foreign Portfolio - Service Class</b>	<b>ING Legg Mason Partners All Cap Portfolio - Service Class</b>	<b>ING Legg Mason Value Portfolio - Service Class</b>
<b>Net investment income (loss)</b>					
Income:					
Dividends	\$ -	\$ -	\$ -	\$ -	\$ -
Total investment income	-	-	-	-	-
Expenses:					
Mortality, expense risk and other charges	-	1	209	-	30
Total expenses	-	1	209	-	30
Net investment income (loss)	-	(1)	(209)	-	(30)
<b>Realized and unrealized gain (loss) on investments</b>					
Net realized gain (loss) on investments	-	1	413	-	56
Capital gains distributions	-	-	2	-	9
Total realized gain (loss) on investments and capital gains distributions	-	1	415	-	65
Net unrealized appreciation (depreciation) of investments	1	36	4,133	2	177
Net realized and unrealized gain (loss) on investments	1	37	4,548	2	242
Net increase (decrease) in net assets resulting from operations	<u>\$ 1</u>	<u>\$ 36</u>	<u>\$ 4,339</u>	<u>\$ 2</u>	<u>\$ 212</u>

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Statements of Operations**  
**For the year ended December 31, 2006**  
*(Dollars in thousands)*

	<b>ING Lord Abbett Affiliated Portfolio - Institutional Class</b>	<b>ING Marsico Growth Portfolio - Service Class</b>	<b>ING Marsico International Opportunities Portfolio - Service Class</b>	<b>ING MFS Total Return Portfolio - Adviser Class</b>	<b>ING MFS Total Return Portfolio - Institutional Class</b>
<b>Net investment income (loss)</b>					
Income:					
Dividends	\$ 1	\$ -	\$ 1	\$ 1	\$ -
Total investment income	1	-	1	1	-
Expenses:					
Mortality, expense risk and other charges	3	21	50	-	1
Total expenses	3	21	50	-	1
Net investment income (loss)	(2)	(21)	(49)	1	(1)
<b>Realized and unrealized gain (loss) on investments</b>					
Net realized gain (loss) on investments	6	23	256	-	-
Capital gains distributions	5	-	14	2	-
Total realized gain (loss) on investments and capital gains distributions	11	23	270	2	-
Net unrealized appreciation (depreciation) of investments	52	118	711	2	14
Net realized and unrealized gain (loss) on investments	63	141	981	4	14
Net increase (decrease) in net assets resulting from operations	\$ 61	\$ 120	\$ 932	\$ 5	\$ 13

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Statements of Operations**  
**For the year ended December 31, 2006**  
*(Dollars in thousands)*

	<b>ING MFS Total Return Portfolio - Service Class</b>	<b>ING MFS Utilities Portfolio - Service Class</b>	<b>ING Oppenheimer Main Street Portfolio® - Service Class</b>	<b>ING PIMCO High Yield Portfolio - Institutional Class</b>	<b>ING PIMCO High Yield Portfolio - Service Class</b>
<b>Net investment income (loss)</b>					
Income:					
Dividends	\$ 866	\$ 3	\$ 4	\$ 6	\$ 210
Total investment income	866	3	4	6	210
Expenses:					
Mortality, expense risk and other charges	412	53	5	1	35
Total expenses	412	53	5	1	35
Net investment income (loss)	454	(50)	(1)	5	175
<b>Realized and unrealized gain (loss) on investments</b>					
Net realized gain (loss) on investments	709	88	10	(2)	(8)
Capital gains distributions	1,665	14	-	1	30
Total realized gain (loss) on investments and capital gains distributions	2,374	102	10	(1)	22
Net unrealized appreciation (depreciation) of investments	901	1,534	55	4	63
Net realized and unrealized gain (loss) on investments	3,275	1,636	65	3	85
Net increase (decrease) in net assets resulting from operations	\$ 3,729	\$ 1,586	\$ 64	\$ 8	\$ 260

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Statements of Operations**  
**For the year ended December 31, 2006**  
*(Dollars in thousands)*

	<b>ING Pioneer Fund Portfolio - Institutional Class</b>	<b>ING Pioneer Fund Portfolio - Service Class</b>	<b>ING Pioneer Mid Cap Value Portfolio - Institutional Class</b>	<b>ING Pioneer Mid Cap Value Portfolio - Service Class</b>	<b>ING Stock Index Portfolio - Institutional Class</b>
<b>Net investment income (loss)</b>					
Income:					
Dividends	\$ -	\$ -	\$ -	\$ -	\$ 482
Total investment income	-	-	-	-	482
Expenses:					
Mortality, expense risk and other charges	5	-	2	-	6
Total expenses	5	-	2	-	6
Net investment income (loss)	(5)	-	(2)	-	476
<b>Realized and unrealized gain (loss) on investments</b>					
Net realized gain (loss) on investments	5	1	1	-	5,432
Capital gains distributions	-	-	-	-	236
Total realized gain (loss) on investments and capital gains distributions	5	1	1	-	5,668
Net unrealized appreciation (depreciation) of investments	69	1	33	-	(1,908)
Net realized and unrealized gain (loss) on investments	74	2	34	-	3,760
Net increase (decrease) in net assets resulting from operations	\$ 69	\$ 2	\$ 32	\$ -	\$ 4,236

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Statements of Operations**  
**For the year ended December 31, 2006**  
*(Dollars in thousands)*

	<b>ING T. Rowe Price Capital Appreciation Portfolio - Service Class</b>	<b>ING T. Rowe Price Equity Income Portfolio - Adviser Class</b>	<b>ING T. Rowe Price Equity Income Portfolio - Service Class</b>	<b>ING Templeton Global Growth Portfolio - Institutional Class</b>	<b>ING Templeton Global Growth Portfolio - Service Class</b>
<b>Net investment income (loss)</b>					
Income:					
Dividends	\$ 645	\$ 1	\$ 956	\$ -	\$ -
Total investment income	645	1	956	-	-
Expenses:					
Mortality, expense risk and other charges	570	-	692	-	4
Total expenses	570	-	692	-	4
Net investment income (loss)	75	1	264	-	(4)
<b>Realized and unrealized gain (loss) on investments</b>					
Net realized gain (loss) on investments	153	-	470	-	(1)
Capital gains distributions	3,273	3	2,974	-	4
Total realized gain (loss) on investments and capital gains distributions	3,426	3	3,444	-	3
Net unrealized appreciation (depreciation) of investments	3,684	13	8,118	-	96
Net realized and unrealized gain (loss) on investments	7,110	16	11,562	-	99
Net increase (decrease) in net assets resulting from operations	\$ 7,185	\$ 17	\$ 11,826	\$ -	\$ 95

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Statements of Operations**  
**For the year ended December 31, 2006**  
*(Dollars in thousands)*

	<b>ING Van Kampen Equity Growth Portfolio - Service Class</b>	<b>ING Van Kampen Growth and Income Portfolio - Service Class</b>	<b>ING Van Kampen Real Estate Portfolio - Institutional Class</b>	<b>ING Van Kampen Real Estate Portfolio - Service Class</b>	<b>ING VP Index Plus International Equity Portfolio - Service Class</b>
<b>Net investment income (loss)</b>					
Income:					
Dividends	\$ -	\$ 143	\$ -	\$ 11	\$ 24
Total investment income	-	143	-	11	24
Expenses:					
Mortality, expense risk and other charges	-	134	2	39	6
Total expenses	-	134	2	39	6
Net investment income (loss)	-	9	(2)	(28)	18
<b>Realized and unrealized gain (loss) on investments</b>					
Net realized gain (loss) on investments	-	39	2	(8)	6
Capital gains distributions	-	1,064	-	71	48
Total realized gain (loss) on investments and capital gains distributions	-	1,103	2	63	54
Net unrealized appreciation (depreciation) of investments	-	658	47	1,198	99
Net realized and unrealized gain (loss) on investments	-	1,761	49	1,261	153
Net increase (decrease) in net assets resulting from operations	\$ -	\$ 1,770	\$ 47	\$ 1,233	\$ 171

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Statements of Operations**  
**For the year ended December 31, 2006**  
*(Dollars in thousands)*

	<b>ING Wells Fargo Mid Cap Disciplined Portfolio - Service Class</b>	<b>ING Wells Fargo Small Cap Disciplined Portfolio - Service Class</b>	<b>ING International Fund - Class Q</b>	<b>ING International SmallCap Fund - Class A</b>	<b>ING American Century Large Company Value Portfolio - Adviser Class</b>
<b>Net investment income (loss)</b>					
Income:					
Dividends	\$ -	\$ 3	\$ -	\$ 4	\$ -
Total investment income	-	3	-	4	-
Expenses:					
Mortality, expense risk and other charges	2	5	-	4	-
Total expenses	2	5	-	4	-
Net investment income (loss)	(2)	(2)	-	-	-
<b>Realized and unrealized gain (loss) on investments</b>					
Net realized gain (loss) on investments	2	2	-	21	-
Capital gains distributions	-	22	-	-	-
Total realized gain (loss) on investments and capital gains distributions	2	24	-	21	-
Net unrealized appreciation (depreciation) of investments	49	37	-	95	1
Net realized and unrealized gain (loss) on investments	51	61	-	116	1
Net increase (decrease) in net assets resulting from operations	\$ 49	\$ 59	\$ -	\$ 116	\$ 1

*The accompanying notes are an integral part of these financial statements.*



**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Statements of Operations**  
**For the year ended December 31, 2006**  
*(Dollars in thousands)*

	<b>ING American Century Large Company Value Portfolio - Service Class</b>	<b>ING American Century Select Portfolio - Initial Class</b>	<b>ING American Century Select Portfolio - Service Class</b>	<b>ING American Century Small- Mid Cap Value Portfolio - Adviser Class</b>	<b>ING American Century Small- Mid Cap Value Portfolio - Service Class</b>
<b>Net investment income (loss)</b>					
Income:					
Dividends	\$ 12	\$ 1,780	\$ -	\$ -	\$ 6
Total investment income	12	1,780	-	-	6
Expenses:					
Mortality, expense risk and other charges	52	1,454	-	-	327
Total expenses	52	1,454	-	-	327
Net investment income (loss)	(40)	326	-	-	(321)
<b>Realized and unrealized gain (loss) on investments</b>					
Net realized gain (loss) on investments	123	951	-	-	668
Capital gains distributions	222	-	-	-	92
Total realized gain (loss) on investments and capital gains distributions	345	951	-	-	760
Net unrealized appreciation (depreciation) of investments	478	(5,974)	(1)	2	3,923
Net realized and unrealized gain (loss) on investments	823	(5,023)	(1)	2	4,683
Net increase (decrease) in net assets resulting from operations	\$ 783	\$ (4,697)	\$ (1)	\$ 2	\$ 4,362

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Statements of Operations**  
**For the year ended December 31, 2006**  
*(Dollars in thousands)*

	<b>ING Baron Asset Portfolio - Service Class</b>	<b>ING Baron Small Cap Growth Portfolio - Adviser Class</b>	<b>ING Baron Small Cap Growth Portfolio - Service Class</b>	<b>ING Columbia Small Cap Value II Portfolio - Service Class</b>	<b>ING Davis Venture Value Portfolio - Service Class</b>
<b>Net investment income (loss)</b>					
Income:					
Dividends	\$ -	\$ -	\$ -	\$ -	\$ -
Total investment income	-	-	-	-	-
Expenses:					
Mortality, expense risk and other charges	1	-	888	-	89
Total expenses	1	-	888	-	89
Net investment income (loss)	(1)	-	(888)	-	(89)
<b>Realized and unrealized gain (loss) on investments</b>					
Net realized gain (loss) on investments	1	(2)	3,696	-	206
Capital gains distributions	-	-	778	-	575
Total realized gain (loss) on investments and capital gains distributions	1	(2)	4,474	-	781
Net unrealized appreciation (depreciation) of investments	13	3	7,482	3	315
Net realized and unrealized gain (loss) on investments	14	1	11,956	3	1,096
Net increase (decrease) in net assets resulting from operations	\$ 13	\$ 1	\$ 11,068	\$ 3	\$ 1,007

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Statements of Operations**  
**For the year ended December 31, 2006**  
*(Dollars in thousands)*

	<b>ING Fidelity® VIP Mid Cap Portfolio - Service Class</b>	<b>ING Fundamental Research Portfolio - Adviser Class</b>	<b>ING Fundamental Research Portfolio - Service Class</b>	<b>ING Goldman Sachs® Capital Growth Portfolio - Service Class</b>	<b>ING Goldman Sachs® Structured Equity Portfolio - Adviser Class</b>
<b>Net investment income (loss)</b>					
Income:					
Dividends	\$ -	\$ -	\$ 1	\$ -	\$ -
Total investment income	-	-	1	-	-
Expenses:					
Mortality, expense risk and other charges	-	-	17	21	-
Total expenses	-	-	17	21	-
Net investment income (loss)	-	-	(16)	(21)	-
<b>Realized and unrealized gain (loss) on investments</b>					
Net realized gain (loss) on investments	-	-	66	95	-
Capital gains distributions	-	-	25	-	-
Total realized gain (loss) on investments and capital gains distributions	-	-	91	95	-
Net unrealized appreciation (depreciation) of investments	2	-	79	72	-
Net realized and unrealized gain (loss) on investments	2	-	170	167	-
Net increase (decrease) in net assets resulting from operations	\$ 2	\$ -	\$ 154	\$ 146	\$ -

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Statements of Operations**  
**For the year ended December 31, 2006**  
*(Dollars in thousands)*

	<b>ING JPMorgan International Portfolio - Adviser Class</b>	<b>ING JPMorgan International Portfolio - Initial Class</b>	<b>ING JPMorgan International Portfolio - Service Class</b>	<b>ING JPMorgan Mid Cap Value Portfolio - Adviser Class</b>	<b>ING JPMorgan Mid Cap Value Portfolio - Service Class</b>
<b>Net investment income (loss)</b>					
Income:					
Dividends	\$ -	\$ 1,359	\$ -	\$ -	\$ 1
Total investment income	-	1,359	-	-	1
Expenses:					
Mortality, expense risk and other charges	-	1,495	-	-	289
Total expenses	-	1,495	-	-	289
Net investment income (loss)	-	(136)	-	-	(288)
<b>Realized and unrealized gain (loss) on investments</b>					
Net realized gain (loss) on investments	-	11,560	1	1	381
Capital gains distributions	-	-	-	-	191
Total realized gain (loss) on investments and capital gains distributions	-	11,560	1	1	572
Net unrealized appreciation (depreciation) of investments	1	16,783	1	4	3,657
Net realized and unrealized gain (loss) on investments	1	28,343	2	5	4,229
Net increase (decrease) in net assets resulting from operations	\$ 1	\$ 28,207	\$ 2	\$ 5	\$ 3,941

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Statements of Operations**  
**For the year ended December 31, 2006**  
*(Dollars in thousands)*

	<b>ING Legg Mason Partners Aggressive Growth Portfolio - Adviser Class</b>	<b>ING Legg Mason Partners Aggressive Growth Portfolio - Initial Class</b>	<b>ING Legg Mason Partners Aggressive Growth Portfolio - Service Class</b>	<b>ING Legg Mason Partners Large Cap Growth Portfolio - Adviser Class</b>	<b>ING Legg Mason Partners Large Cap Growth Portfolio - Initial Class</b>
<b>Net investment income (loss)</b>					
Income:					
Dividends	\$ -	\$ -	\$ -	\$ -	\$ -
Total investment income	-	-	-	-	-
Expenses:					
Mortality, expense risk and other charges	-	2,190	-	-	40
Total expenses	-	2,190	-	-	40
Net investment income (loss)	-	(2,190)	-	-	(40)
<b>Realized and unrealized gain (loss) on investments</b>					
Net realized gain (loss) on investments	-	(1,080)	-	-	8
Capital gains distributions	-	-	-	-	62
Total realized gain (loss) on investments and capital gains distributions	-	(1,080)	-	-	70
Net unrealized appreciation (depreciation) of investments	1	21,852	6	1	65
Net realized and unrealized gain (loss) on investments	1	20,772	6	1	135
Net increase (decrease) in net assets resulting from operations	\$ 1	\$ 18,582	\$ 6	\$ 1	\$ 95

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Statements of Operations**  
**For the year ended December 31, 2006**  
*(Dollars in thousands)*

	<b>ING Neuberger Berman Partners Portfolio - Service Class</b>	<b>ING Neuberger Berman Regency Portfolio - Service Class</b>	<b>ING OpCap Balanced Value Portfolio - Service Class</b>	<b>ING Oppenheimer Global Portfolio - Adviser Class</b>	<b>ING Oppenheimer Global Portfolio - Initial Class</b>
<b>Net investment income (loss)</b>					
Income:					
Dividends	\$ -	\$ -	\$ 129	\$ -	\$ 634
Total investment income	-	-	129	-	634
Expenses:					
Mortality, expense risk and other charges	-	-	157	-	9,350
Total expenses	-	-	157	-	9,350
Net investment income (loss)	-	-	(28)	-	(8,716)
<b>Realized and unrealized gain (loss) on investments</b>					
Net realized gain (loss) on investments	7	-	660	1	30,445
Capital gains distributions	-	-	-	-	1,328
Total realized gain (loss) on investments and capital gains distributions	7	-	660	1	31,773
Net unrealized appreciation (depreciation) of investments	-	-	588	5	119,373
Net realized and unrealized gain (loss) on investments	7	-	1,248	6	151,146
Net increase (decrease) in net assets resulting from operations	<u>\$ 7</u>	<u>\$ -</u>	<u>\$ 1,220</u>	<u>\$ 6</u>	<u>\$ 142,430</u>

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Statements of Operations**  
**For the year ended December 31, 2006**  
*(Dollars in thousands)*

	<b>ING Oppenheimer Global Portfolio - Service Class</b>	<b>ING Oppenheimer Strategic Income Portfolio - Adviser Class</b>	<b>ING Oppenheimer Strategic Income Portfolio - Initial Class</b>	<b>ING PIMCO Total Return Portfolio - Adviser Class</b>	<b>ING PIMCO Total Return Portfolio - Service Class</b>
<b>Net investment income (loss)</b>					
Income:					
Dividends	\$ -	\$ -	\$ 450	\$ 2	\$ 999
Total investment income	-	-	450	2	999
Expenses:					
Mortality, expense risk and other charges	2	-	1,104	-	605
Total expenses	2	-	1,104	-	605
Net investment income (loss)	(2)	-	(654)	2	394
<b>Realized and unrealized gain (loss) on investments</b>					
Net realized gain (loss) on investments	2	-	644	-	107
Capital gains distributions	-	-	-	-	-
Total realized gain (loss) on investments and capital gains distributions	2	-	644	-	107
Net unrealized appreciation (depreciation) of investments	18	5	8,090	5	1,238
Net realized and unrealized gain (loss) on investments	20	5	8,734	5	1,345
Net increase (decrease) in net assets resulting from operations	<u>\$ 18</u>	<u>\$ 5</u>	<u>\$ 8,080</u>	<u>\$ 7</u>	<u>\$ 1,739</u>

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Statements of Operations**  
**For the year ended December 31, 2006**  
*(Dollars in thousands)*

	<b>ING Pioneer High Yield Portfolio - Initial Class</b>	<b>ING Pioneer High Yield Portfolio - Service Class</b>	<b>ING Solution 2015 Portfolio - Adviser Class</b>	<b>ING Solution 2015 Portfolio - Service Class</b>	<b>ING Solution 2025 Portfolio - Adviser Class</b>
<b>Net investment income (loss)</b>					
Income:					
Dividends	\$ 14	\$ -	\$ 3	\$ 14	\$ 5
Total investment income	14	-	3	14	5
Expenses:					
Mortality, expense risk and other charges	3	-	11	66	15
Total expenses	3	-	11	66	15
Net investment income (loss)	11	-	(8)	(52)	(10)
<b>Realized and unrealized gain (loss) on investments</b>					
Net realized gain (loss) on investments	-	-	11	50	4
Capital gains distributions	3	-	1	8	3
Total realized gain (loss) on investments and capital gains distributions	3	-	12	58	7
Net unrealized appreciation (depreciation) of investments	14	-	150	919	255
Net realized and unrealized gain (loss) on investments	17	-	162	977	262
Net increase (decrease) in net assets resulting from operations	<u>\$ 28</u>	<u>\$ -</u>	<u>\$ 154</u>	<u>\$ 925</u>	<u>\$ 252</u>

*The accompanying notes are an integral part of these financial statements.*



**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Statements of Operations**  
**For the year ended December 31, 2006**  
*(Dollars in thousands)*

	<b>ING Solution 2025 Portfolio - Service Class</b>	<b>ING Solution 2035 Portfolio - Adviser Class</b>	<b>ING Solution 2035 Portfolio - Service Class</b>	<b>ING Solution 2045 Portfolio - Adviser Class</b>	<b>ING Solution 2045 Portfolio - Service Class</b>
<b>Net investment income (loss)</b>					
Income:					
Dividends	\$ 24	\$ 2	\$ 7	\$ -	\$ 1
Total investment income	24	2	7	-	1
Expenses:					
Mortality, expense risk and other charges	77	14	48	7	30
Total expenses	77	14	48	7	30
Net investment income (loss)	(53)	(12)	(41)	(7)	(29)
<b>Realized and unrealized gain (loss) on investments</b>					
Net realized gain (loss) on investments	54	6	64	2	55
Capital gains distributions	17	2	7	2	6
Total realized gain (loss) on investments and capital gains distributions	71	8	71	4	61
Net unrealized appreciation (depreciation) of investments	1,237	255	874	155	525
Net realized and unrealized gain (loss) on investments	1,308	263	945	159	586
Net increase (decrease) in net assets resulting from operations	<u>\$ 1,255</u>	<u>\$ 251</u>	<u>\$ 904</u>	<u>\$ 152</u>	<u>\$ 557</u>

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Statements of Operations**  
**For the year ended December 31, 2006**  
*(Dollars in thousands)*

	<b>ING Solution Income Portfolio - Adviser Class</b>	<b>ING Solution Income Portfolio - Service Class</b>	<b>ING T. Rowe Price Diversified Mid Cap Growth Portfolio - Adviser Class</b>	<b>ING T. Rowe Price Diversified Mid Cap Growth Portfolio - Initial Class</b>	<b>ING T. Rowe Price Diversified Mid Cap Growth Portfolio - Service Class</b>
<b>Net investment income (loss)</b>					
Income:					
Dividends	\$ 1	\$ 3	\$ -	\$ -	\$ -
Total investment income	1	3	-	-	-
Expenses:					
Mortality, expense risk and other charges	3	11	-	4,371	3
Total expenses	3	11	-	4,371	3
Net investment income (loss)	(2)	(8)	-	(4,371)	(3)
<b>Realized and unrealized gain (loss) on investments</b>					
Net realized gain (loss) on investments	3	14	-	12,145	10
Capital gains distributions	-	1	-	9,055	9
Total realized gain (loss) on investments and capital gains distributions	3	15	-	21,200	19
Net unrealized appreciation (depreciation) of investments	37	82	1	15,200	14
Net realized and unrealized gain (loss) on investments	40	97	1	36,400	33
Net increase (decrease) in net assets resulting from operations	\$ 38	\$ 89	\$ 1	\$ 32,029	\$ 30

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Statements of Operations**  
**For the year ended December 31, 2006**  
*(Dollars in thousands)*

	<b>ING T. Rowe Price Growth Equity Portfolio - Adviser Class</b>	<b>ING T. Rowe Price Growth Equity Portfolio - Initial Class</b>	<b>ING T. Rowe Price Growth Equity Portfolio - Service Class</b>	<b>ING Templeton Foreign Equity Portfolio - Service Class</b>	<b>ING Thornburg Value Portfolio - Adviser Class</b>
<b>Net investment income (loss)</b>					
Income:					
Dividends	\$ -	\$ 683	\$ -	\$ 3	\$ -
Total investment income	-	683	-	3	-
Expenses:					
Mortality, expense risk and other charges	-	2,869	4	1	-
Total expenses	-	2,869	4	1	-
Net investment income (loss)	-	(2,186)	(4)	2	-
<b>Realized and unrealized gain (loss) on investments</b>					
Net realized gain (loss) on investments	-	5,695	11	7	-
Capital gains distributions	-	460	1	-	-
Total realized gain (loss) on investments and capital gains distributions	-	6,155	12	7	-
Net unrealized appreciation (depreciation) of investments	9	28,097	74	17	4
Net realized and unrealized gain (loss) on investments	9	34,252	86	24	4
Net increase (decrease) in net assets resulting from operations	\$ 9	\$ 32,066	\$ 82	\$ 26	\$ 4

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Statements of Operations**  
**For the year ended December 31, 2006**  
*(Dollars in thousands)*

	<b>ING Thornburg Value Portfolio - Initial Class</b>	<b>ING UBS U.S. Large Cap Equity Portfolio - Initial Class</b>	<b>ING UBS U.S. Large Cap Equity Portfolio - Service Class</b>	<b>ING UBS U.S. Small Cap Growth Portfolio - Service Class</b>	<b>ING Van Kampen Comstock Portfolio - Adviser Class</b>
<b>Net investment income (loss)</b>					
Income:					
Dividends	\$ 554	\$ 1,082	\$ -	\$ -	\$ -
Total investment income	554	1,082	-	-	-
Expenses:					
Mortality, expense risk and other charges	1,172	1,431	-	-	-
Total expenses	1,172	1,431	-	-	-
Net investment income (loss)	(618)	(349)	-	-	-
<b>Realized and unrealized gain (loss) on investments</b>					
Net realized gain (loss) on investments	(16,117)	(977)	-	3	-
Capital gains distributions	-	-	-	-	2
Total realized gain (loss) on investments and capital gains distributions	(16,117)	(977)	-	3	2
Net unrealized appreciation (depreciation) of investments	33,319	17,951	-	-	5
Net realized and unrealized gain (loss) on investments	17,202	16,974	-	3	7
Net increase (decrease) in net assets resulting from operations	\$ 16,584	\$ 16,625	\$ -	\$ 3	\$ 7

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Statements of Operations**  
**For the year ended December 31, 2006**  
*(Dollars in thousands)*

	<b>ING Van Kampen Comstock Portfolio - Service Class</b>	<b>ING Van Kampen Equity and Income Portfolio - Adviser Class</b>	<b>ING Van Kampen Equity and Income Portfolio - Initial Class</b>	<b>ING Van Kampen Equity and Income Portfolio - Service Class</b>	<b>ING VP Strategic Allocation Conservative Portfolio - Class I</b>
<b>Net investment income (loss)</b>					
Income:					
Dividends	\$ 733	\$ -	\$ 6,974	\$ 1	\$ 1,027
Total investment income	733	-	6,974	1	1,027
Expenses:					
Mortality, expense risk and other charges	1,008	-	3,731	1	398
Total expenses	1,008	-	3,731	1	398
Net investment income (loss)	(275)	-	3,243	-	629
<b>Realized and unrealized gain (loss) on investments</b>					
Net realized gain (loss) on investments	5,300	-	3,971	-	1,154
Capital gains distributions	5,010	-	12,395	2	1,253
Total realized gain (loss) on investments and capital gains distributions	10,310	-	16,366	2	2,407
Net unrealized appreciation (depreciation) of investments	4,322	1	20,526	4	(230)
Net realized and unrealized gain (loss) on investments	14,632	1	36,892	6	2,177
Net increase (decrease) in net assets resulting from operations	\$ 14,357	\$ 1	\$ 40,135	\$ 6	\$ 2,806

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Statements of Operations**  
**For the year ended December 31, 2006**  
*(Dollars in thousands)*

	<b>ING VP Strategic Allocation Growth Portfolio - Class I</b>	<b>ING VP Strategic Allocation Moderate Portfolio - Class I</b>	<b>ING VP Growth and Income Portfolio - Class I</b>	<b>ING GET U.S. Core Portfolio - Series 1</b>	<b>ING GET U.S. Core Portfolio - Series 2</b>
<b>Net investment income (loss)</b>					
Income:					
Dividends	\$ 1,148	\$ 1,409	\$ 22,560	\$ 29	\$ 277
Total investment income	1,148	1,409	22,560	29	277
Expenses:					
Mortality, expense risk and other charges	902	788	21,772	14	116
Total expenses	902	788	21,772	14	116
Net investment income (loss)	246	621	788	15	161
<b>Realized and unrealized gain (loss) on investments</b>					
Net realized gain (loss) on investments	1,044	1,109	(131,519)	1	(14)
Capital gains distributions	1,107	1,665	-	23	94
Total realized gain (loss) on investments and capital gains distributions	2,151	2,774	(131,519)	24	80
Net unrealized appreciation (depreciation) of investments	7,313	4,155	368,164	27	203
Net realized and unrealized gain (loss) on investments	9,464	6,929	236,645	51	283
Net increase (decrease) in net assets resulting from operations	\$ 9,710	\$ 7,550	\$ 237,433	\$ 66	\$ 444

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Statements of Operations**  
**For the year ended December 31, 2006**  
*(Dollars in thousands)*

	<b>ING GET U.S. Core Portfolio - Series 3</b>	<b>ING GET U.S. Core Portfolio - Series 5</b>	<b>ING GET U.S. Core Portfolio - Series 6</b>	<b>ING GET U.S. Core Portfolio - Series 7</b>	<b>ING GET U.S. Core Portfolio - Series 8</b>
<b>Net investment income (loss)</b>					
Income:					
Dividends	\$ 824	\$ 13	\$ 99	\$ 90	\$ 27
Total investment income	824	13	99	90	27
Expenses:					
Mortality, expense risk and other charges	442	11	72	56	25
Total expenses	442	11	72	56	25
Net investment income (loss)	382	2	27	34	2
<b>Realized and unrealized gain (loss) on investments</b>					
Net realized gain (loss) on investments	20	1	44	34	8
Capital gains distributions	17	27	29	-	6
Total realized gain (loss) on investments and capital gains distributions	37	28	73	34	14
Net unrealized appreciation (depreciation) of investments	981	29	222	238	109
Net realized and unrealized gain (loss) on investments	1,018	57	295	272	123
Net increase (decrease) in net assets resulting from operations	\$ 1,400	\$ 59	\$ 322	\$ 306	\$ 125

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Statements of Operations**  
**For the year ended December 31, 2006**  
*(Dollars in thousands)*

	<b>ING GET U.S. Core Portfolio - Series 9</b>	<b>ING GET U.S. Core Portfolio - Series 10</b>	<b>ING GET U.S. Core Portfolio - Series 11</b>	<b>ING VP Global Science and Technology Portfolio - Class I</b>	<b>ING VP Growth Portfolio - Class I</b>
<b>Net investment income (loss)</b>					
Income:					
Dividends	\$ 3	\$ 1	\$ -	\$ -	\$ 41
Total investment income	3	1	-	-	41
Expenses:					
Mortality, expense risk and other charges	3	2	1	405	731
Total expenses	3	2	1	405	731
Net investment income (loss)	-	(1)	(1)	(405)	(690)
<b>Realized and unrealized gain (loss) on investments</b>					
Net realized gain (loss) on investments	-	2	-	2,142	(12,107)
Capital gains distributions	-	-	-	-	-
Total realized gain (loss) on investments and capital gains distributions	-	2	-	2,142	(12,107)
Net unrealized appreciation (depreciation) of investments	13	6	3	589	13,849
Net realized and unrealized gain (loss) on investments	13	8	3	2,731	1,742
Net increase (decrease) in net assets resulting from operations	\$ 13	\$ 7	\$ 2	\$ 2,326	\$ 1,052

*The accompanying notes are an integral part of these financial statements.*



**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Statements of Operations**  
**For the year ended December 31, 2006**  
*(Dollars in thousands)*

	<b>ING VP Index Plus LargeCap Portfolio - Class I</b>	<b>ING VP Index Plus LargeCap Portfolio - Class S</b>	<b>ING VP Index Plus MidCap Portfolio - Class I</b>	<b>ING VP Index Plus MidCap Portfolio - Class S</b>	<b>ING VP Index Plus SmallCap Portfolio - Class I</b>
<b>Net investment income (loss)</b>					
Income:					
Dividends	\$ 5,767	\$ -	\$ 2,598	\$ -	\$ 763
Total investment income	5,767	-	2,598	-	763
Expenses:					
Mortality, expense risk and other charges	5,520	-	4,193	-	1,869
Total expenses	5,520	-	4,193	-	1,869
Net investment income (loss)	247	-	(1,595)	-	(1,106)
<b>Realized and unrealized gain (loss) on investments</b>					
Net realized gain (loss) on investments	(16,794)	2	15,759	-	10,788
Capital gains distributions	-	-	31,759	-	10,000
Total realized gain (loss) on investments and capital gains distributions	(16,794)	2	47,518	-	20,788
Net unrealized appreciation (depreciation) of investments	83,656	-	(11,351)	1	3,103
Net realized and unrealized gain (loss) on investments	66,862	2	36,167	1	23,891
Net increase (decrease) in net assets resulting from operations	\$ 67,109	\$ 2	\$ 34,572	\$ 1	\$ 22,785

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Statements of Operations**  
**For the year ended December 31, 2006**  
*(Dollars in thousands)*

	<b>ING VP Index Plus SmallCap Portfolio - Class S</b>	<b>ING VP International Equity Portfolio - Class I</b>	<b>ING VP International Equity Portfolio - Class S</b>	<b>ING VP Small Company Portfolio - Class I</b>	<b>ING VP Small Company Portfolio - Class S</b>
<b>Net investment income (loss)</b>					
Income:					
Dividends	\$ -	\$ 311	\$ -	\$ 645	\$ -
Total investment income	-	311	-	645	-
Expenses:					
Mortality, expense risk and other charges	-	201	-	1,665	-
Total expenses	-	201	-	1,665	-
Net investment income (loss)	-	110	-	(1,020)	-
<b>Realized and unrealized gain (loss) on investments</b>					
Net realized gain (loss) on investments	-	1,431	-	11,146	-
Capital gains distributions	-	-	-	24,481	-
Total realized gain (loss) on investments and capital gains distributions	-	1,431	-	35,627	-
Net unrealized appreciation (depreciation) of investments	1	2,490	2	(10,251)	-
Net realized and unrealized gain (loss) on investments	1	3,921	2	25,376	-
Net increase (decrease) in net assets resulting from operations	\$ 1	\$ 4,031	\$ 2	\$ 24,356	\$ -

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Statements of Operations**  
**For the year ended December 31, 2006**  
*(Dollars in thousands)*

	<b>ING VP Value Opportunity Portfolio - Class I</b>	<b>ING VP Financial Services Portfolio - Class I</b>	<b>ING VP International Value Portfolio - Class I</b>	<b>ING VP International Value Portfolio - Class S</b>	<b>ING VP MidCap Opportunities Portfolio - Class I</b>
<b>Net investment income (loss)</b>					
Income:					
Dividends	\$ 1,397	\$ 28	\$ 2,446	\$ 1	\$ -
Total investment income	1,397	28	2,446	1	-
Expenses:					
Mortality, expense risk and other charges	985	20	944	-	67
Total expenses	985	20	944	-	67
Net investment income (loss)	412	8	1,502	1	(67)
<b>Realized and unrealized gain (loss) on investments</b>					
Net realized gain (loss) on investments	2,215	146	3,850	-	327
Capital gains distributions	-	8	6,342	3	-
Total realized gain (loss) on investments and capital gains distributions	2,215	154	10,192	3	327
Net unrealized appreciation (depreciation) of investments	11,020	159	13,241	3	47
Net realized and unrealized gain (loss) on investments	13,235	313	23,433	6	374
Net increase (decrease) in net assets resulting from operations	\$ 13,647	\$ 321	\$ 24,935	\$ 7	\$ 307

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Statements of Operations**  
**For the year ended December 31, 2006**  
*(Dollars in thousands)*

	<b>ING VP MidCap Opportunities Portfolio - Class S</b>	<b>ING VP Real Estate Portfolio - Class I</b>	<b>ING VP SmallCap Opportunities Portfolio - Class I</b>	<b>ING VP SmallCap Opportunities Portfolio - Class S</b>	<b>ING VP Balanced Portfolio - Class I</b>
<b>Net investment income (loss)</b>					
Income:					
Dividends	\$ -	\$ 1,576	\$ -	\$ -	\$ 14,911
Total investment income	-	1,576	-	-	14,911
Expenses:					
Mortality, expense risk and other charges	-	700	90	-	6,657
Total expenses	-	700	90	-	6,657
Net investment income (loss)	-	876	(90)	-	8,254
<b>Realized and unrealized gain (loss) on investments</b>					
Net realized gain (loss) on investments	-	3,000	709	(2)	(9,580)
Capital gains distributions	-	1,302	-	-	-
Total realized gain (loss) on investments and capital gains distributions	-	4,302	709	(2)	(9,580)
Net unrealized appreciation (depreciation) of investments	-	14,669	413	-	52,946
Net realized and unrealized gain (loss) on investments	-	18,971	1,122	(2)	43,366
Net increase (decrease) in net assets resulting from operations	\$ -	\$ 19,847	\$ 1,032	\$ (2)	\$ 51,620

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Statements of Operations**  
**For the year ended December 31, 2006**  
*(Dollars in thousands)*

	<b>ING VP Intermediate Bond Portfolio - Class I</b>	<b>ING VP Intermediate Bond Portfolio - Class S</b>	<b>ING VP Money Market Portfolio - Class I</b>	<b>ING VP Natural Resources Trust</b>	<b>Janus Adviser Balanced Fund - Class S</b>
<b>Net investment income (loss)</b>					
Income:					
Dividends	\$ 16,079	\$ -	\$ 6,383	\$ -	\$ -
Total investment income	16,079	-	6,383	-	-
Expenses:					
Mortality, expense risk and other charges	4,189	-	2,398	775	-
Total expenses	4,189	-	2,398	775	-
Net investment income (loss)	11,890	-	3,985	(775)	-
<b>Realized and unrealized gain (loss) on investments</b>					
Net realized gain (loss) on investments	(383)	-	1,326	8,141	-
Capital gains distributions	-	-	-	5,649	-
Total realized gain (loss) on investments and capital gains distributions	(383)	-	1,326	13,790	-
Net unrealized appreciation (depreciation) of investments	232	-	5,988	(2,424)	-
Net realized and unrealized gain (loss) on investments	(151)	-	7,314	11,366	-
Net increase (decrease) in net assets resulting from operations	\$ 11,739	\$ -	\$ 11,299	\$ 10,591	\$ -

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Statements of Operations**  
**For the year ended December 31, 2006**  
*(Dollars in thousands)*

	<b>Janus Aspen Series Balanced Portfolio - Institutional Shares</b>	<b>Janus Aspen Series Flexible Bond Portfolio - Institutional Shares</b>	<b>Janus Aspen Series Large Cap Growth Portfolio - Institutional Shares</b>	<b>Janus Aspen Series Mid Cap Growth Portfolio - Institutional Shares</b>	<b>Janus Aspen Series Worldwide Growth Portfolio - Institutional Shares</b>
<b>Net investment income (loss)</b>					
Income:					
Dividends	\$ 9	\$ 6	\$ 1	\$ -	\$ 6
Total investment income	9	6	1	-	6
Expenses:					
Mortality, expense risk and other charges	5	2	2	6	4
Total expenses	5	2	2	6	4
Net investment income (loss)	4	4	(1)	(6)	2
<b>Realized and unrealized gain (loss) on investments</b>					
Net realized gain (loss) on investments	25	(5)	7	47	22
Capital gains distributions	-	-	-	-	-
Total realized gain (loss) on investments and capital gains distributions	25	(5)	7	47	22
Net unrealized appreciation (depreciation) of investments	10	4	10	13	30
Net realized and unrealized gain (loss) on investments	35	(1)	17	60	52
Net increase (decrease) in net assets resulting from operations	\$ 39	\$ 3	\$ 16	\$ 54	\$ 54

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Statements of Operations**  
**For the year ended December 31, 2006**  
*(Dollars in thousands)*

	<b>Legg Mason Value Trust, Inc. - Primary Class</b>	<b>LKCM Aquinas Growth Fund</b>	<b>Lord Abbett Affiliated Fund - Class A</b>	<b>Lord Abbett Mid-Cap Value Fund, Inc. - Class A</b>	<b>Lord Abbett Small-Cap Value Fund - Class A</b>
<b>Net investment income (loss)</b>					
Income:					
Dividends	\$ -	\$ -	\$ 13	\$ 5	\$ -
Total investment income	-	-	13	5	-
Expenses:					
Mortality, expense risk and other charges	14	1	11	10	13
Total expenses	14	1	11	10	13
Net investment income (loss)	(14)	(1)	2	(5)	(13)
<b>Realized and unrealized gain (loss) on investments</b>					
Net realized gain (loss) on investments	30	-	6	12	25
Capital gains distributions	-	1	74	108	182
Total realized gain (loss) on investments and capital gains distributions	30	1	80	120	207
Net unrealized appreciation (depreciation) of investments	60	17	65	(13)	9
Net realized and unrealized gain (loss) on investments	90	18	145	107	216
Net increase (decrease) in net assets resulting from operations	\$ 76	\$ 17	\$ 147	\$ 102	\$ 203

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Statements of Operations**  
**For the year ended December 31, 2006**  
*(Dollars in thousands)*

	<b>Lord Abbett Series Fund - Growth and Income Portfolio - Class VC</b>	<b>Lord Abbett Series Fund - Mid-Cap Value Portfolio - Class VC</b>	<b>Massachusetts Investors Growth Stock Fund - Class A</b>	<b>MFS® Total Return Series - Initial Class</b>	<b>Moderate Allocation Portfolio</b>
<b>Net investment income (loss)</b>					
Income:					
Dividends	\$ 1,687	\$ 753	\$ -	\$ 1,879	\$ -
Total investment income	1,687	753	-	1,879	-
Expenses:					
Mortality, expense risk and other charges	1,389	1,552	5	838	-
Total expenses	1,389	1,552	5	838	-
Net investment income (loss)	298	(799)	(5)	1,041	-
<b>Realized and unrealized gain (loss) on investments</b>					
Net realized gain (loss) on investments	3,171	6,717	5	1,415	-
Capital gains distributions	4,521	11,729	-	2,518	1
Total realized gain (loss) on investments and capital gains distributions	7,692	18,446	5	3,933	1
Net unrealized appreciation (depreciation) of investments	11,603	(1,948)	35	3,101	(1)
Net realized and unrealized gain (loss) on investments	19,295	16,498	40	7,034	-
Net increase (decrease) in net assets resulting from operations	<u>\$ 19,593</u>	<u>\$ 15,699</u>	<u>\$ 35</u>	<u>\$ 8,075</u>	<u>\$ -</u>

*The accompanying notes are an integral part of these financial statements.*



**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Statements of Operations**  
**For the year ended December 31, 2006**  
*(Dollars in thousands)*

	<b>Neuberger Berman Socially Responsive Fund® - Trust Class</b>	<b>New Perspective Fund®, Inc. - Class R-3</b>	<b>New Perspective Fund®, Inc. - Class R-4</b>	<b>Oppenheimer Capital Appreciation Fund - Class A</b>	<b>Oppenheimer Developing Markets Fund - Class A</b>
<b>Net investment income (loss)</b>					
Income:					
Dividends	\$ -	\$ 14	\$ 387	\$ -	\$ 1,812
Total investment income	-	14	387	-	1,812
Expenses:					
Mortality, expense risk and other charges	1	5	215	4	1,526
Total expenses	1	5	215	4	1,526
Net investment income (loss)	(1)	9	172	(4)	286
<b>Realized and unrealized gain (loss) on investments</b>					
Net realized gain (loss) on investments	1	18	1,938	4	10,159
Capital gains distributions	5	71	1,675	-	13,095
Total realized gain (loss) on investments and capital gains distributions	6	89	3,613	4	23,254
Net unrealized appreciation (depreciation) of investments	30	47	1,076	23	4,924
Net realized and unrealized gain (loss) on investments	36	136	4,689	27	28,178
Net increase (decrease) in net assets resulting from operations	\$ 35	\$ 145	\$ 4,861	\$ 23	\$ 28,464

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Statements of Operations**  
**For the year ended December 31, 2006**  
*(Dollars in thousands)*

	<b>Oppenheimer Global Fund - Class A</b>	<b>Oppenheimer Main Street Fund® - Class A</b>	<b>Oppenheimer Aggressive Growth Fund/VA</b>	<b>Oppenheimer Global Securities/VA</b>	<b>Oppenheimer Main Street Fund®/VA</b>
<b>Net investment income (loss)</b>					
Income:					
Dividends	\$ 1	\$ 1	\$ -	\$ 8	\$ 1
Total investment income	1	1	-	8	1
Expenses:					
Mortality, expense risk and other charges	1	1	-	9	2
Total expenses	1	1	-	9	2
Net investment income (loss)	-	-	-	(1)	(1)
<b>Realized and unrealized gain (loss) on investments</b>					
Net realized gain (loss) on investments	2	1	-	50	2
Capital gains distributions	7	6	-	39	-
Total realized gain (loss) on investments and capital gains distributions	9	7	-	89	2
Net unrealized appreciation (depreciation) of investments	5	4	-	24	10
Net realized and unrealized gain (loss) on investments	14	11	-	113	12
Net increase (decrease) in net assets resulting from operations	<u>\$ 14</u>	<u>\$ 11</u>	<u>\$ -</u>	<u>\$ 112</u>	<u>\$ 11</u>

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Statements of Operations**  
**For the year ended December 31, 2006**  
*(Dollars in thousands)*

	<b>Oppenheimer Main Street Small Cap Fund®/VA</b>	<b>Oppenheimer Strategic Bond Fund/VA</b>	<b>Pax World Balanced Fund, Inc.</b>	<b>PIMCO Real Return Portfolio - Administrative Class</b>	<b>Pioneer Fund - Class A</b>
<b>Net investment income (loss)</b>					
Income:					
Dividends	\$ 3	\$ 6	\$ 869	\$ 1,053	\$ -
Total investment income	3	6	869	1,053	-
Expenses:					
Mortality, expense risk and other charges	38	1	479	246	-
Total expenses	38	1	479	246	-
Net investment income (loss)	(35)	5	390	807	-
<b>Realized and unrealized gain (loss) on investments</b>					
Net realized gain (loss) on investments	83	3	3,190	(386)	2
Capital gains distributions	59	-	2,462	677	2
Total realized gain (loss) on investments and capital gains distributions	142	3	5,652	291	4
Net unrealized appreciation (depreciation) of investments	170	1	(109)	(1,136)	1
Net realized and unrealized gain (loss) on investments	312	4	5,543	(845)	5
Net increase (decrease) in net assets resulting from operations	<u>\$ 277</u>	<u>\$ 9</u>	<u>\$ 5,933</u>	<u>\$ (38)</u>	<u>\$ 5</u>

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Statements of Operations**  
**For the year ended December 31, 2006**  
*(Dollars in thousands)*

	<b>Pioneer High Yield Fund - Class A</b>	<b>Pioneer Equity Income VCT Portfolio - Class I</b>	<b>Pioneer Fund VCT Portfolio - Class I</b>	<b>Pioneer High Yield VCT Portfolio - Class I</b>	<b>Pioneer Mid Cap Value VCT Portfolio - Class I</b>
<b>Net investment income (loss)</b>					
Income:					
Dividends	\$ 64	\$ 2,447	\$ 97	\$ 550	\$ 814
Total investment income	64	2,447	97	550	814
Expenses:					
Mortality, expense risk and other charges	11	903	60	107	812
Total expenses	11	903	60	107	812
Net investment income (loss)	53	1,544	37	443	2
<b>Realized and unrealized gain (loss) on investments</b>					
Net realized gain (loss) on investments	(9)	1,866	165	(113)	228
Capital gains distributions	79	1,336	-	143	20,283
Total realized gain (loss) on investments and capital gains distributions	70	3,202	165	30	20,511
Net unrealized appreciation (depreciation) of investments	1	12,848	802	280	(11,870)
Net realized and unrealized gain (loss) on investments	71	16,050	967	310	8,641
Net increase (decrease) in net assets resulting from operations	\$ 124	\$ 17,594	\$ 1,004	\$ 753	\$ 8,643

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Statements of Operations**  
**For the year ended December 31, 2006**  
*(Dollars in thousands)*

	<b>T. Rowe Price Mid-Cap Value Fund - R Class</b>	<b>T. Rowe Price Value Fund - Advisor Class</b>	<b>Templeton Foreign Fund - Class A</b>	<b>Templeton Growth Fund, Inc. - Class A</b>	<b>Templeton Global Bond Fund - Class A</b>
<b>Net investment income (loss)</b>					
Income:					
Dividends	\$ 5	\$ -	\$ 17	\$ 12	\$ 1,347
Total investment income	5	-	17	12	1,347
Expenses:					
Mortality, expense risk and other charges	7	-	7	6	267
Total expenses	7	-	7	6	267
Net investment income (loss)	(2)	-	10	6	1,080
<b>Realized and unrealized gain (loss) on investments</b>					
Net realized gain (loss) on investments	14	-	9	7	(17)
Capital gains distributions	88	1	68	41	24
Total realized gain (loss) on investments and capital gains distributions	102	1	77	48	7
Net unrealized appreciation (depreciation) of investments	50	2	44	53	1,476
Net realized and unrealized gain (loss) on investments	152	3	121	101	1,483
Net increase (decrease) in net assets resulting from operations	\$ 150	\$ 3	\$ 131	\$ 107	\$ 2,563

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Statements of Operations**  
**For the year ended December 31, 2006**  
*(Dollars in thousands)*

	<b>The Growth Fund of America® - Class R-3</b>	<b>The Growth Fund of America® - Class R-4</b>	<b>The Income Fund of America® - Class R-3</b>	<b>UBS U.S. Small Cap Growth Fund - Class A</b>	<b>Diversified Value Portfolio</b>
<b>Net investment income (loss)</b>					
Income:					
Dividends	\$ 44	\$ 1,562	\$ 21	\$ -	\$ 1
Total investment income	44	1,562	21	-	1
Expenses:					
Mortality, expense risk and other charges	43	1,659	5	2	1
Total expenses	43	1,659	5	2	1
Net investment income (loss)	1	(97)	16	(2)	-
<b>Realized and unrealized gain (loss) on investments</b>					
Net realized gain (loss) on investments	26	6,140	3	4	-
Capital gains distributions	246	6,275	29	8	1
Total realized gain (loss) on investments and capital gains distributions	272	12,415	32	12	1
Net unrealized appreciation (depreciation) of investments	277	5,132	68	2	11
Net realized and unrealized gain (loss) on investments	549	17,547	100	14	12
Net increase (decrease) in net assets resulting from operations	\$ 550	\$ 17,450	\$ 116	\$ 12	\$ 12

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Statements of Operations**  
**For the year ended December 31, 2006**  
*(Dollars in thousands)*

	<b>Equity Income Portfolio</b>	<b>Small Company Growth Portfolio</b>	<b>Wanger Select</b>	<b>Wanger U.S. Smaller Companies</b>	<b>Washington Mutual Investors Fund<sup>SM</sup>, Inc. - Class R-3</b>
<b>Net investment income (loss)</b>					
Income:					
Dividends	\$ 5	\$ -	\$ 42	\$ 29	\$ 49
Total investment income	5	-	42	29	49
Expenses:					
Mortality, expense risk and other charges	2	-	156	150	22
Total expenses	2	-	156	150	22
Net investment income (loss)	3	-	(114)	(121)	27
<b>Realized and unrealized gain (loss) on investments</b>					
Net realized gain (loss) on investments	7	-	59	358	18
Capital gains distributions	8	-	347	403	87
Total realized gain (loss) on investments and capital gains distributions	15	-	406	761	105
Net unrealized appreciation (depreciation) of investments	19	-	2,627	209	334
Net realized and unrealized gain (loss) on investments	34	-	3,033	970	439
Net increase (decrease) in net assets resulting from operations	<u>\$ 37</u>	<u>\$ -</u>	<u>\$ 2,919</u>	<u>\$ 849</u>	<u>\$ 466</u>

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Statements of Operations**  
**For the year ended December 31, 2006**  
*(Dollars in thousands)*

	<b>Washington Mutual Investors Fund<sup>SM</sup>, Inc. - Class R-4</b>	<b>Wells Fargo Advantage Small Cap Value Fund - Class A</b>
<b>Net investment income (loss)</b>		
Income:		
Dividends	\$ 1,465	\$ -
Total investment income	1,465	-
Expenses:		
Mortality, expense risk and other charges	776	-
Total expenses	776	-
Net investment income (loss)	689	-
<b>Realized and unrealized gain (loss) on investments</b>		
Net realized gain (loss) on investments	594	-
Capital gains distributions	2,057	2
Total realized gain (loss) on investments and capital gains distributions	2,651	2
Net unrealized appreciation (depreciation) of investments	8,652	(1)
Net realized and unrealized gain (loss) on investments	11,303	1
Net increase (decrease) in net assets resulting from operations	\$ 11,992	\$ 1

*The accompanying notes are an integral part of these financial statements.*



**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Statements of Changes in Net Assets**  
**For the years ended December 31, 2006 and 2005**  
*(Dollars in thousands)*

	AIM Mid Cap Core Equity Fund - Class A	AIM Small Cap Growth Fund - Class A	AIM Global Health Care Fund - Investor Class	AIM V.I. Capital Appreciation Fund - Series I Shares
<b>Net assets at January 1, 2005</b>	\$ 196	\$ -	\$ -	\$ 20,524
<b>Increase (decrease) in net assets from operations</b>				
Operations:				
Net investment income (loss)	(1)	1	-	(191)
Total realized gain (loss) on investments and capital gains distributions	18	-	2	(1,951)
Net unrealized appreciation (depreciation) during the year	(5)	-	2	3,517
Net increase (decrease) in net assets from operations	12	1	4	1,375
Changes from contract transactions:				
Total unit transactions	(20)	7	64	(2,525)
Net increase (decrease) in assets derived from principal transactions	(20)	7	64	(2,525)
Total increase (decrease) in net assets	(8)	8	68	(1,150)
<b>Net assets at December 31, 2005</b>	188	8	68	19,374
<b>Increase (decrease) in net assets from operations</b>				
Operations:				
Net investment income (loss)	1	-	(1)	(292)
Total realized gain (loss) on investments and capital gains distributions	42	1	13	554
Net unrealized appreciation (depreciation) during the year	(23)	-	(10)	409
Net increase (decrease) in net assets from operations	20	1	2	671
Changes from contract transactions:				
Total unit transactions	26	8	44	12,951
Net increase (decrease) in assets derived from principal transactions	26	8	44	12,951
Total increase (decrease) in net assets	46	9	46	13,622
<b>Net assets at December 31, 2006</b>	\$ 234	\$ 17	\$ 114	\$ 32,996

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Statements of Changes in Net Assets**  
**For the years ended December 31, 2006 and 2005**  
*(Dollars in thousands)*

	AIM V.I. Core Equity Fund - Series I Shares	AIM V.I. Growth Fund - Series I Shares	AIM V.I. Premier Equity Fund - Series I Shares	AllianceBernstein Growth and Income Fund, Inc. - Class A
<b>Net assets at January 1, 2005</b>	\$ 38,313	\$ 17,595	\$ 19,636	\$ 22
<b>Increase (decrease) in net assets from operations</b>				
Operations:				
Net investment income (loss)	106	(176)	(39)	-
Total realized gain (loss) on investments and capital gains distributions	(3,357)	(1,484)	(1,001)	-
Net unrealized appreciation (depreciation) during the year	4,504	2,612	1,796	1
Net increase (decrease) in net assets from operations	1,253	952	756	1
Changes from contract transactions:				
Total unit transactions	(7,783)	(1,923)	(3,420)	19
Net increase (decrease) in assets derived from principal transactions	(7,783)	(1,923)	(3,420)	19
Total increase (decrease) in net assets	(6,530)	(971)	(2,664)	20
<b>Net assets at December 31, 2005</b>	31,783	16,624	16,972	42
<b>Increase (decrease) in net assets from operations</b>				
Operations:				
Net investment income (loss)	(190)	(61)	117	-
Total realized gain (loss) on investments and capital gains distributions	(663)	3,829	1,940	2
Net unrealized appreciation (depreciation) during the year	6,785	(2,636)	(1,190)	4
Net increase (decrease) in net assets from operations	5,932	1,132	867	6
Changes from contract transactions:				
Total unit transactions	12,004	(17,756)	(17,839)	17
Net increase (decrease) in assets derived from principal transactions	12,004	(17,756)	(17,839)	17
Total increase (decrease) in net assets	17,936	(16,624)	(16,972)	23
<b>Net assets at December 31, 2006</b>	\$ 49,719	\$ -	\$ -	\$ 65

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Statements of Changes in Net Assets**  
**For the years ended December 31, 2006 and 2005**  
*(Dollars in thousands)*

	<b>AllianceBernstein Growth and Income Portfolio - Class A</b>	<b>Allianz NFJ Small-Cap Value - Class A</b>	<b>American Balanced Fund® - Class R-3</b>	<b>American Century Income &amp; Growth Fund - Advisor Class</b>
<b>Net assets at January 1, 2005</b>	\$ 50	\$ 53	\$ 1,269	\$ 4,389
<b>Increase (decrease) in net assets from operations</b>				
Operations:				
Net investment income (loss)	-	4	29	37
Total realized gain (loss) on investments and capital gains distributions	-	32	68	420
Net unrealized appreciation (depreciation) during the year	7	(7)	(23)	(252)
Net increase (decrease) in net assets from operations	7	29	74	205
Changes from contract transactions:				
Total unit transactions	203	316	2,313	1,035
Net increase (decrease) in assets derived from principal transactions	203	316	2,313	1,035
Total increase (decrease) in net assets	210	345	2,387	1,240
<b>Net assets at December 31, 2005</b>	260	398	3,656	5,629
<b>Increase (decrease) in net assets from operations</b>				
Operations:				
Net investment income (loss)	2	4	58	35
Total realized gain (loss) on investments and capital gains distributions	29	46	116	529
Net unrealized appreciation (depreciation) during the year	43	19	256	276
Net increase (decrease) in net assets from operations	74	69	430	840
Changes from contract transactions:				
Total unit transactions	223	10	928	(479)
Net increase (decrease) in assets derived from principal transactions	223	10	928	(479)
Total increase (decrease) in net assets	297	79	1,358	361
<b>Net assets at December 31, 2006</b>	\$ 557	\$ 477	\$ 5,014	\$ 5,990

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Statements of Changes in Net Assets**  
**For the years ended December 31, 2006 and 2005**  
*(Dollars in thousands)*

	Ariel Appreciation Fund	Ariel Fund	Baron Asset Fund	Baron Growth Fund
<b>Net assets at January 1, 2005</b>	\$ 192	\$ 154	\$ 135	\$ 392
<b>Increase (decrease) in net assets from operations</b>				
Operations:				
Net investment income (loss)	(2)	(2)	(2)	(7)
Total realized gain (loss) on investments and capital gains distributions	18	29	18	68
Net unrealized appreciation (depreciation) during the year	(7)	(34)	13	(18)
Net increase (decrease) in net assets from operations	9	(7)	29	43
Changes from contract transactions:				
Total unit transactions	193	390	239	599
Net increase (decrease) in assets derived from principal transactions	193	390	239	599
Total increase (decrease) in net assets	202	383	268	642
<b>Net assets at December 31, 2005</b>	394	537	403	1,034
<b>Increase (decrease) in net assets from operations</b>				
Operations:				
Net investment income (loss)	(6)	(8)	(7)	(13)
Total realized gain (loss) on investments and capital gains distributions	44	40	71	96
Net unrealized appreciation (depreciation) during the year	17	18	24	81
Net increase (decrease) in net assets from operations	55	50	88	164
Changes from contract transactions:				
Total unit transactions	180	73	538	236
Net increase (decrease) in assets derived from principal transactions	180	73	538	236
Total increase (decrease) in net assets	235	123	626	400
<b>Net assets at December 31, 2006</b>	\$ 629	\$ 660	\$ 1,029	\$ 1,434

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Statements of Changes in Net Assets**  
**For the years ended December 31, 2006 and 2005**  
*(Dollars in thousands)*

	<b>Calvert Social Balanced Portfolio</b>	<b>Capital One Mid Cap Equity Fund - Class A</b>	<b>DWS Equity 500 Index Fund - Class S</b>	<b>EuroPacific Growth Fund® - Class R-3</b>
<b>Net assets at January 1, 2005</b>	\$ 66,170	\$ -	\$ 2	\$ 553
<b>Increase (decrease) in net assets from operations</b>				
Operations:				
Net investment income (loss)	512	(1)	-	12
Total realized gain (loss) on investments and capital gains distributions	(975)	110	-	42
Net unrealized appreciation (depreciation) during the year	3,313	(3)	1	102
Net increase (decrease) in net assets from operations	2,850	106	1	156
Changes from contract transactions:				
Total unit transactions	(2,487)	19	63	499
Net increase (decrease) in assets derived from principal transactions	(2,487)	19	63	499
Total increase (decrease) in net assets	363	125	64	655
<b>Net assets at December 31, 2005</b>	66,533	125	66	1,208
<b>Increase (decrease) in net assets from operations</b>				
Operations:				
Net investment income (loss)	810	(1)	1	34
Total realized gain (loss) on investments and capital gains distributions	410	12	1	226
Net unrealized appreciation (depreciation) during the year	3,669	-	16	178
Net increase (decrease) in net assets from operations	4,889	11	18	438
Changes from contract transactions:				
Total unit transactions	(6,025)	(40)	83	2,121
Net increase (decrease) in assets derived from principal transactions	(6,025)	(40)	83	2,121
Total increase (decrease) in net assets	(1,136)	(29)	101	2,559
<b>Net assets at December 31, 2006</b>	\$ 65,397	\$ 96	\$ 167	\$ 3,767

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Statements of Changes in Net Assets**  
**For the years ended December 31, 2006 and 2005**  
*(Dollars in thousands)*

	<b>EuroPacific Growth Fund® - Class R-4</b>	<b>Evergreen Special Values Fund - Class A</b>	<b>Fidelity® Advisor Mid Cap Fund - Class T</b>	<b>Fidelity® VIP Equity-Income Portfolio - Initial Class</b>
<b>Net assets at January 1, 2005</b>	\$ 16,360	\$ 47,554	\$ 423	\$ 405,088
<b>Increase (decrease) in net assets from operations</b>				
Operations:				
Net investment income (loss)	666	(68)	(3)	2,416
Total realized gain (loss) on investments and capital gains distributions	2,374	8,757	64	14,089
Net unrealized appreciation (depreciation) during the year	5,136	(2,951)	(20)	1,612
Net increase (decrease) in net assets from operations	8,176	5,738	41	18,117
Changes from contract transactions:				
Total unit transactions	37,111	22,009	127	(21,999)
Net increase (decrease) in assets derived from principal transactions	37,111	22,009	127	(21,999)
Total increase (decrease) in net assets	45,287	27,747	168	(3,882)
<b>Net assets at December 31, 2005</b>	61,647	75,301	591	401,206
<b>Increase (decrease) in net assets from operations</b>				
Operations:				
Net investment income (loss)	1,158	(561)	(5)	9,816
Total realized gain (loss) on investments and capital gains distributions	8,820	17,834	71	54,799
Net unrealized appreciation (depreciation) during the year	9,098	(943)	8	10,067
Net increase (decrease) in net assets from operations	19,076	16,330	74	74,682
Changes from contract transactions:				
Total unit transactions	60,507	14,303	29	(20,157)
Net increase (decrease) in assets derived from principal transactions	60,507	14,303	29	(20,157)
Total increase (decrease) in net assets	79,583	30,633	103	54,525
<b>Net assets at December 31, 2006</b>	\$ 141,230	\$ 105,934	\$ 694	\$ 455,731

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Statements of Changes in Net Assets**  
**For the years ended December 31, 2006 and 2005**  
*(Dollars in thousands)*

	<b>Fidelity® VIP Growth Portfolio - Initial Class</b>	<b>Fidelity® VIP High Income Portfolio - Initial Class</b>	<b>Fidelity® VIP Overseas Portfolio - Initial Class</b>	<b>Fidelity® VIP Asset Manager<sup>SM</sup> Portfolio - Initial Class</b>
<b>Net assets at January 1, 2005</b>	\$ 377,338	\$ 5,210	\$ 41,057	\$ 20,327
<b>Increase (decrease) in net assets from operations</b>				
Operations:				
Net investment income (loss)	(1,779)	754	(143)	331
Total realized gain (loss) on investments and capital gains distributions	(23,603)	(127)	3,174	(590)
Net unrealized appreciation (depreciation) during the year	38,951	(526)	3,773	791
Net increase (decrease) in net assets from operations	13,569	101	6,804	532
Changes from contract transactions:				
Total unit transactions	(61,723)	711	(3,102)	(2,213)
Net increase (decrease) in assets derived from principal transactions	(61,723)	711	(3,102)	(2,213)
Total increase (decrease) in net assets	(48,154)	812	3,702	(1,681)
<b>Net assets at December 31, 2005</b>	329,184	6,022	44,759	18,646
<b>Increase (decrease) in net assets from operations</b>				
Operations:				
Net investment income (loss)	(2,035)	507	(94)	315
Total realized gain (loss) on investments and capital gains distributions	(16,934)	(24)	3,902	(229)
Net unrealized appreciation (depreciation) during the year	36,558	165	3,982	1,011
Net increase (decrease) in net assets from operations	17,589	648	7,790	1,097
Changes from contract transactions:				
Total unit transactions	(50,951)	1,082	(839)	(1,383)
Net increase (decrease) in assets derived from principal transactions	(50,951)	1,082	(839)	(1,383)
Total increase (decrease) in net assets	(33,362)	1,730	6,951	(286)
<b>Net assets at December 31, 2006</b>	\$ 295,822	\$ 7,752	\$ 51,710	\$ 18,360

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Statements of Changes in Net Assets**  
**For the years ended December 31, 2006 and 2005**  
*(Dollars in thousands)*

	<b>Fidelity® VIP Contrafund® Portfolio - Initial Class</b>	<b>Fidelity® VIP Index 500 Portfolio - Initial Class</b>	<b>Fidelity® VIP Mid Cap Portfolio - Initial Class</b>	<b>Mutual Discovery Fund - Class R</b>
<b>Net assets at January 1, 2005</b>	\$ 743,262	\$ 116,763	\$ -	\$ 186
<b>Increase (decrease) in net assets from operations</b>				
Operations:				
Net investment income (loss)	(6,450)	854	-	3
Total realized gain (loss) on investments and capital gains distributions	9,434	(1,956)	-	34
Net unrealized appreciation (depreciation) during the year	127,918	5,330	-	19
Net increase (decrease) in net assets from operations	130,902	4,228	-	56
Changes from contract transactions:				
Total unit transactions	133,893	(4,376)	-	425
Net increase (decrease) in assets derived from principal transactions	133,893	(4,376)	-	425
Total increase (decrease) in net assets	264,795	(148)	-	481
<b>Net assets at December 31, 2005</b>	1,008,057	116,615	-	667
<b>Increase (decrease) in net assets from operations</b>				
Operations:				
Net investment income (loss)	3,118	815	1	14
Total realized gain (loss) on investments and capital gains distributions	126,643	(1,184)	-	67
Net unrealized appreciation (depreciation) during the year	(17,340)	16,944	228	123
Net increase (decrease) in net assets from operations	112,421	16,575	229	204
Changes from contract transactions:				
Total unit transactions	56,104	(4,345)	5,222	567
Net increase (decrease) in assets derived from principal transactions	56,104	(4,345)	5,222	567
Total increase (decrease) in net assets	168,525	12,230	5,451	771
<b>Net assets at December 31, 2006</b>	\$ 1,176,582	\$ 128,845	\$ 5,451	\$ 1,438

*The accompanying notes are an integral part of these financial statements.*



**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Statements of Changes in Net Assets**  
**For the years ended December 31, 2006 and 2005**  
*(Dollars in thousands)*

	<b>Franklin Small- Mid Cap Growth Fund - Class A</b>	<b>Franklin Small Cap Value Securities Fund - Class 2</b>	<b>ING Financial Services Fund - Class A</b>	<b>ING Real Estate Fund - Class A</b>
<b>Net assets at January 1, 2005</b>	\$ 70	\$ 50,132	\$ 9	\$ 282
<b>Increase (decrease) in net assets from operations</b>				
Operations:				
Net investment income (loss)	(2)	(190)	-	19
Total realized gain (loss) on investments and capital gains distributions	7	2,839	4	79
Net unrealized appreciation (depreciation) during the year	14	2,169	-	(3)
Net increase (decrease) in net assets from operations	19	4,818	4	95
Changes from contract transactions:				
Total unit transactions	229	17,358	38	577
Net increase (decrease) in assets derived from principal transactions	229	17,358	38	577
Total increase (decrease) in net assets	248	22,176	42	672
<b>Net assets at December 31, 2005</b>	318	72,308	51	954
<b>Increase (decrease) in net assets from operations</b>				
Operations:				
Net investment income (loss)	(5)	(338)	1	27
Total realized gain (loss) on investments and capital gains distributions	43	6,269	7	178
Net unrealized appreciation (depreciation) during the year	(14)	5,398	3	288
Net increase (decrease) in net assets from operations	24	11,329	11	493
Changes from contract transactions:				
Total unit transactions	214	4,884	22	926
Net increase (decrease) in assets derived from principal transactions	214	4,884	22	926
Total increase (decrease) in net assets	238	16,213	33	1,419
<b>Net assets at December 31, 2006</b>	\$ 556	\$ 88,521	\$ 84	\$ 2,373

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Statements of Changes in Net Assets**  
**For the years ended December 31, 2006 and 2005**  
*(Dollars in thousands)*

	ING GNMA Income Fund - Class A	ING Intermediate Bond Fund - Class A	ING GET Fund - Series L	ING GET Fund - Series Q
<b>Net assets at January 1, 2005</b>	\$ 404	\$ 535	\$ 696	\$ 3,849
<b>Increase (decrease) in net assets from operations</b>				
Operations:				
Net investment income (loss)	21	22	16	92
Total realized gain (loss) on investments and capital gains distributions	(3)	2	(3)	17
Net unrealized appreciation (depreciation) during the year	(9)	(10)	(6)	(100)
Net increase (decrease) in net assets from operations	9	14	7	9
Changes from contract transactions:				
Total unit transactions	299	280	(74)	(650)
Net increase (decrease) in assets derived from principal transactions	299	280	(74)	(650)
Total increase (decrease) in net assets	308	294	(67)	(641)
<b>Net assets at December 31, 2005</b>	712	829	629	3,208
<b>Increase (decrease) in net assets from operations</b>				
Operations:				
Net investment income (loss)	38	49	26	81
Total realized gain (loss) on investments and capital gains distributions	(10)	(2)	(54)	12
Net unrealized appreciation (depreciation) during the year	1	(5)	30	31
Net increase (decrease) in net assets from operations	29	42	2	124
Changes from contract transactions:				
Total unit transactions	232	762	(631)	(423)
Net increase (decrease) in assets derived from principal transactions	232	762	(631)	(423)
Total increase (decrease) in net assets	261	804	(629)	(299)
<b>Net assets at December 31, 2006</b>	\$ 973	\$ 1,633	\$ -	\$ 2,909

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Statements of Changes in Net Assets**  
**For the years ended December 31, 2006 and 2005**  
*(Dollars in thousands)*

	ING GET Fund - Series S	ING AllianceBernstein Mid Cap Growth Portfolio - Service Class	ING BlackRock Large Cap Growth Portfolio - Service Class	ING Evergreen Health Sciences Portfolio - Service Class
<b>Net assets at January 1, 2005</b>	\$ 23,958	\$ -	\$ -	\$ -
<b>Increase (decrease) in net assets from operations</b>				
Operations:				
Net investment income (loss)	247	(1)	-	(4)
Total realized gain (loss) on investments and capital gains distributions	721	18	-	51
Net unrealized appreciation (depreciation) during the year	(928)	(30)	-	6
Net increase (decrease) in net assets from operations	40	(13)	-	53
Changes from contract transactions:				
Total unit transactions	(9,432)	1,109	-	1,393
Net increase (decrease) in assets derived from principal transactions	(9,432)	1,109	-	1,393
Total increase (decrease) in net assets	(9,392)	1,096	-	1,446
<b>Net assets at December 31, 2005</b>	14,566	1,096	-	1,446
<b>Increase (decrease) in net assets from operations</b>				
Operations:				
Net investment income (loss)	225	(33)	-	(34)
Total realized gain (loss) on investments and capital gains distributions	185	169	-	92
Net unrealized appreciation (depreciation) during the year	259	(515)	-	326
Net increase (decrease) in net assets from operations	669	(379)	-	384
Changes from contract transactions:				
Total unit transactions	(4,982)	2,569	-	2,610
Net increase (decrease) in assets derived from principal transactions	(4,982)	2,569	-	2,610
Total increase (decrease) in net assets	(4,313)	2,190	-	2,994
<b>Net assets at December 31, 2006</b>	\$ 10,253	\$ 3,286	\$ -	\$ 4,440

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Statements of Changes in Net Assets**  
**For the years ended December 31, 2006 and 2005**  
*(Dollars in thousands)*

	<b>ING FMR<sup>SM</sup> Diversified Mid Cap Portfolio - Service Class</b>	<b>ING FMR<sup>SM</sup> Large Cap Growth Portfolio - Institutional Class</b>	<b>ING JPMorgan Emerging Markets Equity Portfolio - Adviser Class</b>	<b>ING JPMorgan Emerging Markets Equity Portfolio - Institutional Class</b>
<b>Net assets at January 1, 2005</b>	\$ -	\$ -	\$ -	\$ -
<b>Increase (decrease) in net assets from operations</b>				
Operations:				
Net investment income (loss)	(12)	-	-	(13)
Total realized gain (loss) on investments and capital gains distributions	27	-	-	19
Net unrealized appreciation (depreciation) during the year	191	-	-	412
Net increase (decrease) in net assets from operations	206	-	-	418
Changes from contract transactions:				
Total unit transactions	4,405	-	-	15,484
Net increase (decrease) in assets derived from principal transactions	4,405	-	-	15,484
Total increase (decrease) in net assets	4,611	-	-	15,902
<b>Net assets at December 31, 2005</b>	4,611	-	-	15,902
<b>Increase (decrease) in net assets from operations</b>				
Operations:				
Net investment income (loss)	(115)	-	-	(81)
Total realized gain (loss) on investments and capital gains distributions	1,107	5	-	1,441
Net unrealized appreciation (depreciation) during the year	(106)	3	6	5,217
Net increase (decrease) in net assets from operations	886	8	6	6,577
Changes from contract transactions:				
Total unit transactions	9,107	154	51	6,692
Net increase (decrease) in assets derived from principal transactions	9,107	154	51	6,692
Total increase (decrease) in net assets	9,993	162	57	13,269
<b>Net assets at December 31, 2006</b>	\$ 14,604	\$ 162	\$ 57	\$ 29,171

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Statements of Changes in Net Assets**  
**For the years ended December 31, 2006 and 2005**  
*(Dollars in thousands)*

	ING JPMorgan Emerging Markets Equity Portfolio - Service Class	ING JPMorgan Small Cap Core Equity Portfolio - Service Class	ING JPMorgan Value Opportunities Portfolio - Institutional Class	ING JPMorgan Value Opportunities Portfolio - Service Class
<b>Net assets at January 1, 2005</b>	\$ -	\$ -	\$ -	\$ -
<b>Increase (decrease) in net assets from operations</b>				
Operations:				
Net investment income (loss)	(20)	(1)	-	-
Total realized gain (loss) on investments and capital gains distributions	158	-	-	-
Net unrealized appreciation (depreciation) during the year	568	1	-	-
Net increase (decrease) in net assets from operations	706	-	-	-
Changes from contract transactions:				
Total unit transactions	6,167	282	-	-
Net increase (decrease) in assets derived from principal transactions	6,167	282	-	-
Total increase (decrease) in net assets	6,873	282	-	-
<b>Net assets at December 31, 2005</b>	6,873	282	-	-
<b>Increase (decrease) in net assets from operations</b>				
Operations:				
Net investment income (loss)	(91)	(12)	-	(1)
Total realized gain (loss) on investments and capital gains distributions	1,391	50	-	1
Net unrealized appreciation (depreciation) during the year	2,491	37	1	36
Net increase (decrease) in net assets from operations	3,791	75	1	36
Changes from contract transactions:				
Total unit transactions	10,946	1,286	25	788
Net increase (decrease) in assets derived from principal transactions	10,946	1,286	25	788
Total increase (decrease) in net assets	14,737	1,361	26	824
<b>Net assets at December 31, 2006</b>	\$ 21,610	\$ 1,643	\$ 26	\$ 824

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Statements of Changes in Net Assets**  
**For the years ended December 31, 2006 and 2005**  
*(Dollars in thousands)*

	<b>ING Julius Baer Foreign Portfolio - Service Class</b>	<b>ING Legg Mason Partners All Cap Portfolio - Service Class</b>	<b>ING Legg Mason Value Portfolio - Service Class</b>	<b>ING Lord Abbott Affiliated Portfolio - Institutional Class</b>
<b>Net assets at January 1, 2005</b>	\$ 1,428	\$ -	\$ -	\$ -
<b>Increase (decrease) in net assets from operations</b>				
Operations:				
Net investment income (loss)	(49)	-	(4)	-
Total realized gain (loss) on investments and capital gains distributions	720	-	1	-
Net unrealized appreciation (depreciation) during the year	138	-	59	-
Net increase (decrease) in net assets from operations	809	-	56	-
Changes from contract transactions:				
Total unit transactions	6,553	-	1,644	-
Net increase (decrease) in assets derived from principal transactions	6,553	-	1,644	-
Total increase (decrease) in net assets	7,362	-	1,700	-
<b>Net assets at December 31, 2005</b>	8,790	-	1,700	-
<b>Increase (decrease) in net assets from operations</b>				
Operations:				
Net investment income (loss)	(209)	-	(30)	(2)
Total realized gain (loss) on investments and capital gains distributions	415	-	65	11
Net unrealized appreciation (depreciation) during the year	4,133	2	177	52
Net increase (decrease) in net assets from operations	4,339	2	212	61
Changes from contract transactions:				
Total unit transactions	17,037	33	1,503	1,007
Net increase (decrease) in assets derived from principal transactions	17,037	33	1,503	1,007
Total increase (decrease) in net assets	21,376	35	1,715	1,068
<b>Net assets at December 31, 2006</b>	\$ 30,166	\$ 35	\$ 3,415	\$ 1,068

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Statements of Changes in Net Assets**  
**For the years ended December 31, 2006 and 2005**  
*(Dollars in thousands)*

	<b>ING Marsico Growth Portfolio - Service Class</b>	<b>ING Marsico International Opportunities Portfolio - Service Class</b>	<b>ING MFS Total Return Portfolio - Adviser Class</b>	<b>ING MFS Total Return Portfolio - Institutional Class</b>
<b>Net assets at January 1, 2005</b>	\$ -	\$ -	\$ -	\$ -
<b>Increase (decrease) in net assets from operations</b>				
Operations:				
Net investment income (loss)	(4)	(2)	-	-
Total realized gain (loss) on investments and capital gains distributions	1	26	-	-
Net unrealized appreciation (depreciation) during the year	41	107	-	-
Net increase (decrease) in net assets from operations	38	131	-	-
Changes from contract transactions:				
Total unit transactions	1,121	1,217	-	-
Net increase (decrease) in assets derived from principal transactions	1,121	1,217	-	-
Total increase (decrease) in net assets	1,159	1,348	-	-
<b>Net assets at December 31, 2005</b>	1,159	1,348	-	-
<b>Increase (decrease) in net assets from operations</b>				
Operations:				
Net investment income (loss)	(21)	(49)	1	(1)
Total realized gain (loss) on investments and capital gains distributions	23	270	2	-
Net unrealized appreciation (depreciation) during the year	118	711	2	14
Net increase (decrease) in net assets from operations	120	932	5	13
Changes from contract transactions:				
Total unit transactions	1,468	5,026	40	256
Net increase (decrease) in assets derived from principal transactions	1,468	5,026	40	256
Total increase (decrease) in net assets	1,588	5,958	45	269
<b>Net assets at December 31, 2006</b>	\$ 2,747	\$ 7,306	\$ 45	\$ 269

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Statements of Changes in Net Assets**  
**For the years ended December 31, 2006 and 2005**  
*(Dollars in thousands)*

	<b>ING MFS Total Return Portfolio - Service Class</b>	<b>ING MFS Utilities Portfolio - Service Class</b>	<b>ING Oppenheimer Main Street Portfolio® - Service Class</b>	<b>ING PIMCO High Yield Portfolio - Institutional Class</b>
<b>Net assets at January 1, 2005</b>	\$ 29,119	\$ -	\$ -	\$ -
<b>Increase (decrease) in net assets from operations</b>				
Operations:				
Net investment income (loss)	480	4	(1)	-
Total realized gain (loss) on investments and capital gains distributions	1,872	31	-	-
Net unrealized appreciation (depreciation) during the year	(1,538)	(16)	7	-
Net increase (decrease) in net assets from operations	814	19	6	-
Changes from contract transactions:				
Total unit transactions	11,347	1,172	208	-
Net increase (decrease) in assets derived from principal transactions	11,347	1,172	208	-
Total increase (decrease) in net assets	12,161	1,191	214	-
<b>Net assets at December 31, 2005</b>	41,280	1,191	214	-
<b>Increase (decrease) in net assets from operations</b>				
Operations:				
Net investment income (loss)	454	(50)	(1)	5
Total realized gain (loss) on investments and capital gains distributions	2,374	102	10	(1)
Net unrealized appreciation (depreciation) during the year	901	1,534	55	4
Net increase (decrease) in net assets from operations	3,729	1,586	64	8
Changes from contract transactions:				
Total unit transactions	(8,450)	10,245	547	239
Net increase (decrease) in assets derived from principal transactions	(8,450)	10,245	547	239
Total increase (decrease) in net assets	(4,721)	11,831	611	247
<b>Net assets at December 31, 2006</b>	\$ 36,559	\$ 13,022	\$ 825	\$ 247

*The accompanying notes are an integral part of these financial statements.*



**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Statements of Changes in Net Assets**  
**For the years ended December 31, 2006 and 2005**  
*(Dollars in thousands)*

	<b>ING PIMCO High Yield Portfolio - Service Class</b>	<b>ING Pioneer Fund Portfolio - Institutional Class</b>	<b>ING Pioneer Fund Portfolio - Service Class</b>	<b>ING Pioneer Mid Cap Value Portfolio - Institutional Class</b>
<b>Net assets at January 1, 2005</b>	\$ -	\$ -	\$ -	\$ -
<b>Increase (decrease) in net assets from operations</b>				
Operations:				
Net investment income (loss)	30	-	-	-
Total realized gain (loss) on investments and capital gains distributions	(13)	-	-	-
Net unrealized appreciation (depreciation) during the year	8	-	-	-
Net increase (decrease) in net assets from operations	25	-	-	-
Changes from contract transactions:				
Total unit transactions	1,393	-	-	-
Net increase (decrease) in assets derived from principal transactions	1,393	-	-	-
Total increase (decrease) in net assets	1,418	-	-	-
<b>Net assets at December 31, 2005</b>	1,418	-	-	-
<b>Increase (decrease) in net assets from operations</b>				
Operations:				
Net investment income (loss)	175	(5)	-	(2)
Total realized gain (loss) on investments and capital gains distributions	22	5	1	1
Net unrealized appreciation (depreciation) during the year	63	69	1	33
Net increase (decrease) in net assets from operations	260	69	2	32
Changes from contract transactions:				
Total unit transactions	3,392	2,440	23	751
Net increase (decrease) in assets derived from principal transactions	3,392	2,440	23	751
Total increase (decrease) in net assets	3,652	2,509	25	783
<b>Net assets at December 31, 2006</b>	\$ 5,070	\$ 2,509	\$ 25	\$ 783

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Statements of Changes in Net Assets**  
**For the years ended December 31, 2006 and 2005**  
*(Dollars in thousands)*

	<b>ING Pioneer Mid Cap Value Portfolio - Service Class</b>	<b>ING Stock Index Portfolio - Institutional Class</b>	<b>ING T. Rowe Price Capital Appreciation Portfolio - Service Class</b>	<b>ING T. Rowe Price Equity Income Portfolio - Adviser Class</b>
<b>Net assets at January 1, 2005</b>	\$ -	\$ -	\$ -	\$ -
<b>Increase (decrease) in net assets from operations</b>				
Operations:				
Net investment income (loss)	-	(1)	(41)	-
Total realized gain (loss) on investments and capital gains distributions	-	100	24	-
Net unrealized appreciation (depreciation) during the year	-	2,183	431	-
Net increase (decrease) in net assets from operations	-	2,282	414	-
Changes from contract transactions:				
Total unit transactions	-	22,755	18,749	-
Net increase (decrease) in assets derived from principal transactions	-	22,755	18,749	-
Total increase (decrease) in net assets	-	25,037	19,163	-
<b>Net assets at December 31, 2005</b>	-	25,037	19,163	-
<b>Increase (decrease) in net assets from operations</b>				
Operations:				
Net investment income (loss)	-	476	75	1
Total realized gain (loss) on investments and capital gains distributions	-	5,668	3,426	3
Net unrealized appreciation (depreciation) during the year	-	(1,908)	3,684	13
Net increase (decrease) in net assets from operations	-	4,236	7,185	17
Changes from contract transactions:				
Total unit transactions	6	(25,648)	60,576	198
Net increase (decrease) in assets derived from principal transactions	6	(25,648)	60,576	198
Total increase (decrease) in net assets	6	(21,412)	67,761	215
<b>Net assets at December 31, 2006</b>	\$ 6	\$ 3,625	\$ 86,924	\$ 215

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Statements of Changes in Net Assets**  
**For the years ended December 31, 2006 and 2005**  
*(Dollars in thousands)*

	ING T. Rowe Price Equity Income Portfolio - Service Class	ING Templeton Global Growth Portfolio - Institutional Class	ING Templeton Global Growth Portfolio - Service Class	ING Van Kampen Equity Growth Portfolio - Service Class
<b>Net assets at January 1, 2005</b>	\$ 30,123	\$ -	\$ -	\$ -
<b>Increase (decrease) in net assets from operations</b>				
Operations:				
Net investment income (loss)	69	-	-	-
Total realized gain (loss) on investments and capital gains distributions	1,385	-	-	-
Net unrealized appreciation (depreciation) during the year	194	-	-	-
Net increase (decrease) in net assets from operations	1,648	-	-	-
Changes from contract transactions:				
Total unit transactions	23,167	-	-	-
Net increase (decrease) in assets derived from principal transactions	23,167	-	-	-
Total increase (decrease) in net assets	24,815	-	-	-
<b>Net assets at December 31, 2005</b>	54,938	-	-	-
<b>Increase (decrease) in net assets from operations</b>				
Operations:				
Net investment income (loss)	264	-	(4)	-
Total realized gain (loss) on investments and capital gains distributions	3,444	-	3	-
Net unrealized appreciation (depreciation) during the year	8,118	-	96	-
Net increase (decrease) in net assets from operations	11,826	-	95	-
Changes from contract transactions:				
Total unit transactions	21,032	-	1,326	14
Net increase (decrease) in assets derived from principal transactions	21,032	-	1,326	14
Total increase (decrease) in net assets	32,858	-	1,421	14
<b>Net assets at December 31, 2006</b>	\$ 87,796	\$ -	\$ 1,421	\$ 14

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Statements of Changes in Net Assets**  
**For the years ended December 31, 2006 and 2005**  
*(Dollars in thousands)*

	ING Van Kampen Growth and Income Portfolio - Service Class	ING Van Kampen Real Estate Portfolio - Institutional Class	ING Van Kampen Real Estate Portfolio - Service Class	ING VP Index Plus International Equity Portfolio - Service Class
<b>Net assets at January 1, 2005</b>	\$ -	\$ -	\$ -	\$ -
<b>Increase (decrease) in net assets from operations</b>				
Operations:				
Net investment income (loss)	(14)	-	-	-
Total realized gain (loss) on investments and capital gains distributions	-	-	-	-
Net unrealized appreciation (depreciation) during the year	131	-	-	-
Net increase (decrease) in net assets from operations	117	-	-	-
Changes from contract transactions:				
Total unit transactions	8,271	-	-	-
Net increase (decrease) in assets derived from principal transactions	8,271	-	-	-
Total increase (decrease) in net assets	8,388	-	-	-
<b>Net assets at December 31, 2005</b>	8,388	-	-	-
<b>Increase (decrease) in net assets from operations</b>				
Operations:				
Net investment income (loss)	9	(2)	(28)	18
Total realized gain (loss) on investments and capital gains distributions	1,103	2	63	54
Net unrealized appreciation (depreciation) during the year	658	47	1,198	99
Net increase (decrease) in net assets from operations	1,770	47	1,233	171
Changes from contract transactions:				
Total unit transactions	5,546	707	15,672	2,366
Net increase (decrease) in assets derived from principal transactions	5,546	707	15,672	2,366
Total increase (decrease) in net assets	7,316	754	16,905	2,537
<b>Net assets at December 31, 2006</b>	\$ 15,704	\$ 754	\$ 16,905	\$ 2,537

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Statements of Changes in Net Assets**  
**For the years ended December 31, 2006 and 2005**  
*(Dollars in thousands)*

	<b>ING Wells Fargo Mid Cap Disciplined Portfolio - Service Class</b>	<b>ING Wells Fargo Small Cap Disciplined Portfolio - Service Class</b>	<b>ING International Fund - Class Q</b>	<b>ING International SmallCap Fund - Class A</b>
<b>Net assets at January 1, 2005</b>	\$ -	\$ -	\$ -	\$ -
<b>Increase (decrease) in net assets from operations</b>				
Operations:				
Net investment income (loss)	-	-	-	1
Total realized gain (loss) on investments and capital gains distributions	-	-	-	2
Net unrealized appreciation (depreciation) during the year	-	-	-	51
Net increase (decrease) in net assets from operations	-	-	-	54
Changes from contract transactions:				
Total unit transactions	-	-	2	229
Net increase (decrease) in assets derived from principal transactions	-	-	2	229
Total increase (decrease) in net assets	-	-	2	283
<b>Net assets at December 31, 2005</b>	-	-	2	283
<b>Increase (decrease) in net assets from operations</b>				
Operations:				
Net investment income (loss)	(2)	(2)	-	-
Total realized gain (loss) on investments and capital gains distributions	2	24	-	21
Net unrealized appreciation (depreciation) during the year	49	37	-	95
Net increase (decrease) in net assets from operations	49	59	-	116
Changes from contract transactions:				
Total unit transactions	718	1,082	5	438
Net increase (decrease) in assets derived from principal transactions	718	1,082	5	438
Total increase (decrease) in net assets	767	1,141	5	554
<b>Net assets at December 31, 2006</b>	\$ 767	\$ 1,141	\$ 7	\$ 837

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Statements of Changes in Net Assets**  
**For the years ended December 31, 2006 and 2005**  
*(Dollars in thousands)*

	<b>ING American Century Large Company Value Portfolio - Adviser Class</b>	<b>ING American Century Large Company Value Portfolio - Service Class</b>	<b>ING American Century Select Portfolio - Initial Class</b>	<b>ING American Century Select Portfolio - Service Class</b>
<b>Net assets at January 1, 2005</b>	\$ -	\$ 5,760	\$ -	\$ 2,070
<b>Increase (decrease) in net assets from operations</b>				
Operations:				
Net investment income (loss)	-	(5)	(1,225)	(6)
Total realized gain (loss) on investments and capital gains distributions	-	323	1,352	(35)
Net unrealized appreciation (depreciation) during the year	-	(343)	11,572	(94)
Net increase (decrease) in net assets from operations	-	(25)	11,699	(135)
Changes from contract transactions:				
Total unit transactions	-	(1,340)	146,447	(1,915)
Net increase (decrease) in assets derived from principal transactions	-	(1,340)	146,447	(1,915)
Total increase (decrease) in net assets	-	(1,365)	158,146	(2,050)
<b>Net assets at December 31, 2005</b>	-	4,395	158,146	20
<b>Increase (decrease) in net assets from operations</b>				
Operations:				
Net investment income (loss)	-	(40)	326	-
Total realized gain (loss) on investments and capital gains distributions	-	345	951	-
Net unrealized appreciation (depreciation) during the year	1	478	(5,974)	(1)
Net increase (decrease) in net assets from operations	1	783	(4,697)	(1)
Changes from contract transactions:				
Total unit transactions	8	112	(21,892)	(19)
Net increase (decrease) in assets derived from principal transactions	8	112	(21,892)	(19)
Total increase (decrease) in net assets	9	895	(26,589)	(20)
<b>Net assets at December 31, 2006</b>	\$ 9	\$ 5,290	\$ 131,557	\$ -

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Statements of Changes in Net Assets**  
**For the years ended December 31, 2006 and 2005**  
*(Dollars in thousands)*

	ING American Century Small- Mid Cap Value Portfolio - Adviser Class	ING American Century Small- Mid Cap Value Portfolio - Service Class	ING Baron Asset Portfolio - Service Class	ING Baron Small Cap Growth Portfolio - Adviser Class
<b>Net assets at January 1, 2005</b>	\$ -	\$ 25,577	\$ -	\$ -
<b>Increase (decrease) in net assets from operations</b>				
Operations:				
Net investment income (loss)	-	(236)	-	-
Total realized gain (loss) on investments and capital gains distributions	-	3,933	-	-
Net unrealized appreciation (depreciation) during the year	-	(1,715)	-	-
Net increase (decrease) in net assets from operations	-	1,982	-	-
Changes from contract transactions:				
Total unit transactions	-	4,038	-	-
Net increase (decrease) in assets derived from principal transactions	-	4,038	-	-
Total increase (decrease) in net assets	-	6,020	-	-
<b>Net assets at December 31, 2005</b>	-	31,597	-	-
<b>Increase (decrease) in net assets from operations</b>				
Operations:				
Net investment income (loss)	-	(321)	(1)	-
Total realized gain (loss) on investments and capital gains distributions	-	760	1	(2)
Net unrealized appreciation (depreciation) during the year	2	3,923	13	3
Net increase (decrease) in net assets from operations	2	4,362	13	1
Changes from contract transactions:				
Total unit transactions	20	(2,133)	293	62
Net increase (decrease) in assets derived from principal transactions	20	(2,133)	293	62
Total increase (decrease) in net assets	22	2,229	306	63
<b>Net assets at December 31, 2006</b>	\$ 22	\$ 33,826	\$ 306	\$ 63

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Statements of Changes in Net Assets**  
**For the years ended December 31, 2006 and 2005**  
*(Dollars in thousands)*

	<b>ING Baron Small Cap Growth Portfolio - Service Class</b>	<b>ING Columbia Small Cap Value II Portfolio - Service Class</b>	<b>ING Davis Venture Value Portfolio - Service Class</b>	<b>ING Fidelity® VIP Mid Cap Portfolio - Service Class</b>
<b>Net assets at January 1, 2005</b>	\$ 58,317	\$ -	\$ 10,359	\$ -
<b>Increase (decrease) in net assets from operations</b>				
Operations:				
Net investment income (loss)	(748)	-	(92)	-
Total realized gain (loss) on investments and capital gains distributions	3,613	-	624	-
Net unrealized appreciation (depreciation) during the year	1,571	-	(399)	-
Net increase (decrease) in net assets from operations	4,436	-	133	-
Changes from contract transactions:				
Total unit transactions	16,416	-	(3,162)	-
Net increase (decrease) in assets derived from principal transactions	16,416	-	(3,162)	-
Total increase (decrease) in net assets	20,852	-	(3,029)	-
<b>Net assets at December 31, 2005</b>	79,169	-	7,330	-
<b>Increase (decrease) in net assets from operations</b>				
Operations:				
Net investment income (loss)	(888)	-	(89)	-
Total realized gain (loss) on investments and capital gains distributions	4,474	-	781	-
Net unrealized appreciation (depreciation) during the year	7,482	3	315	2
Net increase (decrease) in net assets from operations	11,068	3	1,007	2
Changes from contract transactions:				
Total unit transactions	1,214	36	1,131	108
Net increase (decrease) in assets derived from principal transactions	1,214	36	1,131	108
Total increase (decrease) in net assets	12,282	39	2,138	110
<b>Net assets at December 31, 2006</b>	\$ 91,451	\$ 39	\$ 9,468	\$ 110

*The accompanying notes are an integral part of these financial statements.*



**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Statements of Changes in Net Assets**  
**For the years ended December 31, 2006 and 2005**  
*(Dollars in thousands)*

	ING Fundamental Research Portfolio - Adviser Class	ING Fundamental Research Portfolio - Service Class	ING Goldman Sachs® Capital Growth Portfolio - Service Class	ING Goldman Sachs® Structured Equity Portfolio - Adviser Class
<b>Net assets at January 1, 2005</b>	\$ -	\$ 1,536	\$ 1,490	\$ -
<b>Increase (decrease) in net assets from operations</b>				
Operations:				
Net investment income (loss)	-	(1)	(13)	-
Total realized gain (loss) on investments and capital gains distributions	-	45	65	-
Net unrealized appreciation (depreciation) during the year	-	24	(22)	-
Net increase (decrease) in net assets from operations	-	68	30	-
Changes from contract transactions:				
Total unit transactions	-	(68)	481	-
Net increase (decrease) in assets derived from principal transactions	-	(68)	481	-
Total increase (decrease) in net assets	-	-	511	-
<b>Net assets at December 31, 2005</b>	-	1,536	2,001	-
<b>Increase (decrease) in net assets from operations</b>				
Operations:				
Net investment income (loss)	-	(16)	(21)	-
Total realized gain (loss) on investments and capital gains distributions	-	91	95	-
Net unrealized appreciation (depreciation) during the year	-	79	72	-
Net increase (decrease) in net assets from operations	-	154	146	-
Changes from contract transactions:				
Total unit transactions	5	(180)	10	2
Net increase (decrease) in assets derived from principal transactions	5	(180)	10	2
Total increase (decrease) in net assets	5	(26)	156	2
<b>Net assets at December 31, 2006</b>	\$ 5	\$ 1,510	\$ 2,157	\$ 2

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Statements of Changes in Net Assets**  
**For the years ended December 31, 2006 and 2005**  
*(Dollars in thousands)*

	<b>ING JPMorgan International Portfolio - Adviser Class</b>	<b>ING JPMorgan International Portfolio - Initial Class</b>	<b>ING JPMorgan International Portfolio - Service Class</b>	<b>ING JPMorgan Mid Cap Value Portfolio - Adviser Class</b>
<b>Net assets at January 1, 2005</b>	\$ -	\$ 138,552	\$ -	\$ -
<b>Increase (decrease) in net assets from operations</b>				
Operations:				
Net investment income (loss)	-	(359)	-	-
Total realized gain (loss) on investments and capital gains distributions	-	10,588	-	-
Net unrealized appreciation (depreciation) during the year	-	1,368	-	-
Net increase (decrease) in net assets from operations	-	11,597	-	-
Changes from contract transactions:				
Total unit transactions	-	(10,344)	3	-
Net increase (decrease) in assets derived from principal transactions	-	(10,344)	3	-
Total increase (decrease) in net assets	-	1,253	3	-
<b>Net assets at December 31, 2005</b>	-	139,805	3	-
<b>Increase (decrease) in net assets from operations</b>				
Operations:				
Net investment income (loss)	-	(136)	-	-
Total realized gain (loss) on investments and capital gains distributions	-	11,560	1	1
Net unrealized appreciation (depreciation) during the year	1	16,783	1	4
Net increase (decrease) in net assets from operations	1	28,207	2	5
Changes from contract transactions:				
Total unit transactions	19	(17,809)	11	86
Net increase (decrease) in assets derived from principal transactions	19	(17,809)	11	86
Total increase (decrease) in net assets	20	10,398	13	91
<b>Net assets at December 31, 2006</b>	\$ 20	\$ 150,203	\$ 16	\$ 91

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Statements of Changes in Net Assets**  
**For the years ended December 31, 2006 and 2005**  
*(Dollars in thousands)*

	ING JPMorgan Mid Cap Value Portfolio - Service Class	ING Legg Mason Partners Aggressive Growth Portfolio - Adviser Class	ING Legg Mason Partners Aggressive Growth Portfolio - Initial Class	ING Legg Mason Partners Aggressive Growth Portfolio - Service Class
<b>Net assets at January 1, 2005</b>	\$ 14,426	\$ -	\$ 228,353	\$ 16
<b>Increase (decrease) in net assets from operations</b>				
Operations:				
Net investment income (loss)	(159)	-	(2,171)	-
Total realized gain (loss) on investments and capital gains distributions	2,782	-	(5,877)	-
Net unrealized appreciation (depreciation) during the year	(1,107)	-	27,528	3
Net increase (decrease) in net assets from operations	1,516	-	19,480	3
Changes from contract transactions:				
Total unit transactions	8,391	-	(33,908)	17
Net increase (decrease) in assets derived from principal transactions	8,391	-	(33,908)	17
Total increase (decrease) in net assets	9,907	-	(14,428)	20
<b>Net assets at December 31, 2005</b>	24,333	-	213,925	36
<b>Increase (decrease) in net assets from operations</b>				
Operations:				
Net investment income (loss)	(288)	-	(2,190)	-
Total realized gain (loss) on investments and capital gains distributions	572	-	(1,080)	-
Net unrealized appreciation (depreciation) during the year	3,657	1	21,852	6
Net increase (decrease) in net assets from operations	3,941	1	18,582	6
Changes from contract transactions:				
Total unit transactions	4,304	16	(28,700)	40
Net increase (decrease) in assets derived from principal transactions	4,304	16	(28,700)	40
Total increase (decrease) in net assets	8,245	17	(10,118)	46
<b>Net assets at December 31, 2006</b>	\$ 32,578	\$ 17	\$ 203,807	\$ 82

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Statements of Changes in Net Assets**  
**For the years ended December 31, 2006 and 2005**  
*(Dollars in thousands)*

	ING Legg Mason Partners Large Cap Growth Portfolio - Adviser Class	ING Legg Mason Partners Large Cap Growth Portfolio - Initial Class	ING Neuberger Berman Partners Portfolio - Service Class	ING Neuberger Berman Regency Portfolio - Service Class
<b>Net assets at January 1, 2005</b>	\$ -	\$ -	\$ -	\$ -
<b>Increase (decrease) in net assets from operations</b>				
Operations:				
Net investment income (loss)	-	(29)	-	-
Total realized gain (loss) on investments and capital gains distributions	-	397	-	-
Net unrealized appreciation (depreciation) during the year	-	159	-	-
Net increase (decrease) in net assets from operations	-	527	-	-
Changes from contract transactions:				
Total unit transactions	-	3,586	-	-
Net increase (decrease) in assets derived from principal transactions	-	3,586	-	-
Total increase (decrease) in net assets	-	4,113	-	-
<b>Net assets at December 31, 2005</b>	-	4,113	-	-
<b>Increase (decrease) in net assets from operations</b>				
Operations:				
Net investment income (loss)	-	(40)	-	-
Total realized gain (loss) on investments and capital gains distributions	-	70	7	-
Net unrealized appreciation (depreciation) during the year	1	65	-	-
Net increase (decrease) in net assets from operations	1	95	7	-
Changes from contract transactions:				
Total unit transactions	32	(358)	225	1
Net increase (decrease) in assets derived from principal transactions	32	(358)	225	1
Total increase (decrease) in net assets	33	(263)	232	1
<b>Net assets at December 31, 2006</b>	\$ 33	\$ 3,850	\$ 232	\$ 1

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Statements of Changes in Net Assets**  
**For the years ended December 31, 2006 and 2005**  
*(Dollars in thousands)*

	<b>ING OpCap Balanced Value Portfolio - Service Class</b>	<b>ING Oppenheimer Global Portfolio - Adviser Class</b>	<b>ING Oppenheimer Global Portfolio - Initial Class</b>	<b>ING Oppenheimer Global Portfolio - Service Class</b>
<b>Net assets at January 1, 2005</b>	\$ 20,474	\$ -	\$ -	\$ 2,264
<b>Increase (decrease) in net assets from operations</b>				
Operations:				
Net investment income (loss)	(136)	-	1,160	(9)
Total realized gain (loss) on investments and capital gains distributions	803	-	20,311	37
Net unrealized appreciation (depreciation) during the year	(448)	-	128,131	(208)
Net increase (decrease) in net assets from operations	219	-	149,602	(180)
Changes from contract transactions:				
Total unit transactions	(4,120)	-	732,135	(2,064)
Net increase (decrease) in assets derived from principal transactions	(4,120)	-	732,135	(2,064)
Total increase (decrease) in net assets	(3,901)	-	881,737	(2,244)
<b>Net assets at December 31, 2005</b>	16,573	-	881,737	20
<b>Increase (decrease) in net assets from operations</b>				
Operations:				
Net investment income (loss)	(28)	-	(8,716)	(2)
Total realized gain (loss) on investments and capital gains distributions	660	1	31,773	2
Net unrealized appreciation (depreciation) during the year	588	5	119,373	18
Net increase (decrease) in net assets from operations	1,220	6	142,430	18
Changes from contract transactions:				
Total unit transactions	(4,296)	90	(102,837)	142
Net increase (decrease) in assets derived from principal transactions	(4,296)	90	(102,837)	142
Total increase (decrease) in net assets	(3,076)	96	39,593	160
<b>Net assets at December 31, 2006</b>	\$ 13,497	\$ 96	\$ 921,330	\$ 180

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Statements of Changes in Net Assets**  
**For the years ended December 31, 2006 and 2005**  
*(Dollars in thousands)*

	ING Oppenheimer Strategic Income Portfolio - Adviser Class	ING Oppenheimer Strategic Income Portfolio - Initial Class	ING PIMCO Total Return Portfolio - Adviser Class	ING PIMCO Total Return Portfolio - Service Class
<b>Net assets at January 1, 2005</b>	\$ -	\$ -	\$ -	\$ 43,692
<b>Increase (decrease) in net assets from operations</b>				
Operations:				
Net investment income (loss)	-	1,794	-	290
Total realized gain (loss) on investments and capital gains distributions	-	184	-	854
Net unrealized appreciation (depreciation) during the year	-	(342)	-	(680)
Net increase (decrease) in net assets from operations	-	1,636	-	464
Changes from contract transactions:				
Total unit transactions	-	114,714	-	10,797
Net increase (decrease) in assets derived from principal transactions	-	114,714	-	10,797
Total increase (decrease) in net assets	-	116,350	-	11,261
<b>Net assets at December 31, 2005</b>	-	116,350	-	54,953
<b>Increase (decrease) in net assets from operations</b>				
Operations:				
Net investment income (loss)	-	(654)	2	394
Total realized gain (loss) on investments and capital gains distributions	-	644	-	107
Net unrealized appreciation (depreciation) during the year	5	8,090	5	1,238
Net increase (decrease) in net assets from operations	5	8,080	7	1,739
Changes from contract transactions:				
Total unit transactions	122	(11,537)	262	6,231
Net increase (decrease) in assets derived from principal transactions	122	(11,537)	262	6,231
Total increase (decrease) in net assets	127	(3,457)	269	7,970
<b>Net assets at December 31, 2006</b>	\$ 127	\$ 112,893	\$ 269	\$ 62,923

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Statements of Changes in Net Assets**  
**For the years ended December 31, 2006 and 2005**  
*(Dollars in thousands)*

	<b>ING Pioneer High Yield Portfolio - Initial Class</b>	<b>ING Pioneer High Yield Portfolio - Service Class</b>	<b>ING Solution 2015 Portfolio - Adviser Class</b>	<b>ING Solution 2015 Portfolio - Service Class</b>
<b>Net assets at January 1, 2005</b>	\$ -	\$ -	\$ -	\$ -
<b>Increase (decrease) in net assets from operations</b>				
Operations:				
Net investment income (loss)	-	-	-	(6)
Total realized gain (loss) on investments and capital gains distributions	-	-	-	4
Net unrealized appreciation (depreciation) during the year	-	-	2	48
Net increase (decrease) in net assets from operations	-	-	2	46
Changes from contract transactions:				
Total unit transactions	-	-	438	1,934
Net increase (decrease) in assets derived from principal transactions	-	-	438	1,934
Total increase (decrease) in net assets	-	-	440	1,980
<b>Net assets at December 31, 2005</b>	-	-	440	1,980
<b>Increase (decrease) in net assets from operations</b>				
Operations:				
Net investment income (loss)	11	-	(8)	(52)
Total realized gain (loss) on investments and capital gains distributions	3	-	12	58
Net unrealized appreciation (depreciation) during the year	14	-	150	919
Net increase (decrease) in net assets from operations	28	-	154	925
Changes from contract transactions:				
Total unit transactions	972	6	2,256	12,303
Net increase (decrease) in assets derived from principal transactions	972	6	2,256	12,303
Total increase (decrease) in net assets	1,000	6	2,410	13,228
<b>Net assets at December 31, 2006</b>	<u>\$ 1,000</u>	<u>\$ 6</u>	<u>\$ 2,850</u>	<u>\$ 15,208</u>

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Statements of Changes in Net Assets**  
**For the years ended December 31, 2006 and 2005**  
*(Dollars in thousands)*

	<b>ING Solution 2025 Portfolio - Adviser Class</b>	<b>ING Solution 2025 Portfolio - Service Class</b>	<b>ING Solution 2035 Portfolio - Adviser Class</b>	<b>ING Solution 2035 Portfolio - Service Class</b>
<b>Net assets at January 1, 2005</b>	\$ -	\$ -	\$ -	\$ -
<b>Increase (decrease) in net assets from operations</b>				
Operations:				
Net investment income (loss)	-	(7)	(1)	(3)
Total realized gain (loss) on investments and capital gains distributions	-	1	-	-
Net unrealized appreciation (depreciation) during the year	2	55	6	35
Net increase (decrease) in net assets from operations	2	49	5	32
Changes from contract transactions:				
Total unit transactions	264	1,869	435	1,144
Net increase (decrease) in assets derived from principal transactions	264	1,869	435	1,144
Total increase (decrease) in net assets	266	1,918	440	1,176
<b>Net assets at December 31, 2005</b>	266	1,918	440	1,176
<b>Increase (decrease) in net assets from operations</b>				
Operations:				
Net investment income (loss)	(10)	(53)	(12)	(41)
Total realized gain (loss) on investments and capital gains distributions	7	71	8	71
Net unrealized appreciation (depreciation) during the year	255	1,237	255	874
Net increase (decrease) in net assets from operations	252	1,255	251	904
Changes from contract transactions:				
Total unit transactions	3,872	15,010	3,163	9,926
Net increase (decrease) in assets derived from principal transactions	3,872	15,010	3,163	9,926
Total increase (decrease) in net assets	4,124	16,265	3,414	10,830
<b>Net assets at December 31, 2006</b>	\$ 4,390	\$ 18,183	\$ 3,854	\$ 12,006

*The accompanying notes are an integral part of these financial statements.*



**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Statements of Changes in Net Assets**  
**For the years ended December 31, 2006 and 2005**  
*(Dollars in thousands)*

	<b>ING Solution 2045 Portfolio - Adviser Class</b>	<b>ING Solution 2045 Portfolio - Service Class</b>	<b>ING Solution Income Portfolio - Adviser Class</b>	<b>ING Solution Income Portfolio - Service Class</b>
<b>Net assets at January 1, 2005</b>	\$ -	\$ -	\$ -	\$ -
<b>Increase (decrease) in net assets from operations</b>				
Operations:				
Net investment income (loss)	-	(2)	-	(2)
Total realized gain (loss) on investments and capital gains distributions	-	13	-	-
Net unrealized appreciation (depreciation) during the year	1	15	-	6
Net increase (decrease) in net assets from operations	1	26	-	4
Changes from contract transactions:				
Total unit transactions	255	560	40	337
Net increase (decrease) in assets derived from principal transactions	255	560	40	337
Total increase (decrease) in net assets	256	586	40	341
<b>Net assets at December 31, 2005</b>	256	586	40	341
<b>Increase (decrease) in net assets from operations</b>				
Operations:				
Net investment income (loss)	(7)	(29)	(2)	(8)
Total realized gain (loss) on investments and capital gains distributions	4	61	3	15
Net unrealized appreciation (depreciation) during the year	155	525	37	82
Net increase (decrease) in net assets from operations	152	557	38	89
Changes from contract transactions:				
Total unit transactions	1,842	6,443	1,579	2,316
Net increase (decrease) in assets derived from principal transactions	1,842	6,443	1,579	2,316
Total increase (decrease) in net assets	1,994	7,000	1,617	2,405
<b>Net assets at December 31, 2006</b>	\$ 2,250	\$ 7,586	\$ 1,657	\$ 2,746

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Statements of Changes in Net Assets**  
**For the years ended December 31, 2006 and 2005**  
*(Dollars in thousands)*

	ING T. Rowe Price Diversified Mid Cap Growth Portfolio - Adviser Class	ING T. Rowe Price Diversified Mid Cap Growth Portfolio - Initial Class	ING T. Rowe Price Diversified Mid Cap Growth Portfolio - Service Class	ING T. Rowe Price Growth Equity Portfolio - Adviser Class
<b>Net assets at January 1, 2005</b>	\$ -	\$ -	\$ 9,594	\$ -
<b>Increase (decrease) in net assets from operations</b>				
Operations:				
Net investment income (loss)	-	(3,119)	(30)	-
Total realized gain (loss) on investments and capital gains distributions	-	10,258	(3)	-
Net unrealized appreciation (depreciation) during the year	-	58,316	(629)	-
Net increase (decrease) in net assets from operations	-	65,455	(662)	-
Changes from contract transactions:				
Total unit transactions	-	363,967	(8,702)	-
Net increase (decrease) in assets derived from principal transactions	-	363,967	(8,702)	-
Total increase (decrease) in net assets	-	429,422	(9,364)	-
<b>Net assets at December 31, 2005</b>	-	429,422	230	-
<b>Increase (decrease) in net assets from operations</b>				
Operations:				
Net investment income (loss)	-	(4,371)	(3)	-
Total realized gain (loss) on investments and capital gains distributions	-	21,200	19	-
Net unrealized appreciation (depreciation) during the year	1	15,200	14	9
Net increase (decrease) in net assets from operations	1	32,029	30	9
Changes from contract transactions:				
Total unit transactions	38	(64,164)	165	134
Net increase (decrease) in assets derived from principal transactions	38	(64,164)	165	134
Total increase (decrease) in net assets	39	(32,135)	195	143
<b>Net assets at December 31, 2006</b>	\$ 39	\$ 397,287	\$ 425	\$ 143

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Statements of Changes in Net Assets**  
**For the years ended December 31, 2006 and 2005**  
*(Dollars in thousands)*

	ING T. Rowe Price Growth Equity Portfolio - Initial Class	ING T. Rowe Price Growth Equity Portfolio - Service Class	ING Templeton Foreign Equity Portfolio - Service Class	ING Thornburg Value Portfolio - Adviser Class
<b>Net assets at January 1, 2005</b>	\$ 291,385	\$ 219	\$ -	\$ -
<b>Increase (decrease) in net assets from operations</b>				
Operations:				
Net investment income (loss)	(1,518)	-	-	-
Total realized gain (loss) on investments and capital gains distributions	5,156	15	-	-
Net unrealized appreciation (depreciation) during the year	9,694	10	-	-
Net increase (decrease) in net assets from operations	13,332	25	-	-
Changes from contract transactions:				
Total unit transactions	(22,676)	202	-	-
Net increase (decrease) in assets derived from principal transactions	(22,676)	202	-	-
Total increase (decrease) in net assets	(9,344)	227	-	-
<b>Net assets at December 31, 2005</b>	282,041	446	-	-
<b>Increase (decrease) in net assets from operations</b>				
Operations:				
Net investment income (loss)	(2,186)	(4)	2	-
Total realized gain (loss) on investments and capital gains distributions	6,155	12	7	-
Net unrealized appreciation (depreciation) during the year	28,097	74	17	4
Net increase (decrease) in net assets from operations	32,066	82	26	4
Changes from contract transactions:				
Total unit transactions	(32,576)	339	276	50
Net increase (decrease) in assets derived from principal transactions	(32,576)	339	276	50
Total increase (decrease) in net assets	(510)	421	302	54
<b>Net assets at December 31, 2006</b>	\$ 281,531	\$ 867	\$ 302	\$ 54

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Statements of Changes in Net Assets**  
**For the years ended December 31, 2006 and 2005**  
*(Dollars in thousands)*

	<b>ING Thornburg Value Portfolio - Initial Class</b>	<b>ING UBS U.S. Large Cap Equity Portfolio - Initial Class</b>	<b>ING UBS U.S. Large Cap Equity Portfolio - Service Class</b>	<b>ING UBS U.S. Small Cap Growth Portfolio - Service Class</b>
<b>Net assets at January 1, 2005</b>	\$ 143,585	\$ 135,468	\$ -	\$ -
<b>Increase (decrease) in net assets from operations</b>				
Operations:				
Net investment income (loss)	(291)	(249)	-	-
Total realized gain (loss) on investments and capital gains distributions	(34,798)	(2,729)	-	-
Net unrealized appreciation (depreciation) during the year	35,110	13,334	-	-
Net increase (decrease) in net assets from operations	21	10,356	-	-
Changes from contract transactions:				
Total unit transactions	(24,881)	(11,334)	-	-
Net increase (decrease) in assets derived from principal transactions	(24,881)	(11,334)	-	-
Total increase (decrease) in net assets	(24,860)	(978)	-	-
<b>Net assets at December 31, 2005</b>	118,725	134,490	-	-
<b>Increase (decrease) in net assets from operations</b>				
Operations:				
Net investment income (loss)	(618)	(349)	-	-
Total realized gain (loss) on investments and capital gains distributions	(16,117)	(977)	-	3
Net unrealized appreciation (depreciation) during the year	33,319	17,951	-	-
Net increase (decrease) in net assets from operations	16,584	16,625	-	3
Changes from contract transactions:				
Total unit transactions	(17,953)	(15,835)	3	21
Net increase (decrease) in assets derived from principal transactions	(17,953)	(15,835)	3	21
Total increase (decrease) in net assets	(1,369)	790	3	24
<b>Net assets at December 31, 2006</b>	\$ 117,356	\$ 135,280	\$ 3	\$ 24

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Statements of Changes in Net Assets**  
**For the years ended December 31, 2006 and 2005**  
*(Dollars in thousands)*

	ING Van Kampen Comstock Portfolio - Adviser Class	ING Van Kampen Comstock Portfolio - Service Class	ING Van Kampen Equity and Income Portfolio - Adviser Class	ING Van Kampen Equity and Income Portfolio - Initial Class
<b>Net assets at January 1, 2005</b>	\$ -	\$ 71,730	\$ -	\$ -
<b>Increase (decrease) in net assets from operations</b>				
Operations:				
Net investment income (loss)	-	(401)	-	(2,185)
Total realized gain (loss) on investments and capital gains distributions	-	6,507	-	1,167
Net unrealized appreciation (depreciation) during the year	-	(3,185)	-	29,579
Net increase (decrease) in net assets from operations	-	2,921	-	28,561
Changes from contract transactions:				
Total unit transactions	-	23,485	-	316,168
Net increase (decrease) in assets derived from principal transactions	-	23,485	-	316,168
Total increase (decrease) in net assets	-	26,406	-	344,729
<b>Net assets at December 31, 2005</b>	-	98,136	-	344,729
<b>Increase (decrease) in net assets from operations</b>				
Operations:				
Net investment income (loss)	-	(275)	-	3,243
Total realized gain (loss) on investments and capital gains distributions	2	10,310	-	16,366
Net unrealized appreciation (depreciation) during the year	5	4,322	1	20,526
Net increase (decrease) in net assets from operations	7	14,357	1	40,135
Changes from contract transactions:				
Total unit transactions	144	(12,252)	20	(6,307)
Net increase (decrease) in assets derived from principal transactions	144	(12,252)	20	(6,307)
Total increase (decrease) in net assets	151	2,105	21	33,828
<b>Net assets at December 31, 2006</b>	\$ 151	\$ 100,241	\$ 21	\$ 378,557

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Statements of Changes in Net Assets**  
**For the years ended December 31, 2006 and 2005**  
*(Dollars in thousands)*

	ING Van Kampen Equity and Income Portfolio - Service Class	ING VP Strategic Allocation Conservative Portfolio - Class I	ING VP Strategic Allocation Growth Portfolio - Class I	ING VP Strategic Allocation Moderate Portfolio - Class I
<b>Net assets at January 1, 2005</b>	\$ 2,372	\$ 36,460	\$ 81,653	\$ 70,666
<b>Increase (decrease) in net assets from operations</b>				
Operations:				
Net investment income (loss)	(15)	403	111	333
Total realized gain (loss) on investments and capital gains distributions	105	637	5	235
Net unrealized appreciation (depreciation) during the year	(176)	41	3,794	2,067
Net increase (decrease) in net assets from operations	(86)	1,081	3,910	2,635
Changes from contract transactions:				
Total unit transactions	(2,273)	1,625	(4,378)	382
Net increase (decrease) in assets derived from principal transactions	(2,273)	1,625	(4,378)	382
Total increase (decrease) in net assets	(2,359)	2,706	(468)	3,017
<b>Net assets at December 31, 2005</b>	13	39,166	81,185	73,683
<b>Increase (decrease) in net assets from operations</b>				
Operations:				
Net investment income (loss)	-	629	246	621
Total realized gain (loss) on investments and capital gains distributions	2	2,407	2,151	2,774
Net unrealized appreciation (depreciation) during the year	4	(230)	7,313	4,155
Net increase (decrease) in net assets from operations	6	2,806	9,710	7,550
Changes from contract transactions:				
Total unit transactions	71	(2,452)	(2,303)	1,574
Net increase (decrease) in assets derived from principal transactions	71	(2,452)	(2,303)	1,574
Total increase (decrease) in net assets	77	354	7,407	9,124
<b>Net assets at December 31, 2006</b>	\$ 90	\$ 39,520	\$ 88,592	\$ 82,807

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Statements of Changes in Net Assets**  
**For the years ended December 31, 2006 and 2005**  
*(Dollars in thousands)*

	<b>ING VP Growth and Income Portfolio - Class I</b>	<b>ING GET U.S. Core Portfolio - Series 1</b>	<b>ING GET U.S. Core Portfolio - Series 2</b>	<b>ING GET U.S. Core Portfolio - Series 3</b>
<b>Net assets at January 1, 2005</b>	\$ 2,182,323	\$ 2,224	\$ 18,726	\$ 52,924
<b>Increase (decrease) in net assets from operations</b>				
Operations:				
Net investment income (loss)	(1,888)	17	215	280
Total realized gain (loss) on investments and capital gains distributions	(249,526)	99	429	27
Net unrealized appreciation (depreciation) during the year	382,184	(116)	(771)	(688)
Net increase (decrease) in net assets from operations	130,770	-	(127)	(381)
Changes from contract transactions:				
Total unit transactions	(337,838)	(786)	(7,431)	(15,422)
Net increase (decrease) in assets derived from principal transactions	(337,838)	(786)	(7,431)	(15,422)
Total increase (decrease) in net assets	(207,068)	(786)	(7,558)	(15,803)
<b>Net assets at December 31, 2005</b>	1,975,255	1,438	11,168	37,121
<b>Increase (decrease) in net assets from operations</b>				
Operations:				
Net investment income (loss)	788	15	161	382
Total realized gain (loss) on investments and capital gains distributions	(131,519)	24	80	37
Net unrealized appreciation (depreciation) during the year	368,164	27	203	981
Net increase (decrease) in net assets from operations	237,433	66	444	1,400
Changes from contract transactions:				
Total unit transactions	(272,500)	(509)	(4,007)	(10,636)
Net increase (decrease) in assets derived from principal transactions	(272,500)	(509)	(4,007)	(10,636)
Total increase (decrease) in net assets	(35,067)	(443)	(3,563)	(9,236)
<b>Net assets at December 31, 2006</b>	\$ 1,940,188	\$ 995	\$ 7,605	\$ 27,885

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Statements of Changes in Net Assets**  
**For the years ended December 31, 2006 and 2005**  
*(Dollars in thousands)*

	ING GET U.S. Core Portfolio - Series 5	ING GET U.S. Core Portfolio - Series 6	ING GET U.S. Core Portfolio - Series 7	ING GET U.S. Core Portfolio - Series 8
<b>Net assets at January 1, 2005</b>	\$ 696	\$ 5,605	\$ 4,017	\$ -
<b>Increase (decrease) in net assets from operations</b>				
Operations:				
Net investment income (loss)	(5)	(69)	(56)	(21)
Total realized gain (loss) on investments and capital gains distributions	13	14	2	4
Net unrealized appreciation (depreciation) during the year	(4)	98	83	35
Net increase (decrease) in net assets from operations	4	43	29	18
Changes from contract transactions:				
Total unit transactions	(55)	(1,032)	(107)	1,538
Net increase (decrease) in assets derived from principal transactions	(55)	(1,032)	(107)	1,538
Total increase (decrease) in net assets	(51)	(989)	(78)	1,556
<b>Net assets at December 31, 2005</b>	645	4,616	3,939	1,556
<b>Increase (decrease) in net assets from operations</b>				
Operations:				
Net investment income (loss)	2	27	34	2
Total realized gain (loss) on investments and capital gains distributions	28	73	34	14
Net unrealized appreciation (depreciation) during the year	29	222	238	109
Net increase (decrease) in net assets from operations	59	322	306	125
Changes from contract transactions:				
Total unit transactions	(19)	(1,007)	(689)	(174)
Net increase (decrease) in assets derived from principal transactions	(19)	(1,007)	(689)	(174)
Total increase (decrease) in net assets	40	(685)	(383)	(49)
<b>Net assets at December 31, 2006</b>	\$ 685	\$ 3,931	\$ 3,556	\$ 1,507

*The accompanying notes are an integral part of these financial statements.*



**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Statements of Changes in Net Assets**  
**For the years ended December 31, 2006 and 2005**  
*(Dollars in thousands)*

	ING GET U.S. Core Portfolio - Series 9	ING GET U.S. Core Portfolio - Series 10	ING GET U.S. Core Portfolio - Series 11	ING VP Global Science and Technology Portfolio - Class I
<b>Net assets at January 1, 2005</b>	\$ -	\$ -	\$ -	\$ 40,737
<b>Increase (decrease) in net assets from operations</b>				
Operations:				
Net investment income (loss)	(2)	-	-	(370)
Total realized gain (loss) on investments and capital gains distributions	-	-	-	1,468
Net unrealized appreciation (depreciation) during the year	1	-	-	2,353
Net increase (decrease) in net assets from operations	(1)	-	-	3,451
Changes from contract transactions:				
Total unit transactions	221	107	80	(3,636)
Net increase (decrease) in assets derived from principal transactions	221	107	80	(3,636)
Total increase (decrease) in net assets	220	107	80	(185)
<b>Net assets at December 31, 2005</b>	220	107	80	40,552
<b>Increase (decrease) in net assets from operations</b>				
Operations:				
Net investment income (loss)	-	(1)	(1)	(405)
Total realized gain (loss) on investments and capital gains distributions	-	2	-	2,142
Net unrealized appreciation (depreciation) during the year	13	6	3	589
Net increase (decrease) in net assets from operations	13	7	2	2,326
Changes from contract transactions:				
Total unit transactions	(65)	(38)	(35)	(5,284)
Net increase (decrease) in assets derived from principal transactions	(65)	(38)	(35)	(5,284)
Total increase (decrease) in net assets	(52)	(31)	(33)	(2,958)
<b>Net assets at December 31, 2006</b>	\$ 168	\$ 76	\$ 47	\$ 37,594

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Statements of Changes in Net Assets**  
**For the years ended December 31, 2006 and 2005**  
*(Dollars in thousands)*

	<b>ING VP Growth Portfolio - Class I</b>	<b>ING VP Index Plus LargeCap Portfolio - Class I</b>	<b>ING VP Index Plus LargeCap Portfolio - Class S</b>	<b>ING VP Index Plus MidCap Portfolio - Class I</b>
<b>Net assets at January 1, 2005</b>	89,883	\$ 562,520	\$ -	\$ 361,470
<b>Increase (decrease) in net assets from operations</b>				
Operations:				
Net investment income (loss)	(234)	1,094	-	(2,004)
Total realized gain (loss) on investments and capital gains distributions	(16,707)	(21,391)	-	31,336
Net unrealized appreciation (depreciation) during the year	22,821	42,006	-	8,200
Net increase (decrease) in net assets from operations	5,880	21,709	-	37,532
Changes from contract transactions:				
Total unit transactions	(16,863)	(52,096)	-	17,463
Net increase (decrease) in assets derived from principal transactions	(16,863)	(52,096)	-	17,463
Total increase (decrease) in net assets	(10,983)	(30,387)	-	54,995
<b>Net assets at December 31, 2005</b>	78,900	532,133	-	416,465
<b>Increase (decrease) in net assets from operations</b>				
Operations:				
Net investment income (loss)	(690)	247	-	(1,595)
Total realized gain (loss) on investments and capital gains distributions	(12,107)	(16,794)	2	47,518
Net unrealized appreciation (depreciation) during the year	13,849	83,656	-	(11,351)
Net increase (decrease) in net assets from operations	1,052	67,109	2	34,572
Changes from contract transactions:				
Total unit transactions	(12,115)	(59,790)	5	(29,309)
Net increase (decrease) in assets derived from principal transactions	(12,115)	(59,790)	5	(29,309)
Total increase (decrease) in net assets	(11,063)	7,319	7	5,263
<b>Net assets at December 31, 2006</b>	\$ 67,837	\$ 539,452	\$ 7	\$ 421,728

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Statements of Changes in Net Assets**  
**For the years ended December 31, 2006 and 2005**  
*(Dollars in thousands)*

	ING VP Index Plus MidCap Portfolio - Class S	ING VP Index Plus SmallCap Portfolio - Class I	ING VP Index Plus SmallCap Portfolio - Class S	ING VP International Equity Portfolio - Class I
<b>Net assets at January 1, 2005</b>	\$ -	\$ 158,486	\$ -	\$ 14,340
<b>Increase (decrease) in net assets from operations</b>				
Operations:				
Net investment income (loss)	-	(1,121)	-	(6)
Total realized gain (loss) on investments and capital gains distributions	-	12,494	-	1,630
Net unrealized appreciation (depreciation) during the year	-	(333)	-	632
Net increase (decrease) in net assets from operations	-	11,040	-	2,256
Changes from contract transactions:				
Total unit transactions	-	12,720	-	383
Net increase (decrease) in assets derived from principal transactions	-	12,720	-	383
Total increase (decrease) in net assets	-	23,760	-	2,639
<b>Net assets at December 31, 2005</b>	-	182,246	-	16,979
<b>Increase (decrease) in net assets from operations</b>				
Operations:				
Net investment income (loss)	-	(1,106)	-	110
Total realized gain (loss) on investments and capital gains distributions	-	20,788	-	1,431
Net unrealized appreciation (depreciation) during the year	1	3,103	1	2,490
Net increase (decrease) in net assets from operations	1	22,785	1	4,031
Changes from contract transactions:				
Total unit transactions	42	(15,154)	51	1,616
Net increase (decrease) in assets derived from principal transactions	42	(15,154)	51	1,616
Total increase (decrease) in net assets	43	7,631	52	5,647
<b>Net assets at December 31, 2006</b>	\$ 43	\$ 189,877	\$ 52	\$ 22,626

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Statements of Changes in Net Assets**  
**For the years ended December 31, 2006 and 2005**  
*(Dollars in thousands)*

	ING VP International Equity Portfolio - Class S	ING VP Small Company Portfolio - Class I	ING VP Small Company Portfolio - Class S	ING VP Value Opportunity Portfolio - Class I
<b>Net assets at January 1, 2005</b>	\$ -	\$ 175,779	\$ -	\$ 110,369
<b>Increase (decrease) in net assets from operations</b>				
Operations:				
Net investment income (loss)	-	(1,325)	-	834
Total realized gain (loss) on investments and capital gains distributions	-	16,845	-	(1,227)
Net unrealized appreciation (depreciation) during the year	-	(2,434)	-	5,789
Net increase (decrease) in net assets from operations	-	13,086	-	5,396
Changes from contract transactions:				
Total unit transactions	-	(30,136)	-	(17,785)
Net increase (decrease) in assets derived from principal transactions	-	(30,136)	-	(17,785)
Total increase (decrease) in net assets	-	(17,050)	-	(12,389)
<b>Net assets at December 31, 2005</b>	-	158,729	-	97,980
<b>Increase (decrease) in net assets from operations</b>				
Operations:				
Net investment income (loss)	-	(1,020)	-	412
Total realized gain (loss) on investments and capital gains distributions	-	35,627	-	2,215
Net unrealized appreciation (depreciation) during the year	2	(10,251)	-	11,020
Net increase (decrease) in net assets from operations	2	24,356	-	13,647
Changes from contract transactions:				
Total unit transactions	16	(13,998)	11	(14,817)
Net increase (decrease) in assets derived from principal transactions	16	(13,998)	11	(14,817)
Total increase (decrease) in net assets	18	10,358	11	(1,170)
<b>Net assets at December 31, 2006</b>	\$ 18	\$ 169,087	\$ 11	\$ 96,810

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Statements of Changes in Net Assets**  
**For the years ended December 31, 2006 and 2005**  
*(Dollars in thousands)*

	ING VP Financial Services Portfolio - Class I	ING VP International Value Portfolio - Class I	ING VP International Value Portfolio - Class S	ING VP MidCap Opportunities Portfolio - Class I
<b>Net assets at January 1, 2005</b>	\$ 194	\$ 58,379	\$ -	\$ 5,546
<b>Increase (decrease) in net assets from operations</b>				
Operations:				
Net investment income (loss)	1	999	-	(57)
Total realized gain (loss) on investments and capital gains distributions	48	8,434	-	266
Net unrealized appreciation (depreciation) during the year	8	(3,085)	-	237
Net increase (decrease) in net assets from operations	57	6,348	-	446
Changes from contract transactions:				
Total unit transactions	539	13,717	-	(715)
Net increase (decrease) in assets derived from principal transactions	539	13,717	-	(715)
Total increase (decrease) in net assets	596	20,065	-	(269)
<b>Net assets at December 31, 2005</b>	790	78,444	-	5,277
<b>Increase (decrease) in net assets from operations</b>				
Operations:				
Net investment income (loss)	8	1,502	1	(67)
Total realized gain (loss) on investments and capital gains distributions	154	10,192	3	327
Net unrealized appreciation (depreciation) during the year	159	13,241	3	47
Net increase (decrease) in net assets from operations	321	24,935	7	307
Changes from contract transactions:				
Total unit transactions	2,510	20,374	53	557
Net increase (decrease) in assets derived from principal transactions	2,510	20,374	53	557
Total increase (decrease) in net assets	2,831	45,309	60	864
<b>Net assets at December 31, 2006</b>	\$ 3,621	\$ 123,753	\$ 60	\$ 6,141

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Statements of Changes in Net Assets**  
**For the years ended December 31, 2006 and 2005**  
*(Dollars in thousands)*

	ING VP MidCap Opportunities Portfolio - Class S	ING VP Real Estate Portfolio - Class I	ING VP SmallCap Opportunities Portfolio - Class I	ING VP SmallCap Opportunities Portfolio - Class S
<b>Net assets at January 1, 2005</b>	\$ -	\$ 27,225	\$ 8,178	\$ -
<b>Increase (decrease) in net assets from operations</b>				
Operations:				
Net investment income (loss)	-	603	(69)	-
Total realized gain (loss) on investments and capital gains distributions	-	1,431	749	-
Net unrealized appreciation (depreciation) during the year	-	2,662	(57)	-
Net increase (decrease) in net assets from operations	-	4,696	623	-
Changes from contract transactions:				
Total unit transactions	-	15,272	530	-
Net increase (decrease) in assets derived from principal transactions	-	15,272	530	-
Total increase (decrease) in net assets	-	19,968	1,153	-
<b>Net assets at December 31, 2005</b>	-	47,193	9,331	-
<b>Increase (decrease) in net assets from operations</b>				
Operations:				
Net investment income (loss)	-	876	(90)	-
Total realized gain (loss) on investments and capital gains distributions	-	4,302	709	(2)
Net unrealized appreciation (depreciation) during the year	-	14,669	413	-
Net increase (decrease) in net assets from operations	-	19,847	1,032	(2)
Changes from contract transactions:				
Total unit transactions	3	19,666	(172)	12
Net increase (decrease) in assets derived from principal transactions	3	19,666	(172)	12
Total increase (decrease) in net assets	3	39,513	860	10
<b>Net assets at December 31, 2006</b>	\$ 3	\$ 86,706	\$ 10,191	\$ 10

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Statements of Changes in Net Assets**  
**For the years ended December 31, 2006 and 2005**  
*(Dollars in thousands)*

	<b>ING VP Balanced Portfolio - Class I</b>	<b>ING VP Intermediate Bond Portfolio - Class I</b>	<b>ING VP Intermediate Bond Portfolio - Class S</b>	<b>ING VP Money Market Portfolio - Class I</b>
<b>Net assets at January 1, 2005</b>	\$ 692,148	\$ 407,745	\$ -	\$ 216,952
<b>Increase (decrease) in net assets from operations</b>				
Operations:				
Net investment income (loss)	8,354	11,077	-	500
Total realized gain (loss) on investments and capital gains distributions	(19,190)	4,825	-	566
Net unrealized appreciation (depreciation) during the year	30,595	(7,637)	-	3,319
Net increase (decrease) in net assets from operations	19,759	8,265	-	4,385
Changes from contract transactions:				
Total unit transactions	(74,453)	(10,992)	-	(10,626)
Net increase (decrease) in assets derived from principal transactions	(74,453)	(10,992)	-	(10,626)
Total increase (decrease) in net assets	(54,694)	(2,727)	-	(6,241)
<b>Net assets at December 31, 2005</b>	637,454	405,018	-	210,711
<b>Increase (decrease) in net assets from operations</b>				
Operations:				
Net investment income (loss)	8,254	11,890	-	3,985
Total realized gain (loss) on investments and capital gains distributions	(9,580)	(383)	-	1,326
Net unrealized appreciation (depreciation) during the year	52,946	232	-	5,988
Net increase (decrease) in net assets from operations	51,620	11,739	-	11,299
Changes from contract transactions:				
Total unit transactions	(100,710)	(16,611)	12	140,762
Net increase (decrease) in assets derived from principal transactions	(100,710)	(16,611)	12	140,762
Total increase (decrease) in net assets	(49,090)	(4,872)	12	152,061
<b>Net assets at December 31, 2006</b>	\$ 588,364	\$ 400,146	\$ 12	\$ 362,772

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Statements of Changes in Net Assets**  
**For the years ended December 31, 2006 and 2005**  
*(Dollars in thousands)*

	<b>ING VP Natural Resources Trust</b>	<b>Janus Adviser Balanced Fund - Class S</b>	<b>Janus Aspen Series Balanced Portfolio - Institutional Shares</b>	<b>Janus Aspen Series Flexible Bond Portfolio - Institutional Shares</b>
<b>Net assets at January 1, 2005</b>	\$ 20,790	\$ -	\$ 356,943	\$ 78,169
<b>Increase (decrease) in net assets from operations</b>				
Operations:				
Net investment income (loss)	(367)	-	(993)	(202)
Total realized gain (loss) on investments and capital gains distributions	6,086	-	(3,844)	(1,125)
Net unrealized appreciation (depreciation) during the year	6,520	-	(7,779)	1,045
Net increase (decrease) in net assets from operations	12,239	-	(12,616)	(282)
Changes from contract transactions:				
Total unit transactions	24,751	1	(343,819)	(77,741)
Net increase (decrease) in assets derived from principal transactions	24,751	1	(343,819)	(77,741)
Total increase (decrease) in net assets	36,990	1	(356,435)	(78,023)
<b>Net assets at December 31, 2005</b>	57,780	1	508	146
<b>Increase (decrease) in net assets from operations</b>				
Operations:				
Net investment income (loss)	(775)	-	4	4
Total realized gain (loss) on investments and capital gains distributions	13,790	-	25	(5)
Net unrealized appreciation (depreciation) during the year	(2,424)	-	10	4
Net increase (decrease) in net assets from operations	10,591	-	39	3
Changes from contract transactions:				
Total unit transactions	4,610	-	(153)	(35)
Net increase (decrease) in assets derived from principal transactions	4,610	-	(153)	(35)
Total increase (decrease) in net assets	15,201	-	(114)	(32)
<b>Net assets at December 31, 2006</b>	\$ 72,981	\$ 1	\$ 394	\$ 114

*The accompanying notes are an integral part of these financial statements.*



**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Statements of Changes in Net Assets**  
**For the years ended December 31, 2006 and 2005**  
*(Dollars in thousands)*

	<b>Janus Aspen Series Large Cap Growth Portfolio - Institutional Shares</b>	<b>Janus Aspen Series Mid Cap Growth Portfolio - Institutional Shares</b>	<b>Janus Aspen Series Worldwide Growth Portfolio - Institutional Shares</b>	<b>Legg Mason Value Trust, Inc. - Primary Class</b>
<b>Net assets at January 1, 2005</b>	\$ 199,501	\$ 458,336	\$ 425,591	\$ -
<b>Increase (decrease) in net assets from operations</b>				
Operations:				
Net investment income (loss)	(554)	(1,301)	(1,202)	(8)
Total realized gain (loss) on investments and capital gains distributions	(95,718)	(337,444)	(188,088)	1
Net unrealized appreciation (depreciation) during the year	83,526	308,520	175,869	150
Net increase (decrease) in net assets from operations	(12,746)	(30,225)	(13,421)	143
Changes from contract transactions:				
Total unit transactions	(186,570)	(427,622)	(411,789)	1,186
Net increase (decrease) in assets derived from principal transactions	(186,570)	(427,622)	(411,789)	1,186
Total increase (decrease) in net assets	(199,316)	(457,847)	(425,210)	1,329
<b>Net assets at December 31, 2005</b>	185	489	381	1,329
<b>Increase (decrease) in net assets from operations</b>				
Operations:				
Net investment income (loss)	(1)	(6)	2	(14)
Total realized gain (loss) on investments and capital gains distributions	7	47	22	30
Net unrealized appreciation (depreciation) during the year	10	13	30	60
Net increase (decrease) in net assets from operations	16	54	54	76
Changes from contract transactions:				
Total unit transactions	(53)	(77)	(82)	109
Net increase (decrease) in assets derived from principal transactions	(53)	(77)	(82)	109
Total increase (decrease) in net assets	(37)	(23)	(28)	185
<b>Net assets at December 31, 2006</b>	\$ 148	\$ 466	\$ 353	\$ 1,514

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Statements of Changes in Net Assets**  
**For the years ended December 31, 2006 and 2005**  
*(Dollars in thousands)*

	<b>LKCM Aquinas Growth Fund</b>	<b>Lord Abbett Affiliated Fund - Class A</b>	<b>Lord Abbett Mid-Cap Value Fund, Inc. - Class A</b>	<b>Lord Abbett Small-Cap Value Fund - Class A</b>
<b>Net assets at January 1, 2005</b>	\$ -	\$ 221	290	\$ 530
<b>Increase (decrease) in net assets from operations</b>				
Operations:				
Net investment income (loss)	-	3	(3)	(7)
Total realized gain (loss) on investments and capital gains distributions	-	53	60	92
Net unrealized appreciation (depreciation) during the year	-	(23)	(16)	10
Net increase (decrease) in net assets from operations	-	33	41	95
Changes from contract transactions:				
Total unit transactions	-	493	487	355
Net increase (decrease) in assets derived from principal transactions	-	493	487	355
Total increase (decrease) in net assets	-	526	528	450
<b>Net assets at December 31, 2005</b>	-	747	818	980
<b>Increase (decrease) in net assets from operations</b>				
Operations:				
Net investment income (loss)	(1)	2	(5)	(13)
Total realized gain (loss) on investments and capital gains distributions	1	80	120	207
Net unrealized appreciation (depreciation) during the year	17	65	(13)	9
Net increase (decrease) in net assets from operations	17	147	102	203
Changes from contract transactions:				
Total unit transactions	166	350	161	196
Net increase (decrease) in assets derived from principal transactions	166	350	161	196
Total increase (decrease) in net assets	183	497	263	399
<b>Net assets at December 31, 2006</b>	\$ 183	\$ 1,244	\$ 1,081	\$ 1,379

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Statements of Changes in Net Assets**  
**For the years ended December 31, 2006 and 2005**  
*(Dollars in thousands)*

	<b>Lord Abbett Series Fund - Growth and Income Portfolio - Class VC</b>	<b>Lord Abbett Series Fund - Mid-Cap Value Portfolio - Class VC</b>	<b>Massachusetts Investors Growth Stock Fund - Class A</b>	<b>MFS® Total Return Series - Initial Class</b>
<b>Net assets at January 1, 2005</b>	\$ 109,667	\$ 96,241	\$ 180	\$ 74,758
<b>Increase (decrease) in net assets from operations</b>				
Operations:				
Net investment income (loss)	(91)	(695)	(2)	730
Total realized gain (loss) on investments and capital gains distributions	9,137	10,551	5	4,372
Net unrealized appreciation (depreciation) during the year	(6,161)	(152)	14	(3,639)
Net increase (decrease) in net assets from operations	2,885	9,704	17	1,463
Changes from contract transactions:				
Total unit transactions	10,230	41,364	224	6,526
Net increase (decrease) in assets derived from principal transactions	10,230	41,364	224	6,526
Total increase (decrease) in net assets	13,115	51,068	241	7,989
<b>Net assets at December 31, 2005</b>	122,782	147,309	421	82,747
<b>Increase (decrease) in net assets from operations</b>				
Operations:				
Net investment income (loss)	298	(799)	(5)	1,041
Total realized gain (loss) on investments and capital gains distributions	7,692	18,446	5	3,933
Net unrealized appreciation (depreciation) during the year	11,603	(1,948)	35	3,101
Net increase (decrease) in net assets from operations	19,593	15,699	35	8,075
Changes from contract transactions:				
Total unit transactions	(160)	(6,774)	140	(9,802)
Net increase (decrease) in assets derived from principal transactions	(160)	(6,774)	140	(9,802)
Total increase (decrease) in net assets	19,433	8,925	175	(1,727)
<b>Net assets at December 31, 2006</b>	\$ 142,215	\$ 156,234	\$ 596	\$ 81,020

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Statements of Changes in Net Assets**  
**For the years ended December 31, 2006 and 2005**  
*(Dollars in thousands)*

	Moderate Allocation Portfolio	Neuberger Berman Socially Responsive Fund® - Trust Class	New Perspective Fund®, Inc. - Class R-3	New Perspective Fund®, Inc. - Class R-4
<b>Net assets at January 1, 2005</b>	\$ 63	\$ -	\$ 204	\$ 8,638
<b>Increase (decrease) in net assets from operations</b>				
Operations:				
Net investment income (loss)	-	-	3	159
Total realized gain (loss) on investments and capital gains distributions	-	-	31	1,586
Net unrealized appreciation (depreciation) during the year	(63)	-	12	512
Net increase (decrease) in net assets from operations	(63)	-	46	2,257
Changes from contract transactions:				
Total unit transactions	-	-	236	11,138
Net increase (decrease) in assets derived from principal transactions	-	-	236	11,138
Total increase (decrease) in net assets	(63)	-	282	13,395
<b>Net assets at December 31, 2005</b>	-	-	486	22,033
<b>Increase (decrease) in net assets from operations</b>				
Operations:				
Net investment income (loss)	-	(1)	9	172
Total realized gain (loss) on investments and capital gains distributions	1	6	89	3,613
Net unrealized appreciation (depreciation) during the year	(1)	30	47	1,076
Net increase (decrease) in net assets from operations	-	35	145	4,861
Changes from contract transactions:				
Total unit transactions	25	484	573	1,031
Net increase (decrease) in assets derived from principal transactions	25	484	573	1,031
Total increase (decrease) in net assets	25	519	718	5,892
<b>Net assets at December 31, 2006</b>	\$ 25	\$ 519	\$ 1,204	\$ 27,925

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Statements of Changes in Net Assets**  
**For the years ended December 31, 2006 and 2005**  
*(Dollars in thousands)*

	<b>Oppenheimer Capital Appreciation Fund - Class A</b>	<b>Oppenheimer Developing Markets Fund - Class A</b>	<b>Oppenheimer Global Fund - Class A</b>	<b>Oppenheimer Main Street Fund® - Class A</b>
<b>Net assets at January 1, 2005</b>	\$ 217	\$ 37,377	\$ 4	\$ 13
<b>Increase (decrease) in net assets from operations</b>				
Operations:				
Net investment income (loss)	(1)	573	-	-
Total realized gain (loss) on investments and capital gains distributions	2	7,313	1	-
Net unrealized appreciation (depreciation) during the year	12	19,198	2	1
Net increase (decrease) in net assets from operations	13	27,084	3	1
Changes from contract transactions:				
Total unit transactions	86	51,007	43	8
Net increase (decrease) in assets derived from principal transactions	86	51,007	43	8
Total increase (decrease) in net assets	99	78,091	46	9
<b>Net assets at December 31, 2005</b>	316	115,468	50	22
<b>Increase (decrease) in net assets from operations</b>				
Operations:				
Net investment income (loss)	(4)	286	-	-
Total realized gain (loss) on investments and capital gains distributions	4	23,254	9	7
Net unrealized appreciation (depreciation) during the year	23	4,924	5	4
Net increase (decrease) in net assets from operations	23	28,464	14	11
Changes from contract transactions:				
Total unit transactions	75	19,950	66	142
Net increase (decrease) in assets derived from principal transactions	75	19,950	66	142
Total increase (decrease) in net assets	98	48,414	80	153
<b>Net assets at December 31, 2006</b>	\$ 414	\$ 163,882	\$ 130	\$ 175

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Statements of Changes in Net Assets**  
**For the years ended December 31, 2006 and 2005**  
*(Dollars in thousands)*

	<b>Oppenheimer Aggressive Growth Fund/VA</b>	<b>Oppenheimer Global Securities/VA</b>	<b>Oppenheimer Main Street Fund®/VA</b>	<b>Oppenheimer Main Street Small Cap Fund®/VA</b>
<b>Net assets at January 1, 2005</b>	\$ 3	\$ 410,368	\$ 43	\$ 5
<b>Increase (decrease) in net assets from operations</b>				
Operations:				
Net investment income (loss)	-	3,173	-	(3)
Total realized gain (loss) on investments and capital gains distributions	-	64,535	1	7
Net unrealized appreciation (depreciation) during the year	-	(93,326)	1	49
Net increase (decrease) in net assets from operations	-	(25,618)	2	53
Changes from contract transactions:				
Total unit transactions	-	(384,039)	(4)	994
Net increase (decrease) in assets derived from principal transactions	-	(384,039)	(4)	994
Total increase (decrease) in net assets	-	(409,657)	(2)	1,047
<b>Net assets at December 31, 2005</b>	3	711	41	1,052
<b>Increase (decrease) in net assets from operations</b>				
Operations:				
Net investment income (loss)	-	(1)	(1)	(35)
Total realized gain (loss) on investments and capital gains distributions	-	89	2	142
Net unrealized appreciation (depreciation) during the year	-	24	10	170
Net increase (decrease) in net assets from operations	-	112	11	277
Changes from contract transactions:				
Total unit transactions	(2)	(58)	71	3,393
Net increase (decrease) in assets derived from principal transactions	(2)	(58)	71	3,393
Total increase (decrease) in net assets	(2)	54	82	3,670
<b>Net assets at December 31, 2006</b>	\$ 1	\$ 765	\$ 123	\$ 4,722

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Statements of Changes in Net Assets**  
**For the years ended December 31, 2006 and 2005**  
*(Dollars in thousands)*

	<b>Oppenheimer Strategic Bond Fund/VA</b>	<b>Pax World Balanced Fund, Inc.</b>	<b>PIMCO Real Return Portfolio - Administrative Class</b>	<b>Pioneer Fund - Class A</b>
<b>Net assets at January 1, 2005</b>	\$ 47,078	\$ 16,523	\$ 9,519	\$ 1
<b>Increase (decrease) in net assets from operations</b>				
Operations:				
Net investment income (loss)	2,121	267	326	-
Total realized gain (loss) on investments and capital gains distributions	465	1,661	271	-
Net unrealized appreciation (depreciation) during the year	(3,306)	952	(419)	-
Net increase (decrease) in net assets from operations	(720)	2,880	178	-
Changes from contract transactions:				
Total unit transactions	(46,204)	34,950	13,146	24
Net increase (decrease) in assets derived from principal transactions	(46,204)	34,950	13,146	24
Total increase (decrease) in net assets	(46,924)	37,830	13,324	24
<b>Net assets at December 31, 2005</b>	154	54,353	22,843	25
<b>Increase (decrease) in net assets from operations</b>				
Operations:				
Net investment income (loss)	5	390	807	-
Total realized gain (loss) on investments and capital gains distributions	3	5,652	291	4
Net unrealized appreciation (depreciation) during the year	1	(109)	(1,136)	1
Net increase (decrease) in net assets from operations	9	5,933	(38)	5
Changes from contract transactions:				
Total unit transactions	(35)	(10,189)	2,631	16
Net increase (decrease) in assets derived from principal transactions	(35)	(10,189)	2,631	16
Total increase (decrease) in net assets	(26)	(4,256)	2,593	21
<b>Net assets at December 31, 2006</b>	\$ 128	\$ 50,097	\$ 25,436	\$ 46

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Statements of Changes in Net Assets**  
**For the years ended December 31, 2006 and 2005**  
*(Dollars in thousands)*

	<b>Pioneer High Yield Fund - Class A</b>	<b>Pioneer Equity Income VCT Portfolio - Class I</b>	<b>Pioneer Fund VCT Portfolio - Class I</b>	<b>Pioneer High Yield VCT Portfolio - Class I</b>
<b>Net assets at January 1, 2005</b>	\$ 437	\$ 28,279	\$ 2,601	\$ 4,468
<b>Increase (decrease) in net assets from operations</b>				
Operations:				
Net investment income (loss)	24	790	12	260
Total realized gain (loss) on investments and capital gains distributions	29	771	163	144
Net unrealized appreciation (depreciation) during the year	(42)	966	29	(331)
Net increase (decrease) in net assets from operations	11	2,527	204	73
Changes from contract transactions:				
Total unit transactions	294	39,120	1,743	2,408
Net increase (decrease) in assets derived from principal transactions	294	39,120	1,743	2,408
Total increase (decrease) in net assets	305	41,647	1,947	2,481
<b>Net assets at December 31, 2005</b>	742	69,926	4,548	6,949
<b>Increase (decrease) in net assets from operations</b>				
Operations:				
Net investment income (loss)	53	1,544	37	443
Total realized gain (loss) on investments and capital gains distributions	70	3,202	165	30
Net unrealized appreciation (depreciation) during the year	1	12,848	802	280
Net increase (decrease) in net assets from operations	124	17,594	1,004	753
Changes from contract transactions:				
Total unit transactions	1,014	31,787	4,161	4,595
Net increase (decrease) in assets derived from principal transactions	1,014	31,787	4,161	4,595
Total increase (decrease) in net assets	1,138	49,381	5,165	5,348
<b>Net assets at December 31, 2006</b>	\$ 1,880	\$ 119,307	\$ 9,713	\$ 12,297

*The accompanying notes are an integral part of these financial statements.*



**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Statements of Changes in Net Assets**  
**For the years ended December 31, 2006 and 2005**  
*(Dollars in thousands)*

	<b>Pioneer Mid Cap Value VCT Portfolio - Class I</b>	<b>T. Rowe Price Mid-Cap Value Fund - R Class</b>	<b>T. Rowe Price Value Fund - Advisor Class</b>	<b>Templeton Foreign Fund - Class A</b>
<b>Net assets at January 1, 2005</b>	\$ 49,664	\$ 619	\$ -	\$ 450
<b>Increase (decrease) in net assets from operations</b>				
Operations:				
Net investment income (loss)	(491)	(4)	-	5
Total realized gain (loss) on investments and capital gains distributions	6,603	43	-	48
Net unrealized appreciation (depreciation) during the year	(1,467)	4	-	2
Net increase (decrease) in net assets from operations	4,645	43	-	55
Changes from contract transactions:				
Total unit transactions	23,159	113	-	132
Net increase (decrease) in assets derived from principal transactions	23,159	113	-	132
Total increase (decrease) in net assets	27,804	156	-	187
<b>Net assets at December 31, 2005</b>	77,468	775	-	637
<b>Increase (decrease) in net assets from operations</b>				
Operations:				
Net investment income (loss)	2	(2)	-	10
Total realized gain (loss) on investments and capital gains distributions	20,511	102	1	77
Net unrealized appreciation (depreciation) during the year	(11,870)	50	2	44
Net increase (decrease) in net assets from operations	8,643	150	3	131
Changes from contract transactions:				
Total unit transactions	(4,805)	85	27	108
Net increase (decrease) in assets derived from principal transactions	(4,805)	85	27	108
Total increase (decrease) in net assets	3,838	235	30	239
<b>Net assets at December 31, 2006</b>	\$ 81,306	\$ 1,010	\$ 30	\$ 876

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Statements of Changes in Net Assets**  
**For the years ended December 31, 2006 and 2005**  
*(Dollars in thousands)*

	<b>Templeton Growth Fund, Inc. - Class A</b>	<b>Templeton Global Bond Fund - Class A</b>	<b>The Growth Fund of America® - Class R-3</b>	<b>The Growth Fund of America® - Class R-4</b>
<b>Net assets at January 1, 2005</b>	\$ 61	\$ 6,775	\$ 1,320	\$ 51,341
<b>Increase (decrease) in net assets from operations</b>				
Operations:				
Net investment income (loss)	4	450	(2)	9
Total realized gain (loss) on investments and capital gains distributions	21	9	47	1,791
Net unrealized appreciation (depreciation) during the year	-	(921)	323	14,129
Net increase (decrease) in net assets from operations	25	(462)	368	15,929
Changes from contract transactions:				
Total unit transactions	285	9,028	2,206	77,860
Net increase (decrease) in assets derived from principal transactions	285	9,028	2,206	77,860
Total increase (decrease) in net assets	310	8,566	2,574	93,789
<b>Net assets at December 31, 2005</b>	371	15,341	3,894	145,130
<b>Increase (decrease) in net assets from operations</b>				
Operations:				
Net investment income (loss)	6	1,080	1	(97)
Total realized gain (loss) on investments and capital gains distributions	48	7	272	12,415
Net unrealized appreciation (depreciation) during the year	53	1,476	277	5,132
Net increase (decrease) in net assets from operations	107	2,563	550	17,450
Changes from contract transactions:				
Total unit transactions	215	15,150	3,369	34,004
Net increase (decrease) in assets derived from principal transactions	215	15,150	3,369	34,004
Total increase (decrease) in net assets	322	17,713	3,919	51,454
<b>Net assets at December 31, 2006</b>	\$ 693	\$ 33,054	\$ 7,813	\$ 196,584

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Statements of Changes in Net Assets**  
**For the years ended December 31, 2006 and 2005**  
*(Dollars in thousands)*

	<b>The Income Fund of America® - Class R-3</b>	<b>UBS U.S. Small Cap Growth Fund - Class A</b>	<b>Diversified Value Portfolio</b>	<b>Equity Income Portfolio</b>
<b>Net assets at January 1, 2005</b>	\$ 110	\$ 48	\$ -	\$ 208
<b>Increase (decrease) in net assets from operations</b>				
Operations:				
Net investment income (loss)	5	-	-	3
Total realized gain (loss) on investments and capital gains distributions	10	3	-	13
Net unrealized appreciation (depreciation) during the year	(9)	1	2	(8)
Net increase (decrease) in net assets from operations	6	4	2	8
Changes from contract transactions:				
Total unit transactions	179	21	61	24
Net increase (decrease) in assets derived from principal transactions	179	21	61	24
Total increase (decrease) in net assets	185	25	63	32
<b>Net assets at December 31, 2005</b>	295	73	63	240
<b>Increase (decrease) in net assets from operations</b>				
Operations:				
Net investment income (loss)	16	(2)	-	3
Total realized gain (loss) on investments and capital gains distributions	32	12	1	15
Net unrealized appreciation (depreciation) during the year	68	2	11	19
Net increase (decrease) in net assets from operations	116	12	12	37
Changes from contract transactions:				
Total unit transactions	621	180	25	(42)
Net increase (decrease) in assets derived from principal transactions	621	180	25	(42)
Total increase (decrease) in net assets	737	192	37	(5)
<b>Net assets at December 31, 2006</b>	\$ 1,032	\$ 265	\$ 100	\$ 235

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Statements of Changes in Net Assets**  
**For the years ended December 31, 2006 and 2005**  
*(Dollars in thousands)*

	Small Company Growth Portfolio	Wanger Select	Wanger U.S. Smaller Companies	Washington Mutual Investors Fund <sup>SM</sup> , Inc. - Class R-3
<b>Net assets at January 1, 2005</b>	\$ -	\$ 2,227	\$ 2,155	\$ 1,232
<b>Increase (decrease) in net assets from operations</b>				
Operations:				
Net investment income (loss)	-	(46)	(54)	16
Total realized gain (loss) on investments and capital gains distributions	-	203	52	37
Net unrealized appreciation (depreciation) during the year	-	428	627	(2)
Net increase (decrease) in net assets from operations	-	585	625	51
Changes from contract transactions:				
Total unit transactions	-	4,173	6,477	894
Net increase (decrease) in assets derived from principal transactions	-	4,173	6,477	894
Total increase (decrease) in net assets	-	4,758	7,102	945
<b>Net assets at December 31, 2005</b>	-	6,985	9,257	2,177
<b>Increase (decrease) in net assets from operations</b>				
Operations:				
Net investment income (loss)	-	(114)	(121)	27
Total realized gain (loss) on investments and capital gains distributions	-	406	761	105
Net unrealized appreciation (depreciation) during the year	-	2,627	209	334
Net increase (decrease) in net assets from operations	-	2,919	849	466
Changes from contract transactions:				
Total unit transactions	18	16,148	7,005	1,215
Net increase (decrease) in assets derived from principal transactions	18	16,148	7,005	1,215
Total increase (decrease) in net assets	18	19,067	7,854	1,681
<b>Net assets at December 31, 2006</b>	\$ 18	\$ 26,052	\$ 17,111	\$ 3,858

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Statements of Changes in Net Assets**  
**For the years ended December 31, 2006 and 2005**  
*(Dollars in thousands)*

	<b>Washington Mutual Investors Fund<sup>SM</sup>, Inc. - Class R-4</b>	<b>Wells Fargo Advantage Small Cap Value Fund - Class A</b>
<b>Net assets at January 1, 2005</b>	\$ 35,859	\$ -
<b>Increase (decrease) in net assets from operations</b>		
Operations:		
Net investment income (loss)	518	-
Total realized gain (loss) on investments and capital gains distributions	982	-
Net unrealized appreciation (depreciation) during the year	248	-
Net increase (decrease) in net assets from operations	1,748	-
Changes from contract transactions:		
Total unit transactions	28,664	-
Net increase (decrease) in assets derived from principal transactions	28,664	-
Total increase (decrease) in net assets	30,412	-
<b>Net assets at December 31, 2005</b>	66,271	-
<b>Increase (decrease) in net assets from operations</b>		
Operations:		
Net investment income (loss)	689	-
Total realized gain (loss) on investments and capital gains distributions	2,651	2
Net unrealized appreciation (depreciation) during the year	8,652	(1)
Net increase (decrease) in net assets from operations	11,992	1
Changes from contract transactions:		
Total unit transactions	9,893	20
Net increase (decrease) in assets derived from principal transactions	9,893	20
Total increase (decrease) in net assets	21,885	21
<b>Net assets at December 31, 2006</b>	<u>\$ 88,156</u>	<u>\$ 21</u>

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Notes to Financial Statements**

---

**1. Organization**

Variable Annuity Account C of ING Life Insurance and Annuity Company (the “Account”) was established by ING Life Insurance and Annuity Company (“ILIAC” or the “Company”) to support the operations of variable annuity contracts (“Contracts”). The Company is an indirect wholly owned subsidiary of ING America Insurance Holdings, Inc. (“ING AIH”), an insurance holding company domiciled in the State of Delaware. ING AIH is an indirect wholly owned subsidiary of ING Groep, N.V., a global financial services holding company based in The Netherlands.

The Account is registered as a unit investment trust with the Securities and Exchange Commission under the Investment Company Act of 1940, as amended. ILIAC provides for variable accumulation and benefits under the Contracts by crediting annuity considerations to one or more divisions within the Account or the fixed separate account, which is not part of the Account, as directed by the contractowners. The portion of the Account’s assets applicable to Contracts will not be charged with liabilities arising out of any other business ILIAC may conduct, but obligations of the Account, including the promise to make benefit payments, are obligations of ILIAC. The assets and liabilities of the Account are clearly identified and distinguished from the other assets and liabilities of ILIAC.

At December 31, 2006, the Account had 239 investment divisions (the “Divisions”), 85 of which invest in independently managed mutual funds and 154 of which invest in mutual funds managed by affiliates, either ING Investments, LLC or Directed Services, LLC. The assets in each Division are invested in shares of a designated fund (“Fund”) of various investment trusts (the “Trusts”). Investment Divisions with asset balances at December 31, 2006 and related Trusts are as follows:

AIM Growth Series:	American Century Quantitative Equity Funds, Inc.:
AIM Mid Cap Core Equity Fund - Class A	American Century Income & Growth Fund - Advisor Class
AIM Small Cap Growth Fund - Class A	
AIM Investment Funds:	Ariel Investment Trust:
AIM Global Health Care Fund - Investor Class*	Ariel Appreciation Fund
AIM Variable Insurance Funds:	Ariel Fund
AIM V.I. Capital Appreciation Fund - Series I Shares	Baron Investment Funds Trust:
AIM V.I. Core Equity Fund - Series I Shares	Baron Asset Fund
AllianceBernstein Growth and Income Fund, Inc.:	Baron Growth Fund
AllianceBernstein Growth and Income Fund, Inc. - Class A	Calvert Variable Series, Inc.:
AllianceBernstein Variable Products Series Fund, Inc.:	Calvert Social Balanced Portfolio
AllianceBernstein Growth and Income Portfolio - Class A	Capital One Funds:
Allianz Funds:	Capital One Mid Cap Equity Fund - Class A*
Allianz NFJ Small-Cap Value - Class A	DWS Institutional Funds:
American Balanced Fund®, Inc.:	DWS Equity 500 Index Fund - Class S
American Balanced Fund® - Class R-3	EuroPacific Growth Fund®:
	EuroPacific Growth Fund® - Class R-3
	EuroPacific Growth Fund® - Class R-4
	Evergreen Equity Trust:
	Evergreen Special Values Fund - Class A

# VARIABLE ANNUITY ACCOUNT C OF ING LIFE INSURANCE AND ANNUITY COMPANY

## Notes to Financial Statements

---

### Fidelity® Advisor Series I:

Fidelity® Advisor Mid Cap Fund - Class T

### Fidelity® Variable Insurance Products:

Fidelity® VIP Equity-Income Portfolio - Initial Class

Fidelity® VIP Growth Portfolio - Initial Class

Fidelity® VIP High Income Portfolio - Initial Class

Fidelity® VIP Overseas Portfolio - Initial Class

### Fidelity® Variable Insurance Products II:

Fidelity® VIP Asset Manager<sup>SM</sup> Portfolio - Initial Class

Fidelity® VIP Contrafund® Portfolio - Initial Class

Fidelity® VIP Index 500 Portfolio - Initial Class

### Fidelity® Variable Insurance Products III:

Fidelity® VIP Mid Cap Portfolio - Initial Class\*\*

### Franklin Mutual Series Fund, Inc.:

Mutual Discovery Fund - Class R

### Franklin Strategic Series:

Franklin Small-Mid Cap Growth Fund - Class A

### Franklin Templeton Variable Insurance Products Trust:

Franklin Small Cap Value Securities Fund - Class 2

### ING Equity Trust:

ING Financial Services Fund - Class A

ING Real Estate Fund - Class A

### ING Funds Trust:

ING GNMA Income Fund - Class A

ING Intermediate Bond Fund - Class A

### ING GET Fund:

ING GET Fund - Series Q

ING GET Fund - Series S

### ING Investors Trust:

ING AllianceBernstein Mid Cap Growth Portfolio - Service Class\*

ING BlackRock Large Cap Growth Portfolio - Service Class\*\*

ING Evergreen Health Sciences Portfolio - Service Class\*

ING FMR<sup>SM</sup> Diversified Mid Cap Portfolio - Service Class

ING FMR<sup>SM</sup> Large Cap Growth Portfolio - Institutional Class\*\*

ING JPMorgan Emerging Markets Equity Portfolio - Adviser Class\*\*

ING JPMorgan Emerging Markets Equity Portfolio - Institutional Class\*

ING JPMorgan Emerging Markets Equity Portfolio - Service Class\*

ING JPMorgan Small Cap Core Equity Portfolio - Service Class\*

ING JPMorgan Value Opportunities Portfolio - Institutional Class\*\*

ING JPMorgan Value Opportunities Portfolio - Service Class\*\*

ING Julius Baer Foreign Portfolio - Service Class

ING Legg Mason Partners All Cap Portfolio - Service Class\*\*

ING Legg Mason Value Portfolio - Service Class\*

### ING Investors Trust (continued):

ING Lord Abbett Affiliated Portfolio - Institutional Class\*\*

ING Marsico Growth Portfolio - Service Class\*

ING Marsico International Opportunities Portfolio - Service Class\*

ING MFS Total Return Portfolio - Adviser Class\*\*

ING MFS Total Return Portfolio - Institutional Class\*\*

ING MFS Total Return Portfolio - Service Class

ING MFS Utilities Portfolio - Service Class\*

ING Oppenheimer Main Street Portfolio® - Service Class\*

ING PIMCO High Yield Portfolio - Institutional Class\*\*

ING PIMCO High Yield Portfolio - Service Class\*

ING Pioneer Fund Portfolio - Institutional Class\*\*

ING Pioneer Fund Portfolio - Service Class\*\*

ING Pioneer Mid Cap Value Portfolio - Institutional Class\*\*

ING Pioneer Mid Cap Value Portfolio - Service Class\*\*

ING Stock Index Portfolio - Institutional Class\*

ING T. Rowe Price Capital Appreciation Portfolio - Service Class\*

ING T. Rowe Price Equity Income Portfolio - Adviser Class\*\*

ING T. Rowe Price Equity Income Portfolio - Service Class

ING Templeton Global Growth Portfolio - Institutional Class\*\*

ING Templeton Global Growth Portfolio - Service Class\*\*

ING Van Kampen Equity Growth Portfolio - Service Class\*\*

ING Van Kampen Growth and Income Portfolio - Service Class\*

ING Van Kampen Real Estate Portfolio - Institutional Class\*\*

ING Van Kampen Real Estate Portfolio - Service Class\*\*

ING VP Index Plus International Equity Portfolio - Service Class\*\*

ING Wells Fargo Mid Cap Disciplined Portfolio - Service Class\*\*

ING Wells Fargo Small Cap Disciplined Portfolio - Service Class\*\*

### ING Mutual Funds:

ING International Fund - Class Q\*

ING International SmallCap Fund - Class A\*

### ING Partners, Inc.:

ING American Century Large Company Value Portfolio - Adviser Class\*\*

ING American Century Large Company Value Portfolio - Service Class

ING American Century Select Portfolio - Initial Class\*

ING American Century Select Portfolio - Service Class

ING American Century Small-Mid Cap Value Portfolio - Adviser Class\*\*

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Notes to Financial Statements**

---

ING Partners, Inc. (continued):

ING American Century Small-Mid Cap Value Portfolio - Service Class  
 ING Baron Asset Portfolio - Service Class\*\*  
 ING Baron Small Cap Growth Portfolio - Adviser Class\*\*  
 ING Baron Small Cap Growth Portfolio - Service Class  
 ING Columbia Small Cap Value II Portfolio - Service Class\*\*  
 ING Davis Venture Value Portfolio - Service Class  
 ING Fidelity® VIP Mid Cap Portfolio - Service Class\*\*  
 ING Fundamental Research Portfolio - Adviser Class\*\*  
 ING Fundamental Research Portfolio - Service Class  
 ING Goldman Sachs® Capital Growth Portfolio - Service Class  
 ING Goldman Sachs® Structured Equity Portfolio - Adviser Class\*\*  
 ING JPMorgan International Portfolio - Adviser Class\*\*  
 ING JPMorgan International Portfolio - Initial Class  
 ING JPMorgan International Portfolio - Service Class\*  
 ING JPMorgan Mid Cap Value Portfolio - Adviser Class\*\*  
 ING JPMorgan Mid Cap Value Portfolio - Service Class  
 ING Legg Mason Partners Aggressive Growth Portfolio - Adviser Class\*\*  
 ING Legg Mason Partners Aggressive Growth Portfolio - Initial Class  
 ING Legg Mason Partners Aggressive Growth Portfolio - Service Class  
 ING Legg Mason Partners Large Cap Growth Portfolio - Adviser Class\*\*  
 ING Legg Mason Partners Large Cap Growth Portfolio - Initial Class\*  
 ING Neuberger Berman Partners Portfolio - Service Class\*\*  
 ING Neuberger Berman Regency Portfolio - Service Class\*\*  
 ING OpCap Balanced Value Portfolio - Service Class  
 ING Oppenheimer Global Portfolio - Adviser Class\*\*  
 ING Oppenheimer Global Portfolio - Initial Class\*  
 ING Oppenheimer Global Portfolio - Service Class  
 ING Oppenheimer Strategic Income Portfolio - Adviser Class\*\*  
 ING Oppenheimer Strategic Income Portfolio - Initial Class\*  
 ING PIMCO Total Return Portfolio - Adviser Class\*\*  
 ING PIMCO Total Return Portfolio - Service Class  
 ING Pioneer High Yield Portfolio - Initial Class\*\*  
 ING Pioneer High Yield Portfolio - Service Class\*\*  
 ING Solution 2015 Portfolio - Adviser Class\*  
 ING Solution 2015 Portfolio - Service Class\*  
 ING Solution 2025 Portfolio - Adviser Class\*  
 ING Solution 2025 Portfolio - Service Class\*  
 ING Solution 2035 Portfolio - Adviser Class\*  
 ING Solution 2035 Portfolio - Service Class\*  
 ING Solution 2045 Portfolio - Adviser Class\*

ING Partners, Inc. (continued):

ING Solution 2045 Portfolio - Service Class\*  
 ING Solution Income Portfolio - Adviser Class\*  
 ING Solution Income Portfolio - Service Class\*  
 ING T. Rowe Price Diversified Mid Cap Growth Portfolio - Adviser Class\*\*  
 ING T. Rowe Price Diversified Mid Cap Growth Portfolio - Initial Class\*  
 ING T. Rowe Price Diversified Mid Cap Growth Portfolio - Service Class  
 ING T. Rowe Price Growth Equity Portfolio - Adviser Class\*\*  
 ING T. Rowe Price Growth Equity Portfolio - Initial Class  
 ING T. Rowe Price Growth Equity Portfolio - Service Class  
 ING Templeton Foreign Equity Portfolio - Service Class\*\*  
 ING Thornburg Value Portfolio - Adviser Class\*\*  
 ING Thornburg Value Portfolio - Initial Class  
 ING UBS U.S. Large Cap Equity Portfolio - Initial Class  
 ING UBS U.S. Large Cap Equity Portfolio - Service Class\*\*  
 ING UBS U.S. Small Cap Growth Portfolio - Service Class\*\*  
 ING Van Kampen Comstock Portfolio - Adviser Class\*\*  
 ING Van Kampen Comstock Portfolio - Service Class  
 ING Van Kampen Equity and Income Portfolio - Adviser Class\*\*  
 ING Van Kampen Equity and Income Portfolio - Initial Class\*  
 ING Van Kampen Equity and Income Portfolio - Service Class  
 ING Strategic Allocation Portfolios, Inc.:  
 ING VP Strategic Allocation Conservative Portfolio - Class I  
 ING VP Strategic Allocation Growth Portfolio - Class I  
 ING VP Strategic Allocation Moderate Portfolio - Class I  
 ING Variable Funds:  
 ING VP Growth and Income Portfolio - Class I  
 ING Variable Insurance Trust:  
 ING GET U.S. Core Portfolio - Series 1  
 ING GET U.S. Core Portfolio - Series 2  
 ING GET U.S. Core Portfolio - Series 3  
 ING GET U.S. Core Portfolio - Series 5  
 ING GET U.S. Core Portfolio - Series 6  
 ING GET U.S. Core Portfolio - Series 7  
 ING GET U.S. Core Portfolio - Series 8\*  
 ING GET U.S. Core Portfolio - Series 9\*  
 ING GET U.S. Core Portfolio - Series 10\*  
 ING GET U.S. Core Portfolio - Series 11\*  
 ING Variable Portfolios, Inc.:  
 ING VP Global Science and Technology Portfolio - Class I  
 ING VP Growth Portfolio - Class I



**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Notes to Financial Statements**

---

ING Variable Portfolios, Inc. (continued):

ING VP Index Plus LargeCap Portfolio - Class I  
ING VP Index Plus LargeCap Portfolio - Class S\*\*  
ING VP Index Plus MidCap Portfolio - Class I  
ING VP Index Plus MidCap Portfolio - Class S\*\*  
ING VP Index Plus SmallCap Portfolio - Class I  
ING VP Index Plus SmallCap Portfolio - Class S\*\*  
ING VP International Equity Portfolio - Class I  
ING VP International Equity Portfolio - Class S\*\*  
ING VP Small Company Portfolio - Class I  
ING VP Small Company Portfolio - Class S\*\*  
ING VP Value Opportunity Portfolio - Class I

ING Variable Products Trust:

ING VP Financial Services Portfolio - Class I  
ING VP International Value Portfolio - Class I  
ING VP International Value Portfolio - Class S\*\*  
ING VP MidCap Opportunities Portfolio - Class I  
ING VP MidCap Opportunities Portfolio - Class S\*\*  
ING VP Real Estate Portfolio - Class I  
ING VP SmallCap Opportunities Portfolio - Class I  
ING VP SmallCap Opportunities Portfolio - Class S\*\*

ING VP Balanced Portfolio, Inc.:

ING VP Balanced Portfolio - Class I

ING VP Intermediate Bond Portfolio:

ING VP Intermediate Bond Portfolio - Class I  
ING VP Intermediate Bond Portfolio - Class S\*\*

ING VP Money Market Portfolio:

ING VP Money Market Portfolio - Class I

ING VP Natural Resources Trust:

ING VP Natural Resources Trust

Janus Adviser Series:

Janus Adviser Balanced Fund - Class S

Janus Aspen Series:

Janus Aspen Series Balanced Portfolio - Institutional Shares  
Janus Aspen Series Flexible Bond Portfolio - Institutional Shares  
Janus Aspen Series Large Cap Growth Portfolio - Institutional Shares  
Janus Aspen Series Mid Cap Growth Portfolio - Institutional Shares  
Janus Aspen Series Worldwide Growth Portfolio - Institutional Shares

Legg Mason Value Trust, Inc.:

Legg Mason Value Trust, Inc. - Primary Class\*

LKCM Funds:

LKCM Aquinas Growth Fund\*\*

Lord Abnett Affiliated Fund, Inc.:

Lord Abnett Affiliated Fund - Class A

Lord Abnett Mid Cap Value Fund, Inc.:

Lord Abnett Mid-Cap Value Fund, Inc. - Class A

Lord Abnett Research Fund, Inc.:

Lord Abnett Small-Cap Value Fund - Class A

Lord Abnett Series Fund, Inc.:

Lord Abnett Series Fund - Growth and Income Portfolio - Class VC

Lord Abnett Series Fund - Mid-Cap Value Portfolio - Class VC

Massachusetts Investors Growth Stock Fund:

Massachusetts Investors Growth Stock Fund - Class A

MFS® Variable Insurance Trust<sup>SM</sup>:

MFS® Total Return Series - Initial Class

Moderate Allocation Portfolio:

Moderate Allocation Portfolio

Neuberger Berman Equity Funds®:

Neuberger Berman Socially Responsive Fund® - Trust Class\*\*

New Perspective Fund®, Inc.:

New Perspective Fund®, Inc. - Class R-3

New Perspective Fund®, Inc. - Class R-4

Oppenheimer Capital Appreciation Fund:

Oppenheimer Capital Appreciation Fund - Class A

Oppenheimer Developing Markets Fund:

Oppenheimer Developing Markets Fund - Class A

Oppenheimer Global Fund:

Oppenheimer Global Fund - Class A

Oppenheimer Main Street Funds®, Inc.:

Oppenheimer Main Street Fund® - Class A

Oppenheimer Variable Account Funds:

Oppenheimer Aggressive Growth Fund/VA

Oppenheimer Global Securities/VA

Oppenheimer Main Street Fund®/VA

Oppenheimer Main Street Small Cap Fund®/VA

Oppenheimer Strategic Bond Fund/VA

Pax World Balanced Fund, Inc.:

Pax World Balanced Fund, Inc.

PIMCO Variable Insurance Trust:

PIMCO Real Return Portfolio - Administrative Class

Pioneer Fund:

Pioneer Fund - Class A

Pioneer High Yield Fund:

Pioneer High Yield Fund - Class A

Pioneer Variable Contracts Trust:

Pioneer Equity Income VCT Portfolio - Class I

Pioneer Fund VCT Portfolio - Class I

Pioneer High Yield VCT Portfolio - Class I

Pioneer Mid Cap Value VCT Portfolio - Class I

T. Rowe Price Mid-Cap Value Fund, Inc.:

T. Rowe Price Mid-Cap Value Fund - R Class

T. Rowe Price Value Fund, Inc.:

T. Rowe Price Value Fund - Advisor Class\*\*

Templeton Funds, Inc.:

Templeton Foreign Fund - Class A

Templeton Growth Fund, Inc.:

Templeton Growth Fund, Inc. - Class A

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Notes to Financial Statements**

---

Templeton Income Trust:

Templeton Global Bond Fund - Class A

The Growth Fund of America®, Inc.:

The Growth Fund of America® - Class R-3

The Growth Fund of America® - Class R-4

The Income Fund of America®, Inc.:

The Income Fund of America® - Class R-3

UBS Funds:

UBS U.S. Small Cap Growth Fund - Class A

Vanguard® Variable Insurance Fund:

Diversified Value Portfolio\*

Equity Income Portfolio

Small Company Growth Portfolio\*

Wanger Advisors Trust:

Wanger Select

Wanger U.S. Smaller Companies

Washington Mutual Investors Fund<sup>SM</sup>, Inc.:

Washington Mutual Investors Fund<sup>SM</sup>, Inc. - Class R-3

Washington Mutual Investors Fund<sup>SM</sup>, Inc. - Class R-4

Wells Fargo Funds Trust:

Wells Fargo Advantage Small Cap Value Fund -  
Class A\*\*

\* Division added in 2005

\*\* Division added in 2006

The names of certain Divisions were changed during 2006. The following is a summary of current and former names for those Divisions:

Current Name	Former Name
Capital One Funds:	Hibernia Funds:
Capital One Mid Cap Equity Fund - Class A	Hibernia Mid Cap Equity Fund - Class A
DWS Institutional Funds:	Scudder Equity 500 Index Fund:
DWS Equity 500 Index Fund - Class S	Scudder Equity 500 Index Fund - Investment Class
ING Investors Trust:	ING Investors Trust:
ING JPMorgan Small Cap Core Equity Portfolio - Service Class	ING JPMorgan Small Cap Equity Portfolio - Service Class
ING Partners, Inc.:	ING Partners, Inc.:
ING American Century Small-Mid Cap Value Portfolio - Service Class	ING American Century Small Cap Value Portfolio - Service Class
ING JPMorgan International Portfolio - Initial Class	ING JPMorgan Fleming International Portfolio - Initial Class
ING JPMorgan International Portfolio - Service Class	ING JPMorgan Fleming International Portfolio - Service Class
ING Legg Mason Partners Aggressive Growth Portfolio - Initial Class	ING Salomon Brothers Aggressive Growth Portfolio - Initial Class
ING Legg Mason Partners Aggressive Growth Portfolio - Service Class	ING Salomon Brothers Aggressive Growth Portfolio - Service Class
ING Legg Mason Partners Large Cap Growth Portfolio - Initial Class	ING Salomon Brothers Large Cap Growth Portfolio - Initial Class
ING Thornburg Value Portfolio - Initial Class	ING MFS Capital Opportunities Portfolio - Initial Class
ING Strategic Allocation Portfolios, Inc.:	ING Strategic Allocation Portfolios, Inc.:
ING VP Strategic Allocation Conservative Portfolio - Class I	ING VP Strategic Allocation Income Portfolio - Class I
ING VP Strategic Allocation Moderate Portfolio - Class I	ING VP Strategic Allocation Balanced Portfolio - Class I

During 2006, the following Divisions were closed to contractowners:

AIM Variable Insurance Funds:

AIM V.I. Growth Fund - Series I Shares

AIM V.I. Premier Equity Fund - Series I Shares

ING GET Fund:

ING GET Fund - Series L

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Notes to Financial Statements**

---

The following Divisions were offered during 2006, but had no investments as of December 31, 2006:

Aggressive Allocation Portfolio: Aggressive Allocation Portfolio	ING Investors Trust (continued): ING Pioneer Equity Income Portfolio - Institutional Class
AIM Equity Funds: AIM Charter Fund - Class A AIM Constellation Fund - Class A	ING Pioneer Equity Income Portfolio - Service Class
AIM Investment Securities Fund: AIM Income Fund - Class A	ING Mayflower Trust: ING International Value Fund - Class A
AIM Stock Funds: AIM Dynamics Fund - Investor Class	ING Mutual Funds: ING Global Value Choice Fund - Class A
American Balanced Fund®, Inc.: American Balanced Fund® - Class R-4	ING Partners, Inc.: ING American Century Select Portfolio - Adviser Class
American Century Mutual Funds: American Century Ultra® Fund - Advisor Class	ING Davis Venture Value Portfolio - Adviser Class
Calvert World Values Fund, Inc.: Calvert Capital Accumulation Fund - Class A	ING Legg Mason Partners Large Cap Growth Portfolio - Service Class
Citizens Funds®: Citizens Core Growth Fund - Administrative Shares	ING OpCap Balanced Value Portfolio - Adviser Class
Citizens Emerging Growth Fund - Administrative Shares	ING Oppenheimer Strategic Income Portfolio - Service Class
Citizens Global Equity Fund - Administrative Shares	ING Thornburg Value Portfolio - Service Class
Conservative Allocation Portfolio: Conservative Allocation Portfolio	ING UBS U.S. Large Cap Equity Portfolio - Adviser Class
Fidelity® Advisor Series I: Fidelity® Advisor Balanced Fund - Class T	ING Van Kampen Comstock Portfolio - Initial Class
Fidelity® Advisor Equity Growth Fund - Class T	ING Series Fund, Inc.: ING Aeltus Money Market Fund - Class A
Fidelity® Advisor Equity Income Fund - Class T	ING Balanced Fund - Class A
Fidelity® Advisor Growth Opportunities Fund - Class T	ING Global Science and Technology Fund - Class A
Fidelity® Variable Insurance Products: Fidelity® VIP Equity-Income Portfolio - Service Class 2	ING Growth and Income Fund - Class A
Fidelity® VIP Growth Portfolio - Service Class 2	ING Growth Fund - Class A
Fidelity® Variable Insurance Products II: Fidelity® VIP Contrafund® Portfolio - Service Class 2	ING Index Plus LargeCap Fund - Class A
Fidelity® Variable Insurance Products III: Fidelity® VIP Mid Cap Portfolio - Initial Class	ING Index Plus MidCap Fund - Class A
Franklin Value Investors Trust: Franklin Balance Sheet Investment Fund - Class A	ING Index Plus SmallCap Fund - Class A
Goldman Sachs Trust: Goldman Sachs Capital Growth Fund - Class A	ING International Growth Fund - Class A
Goldman Sachs Concentrated International Equity Fund - Class A	ING Small Company Fund - Class A
ING Equity Trust: ING LargeCap Growth Fund - Class A	ING Strategic Allocation Conservative Fund - Class A
ING SmallCap Opportunities Fund - Class A	ING Strategic Allocation Growth Fund - Class A
ING Investors Trust: ING Evergreen Omega Portfolio - Institutional Class	ING Strategic Allocation Moderate Fund - Class A
ING Evergreen Omega Portfolio - Service Class	ING Variable Portfolios, Inc.: ING VP Global Science and Technology Portfolio - Class S
ING FMR <sup>SM</sup> Equity Income Portfolio - Institutional Class	ING VP Growth Portfolio - Class S
ING FMR <sup>SM</sup> Equity Income Portfolio - Service Class	ING VP Value Opportunity Portfolio - Class S
ING FMR <sup>SM</sup> Large Cap Growth Portfolio - Service Class	Janus Adviser Series: Janus Adviser Flexible Bond Fund - Class S
ING Global Resources Portfolio - Institutional Class	Janus Adviser Forty Fund - Class S
ING Global Resources Portfolio - Service Class	Janus Adviser Large Cap Growth Fund - Class S
ING Julius Baer Foreign Portfolio - Institutional Class	Janus Adviser Mid Cap Growth Fund - Class S
ING Legg Mason Value Portfolio - Institutional Class	Janus Adviser Worldwide Fund - Class S
ING Lord Abbett Affiliated Portfolio - Service Class	Lazard Funds, Inc.: Lazard Emerging Markets Portfolio - Open Shares
	Lazard International Equity Portfolio - Open Shares
	Lazard Small Cap Portfolio - Open Shares
	Legg Mason Special Investment Trust, Inc.: Legg Mason Special Investment Trust, Inc. - Primary Class
	MFS® Series Trust II: MFS® Emerging Growth Fund - Class A

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Notes to Financial Statements**

---

MFS® Series Trust V:  
    MFS® Research Fund - Class A  
    MFS® Total Return Fund - Class A  
MFS® Series Trust VI:  
    MFS® Global Equity Fund - Class A  
MFS® Series Trust VII:  
    MFS® Capital Opportunities Fund - Class A  
Oppenheimer Capital Income Fund:  
    Oppenheimer Capital Income Fund - Class A  
Oppenheimer Champion Income Fund:  
    Oppenheimer Champion Income Fund - Class A  
Oppenheimer Integrity Funds:  
    Oppenheimer Core Bond Fund - Class A  
Pioneer Equity Income Fund:  
    Pioneer Equity Income Fund - Class A

Pioneer Growth Shares:  
    Pioneer Growth Shares - Class A  
Pioneer Variable Contracts Trust:  
    Pioneer Equity Income VCT Portfolio - Class II  
Prudential Investment Portfolios, Inc.:  
    Jennison Equity Opportunity Fund - Class A  
    Jennison Growth Fund - Class A  
T. Rowe Price Science and Technology Fund, Inc.:  
    T. Rowe Price Science and Technology  
    Fund - Advisor Class  
Vanguard® Index Funds:  
    Vanguard® 500 Index Fund - Investor Shares

**2. Significant Accounting Policies**

The following is a summary of the significant accounting policies of the Account:

*Use of Estimates*

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from reported results using those estimates.

*Investments*

Investments are made in shares of a Fund and are recorded at fair value, determined by the net asset value per share of the respective Fund. Investment transactions in each Fund are recorded on the trade date. Distributions of net investment income and capital gains from each Fund are recognized on the ex-distribution date. Realized gains and losses on redemptions of the shares of the Fund are determined on a first-in, first-out basis. The difference between cost and current market value of investments owned on the day of measurement is recorded as unrealized appreciation or depreciation of investments.

*Federal Income Taxes*

Operations of the Account form a part of, and are taxed with, the total operations of ILIAC, which is taxed as a life insurance company under the Internal Revenue Code. Earnings and realized capital gains of the Account attributable to the contractowners are excluded in the determination of the federal income tax liability of ILIAC.

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Notes to Financial Statements**

---

*Contractowner Reserves*

Prior to the annuity date, the Contracts are redeemable for the net cash surrender value of the Contracts. The annuity reserves of the Account are represented by net assets on the Statements of Assets and Liabilities and are equal to the aggregate account values of the contractowners invested in the Account Divisions. To the extent that benefits to be paid to the contractowners exceed their account values, ILIAC will contribute additional funds to the benefit proceeds. Conversely, if amounts allocated exceed amounts required, transfers may be made to ILIAC.

*Changes from Principal Transactions*

Included in Changes from Principal Transactions on the Statements of Changes in Net Assets are items which relate to contractowner activity, including deposits, surrenders and withdrawals, benefits, and contract charges. Also included are transfers between the fixed account and the Divisions, transfers between Divisions, and transfers to (from) ILIAC related to gains and losses resulting from actual mortality experience (the full responsibility for which is assumed by ILIAC). Any net unsettled transactions as of the reporting date are included in Payable to related parties on the Statements of Assets and Liabilities.

**3. Charges and Fees**

Under the terms of the Contracts, certain charges are allocated to the Contracts to cover ILIAC's expenses in connection with the issuance and administration of the Contracts. Following is a summary of these charges:

*Mortality and Expense Risk Charges*

ILIAC assumes mortality and expense risks related to the operations of the Account and, in accordance with the terms of the Contracts, deducts a daily charge from the assets of the Account. Daily charges are deducted at annual rates of up to 1.50% of the average daily net asset value of each Division of the Account to cover these risks, as specified in the Contracts.

*Asset Based Administrative Charges*

A daily charge to cover administrative expenses of the Account is deducted at an annual rate of up to 0.25% of the assets attributable to the Contracts.

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Notes to Financial Statements**

---

*Contract Maintenance Charges*

An annual Contract maintenance fee of up to \$40 may be deducted from the accumulation value of Contracts to cover ongoing administrative expenses, as specified in the Contract.

*Contingent Deferred Sales Charges*

For certain Contracts, a contingent deferred sales charge ("Surrender Charge") is imposed as a percentage that ranges up to 7.00% of each premium payment if the Contract is surrendered or an excess partial withdrawal is taken as specified in the Contract.

*Other Contract Charges*

For certain Contracts, an additional annual charge of 1.00% is deducted daily from the accumulation value of Contracts for contractowners who select the Five-Year Guaranteed Minimum Income feature.

*Premium Taxes*

For certain Contracts, premium taxes are deducted, where applicable, from the accumulation value of each Contract. The amount and timing of the deduction depends on the contractowner's state of residence and currently ranges up to 4.00% of premiums.

**4. Related Party Transactions**

During the year ended December 31, 2006, management and service fees were paid indirectly to ING Investments, LLC, an affiliate of the Company, in its capacity as investment adviser to the ING Equity Trust, ING Funds Trust, ING Mutual Funds, ING Variable Products Trust, ING GET Fund, ING VP Intermediate Bond Portfolio, ING VP Money Market Portfolio, ING VP Balanced Portfolio, Inc., ING Strategic Allocation Portfolios, Inc., ING Variable Funds, ING Variable Insurance Trust, ING Variable Portfolios, Inc., and ING VP Natural Resources Trust. The annual fee rate ranged from 0.17% to 1.00% of the average net assets of each respective Fund or Fund of the Trust.

In addition, management fees were paid to ILIAC in its capacity as investment adviser to ING Partners, Inc. The annual fee rate ranged from 0.00% to 1.00% of the average net assets of each respective Fund of the Trust.

Management fees were also paid indirectly to Directed Services, Inc. ("DSI"), an affiliate of the Company, in its capacity as investment manager to ING Investors Trust. The Fund's advisory agreement provided for a fee at an annual rate ranging from 0.26% to 1.25% of the average net assets of each respective Portfolio.

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Notes to Financial Statements**

---

On November 9, 2006, the Board of Trustees of ING Partners, Inc. and ING Investors Trust approved a consolidation of the Advisory functions for all of the Portfolios. Effective December 31, 2006 DSI was reorganized into a limited liability corporation, renamed to Directed Services, LLC (“DSL”) and transferred so that it became a wholly owned subsidiary of ILIAC. The functions of DSI and ILIAC were consolidated into DSL effective December 31, 2006. DSL is a dually registered investment adviser and broker-dealer. DSI’s current advisory contracts will remain within the newly organized DSL, and ILIAC’s advisory contracts will be assumed by DSL.

**5. Fund of Funds**

The Account had one Lifestyle Fund, “Moderate Allocation Portfolio” at December 31, 2006 which invested in other Divisions of the Account (“Underlying Funds”), as well as in fixed interest divisions, which are not part of the Account. The Lifestyle Fund’s percentage ownership in Underlying Funds and fixed interest divisions at December 31, 2006, was as follows:

<b>Underlying Fund</b>	<b>Moderate Allocation Portfolio</b>
Baron Growth Fund	10%
ING Index Plus MidCap Fund - Class R	10%
ING Intermediate Bond Fund - Class I	15%
Oppenheimer International Small Company Fund - Class A	5%
Lord Abbett Affiliated Fund - Class A	10%
The Growth Fund of America® - Class A	15%
Vanguard® Institutional Index Fund - Institutional Shares	10%
Fixed interest divisions	25%
	<u>100%</u>

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Notes to Financial Statements**

**6. Purchases and Sales of Investment Securities**

The aggregate cost of purchases and proceeds from sales of investments follow:

	Year ended December 31			
	2006		2005	
	Purchases	Sales	Purchases	Sales
	<i>(Dollars in thousands)</i>			
AIM Growth Series:				
AIM Mid Cap Core Equity Fund - Class A	\$ 128	\$ 61	\$ 73	\$ 81
AIM Small Cap Growth Fund - Class A	10	1	10	2
AIM Investment Funds:				
AIM Global Health Care Fund - Investor Class	98	44	67	1
AIM Variable Insurance Funds:				
AIM V.I. Capital Appreciation Fund - Series I Shares	18,631	5,970	1,852	4,568
AIM V.I. Core Equity Fund - Series I Shares	18,767	6,951	1,610	9,287
AIM V.I. Growth Fund - Series I Shares	606	18,422	1,413	3,513
AIM V.I. Premier Equity Fund - Series I Shares	406	18,128	944	4,403
AllianceBernstein Growth and Income Fund, Inc.:				
AllianceBernstein Growth and Income Fund, Inc. - Class A	41	24	19	1
AllianceBernstein Variable Products Series Fund, Inc.:				
AllianceBernstein Growth and Income Portfolio - Class A	347	95	213	10
Allianz Funds:				
Allianz NFJ Small-Cap Value - Class A	137	88	367	15
American Balanced Fund®, Inc.:				
American Balanced Fund® - Class R-3	1,403	314	2,545	136
American Century Quantitative Equity Funds, Inc.:				
American Century Income & Growth Fund - Advisor Class	1,240	1,414	2,172	886
Ariel Investment Trust:				
Ariel Appreciation Fund	260	45	227	19
Ariel Fund	262	160	449	35
Baron Investment Funds Trust:				
Baron Asset Fund	617	18	268	16
Baron Growth Fund	433	142	769	132
Calvert Variable Series, Inc.:				
Calvert Social Balanced Portfolio	6,465	10,538	8,974	10,949
Capital One Funds:				
Capital One Mid Cap Equity Fund - Class A	29	59	7,118	7,096
DWS Institutional Funds:				
DWS Equity 500 Index Fund - Class S	96	13	66	2
EuroPacific Growth Fund®:				
EuroPacific Growth Fund® - Class R-3	2,431	75	584	36
EuroPacific Growth Fund® - Class R-4	73,052	3,700	42,048	2,379



**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Notes to Financial Statements**

	Year ended December 31			
	2006		2005	
	Purchases	Sales	Purchases	Sales
	<i>(Dollars in thousands)</i>			
Evergreen Equity Trust:				
Evergreen Special Values Fund - Class A	\$ 35,425	\$ 5,833	\$ 33,472	\$ 3,597
Fidelity® Advisor Series I:				
Fidelity® Advisor Mid Cap Fund - Class T	190	104	205	18
Fidelity® Variable Insurance Products:				
Fidelity® VIP Equity-Income Portfolio - Initial Class	89,086	47,996	39,164	44,472
Fidelity® VIP Growth Portfolio - Initial Class	3,908	56,887	7,925	71,418
Fidelity® VIP High Income Portfolio - Initial Class	3,671	2,082	10,475	9,011
Fidelity® VIP Overseas Portfolio - Initial Class	12,798	13,431	18,623	21,649
Fidelity® Variable Insurance Products II:				
Fidelity® VIP Asset Manager <sup>SM</sup> Portfolio - Initial Class	1,485	2,553	1,284	3,160
Fidelity® VIP Contrafund® Portfolio - Initial Class	226,110	73,367	150,739	23,125
Fidelity® VIP Index 500 Portfolio - Initial Class	6,961	10,487	8,157	11,676
Fidelity® Variable Insurance Products III:				
Fidelity® VIP Mid Cap Portfolio - Initial Class	6,104	839	-	-
Franklin Mutual Series Fund, Inc.:				
Mutual Discovery Fund - Class R	693	62	474	14
Franklin Strategic Series:				
Franklin Small-Mid Cap Growth Fund - Class A	269	21	264	38
Franklin Templeton Variable Insurance Products Trust:				
Franklin Small Cap Value Securities Fund - Class 2	20,308	12,869	26,772	9,218
ING Equity Trust:				
ING Financial Services Fund - Class A	30	1	42	-
ING Real Estate Fund - Class A	1,262	160	784	123
ING Funds Trust:				
ING GNMA Income Fund - Class A	476	206	414	93
ING Intermediate Bond Fund - Class A	875	63	415	111
ING GET Fund:				
ING GET Fund - Series L	28	634	24	82
ING GET Fund - Series Q	183	520	202	759
ING GET Fund - Series S	564	5,177	1,405	10,017
ING Investors Trust:				
ING AllianceBernstein Mid Cap Growth Portfolio - Service Class	5,556	2,545	1,427	319
ING BlackRock Large Cap Growth Portfolio - Service Class	-	-	-	-
ING Evergreen Health Sciences Portfolio - Service Class	3,567	989	1,596	163
ING FMR <sup>SM</sup> Diversified Mid Cap Portfolio - Service Class	11,939	1,962	7,206	2,811
ING FMR <sup>SM</sup> Large Cap Growth Portfolio - Institutional Class	243	89	-	-
ING JPMorgan Emerging Markets Equity Portfolio - Adviser Class	53	2	-	-
ING JPMorgan Emerging Markets Equity Portfolio - Institutional Class	17,562	10,679	17,464	1,993
ING JPMorgan Emerging Markets Equity Portfolio - Service Class	19,754	8,759	8,314	2,167
ING JPMorgan Small Cap Core Equity Portfolio - Service Class	2,543	1,240	335	54

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Notes to Financial Statements**

	Year ended December 31			
	2006		2005	
	Purchases	Sales	Purchases	Sales
	(Dollars in thousands)			
ING Investors Trust (continued):				
ING JPMorgan Value Opportunities Portfolio - Institutional Class	\$ 25	\$ -	\$ -	\$ -
ING JPMorgan Value Opportunities Portfolio - Service Class	856	69	-	-
ING Julius Baer Foreign Portfolio - Service Class	19,491	2,659	11,130	4,039
ING Legg Mason Partners All Cap Portfolio - Service Class	34	-	-	-
ING Legg Mason Value Portfolio - Service Class	2,425	942	1,653	13
ING Lord Abbett Affiliated Portfolio - Institutional Class	1,313	303	-	-
ING Marsico Growth Portfolio - Service Class	1,862	416	1,172	55
ING Marsico International Opportunities Portfolio - Service Class	7,360	2,369	1,703	473
ING MFS Total Return Portfolio - Adviser Class	57	14	-	-
ING MFS Total Return Portfolio - Institutional Class	259	4	-	-
ING MFS Total Return Portfolio - Service Class	5,371	11,701	17,371	4,100
ING MFS Utilities Portfolio - Service Class	11,498	1,286	1,501	302
ING Oppenheimer Main Street Portfolio® - Service Class	724	178	208	2
ING PIMCO High Yield Portfolio - Institutional Class	413	168	-	-
ING PIMCO High Yield Portfolio - Service Class	4,657	1,059	4,307	2,885
ING Pioneer Fund Portfolio - Institutional Class	2,630	194	-	-
ING Pioneer Fund Portfolio - Service Class	31	8	-	-
ING Pioneer Mid Cap Value Portfolio - Institutional Class	812	63	-	-
ING Pioneer Mid Cap Value Portfolio - Service Class	6	-	-	-
ING Stock Index Portfolio - Institutional Class	8,001	32,938	24,638	1,885
ING T. Rowe Price Capital Appreciation Portfolio - Service Class	65,840	1,911	18,748	14
ING T. Rowe Price Equity Income Portfolio - Adviser Class	205	3	-	-
ING T. Rowe Price Equity Income Portfolio - Service Class	28,239	3,965	26,141	1,792
ING Templeton Global Growth Portfolio - Institutional Class	-	-	-	-
ING Templeton Global Growth Portfolio - Service Class	1,363	38	-	-
ING Van Kampen Equity Growth Portfolio - Service Class	14	-	-	-
ING Van Kampen Growth and Income Portfolio - Service Class	7,836	1,215	8,256	-
ING Van Kampen Real Estate Portfolio - Institutional Class	719	14	-	-
ING Van Kampen Real Estate Portfolio - Service Class	16,247	531	-	-
ING VP Index Plus International Equity Portfolio - Service Class	2,848	416	-	-
ING Wells Fargo Mid Cap Disciplined Portfolio - Service Class	736	21	-	-
ING Wells Fargo Small Cap Disciplined Portfolio - Service Class	1,828	725	-	-
ING Mutual Funds:				
ING International Fund - Class Q	4	-	2	-
ING International SmallCap Fund - Class A	509	71	284	50
ING Partners, Inc.:				
ING American Century Large Company Value Portfolio - Adviser Class	10	2	-	-
ING American Century Large Company Value Portfolio - Service Class	1,494	1,200	616	1,961
ING American Century Select Portfolio - Initial Class	8,186	29,749	172,434	27,207
ING American Century Select Portfolio - Service Class	1	20	241	2,162

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Notes to Financial Statements**

	Year ended December 31			
	2006		2005	
	Purchases	Sales	Purchases	Sales
	<i>(Dollars in thousands)</i>			
ING Partners, Inc. (continued):				
ING American Century Small-Mid Cap Value Portfolio - Adviser Class	\$ 20	\$ -	\$ -	\$ -
ING American Century Small-Mid Cap Value Portfolio - Service Class	3,488	5,848	9,722	2,504
ING Baron Asset Portfolio - Service Class	297	5	-	-
ING Baron Small Cap Growth Portfolio - Adviser Class	85	23	-	-
ING Baron Small Cap Growth Portfolio - Service Class	14,009	12,902	26,656	10,987
ING Columbia Small Cap Value II Portfolio - Service Class	50	14	-	-
ING Davis Venture Value Portfolio - Service Class	2,738	1,120	743	3,997
ING Fidelity® VIP Mid Cap Portfolio - Service Class	107	-	-	-
ING Fundamental Research Portfolio - Adviser Class	6	1	-	-
ING Fundamental Research Portfolio - Service Class	255	426	473	541
ING Goldman Sachs® Capital Growth Portfolio - Service Class	618	630	775	308
ING Goldman Sachs® Structured Equity Portfolio - Adviser Class	6	4	-	-
ING JPMorgan International Portfolio - Adviser Class	22	3	-	-
ING JPMorgan International Portfolio - Initial Class	9,658	27,598	24,688	35,386
ING JPMorgan International Portfolio - Service Class	34	25	3	-
ING JPMorgan Mid Cap Value Portfolio - Adviser Class	100	15	-	-
ING JPMorgan Mid Cap Value Portfolio - Service Class	6,762	2,553	15,265	5,322
ING Legg Mason Partners Aggressive Growth Portfolio - Adviser Class	21	4	-	-
ING Legg Mason Partners Aggressive Growth Portfolio - Initial Class	4,062	34,947	8,281	44,354
ING Legg Mason Partners Aggressive Growth Portfolio - Service Class	41	-	17	1
ING Legg Mason Partners Large Cap Growth Portfolio - Adviser Class	34	2	-	-
ING Legg Mason Partners Large Cap Growth Portfolio - Initial Class	831	1,166	4,730	803
ING Neuberger Berman Partners Portfolio - Service Class	301	77	-	-
ING Neuberger Berman Regency Portfolio - Service Class	1	-	-	-
ING OpCap Balanced Value Portfolio - Service Class	768	5,092	1,335	5,590
ING Oppenheimer Global Portfolio - Adviser Class	107	17	-	-
ING Oppenheimer Global Portfolio - Initial Class	21,163	131,361	815,706	67,337
ING Oppenheimer Global Portfolio - Service Class	162	21	1,670	3,745
ING Oppenheimer Strategic Income Portfolio - Adviser Class	122	-	-	-
ING Oppenheimer Strategic Income Portfolio - Initial Class	9,548	21,735	134,851	18,339
ING PIMCO Total Return Portfolio - Adviser Class	268	3	-	-
ING PIMCO Total Return Portfolio - Service Class	14,033	7,407	29,037	17,327
ING Pioneer High Yield Portfolio - Initial Class	1,018	33	-	-
ING Pioneer High Yield Portfolio - Service Class	6	-	-	-
ING Solution 2015 Portfolio - Adviser Class	2,380	131	452	15
ING Solution 2015 Portfolio - Service Class	13,254	993	2,058	129
ING Solution 2025 Portfolio - Adviser Class	3,932	66	264	-

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Notes to Financial Statements**

	Year ended December 31			
	2006		2005	
	Purchases	Sales	Purchases	Sales
	<i>(Dollars in thousands)</i>			
ING Partners, Inc. (continued):				
ING Solution 2025 Portfolio - Service Class	\$ 15,507	\$ 532	\$ 1,880	\$ 18
ING Solution 2035 Portfolio - Adviser Class	3,221	67	435	2
ING Solution 2035 Portfolio - Service Class	10,551	657	1,150	9
ING Solution 2045 Portfolio - Adviser Class	1,855	19	255	-
ING Solution 2045 Portfolio - Service Class	7,899	1,479	923	366
ING Solution Income Portfolio - Adviser Class	1,627	50	43	3
ING Solution Income Portfolio - Service Class	3,331	1,022	339	4
ING T. Rowe Price Diversified Mid Cap Growth Portfolio - Adviser Class	38	-	-	-
ING T. Rowe Price Diversified Mid Cap Growth Portfolio - Initial Class	13,796	73,265	414,839	46,638
ING T. Rowe Price Diversified Mid Cap Growth Portfolio - Service Class	265	94	958	9,688
ING T. Rowe Price Growth Equity Portfolio - Adviser Class	136	3	-	-
ING T. Rowe Price Growth Equity Portfolio - Initial Class	8,093	42,388	14,955	39,142
ING T. Rowe Price Growth Equity Portfolio - Service Class	403	68	327	125
ING Templeton Foreign Equity Portfolio - Service Class	560	282	-	-
ING Thornburg Value Portfolio - Adviser Class	50	-	-	-
ING Thornburg Value Portfolio - Initial Class	2,927	21,494	6,758	31,928
ING UBS U.S. Large Cap Equity Portfolio - Initial Class	4,725	20,904	8,289	19,867
ING UBS U.S. Large Cap Equity Portfolio - Service Class	3	-	-	-
ING UBS U.S. Small Cap Growth Portfolio - Service Class	137	116	-	-
ING Van Kampen Comstock Portfolio - Adviser Class	148	2	-	-
ING Van Kampen Comstock Portfolio - Service Class	17,148	24,662	36,332	9,633
ING Van Kampen Equity and Income Portfolio - Adviser Class	21	-	-	-
ING Van Kampen Equity and Income Portfolio - Initial Class	42,121	32,779	336,044	21,761
ING Van Kampen Equity and Income Portfolio - Service Class	113	40	4,026	6,314
ING Strategic Allocation Portfolios, Inc.:				
ING VP Strategic Allocation Conservative Portfolio - Class I	8,667	9,237	15,080	13,050
ING VP Strategic Allocation Growth Portfolio - Class I	9,806	10,755	8,215	12,480
ING VP Strategic Allocation Moderate Portfolio - Class I	16,458	12,596	12,839	12,121
ING Variable Funds:				
ING VP Growth and Income Portfolio - Class I	26,490	298,142	26,103	365,769
ING Variable Insurance Trust:				
ING GET U.S. Core Portfolio - Series 1	52	523	105	809
ING GET U.S. Core Portfolio - Series 2	475	4,226	792	7,686
ING GET U.S. Core Portfolio - Series 3	1,024	11,260	1,719	16,800
ING GET U.S. Core Portfolio - Series 5	40	30	17	66
ING GET U.S. Core Portfolio - Series 6	207	1,159	556	1,657
ING GET U.S. Core Portfolio - Series 7	92	747	482	645
ING GET U.S. Core Portfolio - Series 8	33	199	1,871	353
ING GET U.S. Core Portfolio - Series 9	3	68	276	57
ING GET U.S. Core Portfolio - Series 10	1	40	108	1
ING GET U.S. Core Portfolio - Series 11	-	37	80	-

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Notes to Financial Statements**

	Year ended December 31			
	2006		2005	
	Purchases	Sales	Purchases	Sales
	<i>(Dollars in thousands)</i>			
ING Variable Portfolios, Inc.:				
ING VP Global Science and Technology Portfolio - Class I	\$ 7,621	\$ 13,309	\$ 9,865	\$ 13,869
ING VP Growth Portfolio - Class I	2,455	15,259	2,954	20,048
ING VP Index Plus LargeCap Portfolio - Class I	14,008	73,535	22,393	73,381
ING VP Index Plus LargeCap Portfolio - Class S	42	37	-	-
ING VP Index Plus MidCap Portfolio - Class I	57,553	56,686	62,740	20,754
ING VP Index Plus MidCap Portfolio - Class S	59	17	-	-
ING VP Index Plus SmallCap Portfolio - Class I	27,340	33,596	36,307	16,089
ING VP Index Plus SmallCap Portfolio - Class S	51	-	-	-
ING VP International Equity Portfolio - Class I	6,935	5,207	11,254	10,878
ING VP International Equity Portfolio - Class S	17	-	-	-
ING VP Small Company Portfolio - Class I	36,636	27,169	12,981	42,294
ING VP Small Company Portfolio - Class S	11	-	-	-
ING VP Value Opportunity Portfolio - Class I	4,539	18,942	11,867	28,815
ING Variable Products Trust:				
ING VP Financial Services Portfolio - Class I	4,236	1,710	1,022	470
ING VP International Value Portfolio - Class I	42,773	14,550	34,818	16,031
ING VP International Value Portfolio - Class S	61	5	-	-
ING VP MidCap Opportunities Portfolio - Class I	2,123	1,633	914	1,685
ING VP MidCap Opportunities Portfolio - Class S	3	-	-	-
ING VP Real Estate Portfolio - Class I	30,182	8,334	22,323	6,446
ING VP SmallCap Opportunities Portfolio - Class I	2,916	3,179	4,749	4,288
ING VP SmallCap Opportunities Portfolio - Class S	42	30	-	-
ING VP Balanced Portfolio, Inc.:				
ING VP Balanced Portfolio - Class I	20,754	113,193	33,130	99,210
ING VP Intermediate Bond Portfolio:				
ING VP Intermediate Bond Portfolio - Class I	41,876	46,586	61,080	58,882
ING VP Intermediate Bond Portfolio - Class S	12	-	-	-
ING VP Money Market Portfolio:				
ING VP Money Market Portfolio - Class I	212,366	67,608	76,707	86,828
ING VP Natural Resources Trust:				
ING VP Natural Resources Trust	36,119	26,633	40,080	14,225
Janus Adviser Series:				
Janus Adviser Balanced Fund - Class S	1	-	-	-
Janus Aspen Series:				
Janus Aspen Series Balanced Portfolio - Institutional Shares	100	250	1,674	346,487
Janus Aspen Series Flexible Bond Portfolio - Institutional Shares	34	64	1,399	79,337
Janus Aspen Series Large Cap Growth Portfolio - Institutional Shares	12	65	2,985	190,109
Janus Aspen Series Mid Cap Growth Portfolio - Institutional Shares	190	272	436	429,358
Janus Aspen Series Worldwide Growth Portfolio - Institutional Shares	162	243	3,249	416,240

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Notes to Financial Statements**

	Year ended December 31			
	2006		2005	
	Purchases	Sales	Purchases	Sales
	<i>(Dollars in thousands)</i>			
Legg Mason Value Trust, Inc.:				
Legg Mason Value Trust, Inc. - Primary Class	\$ 367	\$ 271	\$ 1,191	\$ 13
LKCM Funds:				
LKCM Aquinas Growth Fund	191	25	-	-
Lord Abbett Affiliated Fund, Inc.:				
Lord Abbett Affiliated Fund - Class A	494	68	635	92
Lord Abbett Mid Cap Value Fund, Inc.:				
Lord Abbett Mid-Cap Value Fund, Inc. - Class A	408	144	577	39
Lord Abbett Research Fund, Inc.:				
Lord Abbett Small-Cap Value Fund - Class A	492	127	465	26
Lord Abbett Series Fund, Inc.:				
Lord Abbett Series Fund - Growth and Income Portfolio - Class VC	14,325	9,661	26,335	9,003
Lord Abbett Series Fund - Mid-Cap Value Portfolio - Class VC	23,869	19,708	54,636	5,406
Massachusetts Investors Growth Stock Fund:				
Massachusetts Investors Growth Stock Fund - Class A	173	38	274	52
MFS® Variable Insurance Trust <sup>SM</sup> :				
MFS® Total Return Series - Initial Class	8,263	14,502	20,517	10,187
Moderate Allocation Portfolio:				
Moderate Allocation Portfolio	38	13	1	1
Neuberger Berman Equity Funds®:				
Neuberger Berman Socially Responsive Fund® - Trust Class	499	12	-	-
New Perspective Fund®, Inc.:				
New Perspective Fund®, Inc. - Class R-3	737	85	283	15
New Perspective Fund®, Inc. - Class R-4	12,076	9,196	15,811	3,213
Oppenheimer Capital Appreciation Fund:				
Oppenheimer Capital Appreciation Fund - Class A	105	35	105	20
Oppenheimer Developing Markets Fund:				
Oppenheimer Developing Markets Fund - Class A	61,034	27,695	68,513	13,663
Oppenheimer Global Fund:				
Oppenheimer Global Fund - Class A	86	14	46	3
Oppenheimer Main Street Funds®, Inc.:				
Oppenheimer Main Street Fund® - Class A	153	5	12	4
Oppenheimer Variable Account Funds:				
Oppenheimer Aggressive Growth Fund/VA	-	1	-	1
Oppenheimer Global Securities/VA	245	265	25,715	406,580
Oppenheimer Main Street Fund®/VA	82	12	1	5
Oppenheimer Main Street Small Cap Fund®/VA	4,272	855	1,077	86
Oppenheimer Strategic Bond Fund/VA	41	71	8,480	52,563
Pax World Balanced Fund, Inc.:				
Pax World Balanced Fund, Inc.	16,121	23,457	40,205	3,803

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Notes to Financial Statements**

---

	Year ended December 31			
	2006		2005	
	Purchases	Sales	Purchases	Sales
	<i>(Dollars in thousands)</i>			
PIMCO Variable Insurance Trust:				
PIMCO Real Return Portfolio - Administrative Class	\$ 11,352	\$ 7,237	\$ 16,629	\$ 2,910
Pioneer Fund:				
Pioneer Fund - Class A	34	17	25	2
Pioneer High Yield Fund:				
Pioneer High Yield Fund - Class A	1,274	127	433	85
Pioneer Variable Contracts Trust:				
Pioneer Equity Income VCT Portfolio - Class I	40,946	6,274	42,650	2,739
Pioneer Fund VCT Portfolio - Class I	4,936	738	2,433	678
Pioneer High Yield VCT Portfolio - Class I	7,068	1,886	4,236	1,368
Pioneer Mid Cap Value VCT Portfolio - Class I	28,756	13,273	35,675	8,916
T. Rowe Price Mid-Cap Value Fund, Inc.:				
T. Rowe Price Mid-Cap Value Fund - R Class	285	114	228	81
T. Rowe Price Value Fund, Inc.:				
T. Rowe Price Value Fund - Advisor Class	29	-	-	-
Templeton Funds, Inc.:				
Templeton Foreign Fund - Class A	230	45	282	114
Templeton Growth Fund, Inc.:				
Templeton Growth Fund, Inc. - Class A	326	63	335	27
Templeton Income Trust:				
Templeton Global Bond Fund - Class A	17,851	1,595	15,950	6,471
The Growth Fund of America®, Inc.:				
The Growth Fund of America® - Class R-3	3,751	135	2,371	138
The Growth Fund of America® - Class R-4	62,598	22,409	86,087	7,175
The Income Fund of America®, Inc.:				
The Income Fund of America® - Class R-3	714	48	242	51
UBS Funds:				
UBS U.S. Small Cap Growth Fund - Class A	207	21	25	1
Vanguard® Variable Insurance Fund:				
Diversified Value Portfolio	30	5	61	-
Equity Income Portfolio	63	94	55	15
Small Company Growth Portfolio	18	-	-	-
Wanger Advisors Trust:				
Wanger Select	17,069	687	4,675	338
Wanger U.S. Smaller Companies	8,864	1,576	6,750	327
Washington Mutual Investors Fund <sup>SM</sup> , Inc.:				
Washington Mutual Investors Fund <sup>SM</sup> , Inc. - Class R-3	1,489	159	1,078	138
Washington Mutual Investors Fund <sup>SM</sup> , Inc. - Class R-4	17,681	5,039	31,504	1,420
Wells Fargo Funds Trust:				
Wells Fargo Advantage Small Cap Value Fund - Class A	22	-	-	-

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Notes to Financial Statements**

**7. Changes in Units**

The changes in units outstanding were as follows:

	Year Ended December 31,					
	2006			2005		
	Units Issued	Units Redeemed	Net Increase (Decrease)	Units Issued	Units Redeemed	Net Increase (Decrease)
AIM Growth Series:						
AIM Mid Cap Core Equity Fund - Class A	9,470	7,424	2,046	5,274	7,073	(1,799)
AIM Small Cap Growth Fund - Class A	700	35	665	828	159	669
AIM Investment Funds:						
AIM Global Health Care Fund - Investor Class	3,668	2,285	1,383	3,216	1,026	2,190
AIM Variable Insurance Funds:						
AIM V.I. Capital Appreciation Fund - Series I Shares	2,118,775	863,241	1,255,534	657,564	938,403	(280,839)
AIM V.I. Core Equity Fund - Series I Shares	2,447,299	1,132,910	1,314,389	652,531	1,582,206	(929,675)
AIM V.I. Growth Fund - Series I Shares	85,807	2,777,101	(2,691,294)	641,539	979,129	(337,590)
AIM V.I. Premier Equity Fund - Series I Shares	20,794	2,195,271	(2,174,477)	583,392	1,036,124	(452,732)
AllianceBernstein Growth and Income Fund, Inc.:						
AllianceBernstein Growth and Income Fund, Inc. - Class A	6,666	5,300	1,366	4,757	3,013	1,744
AllianceBernstein Variable Products Series Fund, Inc.:						
AllianceBernstein Growth and Income Portfolio - Class A	27,938	8,944	18,994	25,397	7,513	17,884
Allianz Funds:						
Allianz NFJ Small-Cap Value - Class A	31,766	31,096	670	30,481	4,480	26,001
American Balanced Fund®, Inc.:						
American Balanced Fund® - Class R-3	237,701	155,678	82,023	319,031	99,566	219,465
American Century Quantitative Equity Funds, Inc.:						
American Century Income & Growth Fund - Advisor Class	83,402	127,010	(43,608)	190,518	84,539	105,979
Ariel Investment Trust:						
Ariel Appreciation Fund	48,121	31,887	16,234	19,958	2,090	17,868
Ariel Fund	29,610	23,747	5,863	48,071	15,132	32,939
Baron Investment Funds Trust:						
Baron Asset Fund	54,393	17,130	37,263	24,239	5,490	18,749
Baron Growth Fund	106,551	88,961	17,590	77,196	27,783	49,413



**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Notes to Financial Statements**

	Year Ended December 31,					
	2006			2005		
	Units Issued	Units Redeemed	Net Increase (Decrease)	Units Issued	Units Redeemed	Net Increase (Decrease)
Calvert Variable Series, Inc.:						
Calvert Social Balanced Portfolio	454,344	803,468	(349,124)	751,138	889,570	(138,432)
Capital One Funds:						
Capital One Mid Cap Equity Fund - Class A	1,485	4,482	(2,997)	603,182	593,036	10,146
DWS Institutional Funds:						
DWS Equity 500 Index Fund - Class S	7,119	893	6,226	5,228	179	5,049
EuroPacific Growth Fund®:						
EuroPacific Growth Fund® - Class R-3	210,987	72,885	138,102	56,612	17,199	39,413
EuroPacific Growth Fund® - Class R-4	4,972,704	841,208	4,131,496	3,579,009	482,256	3,096,753
Evergreen Equity Trust:						
Evergreen Special Values Fund - Class A	1,163,358	519,605	643,753	1,489,104	318,494	1,170,610
Fidelity® Advisor Series I:						
Fidelity® Advisor Mid Cap Fund - Class T	42,030	39,715	2,315	37,611	26,382	11,229
Fidelity® Variable Insurance Products:						
Fidelity® VIP Equity-Income Portfolio - Initial Class	3,377,189	3,978,818	(601,629)	4,806,816	6,275,519	(1,468,703)
Fidelity® VIP Growth Portfolio - Initial Class	2,775,066	5,800,775	(3,025,709)	4,448,061	8,541,945	(4,093,884)
Fidelity® VIP High Income Portfolio - Initial Class	357,053	237,444	119,609	1,109,272	1,029,711	79,561
Fidelity® VIP Overseas Portfolio - Initial Class	1,215,717	1,222,791	(7,074)	2,268,728	2,476,978	(208,250)
Fidelity® Variable Insurance Products II:						
Fidelity® VIP Asset Manager <sup>SM</sup> Portfolio - Initial Class	65,848	138,755	(72,907)	54,430	176,044	(121,614)
Fidelity® VIP Contrafund® Portfolio - Initial Class	9,362,500	6,228,913	3,133,587	13,414,396	7,968,285	5,446,111
Fidelity® VIP Index 500 Portfolio - Initial Class	243,592	413,913	(170,321)	342,733	529,692	(186,959)
Fidelity® Variable Insurance Products III:						
Fidelity® VIP Mid Cap Portfolio - Initial Class	518,859	72,758	446,101	-	-	-
Franklin Mutual Series Fund, Inc.:						
Mutual Discovery Fund - Class R	50,624	11,856	38,768	55,437	20,918	34,519
Franklin Strategic Series:						
Franklin Small-Mid Cap Growth Fund - Class A	39,633	22,456	17,177	29,841	9,525	20,316

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Notes to Financial Statements**

	Year Ended December 31,					
	2006			2005		
	Units Issued	Units Redeemed	Net Increase (Decrease)	Units Issued	Units Redeemed	Net Increase (Decrease)
Franklin Templeton Variable Insurance Products Trust:						
Franklin Small Cap Value Securities Fund - Class 2	1,619,032	1,294,016	325,016	2,368,454	1,237,900	1,130,554
ING Equity Trust:						
ING Financial Services Fund - Class A	3,015	1,201	1,814	3,510	-	3,510
ING Real Estate Fund - Class A	110,049	53,377	56,672	77,916	32,627	45,289
ING Funds Trust:						
ING GNMA Income Fund - Class A	85,687	63,354	22,333	78,924	49,605	29,319
ING Intermediate Bond Fund - Class A	115,117	43,097	72,020	77,868	50,790	27,078
ING GET Fund:						
ING GET Fund - Series L	-	60,582	(60,582)	-	7,181	(7,181)
ING GET Fund - Series Q	5,642	45,025	(39,383)	6,298	67,826	(61,528)
ING GET Fund - Series S	44,894	500,178	(455,284)	134,237	1,022,581	(888,344)
ING Investors Trust:						
ING AllianceBernstein Mid Cap Growth Portfolio - Service Class	444,247	270,523	173,724	115,656	27,844	87,812
ING BlackRock Large Cap Growth Portfolio - Service Class	2	-	2			
ING Evergreen Health Sciences Portfolio - Service Class	346,708	124,464	222,244	151,605	22,736	128,869
ING FMR <sup>SM</sup> Diversified Mid Cap Portfolio - Service Class	1,034,427	309,609	724,818	682,372	292,670	389,702
ING FMR <sup>SM</sup> Large Cap Growth Portfolio - Institutional Class	25,770	9,368	16,402	-	-	-
ING JPMorgan Emerging Markets Equity Portfolio - Adviser Class	4,001	110	3,891	-	-	-
ING JPMorgan Emerging Markets Equity Portfolio - Institutional Class	1,466,644	962,288	504,356	1,580,703	184,531	1,396,172
ING JPMorgan Emerging Markets Equity Portfolio - Service Class	1,529,877	842,673	687,204	768,289	255,901	512,388
ING JPMorgan Small Cap Core Equity Portfolio - Service Class	225,805	124,840	100,965	30,538	5,593	24,945
ING JPMorgan Value Opportunities Portfolio - Institutional Class	2,271	-	2,271	-	-	-
ING JPMorgan Value Opportunities Portfolio - Service Class	80,622	7,599	73,023	-	-	-
ING Julius Baer Foreign Portfolio - Service Class	1,477,468	368,954	1,108,514	933,037	397,402	535,635
ING Legg Mason Partners All Cap Portfolio - Service Class	3,114	-	3,114	-	-	-
ING Legg Mason Value Portfolio - Service Class	240,217	106,096	134,121	155,179	7,250	147,929
ING Lord Abbett Affiliated Portfolio - Institutional Class	138,301	39,442	98,859			
ING Marsico Growth Portfolio - Service Class	176,898	45,969	130,929	108,232	6,519	101,713

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Notes to Financial Statements**

	Year Ended December 31,					
	2006			2005		
	Units Issued	Units Redeemed	Net Increase (Decrease)	Units Issued	Units Redeemed	Net Increase (Decrease)
ING Investors Trust (continued):						
ING Marsico International Opportunities Portfolio - Service Class	638,553	268,482	370,071	158,849	50,599	108,250
ING MFS Total Return Portfolio - Adviser Class	5,227	1,258	3,969	-	-	-
ING MFS Total Return Portfolio - Institutional Class	25,357	417	24,940	-	-	-
ING MFS Total Return Portfolio - Service Class	558,756	1,177,609	(618,853)	1,439,643	543,650	895,993
ING MFS Utilities Portfolio - Service Class	954,462	177,244	777,218	138,963	34,731	104,232
ING Oppenheimer Main Street Portfolio® - Service Class	67,761	21,090	46,671	19,588	146	19,442
ING PIMCO High Yield Portfolio - Institutional Class	40,236	16,894	23,342	-	-	-
ING PIMCO High Yield Portfolio - Service Class	457,241	144,130	313,111	421,038	285,920	135,118
ING Pioneer Fund Portfolio - Institutional Class	260,890	29,191	231,699	-	-	-
ING Pioneer Fund Portfolio - Service Class	3,009	712	2,297	-	-	-
ING Pioneer Mid Cap Value Portfolio - Institutional Class	82,161	8,384	73,777	-	-	-
ING Pioneer Mid Cap Value Portfolio - Service Class	562	-	562	-	-	-
ING Stock Index Portfolio - Institutional Class	624,959	2,517,628	(1,892,669)	2,336,668	170,640	2,166,028
ING T. Rowe Price Capital Appreciation Portfolio - Service Class	5,718,424	465,853	5,252,571	1,778,971	27,057	1,751,914
ING T. Rowe Price Equity Income Portfolio - Adviser Class	18,001	231	17,770	-	-	-
ING T. Rowe Price Equity Income Portfolio - Service Class	1,881,503	585,382	1,296,121	3,655,675	2,047,631	1,608,044
ING Templeton Global Growth Portfolio - Institutional Class	4	-	4	-	-	-
ING Templeton Global Growth Portfolio - Service Class	136,831	8,472	128,359	-	-	-
ING Van Kampen Equity Growth Portfolio - Service Class	1,234	-	1,234	-	-	-
ING Van Kampen Growth and Income Portfolio - Service Class	681,872	203,164	478,708	763,765	5,097	758,668
ING Van Kampen Real Estate Portfolio - Institutional Class	62,126	1,013	61,113	-	-	-
ING Van Kampen Real Estate Portfolio - Service Class	1,509,913	137,757	1,372,156	-	-	-
ING VP Index Plus International Equity Portfolio - Service Class	286,710	54,596	232,114	-	-	-
ING Wells Fargo Mid Cap Disciplined Portfolio - Service Class	83,000	11,899	71,101	-	-	-
ING Wells Fargo Small Cap Disciplined Portfolio - Service Class	190,605	81,835	108,770	-	-	-
ING Mutual Funds:						
ING International Fund - Class Q	251	1	250	195	-	195
ING International SmallCap Fund - Class A	58,100	31,454	26,646	23,217	3,715	19,502

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Notes to Financial Statements**

	Year Ended December 31,					
	2006			2005		
	Units Issued	Units Redeemed	Net Increase (Decrease)	Units Issued	Units Redeemed	Net Increase (Decrease)
ING Partners, Inc.:						
ING American Century Large Company Value Portfolio - Adviser Class	911	192	719	-	-	-
ING American Century Large Company Value Portfolio - Service Class	132,178	123,668	8,510	92,556	190,256	(97,700)
ING American Century Select Portfolio - Initial Class	1,520,966	3,749,472	(2,228,506)	19,185,025	3,757,068	15,427,957
ING American Century Select Portfolio - Service Class	109	2,401	(2,292)	37,384	265,124	(227,740)
ING American Century Small-Mid Cap Value Portfolio - Adviser Class	1,860	-	1,860	-	-	-
ING American Century Small-Mid Cap Value Portfolio - Service Class	414,734	530,341	(115,607)	1,704,949	1,422,155	282,794
ING Baron Asset Portfolio - Service Class	30,849	580	30,269	-	-	-
ING Baron Small Cap Growth Portfolio - Adviser Class	7,457	2,118	5,339	-	-	-
ING Baron Small Cap Growth Portfolio - Service Class	1,407,705	1,315,385	92,320	3,349,758	2,258,361	1,091,397
ING Columbia Small Cap Value II Portfolio - Service Class	5,361	1,455	3,906	-	-	-
ING Davis Venture Value Portfolio - Service Class	170,182	103,620	66,562	103,707	287,606	(183,899)
ING Fidelity® VIP Mid Cap Portfolio - Service Class	10,211	4	10,207	-	-	-
ING Fundamental Research Portfolio - Adviser Class	517	103	414	-	-	-
ING Fundamental Research Portfolio - Service Class	36,625	55,776	(19,151)	66,902	75,430	(8,528)
ING Goldman Sachs® Capital Growth Portfolio - Service Class	79,352	72,958	6,394	97,604	57,426	40,178
ING Goldman Sachs® Structured Equity Portfolio - Adviser Class	520	383	137	-	-	-
ING JPMorgan International Portfolio - Adviser Class	1,855	263	1,592	-	-	-
ING JPMorgan International Portfolio - Initial Class	971,166	1,783,565	(812,399)	2,345,638	2,931,635	(585,997)
ING JPMorgan International Portfolio - Service Class	2,519	1,752	767	255	-	255
ING JPMorgan Mid Cap Value Portfolio - Adviser Class	8,867	1,216	7,651	-	-	-
ING JPMorgan Mid Cap Value Portfolio - Service Class	707,012	412,698	294,314	1,180,113	605,153	574,960
ING Legg Mason Partners Aggressive Growth Portfolio - Adviser Class	1,897	374	1,523	-	-	-
ING Legg Mason Partners Aggressive Growth Portfolio - Initial Class	1,688,082	3,871,402	(2,183,320)	3,153,236	6,114,805	(2,961,569)
ING Legg Mason Partners Aggressive Growth Portfolio - Service Class	3,428	3	3,425	4,410	2,804	1,606
ING Legg Mason Partners Large Cap Growth Portfolio - Adviser Class	3,333	204	3,129	-	-	-
ING Legg Mason Partners Large Cap Growth Portfolio - Initial Class	77,635	111,717	(34,082)	446,343	75,495	370,848
ING Neuberger Berman Partners Portfolio - Service Class	30,912	8,800	22,112	-	-	-
ING Neuberger Berman Regency Portfolio - Service Class	131	-	131	-	-	-

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Notes to Financial Statements**

	Year Ended December 31,					
	2006			2005		
	Units Issued	Units Redeemed	Net Increase (Decrease)	Units Issued	Units Redeemed	Net Increase (Decrease)
ING Partners, Inc. (continued):						
ING OpCap Balanced Value Portfolio - Service Class	165,629	454,670	(289,041)	280,689	590,397	(309,708)
ING Oppenheimer Global Portfolio - Adviser Class	9,249	1,424	7,825	-	-	-
ING Oppenheimer Global Portfolio - Initial Class	7,096,422	14,320,288	(7,223,866)	86,257,752	11,756,932	74,500,820
ING Oppenheimer Global Portfolio - Service Class	14,537	4,735	9,802	163,468	344,059	(180,591)
ING Oppenheimer Strategic Income Portfolio - Adviser Class	11,656	4	11,652	-	-	-
ING Oppenheimer Strategic Income Portfolio - Initial Class	2,384,250	3,344,210	(959,960)	14,546,767	3,157,025	11,389,742
ING PIMCO Total Return Portfolio - Adviser Class	25,877	280	25,597	-	-	-
ING PIMCO Total Return Portfolio - Service Class	2,002,436	1,421,129	581,307	3,177,512	2,236,389	941,123
ING Pioneer High Yield Portfolio - Initial Class	103,958	9,590	94,368	-	-	-
ING Pioneer High Yield Portfolio - Service Class	591	-	591	-	-	-
ING Solution 2015 Portfolio - Adviser Class	232,135	30,358	201,777	42,530	1,394	41,136
ING Solution 2015 Portfolio - Service Class	1,375,357	266,876	1,108,481	204,910	19,792	185,118
ING Solution 2025 Portfolio - Adviser Class	345,467	9,595	335,872	24,368	6	24,362
ING Solution 2025 Portfolio - Service Class	1,484,133	172,026	1,312,107	177,892	2,287	175,605
ING Solution 2035 Portfolio - Adviser Class	283,154	15,425	267,729	39,876	187	39,689
ING Solution 2035 Portfolio - Service Class	989,989	140,178	849,811	110,260	4,199	106,061
ING Solution 2045 Portfolio - Adviser Class	159,254	7,516	151,738	22,636	7	22,629
ING Solution 2045 Portfolio - Service Class	707,497	170,738	536,759	85,067	33,177	51,890
ING Solution Income Portfolio - Adviser Class	151,731	5,433	146,298	4,196	286	3,910
ING Solution Income Portfolio - Service Class	323,968	106,997	216,971	33,354	277	33,077
ING T. Rowe Price Diversified Mid Cap Growth Portfolio - Adviser Class	3,451	1	3,450	-	-	-
ING T. Rowe Price Diversified Mid Cap Growth Portfolio - Initial Class	3,122,901	8,388,076	(5,265,175)	45,657,808	7,390,311	38,267,497
ING T. Rowe Price Diversified Mid Cap Growth Portfolio - Service Class	37,215	23,486	13,729	184,299	1,369,227	(1,184,928)
ING T. Rowe Price Growth Equity Portfolio - Adviser Class	12,626	258	12,368	-	-	-
ING T. Rowe Price Growth Equity Portfolio - Initial Class	1,895,109	3,328,512	(1,433,403)	3,230,785	4,471,229	(1,240,444)
ING T. Rowe Price Growth Equity Portfolio - Service Class	41,654	13,416	28,238	48,163	29,461	18,702
ING Templeton Foreign Equity Portfolio - Service Class	57,199	30,234	26,965	-	-	-
ING Thornburg Value Portfolio - Adviser Class	4,522	-	4,522	-	-	-

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Notes to Financial Statements**

	Year Ended December 31,					
	2006			2005		
	Units Issued	Units Redeemed	Net Increase (Decrease)	Units Issued	Units Redeemed	Net Increase (Decrease)
ING Partners, Inc. (continued):						
ING Thornburg Value Portfolio - Initial Class	476,708	1,337,097	(860,389)	943,877	2,267,251	(1,323,374)
ING UBS U.S. Large Cap Equity Portfolio - Initial Class	862,373	1,784,190	(921,817)	1,934,400	2,841,954	(907,554)
ING UBS U.S. Large Cap Equity Portfolio - Service Class	292	-	292	-	-	-
ING UBS U.S. Small Cap Growth Portfolio - Service Class	14,091	11,603	2,488	-	-	-
ING Van Kampen Comstock Portfolio - Adviser Class	12,713	147	12,566	-	-	-
ING Van Kampen Comstock Portfolio - Service Class	1,459,124	2,125,373	(666,249)	3,344,671	1,521,089	1,823,582
ING Van Kampen Equity and Income Portfolio - Adviser Class	1,884	-	1,884			
ING Van Kampen Equity and Income Portfolio - Initial Class	6,011,674	6,142,702	(131,028)	36,677,957	5,001,951	31,676,006
ING Van Kampen Equity and Income Portfolio - Service Class	4,515	1,840	2,675	298,569	403,288	(104,719)
ING Strategic Allocation Portfolios, Inc.:						
ING VP Strategic Allocation Conservative Portfolio - Class I	669,414	739,686	(70,272)	1,361,567	1,238,211	123,356
ING VP Strategic Allocation Growth Portfolio - Class I	1,034,022	1,087,631	(53,609)	1,218,087	1,575,434	(357,347)
ING VP Strategic Allocation Moderate Portfolio - Class I	1,488,092	1,275,733	212,359	1,573,652	1,541,384	32,268
ING Variable Funds:						
ING VP Growth and Income Portfolio - Class I	4,790,784	15,805,400	(11,014,616)	9,408,103	26,921,396	(17,513,293)
ING Variable Insurance Trust:						
ING GET U.S. Core Portfolio - Series 1	-	47,668	(47,668)	-	75,211	(75,211)
ING GET U.S. Core Portfolio - Series 2	10,134	395,607	(385,473)	7,193	738,226	(731,033)
ING GET U.S. Core Portfolio - Series 3	85,582	1,147,984	(1,062,402)	234,875	1,794,121	(1,559,246)
ING GET U.S. Core Portfolio - Series 5	-	1,716	(1,716)	7,119	12,535	(5,416)
ING GET U.S. Core Portfolio - Series 6	23,836	121,699	(97,863)	137,731	239,855	(102,124)
ING GET U.S. Core Portfolio - Series 7	9,232	75,326	(66,094)	15,417	26,473	(11,056)
ING GET U.S. Core Portfolio - Series 8	10,938	27,849	(16,911)	176,006	21,908	154,098
ING GET U.S. Core Portfolio - Series 9	3,031	9,580	(6,549)	22,520	416	22,104
ING GET U.S. Core Portfolio - Series 10	-	3,724	(3,724)	11,186	425	10,761
ING GET U.S. Core Portfolio - Series 11	-	3,580	(3,580)	8,000	-	8,000

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Notes to Financial Statements**

	Year Ended December 31,					
	2006			2005		
	Units Issued	Units Redeemed	Net Increase (Decrease)	Units Issued	Units Redeemed	Net Increase (Decrease)
ING Variable Portfolios, Inc.:						
ING VP Global Science and Technology Portfolio - Class I	2,970,151	4,241,036	(1,270,885)	4,289,180	5,282,630	(993,450)
ING VP Growth Portfolio - Class I	653,273	1,473,888	(820,615)	1,236,907	2,654,888	(1,417,981)
ING VP Index Plus LargeCap Portfolio - Class I	2,941,762	5,714,372	(2,772,610)	4,343,937	7,583,068	(3,239,131)
ING VP Index Plus LargeCap Portfolio - Class S	3,832	3,225	607			
ING VP Index Plus MidCap Portfolio - Class I	2,961,969	4,098,221	(1,136,252)	5,843,966	4,954,015	889,951
ING VP Index Plus MidCap Portfolio - Class S	5,408	1,557	3,851			
ING VP Index Plus SmallCap Portfolio - Class I	2,235,998	2,969,049	(733,051)	3,545,534	2,753,698	791,836
ING VP Index Plus SmallCap Portfolio - Class S	4,546	-	4,546			
ING VP International Equity Portfolio - Class I	756,007	557,874	198,133	1,605,744	1,610,821	(5,077)
ING VP International Equity Portfolio - Class S	1,400	-	1,400			
ING VP Small Company Portfolio - Class I	1,448,901	2,002,563	(553,662)	2,000,872	3,630,655	(1,629,783)
ING VP Small Company Portfolio - Class S	930	8	922			
ING VP Value Opportunity Portfolio - Class I	701,739	1,543,657	(841,918)	1,634,789	2,797,677	(1,162,888)
ING Variable Products Trust:						
ING VP Financial Services Portfolio - Class I	362,103	166,013	196,090	93,458	44,499	48,959
ING VP International Value Portfolio - Class I	2,916,734	1,481,923	1,434,811	5,374,540	4,267,756	1,106,784
ING VP International Value Portfolio - Class S	4,854	345	4,509			
ING VP MidCap Opportunities Portfolio - Class I	240,882	198,715	42,167	177,419	246,400	(68,981)
ING VP MidCap Opportunities Portfolio - Class S	243	-	243			
ING VP Real Estate Portfolio - Class I	1,951,303	841,992	1,109,311	1,939,149	850,727	1,088,422
ING VP SmallCap Opportunities Portfolio - Class I	540,975	565,248	(24,273)	762,167	702,493	59,674
ING VP SmallCap Opportunities Portfolio - Class S	3,659	2,812	847	-	-	-
ING VP Balanced Portfolio, Inc.:						
ING VP Balanced Portfolio - Class I	2,406,719	5,953,493	(3,546,774)	5,225,860	8,629,829	(3,403,969)
ING VP Intermediate Bond Portfolio:						
ING VP Intermediate Bond Portfolio - Class I	4,030,569	4,509,915	(479,346)	5,434,219	6,061,788	(627,569)
ING VP Intermediate Bond Portfolio - Class S	1,195	-	1,195			

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Notes to Financial Statements**

	Year Ended December 31,					
	2006			2005		
	Units Issued	Units Redeemed	Net Increase (Decrease)	Units Issued	Units Redeemed	Net Increase (Decrease)
ING VP Money Market Portfolio:						
ING VP Money Market Portfolio - Class I	14,343,402	9,279,285	5,064,117	9,545,207	10,245,127	(699,920)
ING VP Natural Resources Trust:						
ING VP Natural Resources Trust	1,683,169	1,554,306	128,863	2,431,011	1,209,055	1,221,956
Janus Adviser Series:						
Janus Adviser Balanced Fund - Class S	-	-	-	41	3	38
Janus Aspen Series:						
Janus Aspen Series Balanced Portfolio - Institutional Shares	10,951	16,976	(6,025)	1,307,431	18,021,784	(16,714,353)
Janus Aspen Series Flexible Bond Portfolio - Institutional Shares	1,677	3,340	(1,663)	99,125	463,894	(364,769)
Janus Aspen Series Large Cap Growth Portfolio - Institutional Shares	1,328	3,807	(2,479)	656,877	12,970,015	(12,313,138)
Janus Aspen Series Mid Cap Growth Portfolio - Institutional Shares	11,698	14,747	(3,049)	1,432,630	26,882,744	(25,450,114)
Janus Aspen Series Worldwide Growth Portfolio - Institutional Shares	9,145	12,668	(3,523)	1,594,636	25,682,993	(24,088,357)
Legg Mason Value Trust, Inc.:						
Legg Mason Value Trust, Inc. - Primary Class	33,268	23,146	10,122	115,818	571	115,247
LKCM Funds:						
LKCM Aquinas Growth Fund	19,131	2,287	16,844	-	-	-
Lord Abbett Affiliated Fund, Inc.:						
Lord Abbett Affiliated Fund - Class A	97,919	69,385	28,534	72,449	26,473	45,976
Lord Abbett Mid Cap Value Fund, Inc.:						
Lord Abbett Mid-Cap Value Fund, Inc. - Class A	47,821	36,142	11,679	66,205	26,978	39,227
Lord Abbett Research Fund, Inc.:						
Lord Abbett Small-Cap Value Fund - Class A	62,292	48,756	13,536	49,475	20,211	29,264
Lord Abbett Series Fund, Inc.:						
Lord Abbett Series Fund - Growth and Income Portfolio - Class VC	2,059,949	1,974,799	85,150	6,140,628	3,064,937	3,075,691
Lord Abbett Series Fund - Mid-Cap Value Portfolio - Class VC	1,854,378	2,286,907	(432,529)	2,980,759	2,104,629	876,130
Massachusetts Investors Growth Stock Fund:						
Massachusetts Investors Growth Stock Fund - Class A	33,417	20,490	12,927	41,937	20,266	21,671
MFS® Variable Insurance Trust <sup>SM</sup> :						
MFS® Total Return Series - Initial Class	379,700	1,029,558	(649,858)	1,300,090	847,323	452,767



**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Notes to Financial Statements**

	Year Ended December 31,					
	2006			2005		
	Units Issued	Units Redeemed	Net Increase (Decrease)	Units Issued	Units Redeemed	Net Increase (Decrease)
Moderate Allocation Portfolio:						
Moderate Allocation Portfolio	1,937	-	1,937	179	6,042	(5,863)
Neuberger Berman Equity Funds®:						
Neuberger Berman Socially Responsive Fund® - Trust Class	50,092	1,639	48,453	-	-	-
New Perspective Fund®, Inc.:						
New Perspective Fund®, Inc. - Class R-3	86,426	43,420	43,006	27,316	6,028	21,288
New Perspective Fund®, Inc. - Class R-4	1,015,216	879,107	136,109	1,382,338	384,183	998,155
Oppenheimer Capital Appreciation Fund:						
Oppenheimer Capital Appreciation Fund - Class A	36,284	29,519	6,765	29,913	21,388	8,525
Oppenheimer Developing Markets Fund:						
Oppenheimer Developing Markets Fund - Class A	1,637,863	1,162,167	475,696	2,498,652	787,614	1,711,038
Oppenheimer Global Fund:						
Oppenheimer Global Fund - Class A	4,534	795	3,739	2,955	172	2,783
Oppenheimer Main Street Funds®, Inc.:						
Oppenheimer Main Street Fund® - Class A	14,133	2,351	11,782	1,206	469	737
Oppenheimer Variable Account Funds:						
Oppenheimer Aggressive Growth Fund/VA	132	-	132	15	15	-
Oppenheimer Global Securities/VA	10,242	12,847	(2,605)	2,306,421	24,521,856	(22,215,435)
Oppenheimer Main Street Fund®/VA	12,583	-	12,583	52	52	-
Oppenheimer Main Street Small Cap Fund®/VA	370,280	108,044	262,236	101,111	12,853	88,258
Oppenheimer Strategic Bond Fund/VA	2,772	5,052	(2,280)	714,833	4,010,467	(3,295,634)
Pax World Balanced Fund, Inc.:						
Pax World Balanced Fund, Inc.	1,545,079	2,250,296	(705,217)	3,804,120	536,344	3,267,776
PIMCO Variable Insurance Trust:						
PIMCO Real Return Portfolio - Administrative Class	1,299,199	1,057,903	241,296	1,623,800	409,351	1,214,449
Pioneer Fund:						
Pioneer Fund - Class A	2,233	1,127	1,106	1,918	148	1,770
Pioneer High Yield Fund:						
Pioneer High Yield Fund - Class A	143,632	52,372	91,260	65,898	37,685	28,213

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Notes to Financial Statements**

	Year Ended December 31,					
	2006			2005		
	Units Issued	Units Redeemed	Net Increase (Decrease)	Units Issued	Units Redeemed	Net Increase (Decrease)
Pioneer Variable Contracts Trust:						
Pioneer Equity Income VCT Portfolio - Class I	3,586,863	1,110,687	2,476,176	3,956,471	787,125	3,169,346
Pioneer Fund VCT Portfolio - Class I	490,570	127,646	362,924	287,650	133,882	153,768
Pioneer High Yield VCT Portfolio - Class I	717,508	298,748	418,760	408,850	181,636	227,214
Pioneer Mid Cap Value VCT Portfolio - Class I	1,129,853	1,348,694	(218,841)	2,687,081	1,161,373	1,525,708
T. Rowe Price Mid-Cap Value Fund, Inc.:						
T. Rowe Price Mid-Cap Value Fund - R Class	58,286	52,254	6,032	47,438	37,877	9,561
T. Rowe Price Value Fund, Inc.:						
T. Rowe Price Value Fund - Advisor Class	2,667	21	2,646	-	-	-
Templeton Funds, Inc.:						
Templeton Foreign Fund - Class A	32,311	24,244	8,067	38,689	27,170	11,519
Templeton Growth Fund, Inc.:						
Templeton Growth Fund, Inc. - Class A	55,651	38,547	17,104	33,802	8,588	25,214
Templeton Income Trust:						
Templeton Global Bond Fund - Class A	1,552,269	357,297	1,194,972	1,475,621	720,211	755,410
The Growth Fund of America®, Inc.:						
The Growth Fund of America® - Class R-3	524,599	259,493	265,106	283,392	86,785	196,607
The Growth Fund of America® - Class R-4	5,803,069	2,997,786	2,805,283	8,304,196	1,192,144	7,112,052
The Income Fund of America®, Inc.:						
The Income Fund of America® - Class R-3	71,908	21,300	50,608	26,742	10,421	16,321
UBS Funds:						
UBS U.S. Small Cap Growth Fund - Class A	23,849	8,380	15,469	2,068	110	1,958
Vanguard® Variable Insurance Fund:						
Diversified Value Portfolio	8,813	7,039	1,774	5,131	5	5,126
Equity Income Portfolio	4,681	8,385	(3,704)	3,391	1,156	2,235
Small Company Growth Portfolio	1,766	345	1,421	21	-	21
Wanger Advisors Trust:						
Wanger Select	1,454,894	258,150	1,196,744	431,399	67,340	364,059
Wanger U.S. Smaller Companies	868,835	339,418	529,417	634,281	95,326	538,955

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Notes to Financial Statements**

---

	Year Ended December 31,					
	2006			2005		
	<u>Units Issued</u>	<u>Units Redeemed</u>	<u>Net Increase (Decrease)</u>	<u>Units Issued</u>	<u>Units Redeemed</u>	<u>Net Increase (Decrease)</u>
Washington Mutual Investors Fund <sup>SM</sup> , Inc.:						
Washington Mutual Investors Fund <sup>SM</sup> , Inc. - Class R-3	254,815	151,932	102,883	157,618	74,088	83,530
Washington Mutual Investors Fund <sup>SM</sup> , Inc. - Class R-4	1,884,997	1,042,123	842,874	3,177,809	501,607	2,676,202
Wells Fargo Funds Trust:						
Wells Fargo Advantage Small Cap Value Fund - Class A	1,949	19	1,930	-	-	-

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Notes to Financial Statements**

---

**8. Unit Summary**

<b>Division/Contract</b>	<b>Units</b>	<b>Unit Value</b>	<b>Extended Value</b>
<b>AIM Mid Cap Core Equity Fund - Class A</b>			
Contracts in accumulation period:			
ING MAP PLUS NP11	16,111.806	\$ 13.06	\$ 210,420
ING MAP PLUS NP12	31.249	13.04	407
ING MAP PLUS NP15	668.316	12.98	8,675
ING MAP PLUS NP19	141.715	12.91	1,830
ING MAP PLUS NP32	941.496	12.67	11,929
Qualified XII (1.00)	78.797	14.87	1,172
	<u>17,973.379</u>		<u>\$ 234,433</u>
<b>AIM Small Cap Growth Fund - Class A</b>			
Contracts in accumulation period:			
Qualified XII (1.00)	1,335.897	\$ 13.01	\$ 17,380
	<u>1,335.897</u>		<u>\$ 17,380</u>
<b>AIM Global Health Care Fund - Investor Class</b>			
Contracts in accumulation period:			
ING MAP PLUS NP14	389.519	\$ 31.99	\$ 12,461
ING MAP PLUS NP15	1,059.713	31.96	33,868
ING MAP PLUS NP21	804.104	31.82	25,587
ING MAP PLUS NP22	79.852	31.80	2,539
ING MAP PLUS NP23	2.293	31.77	73
ING MAP PLUS NP26	792.049	31.70	25,108
ING MAP PLUS NP28	181.660	31.66	5,751
ING MAP PLUS NP30	263.661	31.61	8,334
	<u>3,572.851</u>		<u>\$ 113,721</u>

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**

**Notes to Financial Statements**

<b>Division/Contract</b>	<b>Units</b>	<b>Unit Value</b>	<b>Extended Value</b>
<b>AIM V.I. Capital Appreciation Fund - Series I Shares</b>			
Currently payable annuity contracts:	9,352.795	\$6.42 to \$12.21	\$ 64,828
Contracts in accumulation period:			
ING Custom Choice 65	7,767.550	12.36	96,007
Qualified VI	1,344,907.092	10.41	14,000,483
Qualified VIII	1,582.620	10.40	16,459
Qualified X (1.15)	20,384.261	10.49	213,831
Qualified X (1.25)	138,735.213	10.41	1,444,234
Qualified XII (0.05)	4,304.364	11.05	47,563
Qualified XII (0.35)	1,791.060	11.16	19,988
Qualified XII (0.50)	23,326.837	11.03	257,295
Qualified XII (0.55)	29,708.336	10.99	326,495
Qualified XII (0.60)	28,794.584	10.94	315,013
Qualified XII (0.65)	9,881.525	10.90	107,709
Qualified XII (0.70)	79,449.431	10.86	862,821
Qualified XII (0.75)	40,655.095	10.82	439,888
Qualified XII (0.80)	123,351.782	10.78	1,329,732
Qualified XII (0.85)	209,088.466	10.73	2,243,519
Qualified XII (0.90)	10,980.155	10.69	117,378
Qualified XII (0.95)	185,632.601	10.65	1,976,987
Qualified XII (1.00)	289,199.861	10.61	3,068,411
Qualified XII (1.05)	63,038.395	10.57	666,316
Qualified XII (1.10)	43,960.623	10.53	462,905
Qualified XII (1.15)	39,917.884	10.49	418,739
Qualified XII (1.20)	43,185.252	10.45	451,286
Qualified XII (1.25)	47,127.855	10.41	490,601
Qualified XII (1.30)	5,146.900	10.37	53,373
Qualified XII (1.35)	9,819.380	10.33	101,434
Qualified XII (1.40)	12,793.931	10.29	131,650
Qualified XII (1.45)	2,504.214	10.25	25,668
Qualified XII (1.50)	1,683.438	10.21	17,188
Qualified XV	12,287.303	10.62	130,491
Qualified XVI	34,535.380	10.21	352,606
Qualified XVII	558.781	10.41	5,817
Qualified XVIII	4,158.873	10.41	43,294
Qualified XXI	21,966.861	10.75	236,144
Qualified XXV	9,888.506	10.74	106,203
Qualified XXVI	12,933.030	10.64	137,607
Qualified XXVII	323,718.135	6.54	2,117,117
Qualified XXXII	2,361.731	12.18	28,766
Qualified XXXVI	6,036.511	12.01	72,498
	<u>3,256,516.611</u>		<u>\$ 32,998,344</u>

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**

**Notes to Financial Statements**

<b>Division/Contract</b>	<b>Units</b>	<b>Unit Value</b>	<b>Extended Value</b>
<b>AIM V.I. Core Equity Fund - Series I Shares</b>			
Currently payable annuity contracts:	1,301.998	\$ 13.28	\$ 17,291
Contracts in accumulation period:			
ING Custom Choice 65	9,383.484	12.67	118,889
Qualified VI	2,116,658.043	9.96	21,081,914
Qualified VIII	4.083	9.95	41
Qualified X (1.15)	43,719.892	10.03	438,511
Qualified X (1.25)	142,529.391	9.96	1,419,593
Qualified XII (0.05)	13,665.275	10.57	144,442
Qualified XII (0.25)	77,518.714	10.75	833,326
Qualified XII (0.35)	2,151.790	10.67	22,960
Qualified XII (0.50)	19,517.270	10.55	205,907
Qualified XII (0.55)	72,305.550	10.51	759,931
Qualified XII (0.60)	97,804.278	10.47	1,024,011
Qualified XII (0.65)	13,763.294	10.43	143,551
Qualified XII (0.70)	103,954.752	10.39	1,080,090
Qualified XII (0.75)	61,296.167	10.35	634,415
Qualified XII (0.80)	245,794.021	10.31	2,534,136
Qualified XII (0.85)	234,070.249	10.27	2,403,901
Qualified XII (0.90)	10,710.270	10.23	109,566
Qualified XII (0.95)	196,000.908	10.19	1,997,249
Qualified XII (1.00)	590,772.884	10.15	5,996,345
Qualified XII (1.05)	127,347.033	10.11	1,287,479
Qualified XII (1.10)	68,773.557	10.07	692,550
Qualified XII (1.15)	62,589.013	10.03	627,768
Qualified XII (1.20)	61,962.700	9.99	619,007
Qualified XII (1.25)	61,914.080	9.96	616,664
Qualified XII (1.30)	2,377.206	9.92	23,582
Qualified XII (1.35)	10,249.870	9.88	101,269
Qualified XII (1.40)	23,894.428	9.84	235,121
Qualified XII (1.45)	3,703.404	9.80	36,293
Qualified XII (1.50)	3,170.612	9.77	30,977
Qualified XV	6,773.714	10.16	68,821
Qualified XVI	45,448.939	9.77	444,036
Qualified XVII	4,949.243	9.96	49,294
Qualified XVIII	6,295.276	9.96	62,701
Qualified XXI	11,329.200	10.28	116,464
Qualified XXV	20,977.287	10.27	215,437
Qualified XXVI	18,263.843	10.18	185,926
Qualified XXVII	404,384.674	8.01	3,239,121
Qualified XXXII	1,736.998	13.38	23,241
Qualified XXXIII (0.65)	385.774	13.52	5,216
Qualified XXXVI	5,491.939	13.60	74,690
	<u>5,004,941.103</u>		<u>\$ 49,721,726</u>

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**

**Notes to Financial Statements**

---

<u>Division/Contract</u>	<u>Units</u>	<u>Unit Value</u>	<u>Extended Value</u>
<b>AllianceBernstein Growth and Income Fund, Inc. - Class A</b>			
Contracts in accumulation period:			
ING MAP PLUS NP18	2,627.979	\$ 12.76	\$ 33,533
ING MAP PLUS NP22	498.099	12.68	6,316
ING MAP PLUS NP24	395.344	12.65	5,001
ING MAP PLUS NP26	1,588.158	12.61	20,027
ING MAP PLUS NP30	45.031	12.54	565
	<u>5,154.611</u>		<u>\$ 65,442</u>
<b>AllianceBernstein Growth and Income Portfolio - Class A</b>			
Contracts in accumulation period:			
Qualified X (1.15)	12,542.395	\$ 13.51	\$ 169,448
Qualified X (1.25)	28,042.251	13.48	378,010
Qualified XVIII	718.833	13.56	9,747
	<u>41,303.479</u>		<u>\$ 557,205</u>
<b>Allianz NFJ Small-Cap Value - Class A</b>			
Contracts in accumulation period:			
ING MAP PLUS NP11	4,226.426	\$ 15.50	\$ 65,510
ING MAP PLUS NP12	30.776	15.48	476
ING MAP PLUS NP14	2,214.045	15.44	34,185
ING MAP PLUS NP18	16,924.412	15.35	259,790
ING MAP PLUS NP19	969.611	15.32	14,854
ING MAP PLUS NP21	6,684.040	15.28	102,132
	<u>31,049.310</u>		<u>\$ 476,947</u>

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**

**Notes to Financial Statements**

<b>Division/Contract</b>	<b>Units</b>	<b>Unit Value</b>	<b>Extended Value</b>
<b>American Balanced Fund® - Class R-3</b>			
Contracts in accumulation period:			
ING MAP PLUS NP5	6,516.876	\$ 12.12	\$ 78,985
ING MAP PLUS NP6	4,098.633	12.11	49,634
ING MAP PLUS NP7	2,227.958	12.09	26,936
ING MAP PLUS NP8	7,355.443	12.07	88,780
ING MAP PLUS NP9	33,890.002	12.05	408,375
ING MAP PLUS NP10	21,336.296	12.04	256,889
ING MAP PLUS NP11	4,231.793	12.02	50,866
ING MAP PLUS NP14	52,108.694	11.97	623,741
ING MAP PLUS NP15	20,392.669	11.95	243,692
ING MAP PLUS NP16	176.566	11.93	2,106
ING MAP PLUS NP17	10,486.543	11.92	125,000
ING MAP PLUS NP18	3,400.416	11.90	40,465
ING MAP PLUS NP19	19,860.464	11.88	235,942
ING MAP PLUS NP20	115,359.775	11.86	1,368,167
ING MAP PLUS NP21	29,681.517	11.85	351,726
ING MAP PLUS NP22	55.188	11.83	653
ING MAP PLUS NP23	2,993.767	11.81	35,356
ING MAP PLUS NP24	8,591.609	11.79	101,295
ING MAP PLUS NP26	5,213.849	11.76	61,315
ING MAP PLUS NP27	58,168.733	11.74	682,901
ING MAP PLUS NP28	8,815.708	11.73	103,408
ING MAP PLUS NP29	3,751.453	11.71	43,930
ING MAP PLUS NP30	2,644.604	11.69	30,915
ING MAP PLUS NP32	269.627	11.66	3,144
	<u>421,628.183</u>		<u>\$ 5,014,221</u>

**American Century Income & Growth Fund - Advisor Class**

Contracts in accumulation period:

Qualified XII (1.00)	17.615	\$ 37.17	\$ 655
Qualified XII (1.10)	1,554.266	36.93	57,399
Qualified XXVII	493,913.520	12.01	5,931,901
	<u>495,485.401</u>		<u>\$ 5,989,955</u>

**Ariel Appreciation Fund**

Contracts in accumulation period:

ING MAP PLUS NP13	20.819	\$ 12.24	\$ 255
ING MAP PLUS NP14	11,422.152	12.22	139,579
ING MAP PLUS NP15	18,087.903	12.21	220,853
ING MAP PLUS NP17	3,544.892	12.17	43,141
ING MAP PLUS NP18	887.605	12.15	10,784
ING MAP PLUS NP19	11,952.824	12.14	145,107
ING MAP PLUS NP23	16.300	12.07	197
ING MAP PLUS NP24	3,037.407	12.05	36,601
ING MAP PLUS NP26	437.802	12.01	5,258



**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Notes to Financial Statements**

<u>Division/Contract</u>	<u>Units</u>	<u>Unit Value</u>	<u>Extended Value</u>
<b>Ariel Appreciation Fund (continued)</b>			
ING MAP PLUS NP29	4.447	\$ 11.96	\$ 53
ING MAP PLUS NP30	2,269.749	11.94	27,101
ING MAP PLUS NP32	33.683	11.91	401
	<u>51,715.583</u>		<u>\$ 629,330</u>
<b>Ariel Fund</b>			
Contracts in accumulation period:			
ING MAP PLUS NP8	1,156.738	\$ 12.91	\$ 14,933
ING MAP PLUS NP12	29.516	12.84	379
ING MAP PLUS NP14	7,073.939	12.80	90,546
ING MAP PLUS NP15	7,301.811	12.78	93,317
ING MAP PLUS NP17	1,053.151	12.75	13,428
ING MAP PLUS NP18	4,029.821	12.73	51,300
ING MAP PLUS NP19	3,321.732	12.71	42,219
ING MAP PLUS NP20	2,752.847	12.69	34,934
ING MAP PLUS NP21	6,068.310	12.67	76,885
ING MAP PLUS NP22	3,771.503	12.65	47,710
ING MAP PLUS NP24	1,976.520	12.62	24,944
ING MAP PLUS NP26	2,079.990	12.58	26,166
ING MAP PLUS NP27	9,855.281	12.56	123,782
ING MAP PLUS NP28	738.969	12.54	9,267
ING MAP PLUS NP29	38.213	12.53	479
ING MAP PLUS NP30	745.337	12.51	9,324
	<u>51,993.678</u>		<u>\$ 659,613</u>
<b>Baron Asset Fund</b>			
Contracts in accumulation period:			
ING MAP PLUS NP6	1,673.207	\$ 15.58	\$ 26,069
ING MAP PLUS NP8	4,060.521	15.54	63,100
ING MAP PLUS NP9	2,553.588	15.52	39,632
ING MAP PLUS NP10	4,251.222	15.49	65,851
ING MAP PLUS NP11	671.938	15.47	10,395
ING MAP PLUS NP13	8,140.135	15.43	125,602
ING MAP PLUS NP14	7,448.446	15.40	114,706
ING MAP PLUS NP15	2,290.748	15.38	35,232
ING MAP PLUS NP16	4.936	15.36	76
ING MAP PLUS NP17	2,978.735	15.34	45,694
ING MAP PLUS NP18	3,638.771	15.31	55,710
ING MAP PLUS NP21	22,520.498	15.25	343,438
ING MAP PLUS NP22	84.200	15.23	1,282
ING MAP PLUS NP23	2,485.505	15.20	37,780
ING MAP PLUS NP26	360.990	15.14	5,465
ING MAP PLUS NP27	1,808.796	15.12	27,349
ING MAP PLUS NP28	36.326	15.09	548
ING MAP PLUS NP30	1,967.082	15.05	29,605
ING MAP PLUS NP31	122.894	15.03	1,847
	<u>67,098.538</u>		<u>\$ 1,029,381</u>

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Notes to Financial Statements**

<b>Division/Contract</b>	<b>Units</b>	<b>Unit Value</b>	<b>Extended Value</b>
<b>Baron Growth Fund</b>			
Contracts in accumulation period:			
ING MAP PLUS NP7	2,009.844	\$ 14.65	\$ 29,444
ING MAP PLUS NP8	8,033.844	14.63	117,535
ING MAP PLUS NP11	3,937.299	14.57	57,366
ING MAP PLUS NP12	120.197	14.55	1,749
ING MAP PLUS NP14	8,148.457	14.50	118,153
ING MAP PLUS NP18	7,906.239	14.42	114,008
ING MAP PLUS NP19	3,992.235	14.40	57,488
ING MAP PLUS NP20	45,554.661	14.38	655,076
ING MAP PLUS NP21	10,579.310	14.36	151,919
ING MAP PLUS NP23	6,298.850	14.32	90,200
ING MAP PLUS NP24	1,977.983	14.29	28,265
ING MAP PLUS NP27	885.172	14.23	12,596
	<u>99,444.091</u>		<u>\$ 1,433,799</u>
<b>Calvert Social Balanced Portfolio</b>			
Currently payable annuity contracts:	9,328.693	\$ 12.36	\$ 115,303
Contracts in accumulation period:			
ING Custom Choice 62	797.771	12.12	9,669
ING Custom Choice 65	5,410.810	11.75	63,577
Qualified V	395.892	24.64	9,755
Qualified VI	856,504.780	24.46	20,950,107
Qualified VIII	5,213.225	22.20	115,734
Qualified X (1.15)	4,537.000	12.64	57,348
Qualified X (1.25)	67,654.208	12.53	847,707
Qualified XII (0.05)	6,748.288	26.21	176,873
Qualified XII (0.25)	7,566.138	13.87	104,942
Qualified XII (0.35)	679.510	13.75	9,343
Qualified XII (0.40)	97,690.624	19.14	1,869,799
Qualified XII (0.45)	63.767	13.64	870
Qualified XII (0.50)	13,935.847	13.90	193,708
Qualified XII (0.55)	16,083.849	13.52	217,454
Qualified XII (0.60)	8,536.517	13.46	114,902
Qualified XII (0.65)	9,903.807	13.40	132,711
Qualified XII (0.70)	115,155.230	13.35	1,537,322
Qualified XII (0.75)	106,689.357	13.29	1,417,902
Qualified XII (0.80)	121,470.998	13.93	1,692,091
Qualified XII (0.85)	141,957.861	18.50	2,626,220
Qualified XII (0.90)	15,580.098	13.70	213,447
Qualified XII (0.95)	91,515.521	18.30	1,674,734
Qualified XII (1.00)	404,869.580	18.20	7,368,626
Qualified XII (1.05)	41,874.174	18.11	758,341
Qualified XII (1.10)	35,815.220	18.01	645,032
Qualified XII (1.15)	13,333.688	17.91	238,806
Qualified XII (1.20)	16,044.163	17.82	285,907

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Notes to Financial Statements**

<b>Division/Contract</b>	<b>Units</b>	<b>Unit Value</b>	<b>Extended Value</b>
<b>Calvert Social Balanced Portfolio (continued)</b>			
Qualified XII (1.25)	26,160.462	\$ 17.73	\$ 463,825
Qualified XII (1.30)	140.869	17.63	2,484
Qualified XII (1.35)	2,481.502	17.54	43,526
Qualified XII (1.40)	14,936.255	17.44	260,488
Qualified XII (1.45)	1,685.074	17.35	29,236
Qualified XII (1.50)	270.101	17.26	4,662
Qualified XV	3,042.620	25.20	76,674
Qualified XVI	32,690.460	23.87	780,321
Qualified XVII	667.935	24.46	16,338
Qualified XVIII	10,904.272	12.53	136,631
Qualified XXI	3,482.231	25.49	88,762
Qualified XXV	4,743.694	25.23	119,683
Qualified XXVI	1.185	24.99	30
Qualified XXVII	486,324.669	32.97	16,034,124
Qualified XXVIII	117,530.411	32.70	3,843,244
Qualified XXXII	497.600	12.23	6,086
Qualified XXXVI	3,679.475	12.60	46,361
	<u>2,924,595.431</u>		<u>\$ 65,400,705</u>
<b>Capital One Mid Cap Equity Fund - Class A</b>			
Contracts in accumulation period:			
Qualified XII (0.70)	73.058	\$ 13.51	\$ 987
Qualified XII (0.80)	2,987.200	13.48	40,267
Qualified XII (0.85)	4,089.195	13.46	55,041
	<u>7,149.453</u>		<u>\$ 96,295</u>
<b>DWS Equity 500 Index Fund - Class S</b>			
Contracts in accumulation period:			
Qualified XII (1.00)	11,423.183	\$ 14.64	\$ 167,235
	<u>11,423.183</u>		<u>\$ 167,235</u>

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**

**Notes to Financial Statements**

<b>Division/Contract</b>	<b>Units</b>	<b>Unit Value</b>	<b>Extended Value</b>
<b>EuroPacific Growth Fund® - Class R-3</b>			
Contracts in accumulation period:			
ING MAP PLUS NP6	22,703.860	\$ 16.91	\$ 383,922
ING MAP PLUS NP8	26,447.031	16.86	445,897
ING MAP PLUS NP9	8,327.296	16.84	140,232
ING MAP PLUS NP10	9,072.248	16.81	152,504
ING MAP PLUS NP11	17,403.104	16.79	292,198
ING MAP PLUS NP12	12,509.250	16.77	209,780
ING MAP PLUS NP13	155.161	16.74	2,597
ING MAP PLUS NP14	35,702.124	16.72	596,940
ING MAP PLUS NP15	37,353.998	16.69	623,438
ING MAP PLUS NP17	11,417.732	16.64	189,991
ING MAP PLUS NP18	512.310	16.62	8,515
ING MAP PLUS NP19	4,275.026	16.60	70,965
ING MAP PLUS NP21	10,394.076	16.55	172,022
ING MAP PLUS NP22	4,075.251	16.52	67,323
ING MAP PLUS NP23	2,319.878	16.50	38,278
ING MAP PLUS NP24	4,534.255	16.48	74,725
ING MAP PLUS NP25	118.562	16.45	1,950
ING MAP PLUS NP26	2,043.246	16.43	33,571
ING MAP PLUS NP27	471.777	16.40	7,737
ING MAP PLUS NP28	5,106.754	16.38	83,649
ING MAP PLUS NP29	7,371.350	16.36	120,595
ING MAP PLUS NP30	2,699.525	16.33	44,083
ING MAP PLUS NP31	67.586	16.31	1,102
ING MAP PLUS NP32	296.401	16.29	4,828
	<u>225,377.801</u>		<u>\$ 3,766,842</u>

**EuroPacific Growth Fund® - Class R-4**

Contracts in accumulation period:

ING Custom Choice 62	2,754.666	\$ 17.16	\$ 47,270
ING Custom Choice 65	7,072.436	14.91	105,450
Qualified V	2,089.454	16.40	34,267
Qualified VI	2,802,670.905	16.47	46,159,990
Qualified XII (0.00)	8.858	17.03	151
Qualified XII (0.15)	136,908.889	16.96	2,321,975
Qualified XII (0.30)	67.810	16.89	1,145
Qualified XII (0.35)	78,803.879	16.87	1,329,421
Qualified XII (0.40)	9,813.160	16.85	165,352
Qualified XII (0.50)	410,203.168	16.80	6,891,413
Qualified XII (0.55)	5,303.207	16.78	88,988
Qualified XII (0.60)	30,646.391	16.76	513,634
Qualified XII (0.65)	11,920.814	16.74	199,554
Qualified XII (0.70)	236,077.039	16.71	3,944,847
Qualified XII (0.75)	100,139.847	16.69	1,671,334
Qualified XII (0.80)	1,224,388.016	16.67	20,410,548

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Notes to Financial Statements**

<b>Division/Contract</b>	<b>Units</b>	<b>Unit Value</b>	<b>Extended Value</b>
<b>EuroPacific Growth Fund® - Class R-4 (continued)</b>			
Qualified XII (0.85)	212,150.178	\$ 16.65	\$ 3,532,300
Qualified XII (0.90)	17,566.782	16.63	292,136
Qualified XII (0.95)	148,502.305	16.60	2,465,138
Qualified XII (1.00)	1,748,284.336	16.58	28,986,554
Qualified XII (1.05)	93,960.757	16.56	1,555,990
Qualified XII (1.10)	37,909.186	16.54	627,018
Qualified XII (1.15)	60,845.662	16.52	1,005,170
Qualified XII (1.20)	8,646.208	16.49	142,576
Qualified XII (1.25)	48,827.666	16.47	804,192
Qualified XII (1.30)	955.174	16.45	15,713
Qualified XII (1.35)	5,898.561	16.43	96,913
Qualified XII (1.40)	8,991.741	16.41	147,554
Qualified XII (1.45)	1,803.173	16.38	29,536
Qualified XII (1.50)	474.308	16.36	7,760
Qualified XV	2,317.376	16.60	38,468
Qualified XVI	46,481.141	16.36	760,431
Qualified XVII	1,423.820	16.58	23,607
Qualified XXI	7,969.842	16.67	132,857
Qualified XXV	5,129.300	16.72	85,762
Qualified XXVI	11,031.310	16.66	183,782
Qualified XXVII	1,126,137.614	14.58	16,419,086
	<u>8,654,174.979</u>		<u>\$ 141,237,882</u>

**Evergreen Special Values Fund - Class A**

Contracts in accumulation period:

ING MAP PLUS NP7	544.676	\$ 15.47	\$ 8,426
ING MAP PLUS NP8	2,886.478	15.45	44,596
ING MAP PLUS NP15	4,687.443	15.30	71,718
ING MAP PLUS NP17	4,640.862	15.25	70,773
ING MAP PLUS NP18	2,643.053	15.23	40,254
ING MAP PLUS NP21	5,443.879	15.16	82,529
ING MAP PLUS NP25	1,128.621	15.08	17,020
ING MAP PLUS NP26	1,115.407	15.05	16,787
ING MAP PLUS NP27	134.941	15.03	2,028
Qualified V	1,089.479	23.55	25,657
Qualified VI	1,041,048.158	23.79	24,766,536
Qualified XII (0.50)	42,075.983	24.96	1,050,217
Qualified XII (0.55)	9,642.727	24.88	239,911
Qualified XII (0.60)	11,137.088	24.80	276,200
Qualified XII (0.65)	2,697.181	24.72	66,674
Qualified XII (0.70)	60,043.991	24.64	1,479,484
Qualified XII (0.75)	20,013.048	24.56	491,520
Qualified XII (0.80)	74,472.029	24.48	1,823,075
Qualified XII (0.85)	69,703.045	24.41	1,701,451
Qualified XII (0.90)	3,868.771	24.33	94,127

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Notes to Financial Statements**

<b>Division/Contract</b>	<b>Units</b>	<b>Unit Value</b>	<b>Extended Value</b>
<b>Evergreen Special Values Fund - Class A (continued)</b>			
Qualified XII (0.95)	59,348.046	\$ 24.25	\$ 1,439,190
Qualified XII (1.00)	652,956.860	24.17	15,781,967
Qualified XII (1.05)	45,659.255	24.10	1,100,388
Qualified XII (1.10)	15,412.863	24.02	370,217
Qualified XII (1.15)	47,470.052	23.94	1,136,433
Qualified XII (1.20)	9,912.612	23.87	236,614
Qualified XII (1.25)	30,174.135	23.79	717,843
Qualified XII (1.30)	2,149.652	23.72	50,990
Qualified XII (1.35)	446.561	23.64	10,557
Qualified XII (1.40)	4,717.141	23.56	111,136
Qualified XII (1.45)	870.547	23.49	20,449
Qualified XII (1.50)	27.984	23.41	655
Qualified XVI	16,999.441	23.41	397,957
Qualified XVII	3,490.037	23.79	83,028
Qualified XXVII	2,175,934.973	23.95	52,113,643
	<u>4,424,587.019</u>		<u>\$ 105,940,050</u>

**Fidelity® Advisor Mid Cap Fund - Class T**

Contracts in accumulation period:

ING MAP PLUS NP7	819.320	\$ 13.88	\$ 11,372
ING MAP PLUS NP10	12,322.247	13.82	170,293
ING MAP PLUS NP11	4,464.980	13.80	61,617
ING MAP PLUS NP14	8,818.001	13.74	121,159
ING MAP PLUS NP15	9,332.410	13.72	128,041
ING MAP PLUS NP19	3,125.647	13.64	42,634
ING MAP PLUS NP21	2,835.936	13.60	38,569
ING MAP PLUS NP22	3,189.423	13.58	43,312
ING MAP PLUS NP23	1,287.219	13.56	17,455
ING MAP PLUS NP27	149.654	13.48	2,017
ING MAP PLUS NP28	3,969.361	13.46	53,428
ING MAP PLUS NP32	325.780	13.38	4,359
	<u>50,639.978</u>		<u>\$ 694,256</u>

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**

**Notes to Financial Statements**

---

<b>Division/Contract</b>	<b>Units</b>	<b>Unit Value</b>	<b>Extended Value</b>
<b>Fidelity® VIP Equity-Income Portfolio - Initial Class</b>			
Currently payable annuity contracts:	332,279.841	\$13.42 to \$14.66	\$ 4,863,757
Contracts in accumulation period:			
ING Custom Choice 62	355.755	14.02	4,988
ING Custom Choice 65	50,382.680	13.30	670,090
ING MAP PLUS NP5	8,247.486	13.76	113,485
ING MAP PLUS NP8	11,564.703	13.70	158,436
ING MAP PLUS NP11	951.718	13.64	12,981
ING MAP PLUS NP12	26,550.283	13.62	361,615
ING MAP PLUS NP17	1,792.361	13.52	24,233
ING MAP PLUS NP18	189.322	13.51	2,558
ING MAP PLUS NP21	8,412.923	13.45	113,154
ING MAP PLUS NP22	412.614	13.43	5,541
ING MAP PLUS NP23	123.038	13.41	1,650
ING MAP PLUS NP26	3,662.453	13.35	48,894
ING MAP PLUS NP29	108.859	13.29	1,447
ING MAP PLUS NP30	3,213.131	13.27	42,638
ING MAP PLUS NP32	1,209.945	13.23	16,008
Qualified V	1,590.005	26.02	41,372
Qualified VI	5,182,052.632	26.59	137,790,779
Qualified VIII	6,316.264	26.48	167,255
Qualified X (1.15)	321,620.678	33.70	10,838,617
Qualified X (1.25)	543,429.352	33.28	18,085,329
Qualified XII (0.00)	2.072	16.82	35
Qualified XII (0.05)	116,517.417	28.49	3,319,581
Qualified XII (0.25)	268,626.162	16.47	4,424,273
Qualified XII (0.35)	25,339.435	16.33	413,793
Qualified XII (0.40)	531,262.978	24.76	13,154,071
Qualified XII (0.45)	220.861	16.19	3,576
Qualified XII (0.50)	682,997.001	16.76	11,447,030
Qualified XII (0.55)	233,513.166	16.05	3,747,886
Qualified XII (0.60)	272,073.314	15.98	4,347,732
Qualified XII (0.65)	90,354.967	15.91	1,437,548
Qualified XII (0.70)	477,515.531	15.84	7,563,846
Qualified XII (0.75)	518,775.852	15.77	8,181,095
Qualified XII (0.80)	1,546,502.500	17.13	26,491,588
Qualified XII (0.85)	504,652.767	23.93	12,076,341
Qualified XII (0.90)	71,701.560	16.71	1,198,133
Qualified XII (0.95)	692,976.616	23.68	16,409,686
Qualified XII (1.00)	1,481,555.750	23.56	34,905,453
Qualified XII (1.05)	258,167.450	23.43	6,048,863
Qualified XII (1.10)	137,309.727	23.31	3,200,690
Qualified XII (1.15)	169,167.068	23.18	3,921,293
Qualified XII (1.20)	62,249.641	23.06	1,435,477
Qualified XII (1.25)	152,763.750	22.94	3,504,400
Qualified XII (1.30)	5,874.753	22.82	134,062

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**

**Notes to Financial Statements**

<b>Division/Contract</b>	<b>Units</b>	<b>Unit Value</b>	<b>Extended Value</b>
<b>Fidelity® VIP Equity-Income Portfolio - Initial Class (continued)</b>			
Qualified XII (1.35)	6,562.819	\$ 22.70	\$ 148,976
Qualified XII (1.40)	35,555.387	22.57	802,485
Qualified XII (1.45)	8,489.836	22.46	190,682
Qualified XII (1.50)	6,428.816	22.34	143,620
Qualified XV	32,939.799	27.40	902,550
Qualified XVI	164,429.036	25.95	4,266,933
Qualified XVII	10,083.082	26.59	268,109
Qualified XVIII	26,556.456	33.28	883,799
Qualified XXI	44,942.737	27.72	1,245,813
Qualified XXV	25,457.484	27.43	698,299
Qualified XXVI	24,857.135	27.18	675,617
Qualified XXVII	2,330,504.210	28.29	65,929,964
Qualified XXVIII	1,333,953.558	28.06	37,430,737
Qualified XXXII	29,566.057	14.35	424,273
Qualified XXXIII (0.65)	131.731	14.69	1,935
Qualified XXXVI	68,536.241	14.77	1,012,280
	<u>18,953,580.765</u>		<u>\$ 455,757,351</u>
<b>Fidelity® VIP Growth Portfolio - Initial Class</b>			
Currently payable annuity contracts:	19,985.245	\$ 11.66	\$ 233,028
Contracts in accumulation period:			
ING Custom Choice 62	3,714.753	11.78	43,760
ING Custom Choice 65	81,099.809	12.05	977,253
ING MAP PLUS NP5	7,616.359	11.05	84,161
ING MAP PLUS NP8	70.432	11.00	775
ING MAP PLUS NP17	1,480.667	10.86	16,080
ING MAP PLUS NP21	3,987.038	10.79	43,020
ING MAP PLUS NP26	69.099	10.72	741
Qualified V	932.397	18.84	17,566
Qualified VI	6,753,787.804	18.95	127,984,279
Qualified VIII	8,185.509	19.17	156,916
Qualified X (1.15)	346,035.791	26.69	9,235,695
Qualified X (1.25)	556,961.344	26.36	14,681,501
Qualified XII (0.05)	22,612.590	20.31	459,262
Qualified XII (0.25)	482,224.774	13.06	6,297,856
Qualified XII (0.35)	46,498.267	12.95	602,153
Qualified XII (0.45)	524.489	12.84	6,734
Qualified XII (0.50)	451,275.041	13.42	6,056,111
Qualified XII (0.55)	314,560.397	12.73	4,004,354
Qualified XII (0.60)	358,553.628	12.67	4,542,874
Qualified XII (0.65)	237,194.056	12.62	2,993,389
Qualified XII (0.70)	544,267.107	12.56	6,835,995
Qualified XII (0.75)	584,248.331	12.51	7,308,947
Qualified XII (0.80)	922,066.867	13.65	12,586,213
Qualified XII (0.85)	829,269.521	17.93	14,868,803



**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Notes to Financial Statements**

<b>Division/Contract</b>	<b>Units</b>	<b>Unit Value</b>	<b>Extended Value</b>
<b>Fidelity® VIP Growth Portfolio - Initial Class (continued)</b>			
Qualified XII (0.90)	97,268.677	\$ 13.20	\$ 1,283,947
Qualified XII (0.95)	647,438.933	17.74	11,485,567
Qualified XII (1.00)	2,034,214.741	17.65	35,903,890
Qualified XII (1.05)	367,212.392	17.56	6,448,250
Qualified XII (1.10)	184,023.777	17.46	3,213,055
Qualified XII (1.15)	144,957.860	17.37	2,517,918
Qualified XII (1.20)	94,278.697	17.28	1,629,136
Qualified XII (1.25)	117,620.860	17.19	2,021,903
Qualified XII (1.30)	8,209.368	17.10	140,380
Qualified XII (1.35)	14,253.944	17.01	242,460
Qualified XII (1.40)	33,722.601	16.92	570,586
Qualified XII (1.45)	7,617.338	16.83	128,200
Qualified XII (1.50)	8,550.553	16.74	143,136
Qualified XV	35,402.089	19.53	691,403
Qualified XVI	190,758.228	18.49	3,527,120
Qualified XVII	8,134.754	18.95	154,154
Qualified XVIII	33,406.206	26.36	880,588
Qualified XXI	83,957.778	19.75	1,658,166
Qualified XXV	53,726.893	19.55	1,050,361
Qualified XXVI	39,141.265	19.37	758,166
Qualified XXXII	30,331.737	11.63	352,758
Qualified XXXIII (0.65)	2,957.034	10.60	31,345
Qualified XXXVI	90,967.329	10.65	968,802
	<u>16,905,374.369</u>		<u>\$ 295,838,757</u>
<b>Fidelity® VIP High Income Portfolio - Initial Class</b>			
Currently payable annuity contracts:	7,818.123	\$10.56 to \$11.11	\$ 86,803
Contracts in accumulation period:			
Qualified XXVII	571,769.266	10.12	5,786,305
Qualified XXVIII	187,121.912	10.04	1,878,704
	<u>766,709.301</u>		<u>\$ 7,751,812</u>

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**

**Notes to Financial Statements**

<b>Division/Contract</b>	<b>Units</b>	<b>Unit Value</b>	<b>Extended Value</b>
<b>Fidelity® VIP Overseas Portfolio - Initial Class</b>			
Contracts in accumulation period:			
ING Custom Choice 65	5,787.407	\$ 14.63	\$ 84,670
Qualified V	504.109	20.16	10,163
Qualified VI	1,067,521.892	20.53	21,916,224
Qualified VIII	794.656	20.51	16,298
Qualified X (1.15)	77,872.401	21.42	1,668,027
Qualified X (1.25)	113,292.590	21.15	2,396,138
Qualified XII (0.05)	29,121.046	22.00	640,663
Qualified XII (0.25)	17,125.648	15.39	263,564
Qualified XII (0.35)	14,218.788	15.26	216,979
Qualified XII (0.45)	15.855	15.13	240
Qualified XII (0.50)	56,984.358	16.25	925,996
Qualified XII (0.55)	43,549.351	15.00	653,240
Qualified XII (0.60)	40,984.325	14.93	611,896
Qualified XII (0.65)	29,808.017	14.87	443,245
Qualified XII (0.70)	49,822.778	14.81	737,875
Qualified XII (0.75)	79,607.442	14.74	1,173,414
Qualified XII (0.80)	214,672.612	16.40	3,520,631
Qualified XII (0.85)	94,692.600	20.47	1,938,358
Qualified XII (0.90)	16,029.387	16.29	261,119
Qualified XII (0.95)	131,283.697	20.25	2,658,495
Qualified XII (1.00)	137,899.567	20.15	2,778,676
Qualified XII (1.05)	32,814.938	20.04	657,611
Qualified XII (1.10)	26,422.169	19.93	526,594
Qualified XII (1.15)	27,613.897	19.83	547,584
Qualified XII (1.20)	15,843.330	19.72	312,430
Qualified XII (1.25)	21,542.708	19.62	422,668
Qualified XII (1.30)	8,612.375	19.51	168,027
Qualified XII (1.35)	3,376.532	19.41	65,538
Qualified XII (1.40)	4,128.883	19.31	79,729
Qualified XII (1.45)	111.174	19.21	2,136
Qualified XII (1.50)	1,135.537	19.10	21,689
Qualified XV	8,158.793	21.16	172,640
Qualified XVI	35,066.308	20.03	702,378
Qualified XVII	2,218.378	20.53	45,543
Qualified XVIII	5,674.130	21.15	120,008
Qualified XXI	7,982.792	21.40	170,832
Qualified XXV	6,348.850	21.18	134,469
Qualified XXVI	5,136.092	20.98	107,755
Qualified XXVII	369,267.052	11.47	4,235,493
Qualified XXXII	3,478.415	16.20	56,350
Qualified XXXIII (0.65)	117.062	16.96	1,985
Qualified XXXVI	14,394.972	17.05	245,434
	<u>2,821,032.913</u>		<u>\$ 51,712,804</u>

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**

**Notes to Financial Statements**

<b>Division/Contract</b>	<b>Units</b>	<b>Unit Value</b>	<b>Extended Value</b>
<b>Fidelity® VIP Asset Manager<sup>SM</sup> Portfolio - Initial Class</b>			
Contracts in accumulation period:			
Qualified XXVII	815,717.126	\$ 19.95	\$ 16,273,557
Qualified XXVIII	105,463.321	19.79	2,087,119
	<u>921,180.447</u>		<u>\$ 18,360,676</u>
<b>Fidelity® VIP Contrafund® Portfolio - Initial Class</b>			
Currently payable annuity contracts:	567,062.454	\$ 14.97	\$ 8,488,925
Contracts in accumulation period:			
ING Custom Choice 62	13,315.924	14.57	194,013
ING Custom Choice 65	91,781.856	13.27	1,217,945
ING MAP PLUS NP5	24,692.664	14.77	364,711
ING MAP PLUS NP6	20,565.197	14.75	303,337
ING MAP PLUS NP7	3,894.949	14.73	57,373
ING MAP PLUS NP8	52,624.241	14.70	773,576
ING MAP PLUS NP9	15,008.550	14.68	220,326
ING MAP PLUS NP10	34,071.695	14.66	499,491
ING MAP PLUS NP11	36,898.266	14.64	540,191
ING MAP PLUS NP12	41,012.630	14.62	599,605
ING MAP PLUS NP13	3,353.245	14.60	48,957
ING MAP PLUS NP14	6,947.064	14.58	101,288
ING MAP PLUS NP15	36,984.411	14.56	538,493
ING MAP PLUS NP16	8,780.350	14.53	127,578
ING MAP PLUS NP17	12,660.411	14.51	183,703
ING MAP PLUS NP18	10,057.547	14.49	145,734
ING MAP PLUS NP19	13,254.430	14.47	191,792
ING MAP PLUS NP20	7,565.379	14.45	109,320
ING MAP PLUS NP21	39,269.525	14.43	566,659
ING MAP PLUS NP22	23,560.229	14.41	339,503
ING MAP PLUS NP23	4,233.348	14.39	60,918
ING MAP PLUS NP24	16,054.530	14.37	230,704
ING MAP PLUS NP25	1,784.261	14.35	25,604
ING MAP PLUS NP26	9,787.825	14.32	140,162
ING MAP PLUS NP27	25,693.166	14.30	367,412
ING MAP PLUS NP28	16,812.302	14.28	240,080
ING MAP PLUS NP29	8,351.691	14.26	119,095
ING MAP PLUS NP30	12,840.790	14.24	182,853
ING MAP PLUS NP31	160.127	14.22	2,277
ING MAP PLUS NP32	4,385.580	14.20	62,275
Qualified V	1,536.406	31.37	48,197
Qualified VI	11,199,575.580	31.73	355,362,533
Qualified VIII	6,525.311	31.91	208,223
Qualified X (1.15)	332,495.174	36.06	11,989,776
Qualified X (1.25)	887,780.023	35.65	31,649,358
Qualified XII (0.00)	656,743.764	12.07	7,926,897
Qualified XII (0.05)	222,882.162	34.00	7,577,994

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Notes to Financial Statements**

<b>Division/Contract</b>	<b>Units</b>	<b>Unit Value</b>	<b>Extended Value</b>
<b>Fidelity® VIP Contrafund®</b>			
<b>Portfolio - Initial Class (continued)</b>			
Qualified XII (0.15)	205,067.386	\$ 20.32	\$ 4,166,969
Qualified XII (0.25)	434,646.308	20.14	8,753,777
Qualified XII (0.30)	225.167	20.06	4,517
Qualified XII (0.35)	146,993.202	19.97	2,935,454
Qualified XII (0.40)	774,715.277	30.86	23,907,713
Qualified XII (0.45)	1,599.122	19.80	31,663
Qualified XII (0.50)	1,082,527.334	20.60	22,300,063
Qualified XII (0.55)	510,357.286	19.63	10,018,314
Qualified XII (0.60)	383,018.549	19.55	7,488,013
Qualified XII (0.65)	235,683.181	19.46	4,586,395
Qualified XII (0.70)	994,100.035	19.38	19,265,659
Qualified XII (0.75)	1,035,000.015	19.30	19,975,500
Qualified XII (0.80)	3,361,869.080	21.12	71,002,675
Qualified XII (0.85)	811,346.246	29.83	24,202,459
Qualified XII (0.90)	216,614.962	20.46	4,431,942
Qualified XII (0.95)	3,947,271.638	29.51	116,483,986
Qualified XII (1.00)	3,678,667.868	29.35	107,968,902
Qualified XII (1.05)	396,000.924	29.20	11,563,227
Qualified XII (1.10)	237,295.234	29.04	6,891,054
Qualified XII (1.15)	516,839.995	28.89	14,931,507
Qualified XII (1.20)	73,889.831	28.74	2,123,594
Qualified XII (1.25)	261,881.307	28.58	7,484,568
Qualified XII (1.30)	5,566.240	28.43	158,248
Qualified XII (1.35)	10,022.930	28.28	283,448
Qualified XII (1.40)	52,830.561	28.13	1,486,124
Qualified XII (1.45)	11,204.573	27.98	313,504
Qualified XII (1.50)	12,425.450	27.83	345,800
Qualified XV	48,809.872	32.70	1,596,083
Qualified XVI	254,136.402	30.96	7,868,063
Qualified XVII	27,818.907	31.73	882,694
Qualified XVIII	32,554.922	35.65	1,160,583
Qualified XXI	142,496.844	33.07	4,712,371
Qualified XXV	51,522.116	32.73	1,686,319
Qualified XXVI	35,028.522	32.42	1,135,625
Qualified XXVII	4,854,925.240	36.46	177,010,574
Qualified XXVIII	1,434,090.878	36.17	51,871,067
Qualified XXXII	43,238.354	15.04	650,305
Qualified XXXIII (0.65)	66,268.402	16.98	1,125,237
Qualified XXXVI	119,282.921	17.07	2,036,159
	<u>40,978,836.138</u>		<u>\$ 1,176,647,033</u>

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**

**Notes to Financial Statements**

---

<b>Division/Contract</b>	<b>Units</b>	<b>Unit Value</b>	<b>Extended Value</b>
<b>Fidelity® VIP Index 500 Portfolio - Initial Class</b>			
Contracts in accumulation period:			
Qualified XXVII	4,183,211.700	\$ 27.98	\$ 117,046,263
Qualified XXVIII	425,449.512	27.75	11,806,224
	<u>4,608,661.212</u>		<u>\$ 128,852,487</u>
<b>Fidelity® VIP Mid Cap Portfolio - Initial Class</b>			
Contracts in accumulation period:			
Qualified XII (0.00)	446,100.784	\$ 12.22	\$ 5,451,352
	<u>446,100.784</u>		<u>\$ 5,451,352</u>
<b>Mutual Discovery Fund - Class R</b>			
Contracts in accumulation period:			
ING MAP PLUS NP8	10,026.475	\$ 16.30	\$ 163,432
ING MAP PLUS NP12	15,972.397	16.21	258,913
ING MAP PLUS NP13	6,278.868	16.19	101,655
ING MAP PLUS NP14	14,314.690	16.16	231,325
ING MAP PLUS NP15	175.007	16.14	2,825
ING MAP PLUS NP17	174.872	16.09	2,814
ING MAP PLUS NP18	9,819.568	16.07	157,800
ING MAP PLUS NP19	5,333.104	16.05	85,596
ING MAP PLUS NP20	2,896.794	16.02	46,407
ING MAP PLUS NP21	7,777.789	16.00	124,445
ING MAP PLUS NP23	212.818	15.95	3,394
ING MAP PLUS NP24	985.627	15.93	15,701
ING MAP PLUS NP26	1,262.387	15.88	20,047
ING MAP PLUS NP27	13,920.248	15.86	220,775
ING MAP PLUS NP29	112.546	15.81	1,779
ING MAP PLUS NP30	33.500	15.79	529
ING MAP PLUS NP32	26.886	15.75	423
	<u>89,323.576</u>		<u>\$ 1,437,860</u>

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Notes to Financial Statements**

<b>Division/Contract</b>	<b>Units</b>	<b>Unit Value</b>	<b>Extended Value</b>
<b>Franklin Small-Mid Cap Growth Fund - Class A</b>			
Contracts in accumulation period:			
ING MAP PLUS NP10	701.302	\$ 12.83	\$ 8,998
ING MAP PLUS NP11	8,746.000	12.81	112,036
ING MAP PLUS NP12	222.930	12.79	2,851
ING MAP PLUS NP14	349.735	12.76	4,463
ING MAP PLUS NP15	370.807	12.74	4,724
ING MAP PLUS NP17	308.913	12.70	3,923
ING MAP PLUS NP18	2,510.179	12.68	31,829
ING MAP PLUS NP19	17,782.652	12.67	225,306
ING MAP PLUS NP22	1,847.269	12.61	23,294
ING MAP PLUS NP23	1,084.782	12.59	13,657
ING MAP PLUS NP25	120.252	12.56	1,510
ING MAP PLUS NP26	1,915.533	12.54	24,021
ING MAP PLUS NP28	7,927.048	12.50	99,088
ING MAP PLUS NP29	26.692	12.48	333
ING MAP PLUS NP32	7.861	12.43	98
	<u>43,921.955</u>		<u>\$ 556,131</u>
<b>Franklin Small Cap Value Securities Fund - Class 2</b>			
Currently payable annuity contracts:	72,871.338	\$ 16.01	\$ 1,166,670
Contracts in accumulation period:			
ING Custom Choice 62	174.956	15.36	2,687
ING Custom Choice 65	5,131.513	13.16	67,531
ING MAP PLUS NP6	2,399.309	15.44	37,045
ING MAP PLUS NP9	4.971	15.38	76
ING MAP PLUS NP11	15,278.099	15.33	234,213
ING MAP PLUS NP12	6,842.110	15.31	104,753
ING MAP PLUS NP13	648.402	15.29	9,914
ING MAP PLUS NP15	1,093.150	15.24	16,660
ING MAP PLUS NP16	2,203.976	15.22	33,545
ING MAP PLUS NP17	2,966.067	15.20	45,084
ING MAP PLUS NP18	2,650.239	15.18	40,231
ING MAP PLUS NP20	19,236.853	15.13	291,054
ING MAP PLUS NP23	426.396	15.07	6,426
ING MAP PLUS NP24	2,427.872	15.05	36,539
ING MAP PLUS NP26	102.365	15.00	1,535
ING MAP PLUS NP27	54.063	14.98	810
ING MAP PLUS NP30	1,402.444	14.91	20,910
ING MAP PLUS NP32	454.089	14.87	6,752
Qualified V	212.313	18.10	3,843
Qualified VI	1,444,904.006	18.25	26,369,498
Qualified VIII	105.458	18.25	1,925
Qualified X (1.15)	65,044.446	18.35	1,193,566
Qualified X (1.25)	169,778.514	18.25	3,098,458
Qualified XII (0.15)	4,150.109	19.38	80,429

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Notes to Financial Statements**

<b>Division/Contract</b>	<b>Units</b>	<b>Unit Value</b>	<b>Extended Value</b>
<b>Franklin Small Cap Value Securities</b>			
<b>Fund - Class 2 (continued)</b>			
Qualified XII (0.35)	23,711.019	19.17	454,540
Qualified XII (0.50)	155,794.618	19.01	2,961,656
Qualified XII (0.55)	48,455.522	18.96	918,717
Qualified XII (0.60)	94,814.750	18.91	1,792,947
Qualified XII (0.65)	84,755.971	18.86	1,598,498
Qualified XII (0.70)	87,801.011	18.81	1,651,537
Qualified XII (0.75)	38,569.359	18.76	723,561
Qualified XII (0.80)	111,914.639	18.71	2,093,923
Qualified XII (0.85)	191,900.843	18.66	3,580,870
Qualified XII (0.90)	10,084.735	18.60	187,576
Qualified XII (0.95)	92,783.803	18.55	1,721,140
Qualified XII (1.00)	739,498.536	18.50	13,680,723
Qualified XII (1.05)	51,033.915	18.45	941,576
Qualified XII (1.10)	14,897.534	18.40	274,115
Qualified XII (1.15)	53,377.474	18.35	979,477
Qualified XII (1.20)	9,892.015	18.30	181,024
Qualified XII (1.25)	48,594.602	18.25	886,851
Qualified XII (1.30)	543.205	18.20	9,886
Qualified XII (1.35)	5,208.040	18.15	94,526
Qualified XII (1.40)	7,450.305	18.11	134,925
Qualified XII (1.45)	2,474.927	18.06	44,697
Qualified XII (1.50)	642.902	18.01	11,579
Qualified XV	4,327.156	18.55	80,269
Qualified XVI	38,439.754	18.01	692,300
Qualified XVII	6,456.169	18.25	117,825
Qualified XVIII	5,970.392	18.25	108,960
Qualified XXI	27,736.676	18.71	518,953
Qualified XXV	15,346.854	18.76	287,907
Qualified XXVI	22,774.943	18.60	423,614
Qualified XXVII	360,740.351	20.37	7,348,281
Qualified XXVIII	606,512.182	17.43	10,571,507
Qualified XXXII	3,414.759	15.70	53,612
Qualified XXXIII (0.65)	27,856.140	18.95	527,874
	<u>4,814,338.159</u>		<u>\$ 88,525,600</u>

**ING Financial Services Fund - Class A**

Contracts in accumulation period:

ING MAP PLUS NP13	46.203	\$	13.56	\$	627
ING MAP PLUS NP14	3,816.114		13.54		51,670
ING MAP PLUS NP15	1,583.859		13.52		21,414
ING MAP PLUS NP22	35.049		13.39		469
ING MAP PLUS NP28	121.953		13.27		1,618
ING MAP PLUS NP30	588.661		13.23		7,788
	<u>6,191.839</u>				<u>\$ 83,586</u>

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**

**Notes to Financial Statements**

---

<b>Division/Contract</b>	<b>Units</b>	<b>Unit Value</b>	<b>Extended Value</b>
<b>ING Real Estate Fund - Class A</b>			
Contracts in accumulation period:			
ING MAP PLUS NP5	8,866.769	\$ 19.45	\$ 172,459
ING MAP PLUS NP6	4,180.608	19.42	81,187
ING MAP PLUS NP9	528.393	19.34	10,219
ING MAP PLUS NP10	253.622	19.31	4,897
ING MAP PLUS NP11	6,353.856	19.28	122,502
ING MAP PLUS NP12	9,889.651	19.25	190,376
ING MAP PLUS NP13	6,981.770	19.22	134,190
ING MAP PLUS NP14	6,706.046	19.20	128,756
ING MAP PLUS NP15	4,998.414	19.17	95,820
ING MAP PLUS NP17	1,863.865	19.11	35,618
ING MAP PLUS NP18	21,469.704	19.09	409,857
ING MAP PLUS NP19	1,132.962	19.06	21,594
ING MAP PLUS NP20	12,462.630	19.03	237,164
ING MAP PLUS NP21	15,850.775	19.00	301,165
ING MAP PLUS NP22	1,411.920	18.98	26,798
ING MAP PLUS NP23	2,143.532	18.95	40,620
ING MAP PLUS NP24	1,732.113	18.92	32,772
ING MAP PLUS NP25	1,622.906	18.89	30,657
ING MAP PLUS NP26	336.916	18.87	6,358
ING MAP PLUS NP27	13,438.870	18.84	253,188
ING MAP PLUS NP28	34.686	18.81	652
ING MAP PLUS NP29	110.112	18.78	2,068
ING MAP PLUS NP30	1,041.977	18.76	19,547
ING MAP PLUS NP32	752.443	18.70	14,071
	<u>124,164.540</u>		<u>\$ 2,372,535</u>

**ING GNMA Income Fund - Class A**

Contracts in accumulation period:

ING MAP PLUS NP5	2,268.564	\$ 10.87	\$ 24,659
ING MAP PLUS NP7	213.283	10.84	2,312
ING MAP PLUS NP9	11,268.247	10.81	121,810
ING MAP PLUS NP11	4,566.455	10.78	49,226
ING MAP PLUS NP12	2,398.362	10.76	25,806
ING MAP PLUS NP14	11,093.281	10.73	119,031
ING MAP PLUS NP15	1,148.363	10.72	12,310
ING MAP PLUS NP17	13,913.611	10.69	148,737



**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**

**Notes to Financial Statements**

<b>Division/Contract</b>	<b>Units</b>	<b>Unit Value</b>	<b>Extended Value</b>
<b>ING GNMA Income Fund - Class A (continued)</b>			
ING MAP PLUS NP18	4,398.283	10.67	46,930
ING MAP PLUS NP19	2,117.939	10.66	22,577
ING MAP PLUS NP21	781.707	10.63	8,310
ING MAP PLUS NP22	824.224	10.61	8,745
ING MAP PLUS NP24	1,433.919	10.58	15,171
ING MAP PLUS NP26	1,987.602	10.55	20,969
ING MAP PLUS NP27	17,001.234	10.53	179,023
ING MAP PLUS NP29	8,204.298	10.50	86,145
ING MAP PLUS NP30	3,355.119	10.49	35,195
ING MAP PLUS NP32	1,104.163	10.46	11,550
Qualified XII (1.00)	3,304.249	10.44	34,496
	<u>91,382.903</u>		<u>\$ 973,002</u>

**ING Intermediate Bond Fund - Class A**

Contracts in accumulation period:

ING MAP PLUS NP5	17,548.835	\$	10.95	\$	192,160
ING MAP PLUS NP6	9,836.100		10.94		107,607
ING MAP PLUS NP8	4,542.869		10.91		49,563
ING MAP PLUS NP10	28,100.821		10.87		305,456
ING MAP PLUS NP14	1,364.679		10.81		14,752
ING MAP PLUS NP15	17,519.284		10.80		189,208
ING MAP PLUS NP17	10,090.985		10.76		108,579
ING MAP PLUS NP18	17,702.086		10.75		190,297
ING MAP PLUS NP19	18,115.875		10.73		194,383
ING MAP PLUS NP20	3,459.002		10.72		37,081
ING MAP PLUS NP21	8,902.221		10.70		95,254
ING MAP PLUS NP22	967.023		10.69		10,337
ING MAP PLUS NP23	5,244.912		10.67		55,963
ING MAP PLUS NP24	2,753.326		10.66		29,350
ING MAP PLUS NP25	5.833		10.64		62
ING MAP PLUS NP28	4,215.822		10.59		44,646
ING MAP PLUS NP29	316.730		10.58		3,351
ING MAP PLUS NP30	60.480		10.56		639
ING MAP PLUS NP31	138.735		10.55		1,464
ING MAP PLUS NP32	279.812		10.53		2,946
	<u>151,165.430</u>				<u>\$ 1,633,098</u>

**ING GET Fund - Series Q**

Contracts in accumulation period:

Qualified XXVII	263,223.410	\$	11.05	\$	2,908,619
	<u>263,223.410</u>				<u>\$ 2,908,619</u>

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**

**Notes to Financial Statements**

<b>Division/Contract</b>	<b>Units</b>	<b>Unit Value</b>	<b>Extended Value</b>
<b>ING GET Fund - Series S</b>			
Contracts in accumulation period:			
ING Custom Choice 65	5,696.641	\$ 11.02	\$ 62,777
Qualified VI	361,368.024	11.25	4,065,390
Qualified X (1.15)	29,468.807	11.26	331,819
Qualified X (1.25)	60,646.692	11.25	682,275
Qualified XII (0.25)	19,367.468	11.91	230,667
Qualified XII (0.50)	43,149.171	11.78	508,297
Qualified XII (0.80)	5,128.160	11.61	59,538
Qualified XII (0.85)	80.331	11.59	931
Qualified XII (0.95)	9,359.332	11.53	107,913
Qualified XII (1.00)	10,943.106	11.51	125,955
Qualified XII (1.05)	54,664.161	11.48	627,545
Qualified XII (1.10)	11,325.543	11.45	129,677
Qualified XII (1.15)	199.045	11.43	2,275
Qualified XII (1.20)	6,145.292	11.40	70,056
Qualified XII (1.25)	104,847.847	11.37	1,192,120
Qualified XII (1.35)	1,328.407	11.32	15,038
Qualified XII (1.40)	35,159.353	11.29	396,949
Qualified XII (1.45)	1,365.508	11.27	15,389
Qualified XVI	6,616.878	11.12	73,580
Qualified XVIII	8,122.655	11.26	91,461
Qualified XXI	174.271	11.49	2,002
Qualified XXV	439.844	11.59	5,098
Qualified XXVII	120,762.373	11.38	1,374,276
Qualified XXXII	1,375.266	10.74	14,770
Qualified XXXVI	5,820.114	11.71	68,154
	<u>903,554.289</u>		<u>\$ 10,253,952</u>

**ING AllianceBernstein Mid Cap Growth  
Portfolio - Service Class**

Contracts in accumulation period:

Qualified VI	142,606.481	\$ 12.53	\$ 1,786,859
Qualified XII (0.50)	6,894.956	12.69	87,497
Qualified XII (0.55)	174.524	12.68	2,213
Qualified XII (0.60)	12,319.200	12.67	156,084
Qualified XII (0.65)	233.681	12.66	2,958
Qualified XII (0.70)	5,773.009	12.65	73,029
Qualified XII (0.75)	4,594.134	12.64	58,070
Qualified XII (0.80)	2,200.102	12.63	27,787

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**

**Notes to Financial Statements**

---

<b>Division/Contract</b>	<b>Units</b>	<b>Unit Value</b>	<b>Extended Value</b>
<b>ING AllianceBernstein Mid Cap Growth Portfolio - Service Class (continued)</b>			
Qualified XII (0.85)	21,592.810	12.62	272,501
Qualified XII (0.90)	1,159.818	12.61	14,625
Qualified XII (0.95)	3,556.684	12.60	44,814
Qualified XII (1.00)	36,117.742	12.58	454,361
Qualified XII (1.05)	783.381	12.57	9,847
Qualified XII (1.10)	3,075.201	12.56	38,625
Qualified XII (1.15)	5,452.774	12.55	68,432
Qualified XII (1.20)	689.971	12.54	8,652
Qualified XII (1.25)	3,018.196	12.53	37,818
Qualified XII (1.35)	8.710	12.51	109
Qualified XII (1.40)	269.993	12.50	3,375
Qualified XII (1.45)	10.837	12.49	135
Qualified XII (1.50)	571.267	12.48	7,129
Qualified XVI	3,653.280	12.48	45,593
Qualified XVII	4,245.945	12.53	53,202
Qualified XXI	1,587.567	12.63	20,051
Qualified XXV	482.144	12.64	6,094
Qualified XXVI	463.471	12.61	5,844
	<u>261,535.878</u>		<u>\$ 3,285,704</u>
<b>ING BlackRock Large Cap Growth Portfolio - Service Class</b>			
Contracts in accumulation period:			
Qualified XII (0.00)	<u>1.951</u>	\$ 11.40	<u>\$ 22</u>
	<u>1.951</u>		<u>\$ 22</u>

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**

**Notes to Financial Statements**

<u>Division/Contract</u>	<u>Units</u>	<u>Unit Value</u>	<u>Extended Value</u>
<b>ING Evergreen Health Sciences Portfolio - Service Class</b>			
Contracts in accumulation period:			
ING Custom Choice 62	335.077	\$ 12.60	\$ 4,222
ING Custom Choice 65	748.829	12.83	9,607
ING MAP PLUS NP11	2,581.589	12.74	32,889
ING MAP PLUS NP12	9,985.890	12.73	127,120
ING MAP PLUS NP13	501.457	12.72	6,379
ING MAP PLUS NP15	182.204	12.70	2,314
ING MAP PLUS NP17	905.683	12.68	11,484
Qualified VI	163,855.073	12.60	2,064,574
Qualified XII (0.00)	7.101	12.87	91
Qualified XII (0.50)	7,873.778	12.76	100,469
Qualified XII (0.55)	2,021.395	12.75	25,773
Qualified XII (0.60)	9,428.160	12.74	120,115
Qualified XII (0.65)	428.650	12.73	5,457
Qualified XII (0.70)	22,179.243	12.72	282,120
Qualified XII (0.75)	5,435.533	12.71	69,086
Qualified XII (0.80)	13,845.210	12.70	175,834
Qualified XII (0.85)	9,702.782	12.69	123,128
Qualified XII (0.90)	2,610.759	12.68	33,104
Qualified XII (0.95)	12,324.341	12.67	156,149
Qualified XII (1.00)	62,966.472	12.66	797,156
Qualified XII (1.05)	3,510.938	12.65	44,413
Qualified XII (1.10)	2,067.153	12.64	26,129
Qualified XII (1.15)	4,093.238	12.63	51,698
Qualified XII (1.20)	1,393.374	12.61	17,570
Qualified XII (1.25)	5,597.025	12.60	70,523
Qualified XII (1.30)	83.751	12.59	1,054
Qualified XII (1.35)	144.421	12.58	1,817
Qualified XII (1.40)	505.134	12.57	6,350
Qualified XII (1.45)	1.009	12.56	13
Qualified XV	321.620	12.67	4,075
Qualified XVI	2,893.326	12.55	36,311
Qualified XXI	1,817.398	12.70	23,081
Qualified XXV	381.748	12.71	4,852
Qualified XXVI	383.297	12.68	4,860
	<u>351,112.658</u>		<u>\$ 4,439,817</u>

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Notes to Financial Statements**

<b>Division/Contract</b>	<b>Units</b>	<b>Unit Value</b>	<b>Extended Value</b>
<b>ING FMR<sup>SM</sup> Diversified Mid Cap Portfolio - Service Class</b>			
Contracts in accumulation period:			
ING Custom Choice 65	136.431	\$ 13.31	\$ 1,816
ING MAP PLUS NP6	19,722.191	13.27	261,713
ING MAP PLUS NP8	9,268.114	13.24	122,710
ING MAP PLUS NP11	4,824.650	13.21	63,734
ING MAP PLUS NP13	10,041.372	13.19	132,446
ING MAP PLUS NP15	5,471.353	13.17	72,058
ING MAP PLUS NP17	1,976.816	13.14	25,975
ING MAP PLUS NP18	1,646.938	13.13	21,624
ING MAP PLUS NP22	2,397.752	13.09	31,387
ING MAP PLUS NP24	7,418.744	13.07	96,963
ING MAP PLUS NP25	162.964	13.06	2,128
ING MAP PLUS NP30	2,051.847	13.00	26,674
Qualified VI	571,175.572	13.07	7,465,265
Qualified XII (0.40)	144.067	13.25	1,909
Qualified XII (0.50)	47,840.346	13.23	632,928
Qualified XII (0.55)	235.877	13.22	3,118
Qualified XII (0.60)	5,701.383	13.21	75,315
Qualified XII (0.65)	949.815	13.20	12,538
Qualified XII (0.70)	12,522.122	13.19	165,167
Qualified XII (0.75)	4,122.989	13.18	54,341
Qualified XII (0.80)	19,565.841	13.17	257,682
Qualified XII (0.85)	33,125.805	13.15	435,604
Qualified XII (0.90)	1,196.371	13.14	15,720
Qualified XII (0.95)	26,450.058	13.13	347,289
Qualified XII (1.00)	255,629.758	13.12	3,353,862
Qualified XII (1.05)	9,776.867	13.11	128,175
Qualified XII (1.10)	8,094.549	13.10	106,039
Qualified XII (1.15)	20,811.892	13.09	272,428
Qualified XII (1.20)	135.824	13.08	1,777
Qualified XII (1.25)	10,388.902	13.07	135,783
Qualified XII (1.30)	521.505	13.06	6,811
Qualified XII (1.35)	1,658.521	13.05	21,644
Qualified XII (1.40)	344.886	13.03	4,494
Qualified XV	350.149	13.13	4,597
Qualified XVI	13,842.916	13.01	180,096
Qualified XXI	3,387.259	13.17	44,610
Qualified XXVI	1,427.429	13.14	18,756
	<u>1,114,519.875</u>		<u>\$ 14,605,176</u>

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**

**Notes to Financial Statements**

<b>Division/Contract</b>	<b>Units</b>	<b>Unit Value</b>	<b>Extended Value</b>
<b>ING FMR<sup>SM</sup> Large Cap Growth Portfolio - Institutional Class</b>			
Contracts in accumulation period:			
Qualified VI	12,165.285	\$ 9.87	\$ 120,071
Qualified X (1.25)	171.669	9.87	1,694
Qualified XII (0.50)	662.221	9.92	6,569
Qualified XII (0.75)	0.845	9.90	8
Qualified XII (0.95)	396.354	9.89	3,920
Qualified XII (1.00)	2.301	9.89	23
Qualified XII (1.05)	0.627	9.88	6
Qualified XII (1.10)	798.682	9.88	7,891
Qualified XVI	31.670	9.85	312
Qualified XXVII	2,171.985	9.93	21,568
	<u>16,401.639</u>		<u>\$ 162,062</u>
<b>ING JPMorgan Emerging Markets Equity Portfolio - Adviser Class</b>			
Contracts in accumulation period:			
Qualified XXXV	3,890.606	\$ 14.67	\$ 57,075
	<u>3,890.606</u>		<u>\$ 57,075</u>
<b>ING JPMorgan Emerging Markets Equity Portfolio - Institutional Class</b>			
Contracts in accumulation period:			
Qualified XXVII	979,896.866	\$ 15.35	\$ 15,041,417
Qualified XXVIII	920,631.296	15.35	14,131,690
	<u>1,900,528.162</u>		<u>\$ 29,173,107</u>
<b>ING JPMorgan Emerging Markets Equity Portfolio - Service Class</b>			
Contracts in accumulation period:			
ING Custom Choice 65	1,186.930	\$ 18.30	\$ 21,721
ING MAP PLUS NP26	673.486	11.43	7,698
Qualified VI	667,561.042	17.98	12,002,748
Qualified VIII	194.391	17.97	3,493
Qualified XII (0.50)	6,592.027	18.20	119,975
Qualified XII (0.55)	4,757.085	18.19	86,531
Qualified XII (0.60)	20,736.945	18.17	376,790
Qualified XII (0.65)	1,027.933	18.16	18,667
Qualified XII (0.70)	17,893.224	18.14	324,583
Qualified XII (0.75)	11,402.010	18.13	206,718
Qualified XII (0.80)	60,707.016	18.11	1,099,404
Qualified XII (0.85)	55,276.294	18.10	1,000,501
Qualified XII (0.90)	7,002.791	18.08	126,610
Qualified XII (0.95)	29,475.407	18.07	532,621
Qualified XII (1.00)	195,944.843	18.05	3,536,804
Qualified XII (1.05)	10,504.754	18.04	189,506

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**

**Notes to Financial Statements**

<b>Division/Contract</b>	<b>Units</b>	<b>Unit Value</b>	<b>Extended Value</b>
<b>ING JPMorgan Emerging Markets Equity Portfolio - Service Class (continued)</b>			
Qualified XII (1.10)	9,723.192	\$ 18.02	\$ 175,212
Qualified XII (1.15)	21,219.212	18.01	382,158
Qualified XII (1.20)	2,323.090	17.99	41,792
Qualified XII (1.25)	15,244.266	17.98	274,092
Qualified XII (1.30)	16.297	17.96	293
Qualified XII (1.35)	1,019.435	17.95	18,299
Qualified XII (1.40)	3,485.927	17.93	62,503
Qualified XII (1.45)	195.920	17.92	3,511
Qualified XII (1.50)	350.530	17.90	6,274
Qualified XV	3,527.722	18.07	63,746
Qualified XVI	20,050.843	17.90	358,910
Qualified XVII	745.066	17.98	13,396
Qualified XXI	12,050.390	18.11	218,233
Qualified XXV	10,040.494	18.13	182,034
Qualified XXVI	8,663.845	18.08	156,642
	<u>1,199,592.407</u>		<u>\$ 21,611,465</u>

**ING JPMorgan Small Cap Core Equity  
Portfolio - Service Class**

Contracts in accumulation period:

ING Custom Choice 65	675.643	\$ 13.25	\$ 8,952
Qualified VI	64,572.286	13.01	840,085
Qualified XII (0.50)	7,333.397	13.17	96,581
Qualified XII (0.55)	179.268	13.16	2,359
Qualified XII (0.60)	3,460.551	13.15	45,506
Qualified XII (0.65)	176.557	13.14	2,320
Qualified XII (0.70)	1,452.379	13.13	19,070
Qualified XII (0.75)	2,574.355	13.12	33,776
Qualified XII (0.80)	8,516.718	13.11	111,654
Qualified XII (0.85)	6,724.197	13.10	88,087
Qualified XII (0.90)	334.040	13.09	4,373
Qualified XII (0.95)	3,640.206	13.08	47,614
Qualified XII (1.00)	17,725.814	13.06	231,499
Qualified XII (1.05)	1,317.884	13.05	17,198
Qualified XII (1.10)	2,373.392	13.04	30,949
Qualified XII (1.15)	1,527.450	13.03	19,903
Qualified XII (1.20)	47.472	13.02	618
Qualified XII (1.25)	900.934	13.01	11,721
Qualified XII (1.35)	19.701	12.99	256
Qualified XII (1.40)	152.713	12.98	1,982
Qualified XVI	995.157	12.96	12,897
Qualified XXI	958.700	13.11	12,569
Qualified XXV	118.310	13.12	1,552
Qualified XXVI	132.539	13.09	1,735
	<u>125,909.663</u>		<u>\$ 1,643,256</u>

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**

**Notes to Financial Statements**

---

<b>Division/Contract</b>	<b>Units</b>	<b>Unit Value</b>	<b>Extended Value</b>
<b>ING JPMorgan Value Opportunities</b>			
<b>Portfolio - Institutional Class</b>			
Contracts in accumulation period:			
Qualified X (1.15)	119.282	\$ 11.30	\$ 1,348
Qualified X (1.25)	2,151.273	11.29	24,288
	<u>2,270.555</u>		<u>\$ 25,636</u>
<b>ING JPMorgan Value Opportunities</b>			
<b>Portfolio - Service Class</b>			
Contracts in accumulation period:			
Qualified VI	26,843.943	\$ 11.26	\$ 302,263
Qualified XII (0.50)	24,185.377	11.32	273,778
Qualified XII (0.60)	194.237	11.31	2,197
Qualified XII (0.65)	372.092	11.31	4,208
Qualified XII (0.70)	178.872	11.31	2,023
Qualified XII (0.75)	711.396	11.30	8,039
Qualified XII (0.80)	980.519	11.30	11,080
Qualified XII (0.85)	424.329	11.29	4,791
Qualified XII (0.90)	942.097	11.29	10,636
Qualified XII (0.95)	2,523.242	11.29	28,487
Qualified XII (1.00)	2,753.596	11.28	31,061
Qualified XII (1.05)	1,136.957	11.28	12,825
Qualified XII (1.10)	1,195.573	11.28	13,486
Qualified XII (1.15)	1,046.020	11.27	11,789
Qualified XII (1.20)	21.635	11.27	244
Qualified XII (1.25)	1,170.581	11.26	13,181
Qualified XV	9.647	11.29	109
Qualified XVI	7,895.571	11.24	88,746
Qualified XXI	3.988	11.30	45
Qualified XXV	353.638	11.30	3,996
Qualified XXVI	79.678	11.29	900
	<u>73,022.988</u>		<u>\$ 823,884</u>



**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Notes to Financial Statements**

<b>Division/Contract</b>	<b>Units</b>	<b>Unit Value</b>	<b>Extended Value</b>
<b>ING Julius Baer Foreign Portfolio - Service Class</b>			
Contracts in accumulation period:			
ING Custom Choice 62	1,272.350	\$ 17.79	\$ 22,635
ING Custom Choice 65	906.657	15.30	13,872
Qualified VI	890,412.641	16.98	15,119,207
Qualified X (1.15)	18,512.395	17.67	327,114
Qualified X (1.25)	70,954.423	17.63	1,250,926
Qualified XII (0.00)	2.663	17.56	47
Qualified XII (0.30)	68.901	17.42	1,200
Qualified XII (0.50)	29,038.571	17.32	502,948
Qualified XII (0.55)	14,691.440	17.30	254,162
Qualified XII (0.60)	22,196.685	17.28	383,559
Qualified XII (0.65)	2,111.735	17.25	36,427
Qualified XII (0.70)	36,830.608	17.23	634,591
Qualified XII (0.75)	8,062.985	17.21	138,764
Qualified XII (0.80)	64,604.785	17.19	1,110,556
Qualified XII (0.85)	37,385.822	17.16	641,541
Qualified XII (0.90)	2,669.277	17.14	45,751
Qualified XII (0.95)	29,032.210	17.12	497,031
Qualified XII (1.00)	419,853.419	17.09	7,175,295
Qualified XII (1.05)	13,827.447	17.07	236,035
Qualified XII (1.10)	5,832.591	17.05	99,446
Qualified XII (1.15)	17,080.146	17.03	290,875
Qualified XII (1.20)	4,468.119	17.00	75,958
Qualified XII (1.25)	22,729.088	16.98	385,940
Qualified XII (1.30)	5.943	16.96	101
Qualified XII (1.35)	943.304	16.93	15,970
Qualified XII (1.40)	1,455.096	16.91	24,606
Qualified XII (1.45)	3,967.483	16.89	67,011
Qualified XII (1.50)	538.773	16.87	9,089
Qualified XV	1,336.716	17.12	22,885
Qualified XVI	13,629.146	16.87	229,924
Qualified XVII	4,616.804	17.09	78,901
Qualified XVIII	12,345.990	17.73	218,894
Qualified XXI	2,359.616	17.19	40,562
Qualified XXV	6,957.924	17.23	119,885
Qualified XXVI	245.792	17.18	4,223
Qualified XXXII	5,248.812	17.63	92,537
	<u>1,766,196.357</u>		<u>\$ 30,168,468</u>
<b>ING Legg Mason Partners All Cap Portfolio - Service Class</b>			
Contracts in accumulation period:			
Qualified XII (0.50)	3,114.127	\$ 11.35	\$ 35,345
	<u>3,114.127</u>		<u>\$ 35,345</u>

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**

**Notes to Financial Statements**

---

<u>Division/Contract</u>	<u>Units</u>	<u>Unit Value</u>	<u>Extended Value</u>
<b>ING Legg Mason Value Portfolio - Service Class</b>			
Contracts in accumulation period:			
ING Custom Choice 65	2,889.058	\$ 12.30	\$ 35,535
ING MAP PLUS NP13	9,403.256	12.19	114,626
ING MAP PLUS NP15	111.544	12.17	1,357
ING MAP PLUS NP18	2.099	12.14	25
ING MAP PLUS NP19	13.132	12.13	159
ING MAP PLUS NP23	230.701	12.09	2,789
ING MAP PLUS NP30	890.926	12.02	10,709
Qualified VI	158,654.898	12.08	1,916,551
Qualified XII (0.30)	20.581	12.27	253
Qualified XII (0.50)	6,809.195	12.23	83,276
Qualified XII (0.60)	815.929	12.21	9,962
Qualified XII (0.65)	9,846.575	12.20	120,128
Qualified XII (0.70)	4,537.443	12.19	55,311
Qualified XII (0.75)	29.431	12.18	358
Qualified XII (0.85)	6,530.306	12.16	79,409
Qualified XII (0.90)	8,288.360	12.15	100,704
Qualified XII (0.95)	7,619.998	12.14	92,507
Qualified XII (1.00)	38,634.936	12.13	468,642
Qualified XII (1.05)	6,014.224	12.12	72,892
Qualified XII (1.10)	2,665.483	12.11	32,279
Qualified XII (1.15)	6,478.504	12.10	78,390
Qualified XII (1.20)	769.148	12.09	9,299
Qualified XII (1.25)	2,829.517	12.08	34,181
Qualified XII (1.30)	15.680	12.07	189
Qualified XII (1.40)	2,730.829	12.05	32,906
Qualified XII (1.45)	104.836	12.04	1,262
Qualified XII (1.50)	563.855	12.03	6,783
Qualified XVI	2,594.310	12.03	31,210
Qualified XXI	1,955.624	12.17	23,800
	<u>282,050.378</u>		<u>\$ 3,415,492</u>

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**

**Notes to Financial Statements**

<b>Division/Contract</b>	<b>Units</b>	<b>Unit Value</b>	<b>Extended Value</b>
<b>ING Lord Abbett Affiliated Portfolio - Institutional Class</b>			
Currently payable annuity contracts:	2,354.159	\$ 10.81	\$ 25,448
Contracts in accumulation period:			
Qualified VI	50,763.440	10.79	547,738
Qualified X (1.25)	2,037.026	10.79	21,980
Qualified XII (0.50)	74.499	10.85	808
Qualified XII (0.60)	1,527.881	10.84	16,562
Qualified XII (0.65)	20.331	10.84	220
Qualified XII (0.70)	4,226.657	10.83	45,775
Qualified XII (0.80)	16,139.222	10.83	174,788
Qualified XII (0.85)	134.618	10.82	1,457
Qualified XII (0.90)	9.481	10.82	103
Qualified XII (0.95)	1,000.657	10.81	10,817
Qualified XII (1.00)	8,144.305	10.81	88,040
Qualified XII (1.10)	1,230.876	10.80	13,293
Qualified XII (1.15)	717.208	10.80	7,746
Qualified XII (1.20)	1.994	10.80	22
Qualified XII (1.25)	3,100.032	10.79	33,449
Qualified XII (1.40)	376.534	10.78	4,059
Qualified XVI	28.712	10.77	309
Qualified XXV	6,821.197	10.83	73,874
Qualified XXVI	150.004	10.82	1,623
	<u>98,858.833</u>		<u>\$ 1,068,111</u>
<b>ING Marsico Growth Portfolio - Service Class</b>			
Contracts in accumulation period:			
ING Custom Choice 65	1,363.366	\$ 12.01	\$ 16,374
ING MAP PLUS NP13	13,650.901	11.91	162,582
ING MAP PLUS NP15	78.881	11.89	938
ING MAP PLUS NP21	664.959	11.83	7,866
Qualified VI	104,134.195	11.80	1,228,784
Qualified X (1.15)	3,160.752	10.11	31,955
Qualified X (1.25)	1,241.280	10.11	12,549
Qualified XII (0.00)	1.923	12.05	23
Qualified XII (0.50)	6,724.844	11.95	80,362
Qualified XII (0.55)	2,599.209	11.94	31,035
Qualified XII (0.60)	5,180.618	11.93	61,805
Qualified XII (0.65)	1,932.030	11.92	23,030
Qualified XII (0.70)	2,338.018	11.91	27,846
Qualified XII (0.75)	3,339.414	11.90	39,739
Qualified XII (0.80)	21,069.349	11.89	250,515
Qualified XII (0.85)	2,487.150	11.88	29,547
Qualified XII (0.90)	94.990	11.87	1,128

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**

**Notes to Financial Statements**

<b>Division/Contract</b>	<b>Units</b>	<b>Unit Value</b>	<b>Extended Value</b>
<b>ING Marsico Growth Portfolio - Service Class (continued)</b>			
Qualified XII (0.95)	2,521.094	11.86	29,900
Qualified XII (1.00)	45,579.452	11.85	540,117
Qualified XII (1.05)	23.196	11.84	275
Qualified XII (1.10)	1,131.364	11.83	13,384
Qualified XII (1.15)	4,117.198	11.82	48,665
Qualified XII (1.20)	141.566	11.81	1,672
Qualified XII (1.25)	3,000.148	11.80	35,402
Qualified XII (1.30)	131.870	11.79	1,555
Qualified XII (1.35)	447.868	11.78	5,276
Qualified XII (1.40)	15.230	11.77	179
Qualified XII (1.45)	195.654	11.76	2,301
Qualified XV	619.618	11.86	7,349
Qualified XVI	83.991	11.75	987
Qualified XXI	4,084.671	11.89	48,567
Qualified XXVI	161.922	11.87	1,922
Qualified XXXII	325.020	10.11	3,286
	<u>232,641.741</u>		<u>\$ 2,746,915</u>

**ING Marsico International Opportunities  
Portfolio - Service Class**

Contracts in accumulation period:

ING Custom Choice 62	25.710	\$	15.22	\$	391
ING Custom Choice 65	1,703.284		15.50		26,401
ING MAP PLUS NP18	119.003		15.30		1,821
ING MAP PLUS NP25	224.119		15.21		3,409
Qualified VI	212,074.890		15.22		3,227,780
Qualified XII (0.50)	27,545.968		15.42		424,759
Qualified XII (0.55)	1,607.523		15.40		24,756
Qualified XII (0.60)	4,043.648		15.39		62,232
Qualified XII (0.65)	368.151		15.38		5,662
Qualified XII (0.70)	6,034.232		15.37		92,746
Qualified XII (0.75)	1,499.683		15.35		23,020
Qualified XII (0.80)	70,327.336		15.34		1,078,821
Qualified XII (0.85)	18,762.975		15.33		287,636
Qualified XII (0.90)	448.312		15.31		6,864
Qualified XII (0.95)	10,929.184		15.30		167,217
Qualified XII (1.00)	81,655.903		15.29		1,248,519
Qualified XII (1.05)	4,782.521		15.28		73,077
Qualified XII (1.10)	5,301.279		15.26		80,898
Qualified XII (1.15)	2,888.930		15.25		44,056
Qualified XII (1.20)	1,310.078		15.24		19,966
Qualified XII (1.25)	2,815.832		15.22		42,857
Qualified XII (1.35)	73.832		15.20		1,122
Qualified XII (1.40)	3.897		15.19		59
Qualified XV	447.357		15.30		6,845

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**

**Notes to Financial Statements**

<b>Division/Contract</b>	<b>Units</b>	<b>Unit Value</b>	<b>Extended Value</b>
<b>ING Marsico International Opportunities</b>			
<b>Portfolio - Service Class (continued)</b>			
Qualified XVI	12,058.631	\$ 15.16	\$ 182,809
Qualified XXI	5,256.630	15.34	80,637
Qualified XXV	765.975	15.35	11,758
Qualified XXVI	5,245.794	15.31	80,313
	<u>478,320.677</u>		<u>\$ 7,306,431</u>
<b>ING MFS Total Return Portfolio - Adviser Class</b>			
Contracts in accumulation period:			
Qualified XXXV	3,968.950	\$ 11.30	\$ 44,849
	<u>3,968.950</u>		<u>\$ 44,849</u>
<b>ING MFS Total Return Portfolio - Institutional Class</b>			
Contracts in accumulation period:			
Qualified XXVII	13,849.877	\$ 10.78	\$ 149,302
Qualified XXVIII	11,089.811	10.78	119,548
	<u>24,939.688</u>		<u>\$ 268,850</u>
<b>ING MFS Total Return Portfolio - Service Class</b>			
Contracts in accumulation period:			
ING Custom Choice 62	1,640.377	\$ 12.53	\$ 20,554
ING Custom Choice 65	3,594.262	11.69	42,017
ING MAP PLUS NP5	84.109	12.47	1,049
ING MAP PLUS NP12	2,430.690	12.34	29,995
ING MAP PLUS NP13	5,699.491	12.33	70,275
ING MAP PLUS NP14	32,544.153	12.31	400,619
ING MAP PLUS NP17	195.735	12.26	2,400
ING MAP PLUS NP19	1.628	12.22	20
ING MAP PLUS NP20	21,492.448	12.20	262,208
ING MAP PLUS NP26	16.375	12.10	198
ING MAP PLUS NP32	1,012.506	11.99	12,140
Qualified V	230.313	13.84	3,188
Qualified VI	1,203,758.069	14.50	17,454,492
Qualified X (1.15)	6,004.530	12.37	74,276
Qualified X (1.25)	69,296.571	12.34	855,120
Qualified XII (0.40)	1,731.023	15.23	26,363
Qualified XII (0.50)	95,123.718	15.16	1,442,076
Qualified XII (0.55)	5,364.886	15.15	81,278
Qualified XII (0.60)	15,954.792	15.12	241,236
Qualified XII (0.65)	10,909.317	15.10	164,731
Qualified XII (0.70)	36,419.518	15.07	548,842
Qualified XII (0.75)	12,869.469	15.04	193,557
Qualified XII (0.80)	122,325.743	14.99	1,833,663
Qualified XII (0.85)	74,083.618	14.95	1,107,550
Qualified XII (0.90)	15,600.754	14.94	233,075
Qualified XII (0.95)	110,953.083	14.89	1,652,091

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**

**Notes to Financial Statements**

---

<u>Division/Contract</u>	<u>Units</u>	<u>Unit Value</u>	<u>Extended Value</u>
<b>ING MFS Total Return Portfolio - Service Class (continued)</b>			
Qualified XII (1.00)	383,790.082	\$ 14.87	\$ 5,706,959
Qualified XII (1.05)	21,234.699	14.84	315,123
Qualified XII (1.10)	59,559.951	14.82	882,678
Qualified XII (1.15)	30,811.834	14.79	455,707
Qualified XII (1.20)	15,388.504	14.76	227,134
Qualified XII (1.25)	73,279.581	14.74	1,080,141
Qualified XII (1.30)	4,659.283	14.71	68,538
Qualified XII (1.35)	2,805.536	14.69	41,213
Qualified XII (1.40)	3,847.057	14.66	56,398
Qualified XII (1.45)	1,282.865	14.64	18,781
Qualified XII (1.50)	262.845	14.61	3,840
Qualified XVI	28,083.914	14.37	403,566
Qualified XVII	9,397.864	13.92	130,818
Qualified XXI	4,235.361	14.15	59,930
Qualified XXV	441.273	14.17	6,253
Qualified XXVI	22,910.887	14.10	323,044
Qualified XXXII	2,234.796	12.34	27,577
Qualified XXXVI	9.132	14.31	131
	<u>2,513,572.642</u>		<u>\$ 36,560,844</u>

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**

**Notes to Financial Statements**

---

<b>Division/Contract</b>	<b>Units</b>	<b>Unit Value</b>	<b>Extended Value</b>
<b>ING MFS Utilities Portfolio - Service Class</b>			
Contracts in accumulation period:			
ING Custom Choice 62	498.988	\$ 14.74	\$ 7,355
ING Custom Choice 65	2,188.986	15.01	32,857
Qualified V	287.850	14.70	4,231
Qualified VI	506,370.783	14.74	7,463,905
Qualified XII (0.40)	101.111	14.95	1,512
Qualified XII (0.50)	16,460.615	14.92	245,592
Qualified XII (0.55)	205.215	14.91	3,060
Qualified XII (0.60)	13,220.574	14.90	196,987
Qualified XII (0.65)	431.300	14.89	6,422
Qualified XII (0.70)	20,126.649	14.87	299,283
Qualified XII (0.75)	7,192.231	14.86	106,877
Qualified XII (0.80)	57,317.708	14.85	851,168
Qualified XII (0.85)	25,174.127	14.84	373,584
Qualified XII (0.90)	3,431.911	14.83	50,895
Qualified XII (0.95)	20,425.874	14.81	302,507
Qualified XII (1.00)	139,896.080	14.80	2,070,462
Qualified XII (1.05)	7,133.848	14.79	105,510
Qualified XII (1.10)	1,840.470	14.78	27,202
Qualified XII (1.15)	15,471.450	14.76	228,359
Qualified XII (1.20)	1,788.192	14.75	26,376
Qualified XII (1.25)	10,348.513	14.74	152,537
Qualified XII (1.35)	590.047	14.71	8,680
Qualified XII (1.40)	506.452	14.70	7,445
Qualified XII (1.45)	105.410	14.69	1,548
Qualified XII (1.50)	325.230	14.68	4,774
Qualified XV	269.115	14.81	3,986
Qualified XVI	8,247.453	14.68	121,073
Qualified XVII	1,381.214	14.74	20,359
Qualified XXI	7,565.747	14.85	112,351
Qualified XXV	8,894.444	14.86	132,171
Qualified XXVI	3,652.260	14.83	54,163
	<u>881,449.847</u>		<u>\$ 13,023,231</u>

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**

**Notes to Financial Statements**

<u>Division/Contract</u>	<u>Units</u>	<u>Unit Value</u>	<u>Extended Value</u>
<b>ING Oppenheimer Main Street Portfolio® - Service Class</b>			
Contracts in accumulation period:			
ING MAP PLUS NP22	544.847	\$ 10.76	\$ 5,863
ING MAP PLUS NP29	74.626	10.73	801
Qualified VI	32,525.056	12.46	405,262
Qualified XII (0.50)	4,137.865	12.62	52,220
Qualified XII (0.60)	1,704.494	12.60	21,477
Qualified XII (0.65)	609.376	12.59	7,672
Qualified XII (0.70)	1,964.010	12.58	24,707
Qualified XII (0.75)	985.326	12.57	12,386
Qualified XII (0.80)	1,028.721	12.56	12,921
Qualified XII (0.85)	2,254.994	12.55	28,300
Qualified XII (0.90)	331.781	12.53	4,157
Qualified XII (0.95)	1,360.632	12.52	17,035
Qualified XII (1.00)	5,439.699	12.51	68,051
Qualified XII (1.05)	947.446	12.50	11,843
Qualified XII (1.10)	3,934.319	12.49	49,140
Qualified XII (1.15)	37.476	12.48	468
Qualified XII (1.20)	1,277.373	12.47	15,929
Qualified XII (1.25)	2,010.863	12.46	25,055
Qualified XII (1.30)	22.486	12.45	280
Qualified XII (1.40)	43.045	12.43	535
Qualified XII (1.45)	24.907	12.42	309
Qualified XII (1.50)	688.067	12.41	8,539
Qualified XVI	4,165.366	12.41	51,692
Qualified XXVI	0.652	12.53	8
	<u>66,113.427</u>		<u>\$ 824,650</u>
<b>ING PIMCO High Yield Portfolio - Institutional Class</b>			
Contracts in accumulation period:			
Qualified XXVII	18,758.364	\$ 10.58	\$ 198,463
Qualified XXVIII	4,583.561	10.58	48,494
	<u>23,341.925</u>		<u>\$ 246,957</u>



**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**

**Notes to Financial Statements**

<u>Division/Contract</u>	<u>Units</u>	<u>Unit Value</u>	<u>Extended Value</u>
<b>ING PIMCO High Yield Portfolio - Service Class</b>			
Contracts in accumulation period:			
ING Custom Choice 62	109.566	\$ 11.28	\$ 1,236
ING Custom Choice 65	1,627.643	11.48	18,685
ING MAP PLUS NP11	1,708.300	10.61	18,125
ING MAP PLUS NP26	570.309	10.56	6,022
Qualified VI	202,022.343	11.28	2,278,812
Qualified XII (0.00)	16.325	11.52	188
Qualified XII (0.50)	17,762.694	11.42	202,850
Qualified XII (0.55)	398.436	11.41	4,546
Qualified XII (0.60)	4,769.351	11.40	54,371
Qualified XII (0.65)	2,123.971	11.39	24,192
Qualified XII (0.70)	15,287.539	11.38	173,972
Qualified XII (0.75)	2,229.586	11.37	25,350
Qualified XII (0.80)	29,325.028	11.36	333,132
Qualified XII (0.85)	32,047.255	11.35	363,736
Qualified XII (0.90)	1,758.100	11.34	19,937
Qualified XII (0.95)	13,165.220	11.33	149,162
Qualified XII (1.00)	79,070.911	11.33	895,873
Qualified XII (1.05)	9,103.458	11.32	103,051
Qualified XII (1.10)	4,006.584	11.31	45,314
Qualified XII (1.15)	11,288.070	11.30	127,555
Qualified XII (1.20)	523.253	11.29	5,908
Qualified XII (1.25)	4,932.293	11.28	55,636
Qualified XII (1.30)	30.790	11.27	347
Qualified XII (1.35)	7.755	11.26	87
Qualified XII (1.40)	1,580.276	11.25	17,778
Qualified XII (1.45)	527.083	11.24	5,924
Qualified XV	1,626.171	11.33	18,425
Qualified XVI	6,966.927	11.23	78,239
Qualified XXI	2,009.227	11.36	22,825
Qualified XXV	1,543.963	11.37	17,555
Qualified XXVI	90.935	11.34	1,031
	<u>448,229.362</u>		<u>\$ 5,069,864</u>

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Notes to Financial Statements**

<b>Division/Contract</b>	<b>Units</b>	<b>Unit Value</b>	<b>Extended Value</b>
<b>ING Pioneer Fund Portfolio - Institutional Class</b>			
Currently payable annuity contracts:	3,627.151	\$ 11.98	\$ 43,453
Contracts in accumulation period:			
ING Custom Choice 65	913.606	10.87	9,931
Qualified VI	83,138.574	10.79	897,065
Qualified VIII	439.703	10.79	4,744
Qualified X (1.15)	3,209.119	10.80	34,658
Qualified X (1.25)	8,819.596	10.79	95,163
Qualified XII (0.00)	6.324	10.88	69
Qualified XII (0.40)	117.851	10.86	1,280
Qualified XII (0.50)	49,009.740	10.85	531,756
Qualified XII (0.60)	900.758	10.84	9,764
Qualified XII (0.65)	308.069	10.84	3,339
Qualified XII (0.70)	8,424.408	10.83	91,236
Qualified XII (0.75)	1,004.285	10.83	10,876
Qualified XII (0.80)	2,870.519	10.83	31,088
Qualified XII (0.85)	5,748.657	10.82	62,200
Qualified XII (0.90)	861.333	10.82	9,320
Qualified XII (0.95)	2,367.304	10.82	25,614
Qualified XII (1.00)	30,878.298	10.81	333,794
Qualified XII (1.05)	2,554.712	10.81	27,616
Qualified XII (1.10)	5.631	10.80	61
Qualified XII (1.15)	18,007.620	10.80	194,482
Qualified XII (1.20)	5.548	10.80	60
Qualified XII (1.25)	125.735	10.79	1,357
Qualified XII (1.40)	1.161	10.78	13
Qualified XV	2,130.930	10.82	23,057
Qualified XVI	4,748.788	10.78	51,192
Qualified XXI	303.873	10.83	3,291
Qualified XXV	190.003	10.83	2,058
Qualified XXVI	25.479	10.82	276
Qualified XXXII	953.844	10.79	10,292
	<u>231,698.619</u>		<u>\$ 2,509,105</u>
<b>ING Pioneer Fund Portfolio - Service Class</b>			
Contracts in accumulation period:			
Qualified XII (1.00)	2,297.381	\$ 10.80	\$ 24,812
	<u>2,297.381</u>		<u>\$ 24,812</u>

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**

**Notes to Financial Statements**

<u>Division/Contract</u>	<u>Units</u>	<u>Unit Value</u>	<u>Extended Value</u>
<b>ING Pioneer Mid Cap Value Portfolio - Institutional Class</b>			
Currently payable annuity contracts:	1,620.852	\$ 10.62	\$ 17,213
Contracts in accumulation period:			
ING Custom Choice 62	233.771	10.60	2,478
Qualified VI	19,747.491	10.60	209,323
Qualified X (1.25)	3,278.698	10.60	34,754
Qualified XII (0.50)	15,116.600	10.65	160,992
Qualified XII (0.60)	299.866	10.65	3,194
Qualified XII (0.70)	969.088	10.64	10,311
Qualified XII (0.75)	509.810	10.63	5,419
Qualified XII (0.80)	13,978.467	10.63	148,591
Qualified XII (0.85)	984.188	10.63	10,462
Qualified XII (0.90)	40.476	10.62	430
Qualified XII (0.95)	115.470	10.62	1,226
Qualified XII (1.00)	7,034.087	10.62	74,702
Qualified XII (1.05)	584.326	10.61	6,200
Qualified XII (1.10)	153.659	10.61	1,630
Qualified XII (1.15)	730.657	10.61	7,752
Qualified XII (1.25)	277.227	10.60	2,939
Qualified XVI	456.172	10.58	4,826
Qualified XXI	34.475	10.63	366
Qualified XXVII	7,611.429	10.54	80,224
	<u>73,776.809</u>		<u>\$ 783,032</u>
<b>ING Pioneer Mid Cap Value Portfolio - Service Class</b>			
Contracts in accumulation period:			
ING MAP PLUS NP17	562.032	\$ 10.61	\$ 5,963
	<u>562.032</u>		<u>\$ 5,963</u>
<b>ING Stock Index Portfolio - Institutional Class</b>			
Contracts in accumulation period:			
ING Custom Choice 62	1,513.701	\$ 13.13	\$ 19,875
Qualified XII (0.15)	182,806.259	13.30	2,431,323
Qualified XII (0.35)	61,036.751	13.23	807,516
Qualified XII (0.75)	123.176	13.09	1,612
Qualified XII (0.80)	27,855.138	13.07	364,067
Qualified XII (1.00)	24.245	13.00	315
	<u>273,359.270</u>		<u>\$ 3,624,708</u>

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Notes to Financial Statements**

---

Division/Contract	Units	Unit Value	Extended Value
<b>ING T. Rowe Price Capital Appreciation</b>			
Contracts in accumulation period:			
ING Custom Choice 62	31,060.605	\$ 12.38	\$ 384,530
ING Custom Choice 65	9,373.012	12.60	118,100
ING MAP PLUS NP5	45,423.016	12.58	571,422
ING MAP PLUS NP6	6,920.694	12.57	86,993
ING MAP PLUS NP8	24,304.569	12.55	305,022
ING MAP PLUS NP13	18,374.427	12.49	229,497
ING MAP PLUS NP14	474.147	12.48	5,917
ING MAP PLUS NP15	15,682.034	12.47	195,555
ING MAP PLUS NP17	37.096	12.45	462
ING MAP PLUS NP18	2,420.923	12.44	30,116
ING MAP PLUS NP19	28.207	12.43	351
ING MAP PLUS NP21	29,716.857	12.41	368,786
ING MAP PLUS NP22	415.033	12.40	5,146
ING MAP PLUS NP23	1,638.275	12.39	20,298
ING MAP PLUS NP24	15.087	12.38	187
ING MAP PLUS NP25	397.154	12.37	4,913
ING MAP PLUS NP26	1,893.999	12.36	23,410
ING MAP PLUS NP29	7.747	12.33	96
ING MAP PLUS NP30	691.074	12.32	8,514
Qualified V	1,036.029	12.35	12,795
Qualified VI	3,476,645.067	12.38	43,040,866
Qualified VIII	3,558.275	12.38	44,051
Qualified XII (0.30)	108.279	12.58	1,362
Qualified XII (0.50)	39,912.389	12.53	500,102
Qualified XII (0.55)	4,340.313	12.52	54,341
Qualified XII (0.60)	28,614.156	12.51	357,963
Qualified XII (0.65)	3,045.668	12.50	38,071
Qualified XII (0.70)	60,959.494	12.49	761,384
Qualified XII (0.75)	24,333.859	12.48	303,687
Qualified XII (0.80)	532,258.725	12.47	6,637,266
Qualified XII (0.85)	146,112.410	12.46	1,820,561
Qualified XII (0.90)	29,611.400	12.45	368,662
Qualified XII (0.95)	104,198.314	12.44	1,296,227
Qualified XII (1.00)	1,887,389.042	12.43	23,460,246
Qualified XII (1.05)	122,324.000	12.42	1,519,264
Qualified XII (1.10)	19,551.863	12.41	242,639
Qualified XII (1.15)	64,899.096	12.40	804,749

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**

**Notes to Financial Statements**

<b>Division/Contract</b>	<b>Units</b>	<b>Unit Value</b>	<b>Extended Value</b>
<b>ING T. Rowe Price Capital Appreciation Portfolio - Service Class (continued)</b>			
Qualified XII (1.20)	3,182.707	\$ 12.39	\$ 39,434
Qualified XII (1.25)	129,516.790	12.38	1,603,418
Qualified XII (1.30)	348.062	12.37	4,306
Qualified XII (1.35)	158.345	12.36	1,957
Qualified XII (1.40)	9,003.726	12.35	111,196
Qualified XII (1.45)	4,539.203	12.34	56,014
Qualified XII (1.50)	1,813.417	12.33	22,359
Qualified XV	5,450.485	12.44	67,804
Qualified XVI	44,302.890	12.33	546,255
Qualified XVII	1,070.397	12.38	13,252
Qualified XXI	11,468.393	12.47	143,011
Qualified XXV	45,279.701	12.48	565,091
Qualified XXVI	10,578.951	12.45	131,708
	<u>7,004,485.402</u>		<u>\$ 86,929,356</u>
<b>ING T. Rowe Price Equity Income Portfolio - Adviser Class</b>			
Contracts in accumulation period:			
Qualified XXXV	17,769.922	\$ 12.09	\$ 214,838
	<u>17,769.922</u>		<u>\$ 214,838</u>
<b>ING T. Rowe Price Equity Income Portfolio - Service Class</b>			
Contracts in accumulation period:			
ING Custom Choice 62	3,425.908	\$ 13.85	\$ 47,449
ING Custom Choice 65	2,408.240	12.72	30,633
ING MAP PLUS NP6	26,511.088	13.82	366,383
ING MAP PLUS NP9	4,075.286	13.76	56,076
ING MAP PLUS NP10	2,905.668	13.74	39,924
ING MAP PLUS NP11	6,681.934	13.72	91,676
ING MAP PLUS NP13	4,921.234	13.69	67,372
ING MAP PLUS NP15	15,000.624	13.65	204,759
ING MAP PLUS NP18	294.458	13.59	4,002
ING MAP PLUS NP19	40.084	13.57	544
ING MAP PLUS NP20	35,830.472	13.55	485,503
ING MAP PLUS NP26	2,802.911	13.43	37,643
ING MAP PLUS NP27	1,007.147	13.41	13,506
ING MAP PLUS NP28	13,084.708	13.39	175,204
ING MAP PLUS NP29	51.828	13.37	693
ING MAP PLUS NP30	257.022	13.35	3,431
ING MAP PLUS NP32	1,577.757	13.31	21,000
Qualified V	701.642	16.58	11,633
Qualified VI	1,003,993.747	17.74	17,810,849
Qualified VIII	340.607	16.67	5,678
Qualified X (1.15)	4,982.279	13.72	68,357

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Notes to Financial Statements**

<b>Division/Contract</b>	<b>Units</b>	<b>Unit Value</b>	<b>Extended Value</b>
<b>ING T. Rowe Price Equity Income</b>			
<b>Portfolio - Service Class (continued)</b>			
Qualified X (1.25)	55,979.767	\$ 13.69	\$ 766,363
Qualified XII (0.15)	77,108.311	18.46	1,423,419
Qualified XII (0.30)	75.901	18.36	1,394
Qualified XII (0.35)	45,876.276	18.33	840,912
Qualified XII (0.40)	588.533	18.30	10,770
Qualified XII (0.50)	61,343.227	18.22	1,117,674
Qualified XII (0.55)	9,178.947	18.20	167,057
Qualified XII (0.60)	17,403.742	18.17	316,226
Qualified XII (0.65)	10,048.697	18.14	182,283
Qualified XII (0.70)	49,026.323	18.11	887,867
Qualified XII (0.75)	15,941.160	18.08	288,216
Qualified XII (0.80)	57,789.082	18.02	1,041,359
Qualified XII (0.85)	53,266.933	17.96	956,674
Qualified XII (0.90)	7,735.033	17.95	138,844
Qualified XII (0.95)	2,884,289.830	17.90	51,628,788
Qualified XII (1.00)	274,171.661	17.87	4,899,448
Qualified XII (1.05)	20,491.835	17.83	365,369
Qualified XII (1.10)	28,963.965	17.80	515,559
Qualified XII (1.15)	46,251.010	17.77	821,880
Qualified XII (1.20)	11,672.657	17.74	207,073
Qualified XII (1.25)	35,062.401	17.71	620,955
Qualified XII (1.30)	139.682	17.68	2,470
Qualified XII (1.35)	1,531.947	17.65	27,039
Qualified XII (1.40)	4,499.201	17.62	79,276
Qualified XII (1.45)	100.642	17.59	1,770
Qualified XII (1.50)	229.577	17.56	4,031
Qualified XV	3,620.440	16.86	61,041
Qualified XVI	20,093.515	17.57	353,043
Qualified XVII	6,370.337	16.68	106,257
Qualified XVIII	2,638.691	13.77	36,335
Qualified XXI	14,819.155	16.95	251,185
Qualified XXV	979.200	16.98	16,627
Qualified XXVI	4,810.205	16.89	81,244
Qualified XXXII	2,911.718	13.69	39,861
Qualified XXXVI	9.177	17.15	157
	<u>4,955,913.422</u>		<u>\$ 87,800,781</u>
<b>ING Templeton Global Growth</b>			
<b>Portfolio - Institutional Class</b>			
Contracts in accumulation period:			
Qualified XII (1.00)	4.144	\$ 16.50	\$ 68
	<u>4.144</u>		<u>\$ 68</u>

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**

**Notes to Financial Statements**

---

<b>Division/Contract</b>	<b>Units</b>	<b>Unit Value</b>	<b>Extended Value</b>
<b>ING Templeton Global Growth Portfolio - Service Class</b>			
Contracts in accumulation period:			
Qualified VI	71,340.943	\$ 11.06	\$ 789,031
Qualified XII (0.50)	80.428	11.11	894
Qualified XII (0.60)	658.193	11.11	7,313
Qualified XII (0.65)	101.586	11.10	1,128
Qualified XII (0.70)	418.305	11.10	4,643
Qualified XII (0.75)	912.747	11.10	10,131
Qualified XII (0.80)	654.880	11.09	7,263
Qualified XII (0.85)	9,079.537	11.09	100,692
Qualified XII (0.90)	167.673	11.08	1,858
Qualified XII (0.95)	8,136.771	11.08	90,155
Qualified XII (1.00)	21,588.030	11.08	239,195
Qualified XII (1.10)	668.618	11.07	7,402
Qualified XII (1.15)	2,935.193	11.07	32,493
Qualified XII (1.20)	3.605	11.06	40
Qualified XII (1.25)	2,343.373	11.06	25,918
Qualified XII (1.35)	19.076	11.05	211
Qualified XII (1.40)	151.893	11.05	1,678
Qualified XV	6.697	11.08	74
Qualified XVI	1,709.097	11.04	18,868
Qualified XVII	1,350.224	11.06	14,933
Qualified XXI	1,586.905	11.09	17,599
Qualified XXV	4,351.077	11.10	48,297
Qualified XXVI	94.211	11.08	1,044
	<u>128,359.062</u>		<u>\$ 1,420,860</u>
<b>ING Van Kampen Equity Growth Portfolio - Service Class</b>			
Contracts in accumulation period:			
Qualified XII (0.50)	<u>1,234.215</u>	\$ 11.32	<u>\$ 13,971</u>
	<u>1,234.215</u>		<u>\$ 13,971</u>

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**

**Notes to Financial Statements**

<b>Division/Contract</b>	<b>Units</b>	<b>Unit Value</b>	<b>Extended Value</b>
<b>ING Van Kampen Growth and Income</b>			
<b>Portfolio - Service Class</b>			
Contracts in accumulation period:			
ING Custom Choice 62	310.466	\$ 12.65	\$ 3,927
ING Custom Choice 65	1,711.127	12.88	22,039
Qualified VI	562,227.798	12.65	7,112,182
Qualified XII (0.50)	79,372.338	12.81	1,016,760
Qualified XII (0.55)	164.060	12.80	2,100
Qualified XII (0.60)	11,888.599	12.79	152,055
Qualified XII (0.65)	800.480	12.78	10,230
Qualified XII (0.70)	21,331.127	12.77	272,398
Qualified XII (0.75)	8,864.241	12.76	113,108
Qualified XII (0.80)	171,628.190	12.75	2,188,259
Qualified XII (0.85)	18,828.335	12.73	239,685
Qualified XII (0.90)	3,213.820	12.72	40,880
Qualified XII (0.95)	21,748.853	12.71	276,428
Qualified XII (1.00)	266,046.106	12.70	3,378,786
Qualified XII (1.05)	2,247.353	12.69	28,519
Qualified XII (1.10)	6,786.007	12.68	86,047
Qualified XII (1.15)	15,541.672	12.67	196,913
Qualified XII (1.20)	865.061	12.66	10,952
Qualified XII (1.25)	14,573.867	12.65	184,359
Qualified XII (1.30)	835.620	12.64	10,562
Qualified XII (1.35)	1,197.815	12.63	15,128
Qualified XII (1.40)	776.481	12.62	9,799
Qualified XV	47.488	12.71	604
Qualified XVI	15,081.254	12.60	190,024
Qualified XVII	2,773.149	12.65	35,080
Qualified XXI	4,224.628	12.75	53,864
Qualified XXV	4,138.609	12.76	52,809
Qualified XXVI	151.277	12.72	1,924
	<u>1,237,375.821</u>		<u>\$ 15,705,421</u>
<b>ING Van Kampen Real Estate Portfolio - Institutional Class</b>			
Currently payable annuity contracts:			
	<u>61,112.870</u>	\$ 12.34	\$ 754,133
	<u>61,112.870</u>		<u>\$ 754,133</u>



**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**

**Notes to Financial Statements**

<b>Division/Contract</b>	<b>Units</b>	<b>Unit Value</b>	<b>Extended Value</b>
<b>ING Van Kampen Real Estate Portfolio - Service Class</b>			
Contracts in accumulation period:			
ING Custom Choice 65	8,447.553	\$ 12.39	\$ 104,665
ING MAP PLUS NP8	12,480.088	12.37	154,379
ING MAP PLUS NP11	17,241.416	12.36	213,104
ING MAP PLUS NP15	262.566	12.34	3,240
ING MAP PLUS NP18	1,171.414	12.33	14,444
ING MAP PLUS NP26	1,239.818	12.30	15,250
Qualified V	343.021	12.28	4,212
Qualified VI	609,850.077	12.30	7,501,156
Qualified XII (0.40)	4,012.243	12.37	49,631
Qualified XII (0.50)	183,195.481	12.36	2,264,296
Qualified XII (0.55)	6,698.681	12.36	82,796
Qualified XII (0.60)	33,883.787	12.35	418,465
Qualified XII (0.65)	583.967	12.35	7,212
Qualified XII (0.70)	15,513.330	12.34	191,434
Qualified XII (0.75)	11,100.092	12.34	136,975
Qualified XII (0.80)	106,260.826	12.34	1,311,259
Qualified XII (0.85)	32,918.603	12.33	405,886
Qualified XII (0.90)	1,950.276	12.33	24,047
Qualified XII (0.95)	36,387.686	12.32	448,296
Qualified XII (1.00)	178,148.651	12.32	2,194,791
Qualified XII (1.05)	7,461.799	12.31	91,855
Qualified XII (1.10)	15,093.950	12.31	185,807
Qualified XII (1.15)	17,213.184	12.31	211,894
Qualified XII (1.20)	6,189.677	12.30	76,133
Qualified XII (1.25)	17,184.161	12.30	211,365
Qualified XII (1.35)	136.474	12.29	1,677
Qualified XII (1.40)	874.206	12.29	10,744
Qualified XII (1.50)	12.926	12.28	159
Qualified XV	4,104.390	12.32	50,566
Qualified XVI	8,911.474	12.28	109,433
Qualified XVII	4,406.876	12.30	54,205
Qualified XXI	12,851.976	12.34	158,593
Qualified XXV	8,438.276	12.34	104,128
Qualified XXVI	7,571.378	12.33	93,355
Qualified XXXVI	15.409	12.36	190
	<u>1,372,155.732</u>		<u>\$ 16,905,642</u>

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**

**Notes to Financial Statements**

---

<b>Division/Contract</b>	<b>Units</b>	<b>Unit Value</b>	<b>Extended Value</b>
<b>ING VP Index Plus International Equity</b>			
<b>Portfolio - Service Class</b>			
Contracts in accumulation period:			
ING Custom Choice 65	870.029	\$ 10.94	\$ 9,518
Qualified VI	70,106.183	10.86	761,353
Qualified X (1.15)	10,426.602	10.87	113,337
Qualified X (1.25)	12,075.944	10.86	131,145
Qualified XII (0.50)	392.310	10.92	4,284
Qualified XII (0.55)	340.062	10.92	3,713
Qualified XII (0.60)	4,798.736	10.91	52,354
Qualified XII (0.70)	165.412	10.91	1,805
Qualified XII (0.75)	1,095.993	10.90	11,946
Qualified XII (0.80)	2,451.716	10.90	26,724
Qualified XII (0.85)	3,530.134	10.89	38,443
Qualified XII (0.90)	5.896	10.89	64
Qualified XII (0.95)	5,288.533	10.89	57,592
Qualified XII (1.00)	33,847.854	10.88	368,265
Qualified XII (1.05)	621.521	10.88	6,762
Qualified XII (1.10)	289.246	10.88	3,147
Qualified XII (1.15)	7,480.091	10.87	81,309
Qualified XII (1.20)	299.339	10.87	3,254
Qualified XII (1.25)	1,030.645	10.86	11,193
Qualified XII (1.30)	16.077	10.86	175
Qualified XII (1.40)	822.858	10.85	8,928
Qualified XVI	972.642	10.85	10,553
Qualified XVIII	10,335.050	10.88	112,445
Qualified XXI	801.558	10.90	8,737
Qualified XXV	191.832	10.90	2,091
Qualified XXVI	2,555.112	10.89	27,825
Qualified XXVII	61,162.363	11.10	678,902
Qualified XXXII	139.919	10.86	1,520
	<u>232,113.657</u>		<u>\$ 2,537,384</u>

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**

**Notes to Financial Statements**

<b>Division/Contract</b>	<b>Units</b>	<b>Unit Value</b>	<b>Extended Value</b>
<b>ING Wells Fargo Mid Cap Disciplined</b>			
<b>Portfolio - Service Class</b>			
Contracts in accumulation period:			
ING MAP PLUS NP26	139.330	\$ 10.75	\$ 1,498
Qualified VI	13,057.532	10.75	140,368
Qualified XII (0.50)	13,645.357	10.81	147,506
Qualified XII (0.60)	905.952	10.80	9,784
Qualified XII (0.65)	11,449.844	10.80	123,658
Qualified XII (0.70)	1,395.350	10.79	15,056
Qualified XII (0.75)	0.415	10.79	4
Qualified XII (0.80)	4,190.929	10.79	45,220
Qualified XII (0.85)	3,341.751	10.78	36,024
Qualified XII (0.90)	77.880	10.78	840
Qualified XII (0.95)	1,491.327	10.78	16,077
Qualified XII (1.00)	17,217.316	10.77	185,430
Qualified XII (1.10)	903.984	10.77	9,736
Qualified XII (1.15)	2,286.707	10.76	24,605
Qualified XII (1.20)	4.706	10.76	51
Qualified XII (1.25)	443.878	10.75	4,772
Qualified XII (1.40)	94.299	10.74	1,013
Qualified XVI	33.437	10.74	359
Qualified XXI	382.657	10.79	4,129
Qualified XXV	37.875	10.79	409
	<u>71,100.526</u>		<u>\$ 766,539</u>

**ING Wells Fargo Small Cap Disciplined**

**Portfolio - Service Class**

Contracts in accumulation period:

Qualified VI	27,395.550	\$ 10.51	\$ 287,927
Qualified XII (0.50)	22,274.436	10.56	235,218
Qualified XII (0.60)	747.012	10.56	7,888
Qualified XII (0.70)	46.002	10.55	485
Qualified XII (0.75)	158.288	10.55	1,670
Qualified XII (0.80)	1,449.472	10.54	15,277
Qualified XII (0.85)	564.788	10.54	5,953
Qualified XII (0.95)	1,255.917	10.53	13,225
Qualified XII (1.00)	10,983.287	10.53	115,654
Qualified XII (1.05)	1,352.659	10.53	14,243
Qualified XII (1.10)	203.614	10.52	2,142
Qualified XII (1.15)	109.362	10.52	1,150
Qualified XII (1.25)	1,352.827	10.51	14,218
Qualified XVI	2.276	10.49	24
Qualified XXI	829.168	10.54	8,739
Qualified XXV	102.267	10.55	1,079
Qualified XXVII	39,942.853	10.42	416,205
	<u>108,769.778</u>		<u>\$ 1,141,097</u>

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**

**Notes to Financial Statements**

<b>Division/Contract</b>	<b>Units</b>	<b>Unit Value</b>	<b>Extended Value</b>
<b>ING International Fund - Class Q</b>			
Contracts in accumulation period:			
ING MAP PLUS NP26	430.523	\$ 14.88	\$ 6,406
ING MAP PLUS NP29	14.901	14.81	221
	<u>445.424</u>		<u>\$ 6,627</u>
<b>ING International SmallCap Fund - Class A</b>			
Contracts in accumulation period:			
ING MAP PLUS NP6	4,919.116	\$ 18.40	\$ 90,512
ING MAP PLUS NP8	7,128.377	18.35	130,806
ING MAP PLUS NP10	2,438.571	18.29	44,601
ING MAP PLUS NP14	1,635.150	18.19	29,743
ING MAP PLUS NP17	791.010	18.11	14,325
ING MAP PLUS NP18	1,034.968	18.08	18,712
ING MAP PLUS NP20	25,946.043	18.03	467,807
ING MAP PLUS NP22	60.443	17.98	1,087
ING MAP PLUS NP26	4.300	17.87	77
ING MAP PLUS NP28	311.095	17.82	5,544
ING MAP PLUS NP30	1,878.576	17.77	33,382
	<u>46,147.649</u>		<u>\$ 836,596</u>
<b>ING American Century Large Company Value Portfolio - Adviser Class</b>			
Contracts in accumulation period:			
Qualified XXXV	719.433	\$ 12.06	\$ 8,676
	<u>719.433</u>		<u>\$ 8,676</u>
<b>ING American Century Large Company Value Portfolio - Service Class</b>			
Currently payable annuity contracts:	1,751.681	\$ 13.55	\$ 23,735
Contracts in accumulation period:			
ING Custom Choice 62	525.937	13.16	6,921
ING Custom Choice 65	1,734.013	12.66	21,953
Qualified VI	151,500.610	16.30	2,469,460
Qualified X (1.15)	20,532.907	13.05	267,954
Qualified X (1.25)	46,390.965	12.66	587,310
Qualified XII (0.50)	1,467.558	16.94	24,860
Qualified XII (0.55)	2,314.107	16.90	39,108
Qualified XII (0.60)	3,339.388	16.85	56,269
Qualified XII (0.65)	6,853.151	16.81	115,201
Qualified XII (0.70)	3,135.616	16.77	52,584
Qualified XII (0.75)	2,400.177	16.72	40,131
Qualified XII (0.80)	4,711.573	16.68	78,589
Qualified XII (0.85)	9,743.695	16.64	162,135
Qualified XII (0.90)	676.247	16.59	11,219

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**

**Notes to Financial Statements**

<b>Division/Contract</b>	<b>Units</b>	<b>Unit Value</b>	<b>Extended Value</b>
<b>ING American Century Large Company Value Portfolio - Service Class (continued)</b>			
Qualified XII (0.95)	13,947.786	\$ 16.55	\$ 230,836
Qualified XII (1.00)	35,070.249	16.51	579,010
Qualified XII (1.05)	2,415.270	16.47	39,779
Qualified XII (1.10)	2,692.023	16.42	44,203
Qualified XII (1.15)	5,684.361	16.38	93,110
Qualified XII (1.20)	503.772	16.34	8,232
Qualified XII (1.25)	5,794.268	16.30	94,447
Qualified XII (1.30)	393.438	16.26	6,397
Qualified XII (1.35)	697.120	16.21	11,300
Qualified XII (1.40)	1,885.022	16.17	30,481
Qualified XII (1.45)	2.759	16.13	45
Qualified XV	1,269.398	16.55	21,009
Qualified XVI	2,885.861	16.09	46,434
Qualified XVII	2,733.156	16.30	44,550
Qualified XVIII	782.514	13.14	10,282
Qualified XXI	1,311.429	16.68	21,875
Qualified XXV	1,328.858	16.72	22,219
Qualified XXVI	1,712.705	16.59	28,414
	<u>338,187.614</u>		<u>\$ 5,290,052</u>
<b>ING American Century Select Portfolio - Initial Class</b>			
Currently payable annuity contracts:	27,424.692	\$10.13 to \$10.23	\$ 279,046
Contracts in accumulation period:			
ING Custom Choice 65	23,399.997	10.72	250,848
Qualified V	619.561	9.84	6,096
Qualified VI	5,195,090.752	9.87	51,275,546
Qualified VIII	3,034.379	9.87	29,949
Qualified X (1.15)	137,226.506	9.89	1,357,170
Qualified X (1.25)	413,128.182	9.87	4,077,575
Qualified XII (0.05)	32,231.509	10.11	325,861
Qualified XII (0.25)	1,048.247	10.06	10,545
Qualified XII (0.35)	25,568.265	10.04	256,705
Qualified XII (0.40)	518,895.372	10.03	5,204,521
Qualified XII (0.45)	1,186.993	10.02	11,894
Qualified XII (0.50)	163,326.720	10.01	1,634,900
Qualified XII (0.55)	104,337.772	10.00	1,043,378
Qualified XII (0.60)	133,296.993	9.99	1,331,637
Qualified XII (0.65)	45,624.994	9.98	455,337
Qualified XII (0.70)	197,600.068	9.97	1,970,073
Qualified XII (0.75)	240,681.063	9.96	2,397,183
Qualified XII (0.80)	404,275.675	9.96	4,026,586
Qualified XII (0.85)	478,713.583	9.95	4,763,200

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**

**Notes to Financial Statements**

<b>Division/Contract</b>	<b>Units</b>	<b>Unit Value</b>	<b>Extended Value</b>
<b>ING American Century Select Portfolio - Initial Class (continued)</b>			
Qualified XII (0.90)	40,393.784	\$ 9.94	\$ 401,514
Qualified XII (0.95)	336,354.463	9.93	3,340,000
Qualified XII (1.00)	1,157,995.411	9.92	11,487,314
Qualified XII (1.05)	179,868.456	9.91	1,782,496
Qualified XII (1.10)	128,313.123	9.90	1,270,300
Qualified XII (1.15)	97,702.729	9.89	966,280
Qualified XII (1.20)	44,699.984	9.88	441,636
Qualified XII (1.25)	69,667.342	9.87	687,617
Qualified XII (1.30)	8,163.505	9.86	80,492
Qualified XII (1.35)	6,739.966	9.85	66,389
Qualified XII (1.40)	21,955.615	9.84	216,043
Qualified XII (1.45)	4,232.498	9.83	41,605
Qualified XII (1.50)	7,706.191	9.82	75,675
Qualified XV	36,684.807	9.93	364,280
Qualified XVI	132,379.214	9.82	1,299,964
Qualified XVII	6,956.084	9.87	68,657
Qualified XVIII	22,058.573	9.87	217,718
Qualified XXI	76,801.480	9.96	764,943
Qualified XXII	486.202	10.02	4,872
Qualified XXV	59,287.695	9.96	590,505
Qualified XXVI	29,613.793	9.94	294,361
Qualified XXVII	2,117,829.464	10.22	21,644,217
Qualified XXVIII	387,272.529	10.22	3,957,925
Qualified XXXII	24,525.903	9.87	242,071
Qualified XXXIII (0.65)	2,071.586	9.98	20,674
Qualified XXXVI	52,978.972	10.00	529,790
	<u>13,199,450.692</u>		<u>\$ 131,565,388</u>
<b>ING American Century Select Portfolio - Service Class</b>			
Contracts in accumulation period:			
Qualified VI	14.680	\$ 8.60	\$ 126
	<u>14.680</u>		<u>\$ 126</u>
<b>ING American Century Small-Mid Cap Value Portfolio - Adviser Class</b>			
Contracts in accumulation period:			
Qualified XXXV	1,860.158	\$ 11.74	\$ 21,838
	<u>1,860.158</u>		<u>\$ 21,838</u>

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**

**Notes to Financial Statements**

<b>Division/Contract</b>	<b>Units</b>	<b>Unit Value</b>	<b>Extended Value</b>
<b>ING American Century Small-Mid Cap Value</b>			
<b>Portfolio - Service Class</b>			
Currently payable annuity contracts:	32,997.594	\$ 15.21	\$ 501,893
Contracts in accumulation period:			
ING Custom Choice 62	234.171	14.30	3,349
ING Custom Choice 65	3,482.603	13.07	45,518
ING MAP PLUS NP10	5,423.003	14.48	78,525
ING MAP PLUS NP15	4,376.420	14.38	62,933
ING MAP PLUS NP22	199.765	14.23	2,843
ING MAP PLUS NP26	125.362	14.15	1,774
ING MAP PLUS NP28	6,266.855	14.11	88,425
ING MAP PLUS NP29	7.118	14.09	100
Qualified V	107.771	15.62	1,683
Qualified VI	401,981.616	15.74	6,327,191
Qualified X (1.15)	25,086.327	15.81	396,615
Qualified X (1.25)	43,778.233	15.74	689,069
Qualified XII (0.05)	24,720.680	16.49	407,644
Qualified XII (0.35)	2,150.018	16.41	35,282
Qualified XII (0.50)	18,387.237	16.30	299,712
Qualified XII (0.55)	15,310.927	16.26	248,956
Qualified XII (0.60)	16,572.621	16.22	268,808
Qualified XII (0.65)	5,740.201	16.19	92,934
Qualified XII (0.70)	34,265.305	16.15	553,385
Qualified XII (0.75)	5,263.408	16.11	84,794
Qualified XII (0.80)	77,637.374	16.07	1,247,633
Qualified XII (0.85)	31,381.381	16.03	503,044
Qualified XII (0.90)	1,720.527	16.00	27,528
Qualified XII (0.95)	1,090,948.201	15.96	17,411,533
Qualified XII (1.00)	203,040.895	15.92	3,232,411
Qualified XII (1.05)	4,995.266	15.89	79,375
Qualified XII (1.10)	10,729.746	15.85	170,066
Qualified XII (1.15)	10,553.045	15.81	166,844
Qualified XII (1.20)	4,969.447	15.77	78,368
Qualified XII (1.25)	15,798.162	15.74	248,663
Qualified XII (1.30)	207.610	15.70	3,259
Qualified XII (1.35)	284.637	15.66	4,457
Qualified XII (1.40)	5,055.879	15.63	79,023
Qualified XII (1.45)	37.747	15.59	588
Qualified XV	708.312	15.96	11,305
Qualified XVI	9,590.022	15.55	149,125
Qualified XVII	5,192.207	15.74	81,725
Qualified XVIII	1,175.589	15.92	18,715
Qualified XXI	4,748.073	16.07	76,302
Qualified XXV	1,111.891	16.11	17,913
Qualified XXVI	1,104.265	16.00	17,668
Qualified XXXII	765.519	14.92	11,422
	<u>2,128,233.030</u>		<u>\$ 33,828,400</u>

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**

**Notes to Financial Statements**

<b>Division/Contract</b>	<b>Units</b>	<b>Unit Value</b>	<b>Extended Value</b>
<b>ING Baron Asset Portfolio - Service Class</b>			
Contracts in accumulation period:			
Qualified VI	10,967.965	\$ 10.09	\$ 110,667
Qualified XII (0.50)	7,424.851	10.14	75,288
Qualified XII (0.60)	38.722	10.13	392
Qualified XII (0.70)	50.150	10.13	508
Qualified XII (0.75)	137.318	10.12	1,390
Qualified XII (0.80)	326.197	10.12	3,301
Qualified XII (0.85)	375.884	10.12	3,804
Qualified XII (0.90)	23.985	10.11	242
Qualified XII (0.95)	2,731.767	10.11	27,618
Qualified XII (1.00)	6,823.220	10.11	68,983
Qualified XII (1.05)	2.244	10.10	23
Qualified XII (1.10)	158.062	10.10	1,596
Qualified XII (1.15)	857.504	10.10	8,661
Qualified XV	3.200	10.11	32
Qualified XVI	347.504	10.07	3,499
	<u>30,268.573</u>		<u>\$ 306,004</u>
<b>ING Baron Small Cap Growth Portfolio - Adviser Class</b>			
Contracts in accumulation period:			
Qualified XXXV	5,339.482	\$ 11.77	\$ 62,846
	<u>5,339.482</u>		<u>\$ 62,846</u>
<b>ING Baron Small Cap Growth Portfolio - Service Class</b>			
Currently payable annuity contracts:	32,742.111	\$ 15.52	\$ 508,158
Contracts in accumulation period:			
ING Custom Choice 62	955.484	14.66	14,007
ING Custom Choice 65	3,422.034	12.61	43,152
ING MAP PLUS NP5	6,232.544	15.08	93,987
ING MAP PLUS NP6	4,458.431	15.06	67,144
ING MAP PLUS NP8	8,320.170	15.02	124,969
ING MAP PLUS NP9	1,674.574	15.00	25,119
ING MAP PLUS NP11	4,837.447	14.95	72,320
ING MAP PLUS NP12	6,425.823	14.93	95,938
ING MAP PLUS NP13	3,566.936	14.91	53,183
ING MAP PLUS NP14	4,319.604	14.89	64,319
ING MAP PLUS NP15	15,352.348	14.87	228,289
ING MAP PLUS NP17	5,705.552	14.82	84,556
ING MAP PLUS NP18	12,273.978	14.80	181,655
ING MAP PLUS NP20	26,315.430	14.76	388,416
ING MAP PLUS NP21	2,492.386	14.74	36,738
ING MAP PLUS NP22	149.423	14.72	2,200



**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**

**Notes to Financial Statements**

<b>Division/Contract</b>	<b>Units</b>	<b>Unit Value</b>	<b>Extended Value</b>
<b>ING Baron Small Cap Growth Portfolio - Service Class (continued)</b>			
ING MAP PLUS NP23	1,169.803	\$ 14.69	\$ 17,184
ING MAP PLUS NP26	579.697	14.63	8,481
ING MAP PLUS NP28	4,043.006	14.59	58,987
ING MAP PLUS NP29	7.828	14.57	114
ING MAP PLUS NP30	17.113	14.55	249
ING MAP PLUS NP31	85.342	14.52	1,239
ING MAP PLUS NP32	1,229.353	14.50	17,826
Qualified VI	1,447,101.478	17.46	25,266,392
Qualified X (1.15)	58,046.152	17.54	1,018,130
Qualified X (1.25)	153,320.395	17.46	2,676,974
Qualified XII (0.05)	38,234.919	18.29	699,317
Qualified XII (0.30)	90.883	18.25	1,659
Qualified XII (0.35)	4,663.422	18.21	84,921
Qualified XII (0.50)	129,970.708	18.08	2,349,870
Qualified XII (0.55)	9,599.604	18.04	173,177
Qualified XII (0.60)	83,323.049	18.00	1,499,815
Qualified XII (0.65)	29,393.653	17.95	527,616
Qualified XII (0.70)	40,252.468	17.91	720,922
Qualified XII (0.75)	25,932.159	17.87	463,408
Qualified XII (0.80)	362,027.372	17.83	6,454,948
Qualified XII (0.85)	116,579.205	17.79	2,073,944
Qualified XII (0.90)	15,081.674	17.75	267,700
Qualified XII (0.95)	1,130,535.919	17.70	20,010,486
Qualified XII (1.00)	546,079.604	17.66	9,643,766
Qualified XII (1.05)	42,829.928	17.62	754,663
Qualified XII (1.10)	14,489.829	17.58	254,731
Qualified XII (1.15)	50,548.750	17.54	886,625
Qualified XII (1.20)	13,408.781	17.50	234,654
Qualified XII (1.25)	35,472.340	17.46	619,347
Qualified XII (1.30)	1,081.671	17.42	18,843
Qualified XII (1.35)	6,111.300	17.38	106,214
Qualified XII (1.40)	6,106.695	17.33	105,829
Qualified XII (1.45)	859.944	17.29	14,868
Qualified XII (1.50)	3.992	17.25	69
Qualified XV	2,797.264	17.70	49,512
Qualified XVI	30,624.093	17.25	528,266
Qualified XVII	2,718.018	17.46	47,457
Qualified XVIII	1,780.964	17.66	31,452
Qualified XXI	23,478.610	17.83	418,624
Qualified XXV	12,527.975	17.87	223,875
Qualified XXVI	5,710.746	17.75	101,366
Qualified XXVII	536,100.924	20.02	10,732,740
Qualified XXXII	947.871	15.60	14,787
Qualified XXXIII (0.40)	10,482.606	18.22	190,993
	<u>5,134,691.382</u>		<u>\$ 91,456,190</u>

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**

**Notes to Financial Statements**

<u>Division/Contract</u>	<u>Units</u>	<u>Unit Value</u>	<u>Extended Value</u>
<b>ING Columbia Small Cap Value II Portfolio - Service Class</b>			
Contracts in accumulation period:			
Qualified VI	1,268.187	\$ 10.06	\$ 12,758
Qualified XII (0.55)	214.996	10.11	2,174
Qualified XII (0.65)	263.288	10.11	2,662
Qualified XII (0.75)	487.378	10.10	4,923
Qualified XII (0.85)	429.367	10.09	4,332
Qualified XII (0.95)	28.470	10.09	287
Qualified XII (1.00)	159.875	10.08	1,612
Qualified XII (1.05)	16.916	10.08	171
Qualified XII (1.10)	210.417	10.07	2,119
Qualified XII (1.15)	19.546	10.07	197
Qualified XII (1.25)	178.188	10.06	1,793
Qualified XVI	629.240	10.05	6,324
	<u>3,905.868</u>		<u>\$ 39,352</u>
<b>ING Davis Venture Value Portfolio - Service Class</b>			
Currently payable annuity contracts:	4,745.520	\$ 12.96	\$ 61,502
Contracts in accumulation period:			
ING Custom Choice 62	66.165	12.68	839
ING Custom Choice 65	295.631	12.61	3,728
ING MAP PLUS NP11	5,309.600	12.22	64,883
ING MAP PLUS NP15	4,483.772	12.15	54,478
ING MAP PLUS NP17	3,391.816	12.12	41,109
ING MAP PLUS NP18	327.288	12.10	3,960
ING MAP PLUS NP22	823.141	12.03	9,902
ING MAP PLUS NP24	46.979	11.99	563
ING MAP PLUS NP26	327.931	11.96	3,922
ING MAP PLUS NP29	180.542	11.91	2,150
Qualified VI	231,523.666	20.42	4,727,713
Qualified X (1.15)	12,322.358	13.21	162,778
Qualified X (1.25)	32,851.178	12.83	421,481
Qualified XII (0.50)	13,728.792	21.23	291,462
Qualified XII (0.55)	1,901.449	21.17	40,254
Qualified XII (0.60)	4,187.849	21.12	88,447
Qualified XII (0.65)	5,273.588	21.06	111,062
Qualified XII (0.70)	8,831.729	21.01	185,555
Qualified XII (0.75)	1,959.444	20.95	41,050
Qualified XII (0.80)	19,869.575	20.90	415,274
Qualified XII (0.85)	14,515.958	20.85	302,658
Qualified XII (0.90)	1,335.127	20.79	27,757
Qualified XII (0.95)	19,911.012	20.74	412,954
Qualified XII (1.00)	50,615.696	20.69	1,047,239
Qualified XII (1.05)	6,471.052	20.63	133,498

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Notes to Financial Statements**

<u>Division/Contract</u>	<u>Units</u>	<u>Unit Value</u>	<u>Extended Value</u>
<b>ING Davis Venture Value</b>			
<b>Portfolio - Service Class (continued)</b>			
Qualified XII (1.10)	2,660.917	\$ 20.58	\$ 54,762
Qualified XII (1.15)	4,416.997	20.53	90,681
Qualified XII (1.20)	1,038.497	20.48	21,268
Qualified XII (1.25)	8,449.984	20.42	172,549
Qualified XII (1.30)	289.629	20.37	5,900
Qualified XII (1.35)	267.589	20.32	5,437
Qualified XII (1.40)	919.542	20.27	18,639
Qualified XII (1.45)	62.318	20.21	1,259
Qualified XV	1,233.286	20.74	25,578
Qualified XVI	4,796.841	20.16	96,704
Qualified XVII	1,570.885	20.42	32,077
Qualified XVIII	736.414	13.30	9,794
Qualified XXI	1,696.894	20.90	35,465
Qualified XXV	7,908.026	20.95	165,673
Qualified XXVI	3,716.678	20.79	77,270
	<u>485,061.355</u>		<u>\$ 9,469,274</u>
<b>ING Fidelity® VIP Mid Cap Portfolio - Service Class</b>			
Contracts in accumulation period:			
Qualified XII (0.50)	10,207.326	\$ 10.74	\$ 109,627
	<u>10,207.326</u>		<u>\$ 109,627</u>
<b>ING Fundamental Research Portfolio - Adviser Class</b>			
Contracts in accumulation period:			
Qualified XXXV	414.427	\$ 11.49	\$ 4,762
	<u>414.427</u>		<u>\$ 4,762</u>
<b>ING Fundamental Research Portfolio - Service Class</b>			
Contracts in accumulation period:			
ING Custom Choice 65	12.746	\$ 12.39	\$ 158
Qualified VI	83,809.050	9.80	821,329
Qualified X (1.15)	3,395.818	12.76	43,331
Qualified X (1.25)	5,993.749	12.06	72,285
Qualified XII (0.50)	455.675	10.18	4,639
Qualified XII (0.60)	1,883.737	10.13	19,082
Qualified XII (0.65)	1,130.890	10.10	11,422
Qualified XII (0.70)	1,298.273	10.08	13,087
Qualified XII (0.75)	1,046.886	10.05	10,521
Qualified XII (0.80)	5,519.223	10.02	55,303
Qualified XII (0.85)	2,783.359	10.00	27,834
Qualified XII (0.90)	384.033	9.97	3,829
Qualified XII (0.95)	5,038.650	9.95	50,135
Qualified XII (1.00)	26,613.483	9.92	264,006
Qualified XII (1.05)	3,945.036	9.90	39,056
Qualified XII (1.10)	381.383	9.87	3,764

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**

**Notes to Financial Statements**

<b>Division/Contract</b>	<b>Units</b>	<b>Unit Value</b>	<b>Extended Value</b>
<b>ING Fundamental Research</b>			
<b>Portfolio - Service Class (continued)</b>			
Qualified XII (1.15)	1,021.009	9.85	10,057
Qualified XII (1.20)	2,959.704	9.82	29,064
Qualified XII (1.25)	1,639.617	9.80	16,068
Qualified XII (1.30)	664.345	9.77	6,491
Qualified XII (1.40)	210.991	9.72	2,051
Qualified XII (1.45)	6.845	9.70	66
Qualified XVI	387.929	9.67	3,751
Qualified XXI	157.496	10.02	1,578
Qualified XXV	102.131	10.08	1,029
Qualified XXVI	49.596	9.97	494
	<u>150,891.654</u>		<u>\$ 1,510,430</u>
<b>ING Goldman Sachs® Capital Growth</b>			
<b>Portfolio - Service Class</b>			
Currently payable annuity contracts:	6,666.025	\$ 12.18	\$ 81,192
Contracts in accumulation period:			
ING Custom Choice 65	256.393	12.05	3,090
Qualified VI	66,414.689	11.69	776,388
Qualified X (1.15)	5,649.738	11.43	64,577
Qualified X (1.25)	23,649.041	10.75	254,227
Qualified XII (0.50)	2,350.667	12.15	28,561
Qualified XII (0.60)	3,328.320	12.09	40,239
Qualified XII (0.65)	3,903.731	12.05	47,040
Qualified XII (0.70)	16,242.499	12.02	195,235
Qualified XII (0.75)	1,748.679	11.99	20,967
Qualified XII (0.80)	8,338.385	11.96	99,727
Qualified XII (0.85)	5,124.377	11.93	61,134
Qualified XII (0.90)	1,203.099	11.90	14,317
Qualified XII (0.95)	3,870.937	11.87	45,948
Qualified XII (1.00)	15,336.880	11.84	181,589
Qualified XII (1.05)	125.123	11.81	1,478
Qualified XII (1.10)	3,904.205	11.78	45,992
Qualified XII (1.15)	1,043.443	11.75	12,260
Qualified XII (1.20)	1,707.212	11.72	20,009
Qualified XII (1.25)	5,665.050	11.69	66,224
Qualified XII (1.30)	35.621	11.66	415
Qualified XII (1.35)	476.507	11.63	5,542
Qualified XII (1.40)	1,839.972	11.60	21,344
Qualified XII (1.45)	302.110	11.57	3,495
Qualified XII (1.50)	119.025	11.54	1,374
Qualified XV	672.955	11.87	7,988
Qualified XVI	1,176.937	11.54	13,582
Qualified XVIII	669.096	11.51	7,701
Qualified XXI	592.597	11.96	7,087
Qualified XXV	2,358.375	11.99	28,277
	<u>184,771.688</u>		<u>\$ 2,156,999</u>

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**

**Notes to Financial Statements**

<b>Division/Contract</b>	<b>Units</b>	<b>Unit Value</b>	<b>Extended Value</b>
<b>ING Goldman Sachs® Structured Equity Portfolio - Adviser Class</b>			
Contracts in accumulation period:			
Qualified XXXV	136.776	\$ 11.50	\$ 1,573
	<u>136.776</u>		<u>\$ 1,573</u>
<b>ING JPMorgan International Portfolio - Adviser Class</b>			
Contracts in accumulation period:			
Qualified XXXV	1,592.313	\$ 12.52	\$ 19,936
	<u>1,592.313</u>		<u>\$ 19,936</u>
<b>ING JPMorgan International Portfolio - Initial Class</b>			
Currently payable annuity contracts:	107,094.450	\$10.25 to \$17.49	\$ 1,713,845
Contracts in accumulation period:			
ING Custom Choice 65	3,148.263	13.79	43,415
Qualified V	364.256	27.78	10,119
Qualified VI	1,490,787.975	28.53	42,532,181
Qualified VIII	11,676.649	24.02	280,473
Qualified X (1.15)	125,407.446	28.90	3,624,275
Qualified X (1.25)	111,529.381	28.53	3,181,933
Qualified XII (0.05)	17,548.673	30.57	536,463
Qualified XII (0.25)	11,384.939	15.17	172,710
Qualified XII (0.35)	9,089.099	15.04	136,700
Qualified XII (0.45)	153.538	14.92	2,291
Qualified XII (0.50)	99,858.483	16.37	1,634,683
Qualified XII (0.55)	80,222.690	14.79	1,186,494
Qualified XII (0.60)	72,724.567	14.72	1,070,506
Qualified XII (0.65)	72,606.132	14.66	1,064,406
Qualified XII (0.70)	254,288.642	14.60	3,712,614
Qualified XII (0.75)	176,389.712	14.53	2,562,943
Qualified XII (0.80)	280,543.253	16.34	4,584,077
Qualified XII (0.85)	340,449.518	20.09	6,839,631
Qualified XII (0.90)	20,115.302	16.19	325,667
Qualified XII (0.95)	226,058.641	19.88	4,494,046
Qualified XII (1.00)	1,052,409.130	19.77	20,806,129
Qualified XII (1.05)	86,618.855	19.67	1,703,793
Qualified XII (1.10)	25,625.226	19.56	501,229
Qualified XII (1.15)	40,449.158	19.46	787,141
Qualified XII (1.20)	10,654.564	19.36	206,272
Qualified XII (1.25)	19,649.009	19.25	378,243
Qualified XII (1.30)	391.404	19.15	7,495
Qualified XII (1.35)	47.414	19.05	903
Qualified XII (1.40)	4,236.409	18.95	80,280
Qualified XII (1.45)	1,165.737	18.85	21,974
Qualified XII (1.50)	1,959.225	18.75	36,735
Qualified XV	19,801.763	29.40	582,172

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**

**Notes to Financial Statements**

<b>Division/Contract</b>	<b>Units</b>	<b>Unit Value</b>	<b>Extended Value</b>
<b>ING JPMorgan International Portfolio - Initial Class (continued)</b>			
Qualified XVI	34,310.014	\$ 27.84	\$ 955,191
Qualified XVII	281.846	28.53	8,041
Qualified XVIII	7,423.127	28.53	211,782
Qualified XXI	20,616.918	29.74	613,147
Qualified XXV	2,201.191	29.43	64,781
Qualified XXVI	1,933.074	29.15	56,349
Qualified XXVII	1,223,493.816	30.21	36,961,748
Qualified XXVIII	184,942.947	30.11	5,568,632
Qualified XXXII	29,518.085	16.21	478,488
Qualified XXXIII (0.65)	2,055.392	14.99	30,810
Qualified XXXVI	29,287.360	15.07	441,361
	<u>6,310,513.273</u>		<u>\$ 150,212,168</u>
<b>ING JPMorgan International Portfolio - Service Class</b>			
Contracts in accumulation period:			
ING MAP PLUS NP5	659.623	\$ 15.38	\$ 10,145
ING MAP PLUS NP23	362.291	14.98	5,427
	<u>1,021.914</u>		<u>\$ 15,572</u>
<b>ING JPMorgan Mid Cap Value Portfolio - Adviser Class</b>			
Contracts in accumulation period:			
Qualified XXXV	7,650.524	\$ 11.93	\$ 91,271
	<u>7,650.524</u>		<u>\$ 91,271</u>
<b>ING JPMorgan Mid Cap Value Portfolio - Service Class</b>			
Currently payable annuity contracts:			
	65,217.944	\$ 15.10	\$ 984,791
Contracts in accumulation period:			
ING Custom Choice 65	5,255.592	12.72	66,851
ING MAP PLUS NP5	6,185.300	14.81	91,604
ING MAP PLUS NP8	2,064.387	14.74	30,429
ING MAP PLUS NP11	3,682.008	14.68	54,052
ING MAP PLUS NP13	467.242	14.64	6,840
ING MAP PLUS NP15	480.891	14.59	7,016
ING MAP PLUS NP17	3,049.469	14.55	44,370
ING MAP PLUS NP20	53,135.989	14.49	769,940
ING MAP PLUS NP21	5,231.536	14.47	75,700
ING MAP PLUS NP23	573.513	14.43	8,276
ING MAP PLUS NP27	1,426.190	14.34	20,452
ING MAP PLUS NP32	84.999	14.24	1,210
Qualified VI	726,952.271	17.29	12,569,005
Qualified X (1.15)	34,396.657	17.37	597,470
Qualified X (1.25)	180,209.285	17.29	3,115,819

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**

**Notes to Financial Statements**

<b>Division/Contract</b>	<b>Units</b>	<b>Unit Value</b>	<b>Extended Value</b>
<b>ING JPMorgan Mid Cap Value</b>			
<b>Portfolio - Service Class (continued)</b>			
Qualified XII (0.05)	42,587.661	\$ 18.11	\$ 771,263
Qualified XII (0.35)	2,132.292	18.03	38,445
Qualified XII (0.50)	41,969.497	17.91	751,674
Qualified XII (0.55)	24,895.344	17.87	444,880
Qualified XII (0.60)	49,023.425	17.82	873,597
Qualified XII (0.65)	6,637.393	17.78	118,013
Qualified XII (0.70)	53,618.515	17.74	951,192
Qualified XII (0.75)	13,387.698	17.70	236,962
Qualified XII (0.80)	29,219.781	17.66	516,021
Qualified XII (0.85)	49,539.624	17.62	872,888
Qualified XII (0.90)	11,185.052	17.58	196,633
Qualified XII (0.95)	59,139.512	17.53	1,036,716
Qualified XII (1.00)	296,417.894	17.49	5,184,349
Qualified XII (1.05)	27,635.637	17.45	482,242
Qualified XII (1.10)	13,439.414	17.41	233,980
Qualified XII (1.15)	17,947.440	17.37	311,747
Qualified XII (1.20)	7,599.494	17.33	131,699
Qualified XII (1.25)	16,290.174	17.29	281,657
Qualified XII (1.35)	158.155	17.21	2,722
Qualified XII (1.40)	3,141.281	17.17	53,936
Qualified XII (1.45)	820.489	17.13	14,055
Qualified XV	1,455.419	17.53	25,513
Qualified XVI	13,589.590	17.09	232,246
Qualified XVII	1,333.098	17.29	23,049
Qualified XVIII	1,358.626	17.49	23,762
Qualified XXI	6,966.531	17.66	123,029
Qualified XXV	6,758.369	17.70	119,623
Qualified XXVI	3,471.245	17.58	61,024
Qualified XXXII	1,573.781	15.04	23,670
	<u>1,891,705.704</u>		<u>\$ 32,580,412</u>
<b>ING Legg Mason Partners Aggressive Growth</b>			
<b>Portfolio - Adviser Class</b>			
Contracts in accumulation period:			
Qualified XXXV	<u>1,522.881</u>	\$ 11.18	<u>\$ 17,026</u>
	<u>1,522.881</u>		<u>\$ 17,026</u>

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**

**Notes to Financial Statements**

<b>Division/Contract</b>	<b>Units</b>	<b>Unit Value</b>	<b>Extended Value</b>
<b>ING Legg Mason Partners Aggressive Growth Portfolio - Initial Class</b>			
Currently payable annuity contracts:	12,752.069	\$13.70 to \$16.76	\$ 192,373
Contracts in accumulation period:			
ING Custom Choice 65	38,472.039	13.20	507,831
Qualified V	1,245.432	16.48	20,525
Qualified VI	4,760,299.511	16.76	79,782,620
Qualified VIII	7,079.702	17.54	124,178
Qualified X (1.15)	352,120.190	16.98	5,979,001
Qualified X (1.25)	306,231.951	16.76	5,132,447
Qualified XII (0.00)	1.122	10.69	12
Qualified XII (0.05)	67,185.486	17.96	1,206,651
Qualified XII (0.25)	5,016.072	10.46	52,468
Qualified XII (0.35)	32,281.475	10.37	334,759
Qualified XII (0.40)	357,093.128	11.99	4,281,547
Qualified XII (0.45)	869.923	10.28	8,943
Qualified XII (0.50)	285,288.620	10.09	2,878,562
Qualified XII (0.55)	87,303.765	10.19	889,625
Qualified XII (0.60)	197,475.011	10.15	2,004,371
Qualified XII (0.65)	50,828.383	10.11	513,875
Qualified XII (0.70)	502,477.255	10.06	5,054,921
Qualified XII (0.75)	525,292.227	10.02	5,263,428
Qualified XII (0.80)	855,439.320	10.77	9,213,081
Qualified XII (0.85)	717,497.487	11.59	8,315,796
Qualified XII (0.90)	44,645.408	10.33	461,187
Qualified XII (0.95)	470,101.767	11.46	5,387,366
Qualified XII (1.00)	2,250,202.217	11.40	25,652,305
Qualified XII (1.05)	254,688.059	11.34	2,888,163
Qualified XII (1.10)	87,543.706	11.28	987,493
Qualified XII (1.15)	135,011.974	11.22	1,514,834
Qualified XII (1.20)	25,298.057	11.16	282,326
Qualified XII (1.25)	62,516.024	11.10	693,928
Qualified XII (1.30)	3,227.607	11.04	35,633
Qualified XII (1.35)	3,179.278	10.99	34,940
Qualified XII (1.40)	23,137.261	10.93	252,890
Qualified XII (1.45)	1,955.708	10.87	21,259
Qualified XII (1.50)	7,273.415	10.81	78,626
Qualified XV	16,449.605	17.27	284,085
Qualified XVI	87,340.245	16.35	1,428,013
Qualified XVII	5,817.238	16.76	97,497
Qualified XVIII	8,551.430	16.76	143,322
Qualified XXI	83,164.458	17.47	1,452,883
Qualified XXII	126.441	17.76	2,246
Qualified XXV	30,355.540	17.29	524,847
Qualified XXVI	15,640.336	17.13	267,919
Qualified XXVII	1,364,568.150	17.16	23,415,989
Qualified XXVIII	289,521.906	17.10	4,950,825
Qualified XXXII	13,020.527	13.66	177,860
Qualified XXXVI	85,780.545	11.95	1,025,078
	<u>14,531,367.070</u>		<u>\$ 203,818,528</u>



**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**

**Notes to Financial Statements**

<b>Division/Contract</b>	<b>Units</b>	<b>Unit Value</b>	<b>Extended Value</b>
<b>ING Legg Mason Partners Aggressive Growth Portfolio - Service Class</b>			
Contracts in accumulation period:			
ING MAP PLUS NP5	186.045	\$ 12.63	\$ 2,350
ING MAP PLUS NP10	640.042	12.54	8,026
ING MAP PLUS NP17	4,679.768	12.41	58,076
ING MAP PLUS NP26	1,114.000	12.25	13,647
	<u>6,619.855</u>		<u>\$ 82,099</u>
<b>ING Legg Mason Partners Large Cap Growth Portfolio - Adviser Class</b>			
Contracts in accumulation period:			
Qualified XXXV	3,128.996	\$ 10.55	\$ 33,011
	<u>3,128.996</u>		<u>\$ 33,011</u>
<b>ING Legg Mason Partners Large Cap Growth Portfolio - Initial Class</b>			
Contracts in accumulation period:			
Qualified X (1.15)	7,914.702	\$ 11.07	\$ 87,616
Qualified X (1.25)	32,640.005	11.05	360,672
Qualified XII (0.80)	285.768	11.15	3,186
Qualified XII (0.95)	49,808.580	11.12	553,871
Qualified XII (1.10)	20,841.325	11.08	230,922
Qualified XVIII	2,999.573	11.05	33,145
Qualified XXVII	222,276.219	11.61	2,580,627
	<u>336,766.172</u>		<u>\$ 3,850,039</u>
<b>ING Neuberger Berman Partners Portfolio - Service Class</b>			
Contracts in accumulation period:			
Qualified VI	4,824.069	\$ 10.47	\$ 50,508
Qualified XII (0.50)	1,789.709	10.53	18,846
Qualified XII (0.70)	554.020	10.51	5,823
Qualified XII (0.75)	113.167	10.51	1,189
Qualified XII (0.85)	1,188.857	10.50	12,483
Qualified XII (0.90)	8.811	10.50	93
Qualified XII (0.95)	273.466	10.49	2,869
Qualified XII (1.00)	11,007.969	10.49	115,474
Qualified XII (1.05)	531.797	10.49	5,579
Qualified XII (1.10)	731.721	10.48	7,668
Qualified XII (1.15)	69.838	10.48	732
Qualified XII (1.30)	1,018.511	10.47	10,664
	<u>22,111.935</u>		<u>\$ 231,928</u>
<b>ING Neuberger Berman Regency Portfolio - Service Class</b>			
Contracts in accumulation period:			
Qualified XII (0.50)	130.559	\$ 11.22	\$ 1,465
	<u>130.559</u>		<u>\$ 1,465</u>

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**

**Notes to Financial Statements**

<b>Division/Contract</b>	<b>Units</b>	<b>Unit Value</b>	<b>Extended Value</b>
<b>ING OpCap Balanced Value Portfolio - Service Class</b>			
Currently payable annuity contracts:	25,678.543	\$11.82 to \$12.52	\$ 320,622
Contracts in accumulation period:			
ING Custom Choice 62	75.012	12.15	911
Qualified VI	380,663.598	14.94	5,687,114
Qualified VIII	891.133	14.93	13,305
Qualified X (1.15)	13,120.511	13.00	170,567
Qualified X (1.25)	97,235.909	12.40	1,205,725
Qualified XII (0.50)	36,063.446	15.52	559,705
Qualified XII (0.55)	3,679.747	15.48	56,962
Qualified XII (0.60)	4,482.937	15.44	69,217
Qualified XII (0.65)	5,230.801	15.40	80,554
Qualified XII (0.70)	17,102.818	15.36	262,699
Qualified XII (0.75)	16,313.069	15.32	249,916
Qualified XII (0.80)	8,146.169	15.28	124,473
Qualified XII (0.85)	26,873.023	15.25	409,814
Qualified XII (0.90)	6,637.020	15.21	100,949
Qualified XII (0.95)	36,224.980	15.17	549,533
Qualified XII (1.00)	177,628.486	15.13	2,687,519
Qualified XII (1.05)	5,645.645	15.09	85,193
Qualified XII (1.10)	11,134.654	15.05	167,577
Qualified XII (1.15)	6,767.071	15.01	101,574
Qualified XII (1.20)	1,475.155	14.97	22,083
Qualified XII (1.25)	16,666.961	14.94	249,004
Qualified XII (1.30)	29.181	14.90	435
Qualified XII (1.35)	312.657	14.86	4,646
Qualified XII (1.40)	1,659.252	14.82	24,590
Qualified XII (1.45)	144.843	14.78	2,141
Qualified XII (1.50)	38.520	14.74	568
Qualified XV	624.230	15.17	9,470
Qualified XVI	9,831.771	14.74	144,920
Qualified XVII	1,913.009	14.94	28,580
Qualified XVIII	1,058.027	13.09	13,850
Qualified XXI	3,192.311	15.28	48,779
Qualified XXV	1,084.522	15.32	16,615
Qualified XXVI	744.177	15.21	11,319
Qualified XXXII	1,407.012	12.43	17,489
	<u>919,776.200</u>		<u>\$ 13,498,418</u>
<b>ING Oppenheimer Global Portfolio - Adviser Class</b>			
Contracts in accumulation period:			
Qualified XXXV	<u>7,824.752</u>	\$ 12.26	<u>\$ 95,931</u>
	<u>7,824.752</u>		<u>\$ 95,931</u>

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**

**Notes to Financial Statements**

---

<b>Division/Contract</b>	<b>Units</b>	<b>Unit Value</b>	<b>Extended Value</b>
<b>ING Oppenheimer Global Portfolio - Initial Class</b>			
Currently payable annuity contracts:	192,146.213	\$13.50 to \$13.63	\$ 2,615,119
Contracts in accumulation period:			
ING Custom Choice 62	3,667.977	13.57	49,774
ING Custom Choice 65	140,304.814	14.14	1,983,910
ING MAP PLUS NP5	10,091.398	13.81	139,362
ING MAP PLUS NP6	5,405.192	13.79	74,538
ING MAP PLUS NP8	6,104.147	13.77	84,054
ING MAP PLUS NP10	18,663.551	13.74	256,437
ING MAP PLUS NP11	15,151.884	13.73	208,035
ING MAP PLUS NP12	10,932.553	13.72	149,995
ING MAP PLUS NP13	1,086.491	13.70	14,885
ING MAP PLUS NP14	473.114	13.69	6,477
ING MAP PLUS NP15	37,600.422	13.68	514,374
ING MAP PLUS NP16	4,464.034	13.67	61,023
ING MAP PLUS NP17	8,014.155	13.65	109,393
ING MAP PLUS NP18	14,060.601	13.64	191,787
ING MAP PLUS NP19	14,323.387	13.63	195,228
ING MAP PLUS NP20	44,868.978	13.61	610,667
ING MAP PLUS NP21	3,931.674	13.60	53,471
ING MAP PLUS NP23	7,050.711	13.58	95,749
ING MAP PLUS NP24	3,521.553	13.56	47,752
ING MAP PLUS NP25	83.959	13.55	1,138
ING MAP PLUS NP26	2,225.500	13.54	30,133
ING MAP PLUS NP27	2,929.089	13.52	39,601
ING MAP PLUS NP28	651.016	13.51	8,795
ING MAP PLUS NP29	6,906.399	13.50	93,236
ING MAP PLUS NP30	4,102.004	13.49	55,336
ING MAP PLUS NP32	2,733.442	13.46	36,792
Qualified V	3,573.159	13.53	48,345
Qualified VI	23,257,569.060	13.57	315,605,212
Qualified VIII	17,383.356	13.57	235,892
Qualified X (1.15)	699,965.349	13.60	9,519,529
Qualified X (1.25)	2,108,050.325	13.57	28,606,243
Qualified XII (0.05)	480,117.345	14.50	6,961,702
Qualified XII (0.15)	16,753.842	14.40	241,255
Qualified XII (0.25)	445,063.427	13.83	6,155,227
Qualified XII (0.30)	18.268	13.82	252
Qualified XII (0.35)	129,996.330	13.81	1,795,249
Qualified XII (0.40)	764,197.450	14.32	10,943,307
Qualified XII (0.45)	2,750.219	13.78	37,898
Qualified XII (0.50)	1,129,666.062	14.35	16,210,708
Qualified XII (0.55)	224,971.724	14.26	3,208,097
Qualified XII (0.55)	485,350.603	14.26	6,921,100

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**

**Notes to Financial Statements**

<b>Division/Contract</b>	<b>Units</b>	<b>Unit Value</b>	<b>Extended Value</b>
<b>ING Oppenheimer Global Portfolio - Initial Class (continued)</b>			
Qualified XII (0.60)	680,411.382	\$ 13.74	\$ 9,348,852
Qualified XII (0.65)	337,775.019	13.73	4,637,651
Qualified XII (0.70)	1,015,148.761	13.72	13,927,841
Qualified XII (0.75)	1,839,328.935	13.70	25,198,806
Qualified XII (0.80)	4,138,977.590	14.26	59,021,820
Qualified XII (0.85)	2,140,393.700	13.68	29,280,586
Qualified XII (0.90)	176,432.155	14.23	2,510,630
Qualified XII (0.95)	1,776,077.007	13.65	24,243,451
Qualified XII (1.00)	7,528,235.212	13.64	102,685,128
Qualified XII (1.05)	946,570.623	13.63	12,901,758
Qualified XII (1.10)	484,189.316	13.61	6,589,817
Qualified XII (1.15)	503,672.233	14.15	7,126,962
Qualified XII (1.20)	206,257.834	13.59	2,803,044
Qualified XII (1.25)	382,245.094	14.12	5,397,301
Qualified XII (1.30)	12,182.574	14.11	171,896
Qualified XII (1.35)	40,348.722	13.55	546,725
Qualified XII (1.40)	109,286.295	13.54	1,479,736
Qualified XII (1.45)	22,249.656	13.52	300,815
Qualified XII (1.50)	24,167.007	13.51	326,496
Qualified XV	137,982.227	13.65	1,883,457
Qualified XVI	574,314.573	13.51	7,758,990
Qualified XVII	62,549.063	13.57	848,791
Qualified XVIII	72,615.824	13.57	985,397
Qualified XXI	335,930.412	13.69	4,598,887
Qualified XXII	1,816.467	13.78	25,031
Qualified XXV	193,627.153	13.70	2,652,692
Qualified XXVI	121,764.996	13.66	1,663,310
Qualified XXVII	9,479,603.484	13.62	129,112,199
Qualified XXVIII	3,302,549.410	13.62	44,980,723
Qualified XXXII	72,126.997	13.57	978,763
Qualified XXXIII (0.65)	43,000.645	13.73	590,399
Qualified XXXVI	188,202.553	13.75	2,587,785
	<u>67,276,953.696</u>		<u>\$ 921,382,816</u>
<b>ING Oppenheimer Global Portfolio - Service Class</b>			
Contracts in accumulation period:			
Qualified VI	0.877	\$ 15.98	\$ 14
Qualified X (1.15)	3,379.595	16.06	54,276
Qualified X (1.25)	4,809.039	15.98	76,848
Qualified XII (1.00)	3,036.662	16.17	49,103
	<u>11,226.173</u>		<u>\$ 180,241</u>

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**

**Notes to Financial Statements**

<b>Division/Contract</b>	<b>Units</b>	<b>Unit Value</b>	<b>Extended Value</b>
<b>ING Oppenheimer Strategic Income Portfolio - Adviser Class</b>			
Contracts in accumulation period:			
Qualified XXXV	11,651.635	\$ 10.88	\$ 126,770
	<u>11,651.635</u>		<u>\$ 126,770</u>
<b>ING Oppenheimer Strategic Income Portfolio - Initial Class</b>			
Currently payable annuity contracts:	144,450.379	\$10.71 to \$10.90	\$ 1,571,510
Contracts in accumulation period:			
ING Custom Choice 65	23,633.392	11.01	260,204
Qualified V	2,659.537	10.68	28,404
Qualified VI	3,448,907.387	10.72	36,972,287
Qualified VIII	2,153.143	10.71	23,060
Qualified X (1.15)	111,708.010	10.74	1,199,744
Qualified X (1.25)	313,406.219	10.72	3,359,715
Qualified XII (0.00)	8.153	10.97	89
Qualified XII (0.05)	118,895.741	11.11	1,320,932
Qualified XII (0.25)	124,183.875	10.92	1,356,088
Qualified XII (0.35)	8,167.531	10.90	89,026
Qualified XII (0.40)	569,481.536	11.01	6,269,992
Qualified XII (0.45)	10.653	10.88	116
Qualified XII (0.50)	240,768.882	10.99	2,646,050
Qualified XII (0.55)	168,266.605	10.86	1,827,375
Qualified XII (0.60)	122,435.647	10.85	1,328,427
Qualified XII (0.65)	68,831.419	10.94	753,016
Qualified XII (0.70)	275,969.460	10.83	2,988,749
Qualified XII (0.75)	244,612.003	10.91	2,668,717
Qualified XII (0.80)	547,902.973	10.92	5,983,100
Qualified XII (0.85)	428,034.911	10.91	4,669,861
Qualified XII (0.90)	62,147.228	10.90	677,405
Qualified XII (0.95)	449,204.686	10.78	4,842,427
Qualified XII (1.00)	1,245,768.414	10.88	13,553,960
Qualified XII (1.05)	132,596.114	10.76	1,426,734
Qualified XII (1.10)	108,133.935	10.75	1,162,440
Qualified XII (1.15)	98,485.703	10.84	1,067,585
Qualified XII (1.20)	65,198.951	10.83	706,105
Qualified XII (1.25)	127,633.420	10.82	1,380,994
Qualified XII (1.30)	10,233.799	10.81	110,627
Qualified XII (1.35)	17,225.832	10.70	184,316
Qualified XII (1.40)	31,039.861	10.83	336,162
Qualified XII (1.45)	11,423.653	10.68	122,005
Qualified XII (1.50)	1,060.012	10.67	11,310
Qualified XV	18,642.506	10.78	200,966
Qualified XVI	89,383.306	10.67	953,720

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**

**Notes to Financial Statements**

<b>Division/Contract</b>	<b>Units</b>	<b>Unit Value</b>	<b>Extended Value</b>
<b>ING Oppenheimer Strategic Income Portfolio - Initial Class (continued)</b>			
Qualified XVII	10,309.972	\$ 10.72	\$ 110,523
Qualified XVIII	8,699.763	10.72	93,261
Qualified XXI	30,773.253	10.81	332,659
Qualified XXV	14,881.264	10.82	161,015
Qualified XXVI	22,203.333	10.79	239,574
Qualified XXVII	685,844.707	10.89	7,468,849
Qualified XXVIII	159,601.520	10.89	1,738,061
Qualified XXXII	8,771.236	10.72	94,028
Qualified XXXIII (0.65)	16,375.416	10.84	177,510
Qualified XXXVI	39,656.535	10.86	430,670
	<u>10,429,781.875</u>		<u>\$ 112,899,368</u>
<b>ING PIMCO Total Return Portfolio - Adviser Class</b>			
Contracts in accumulation period:			
Qualified XXXV	25,596.651	\$ 10.51	\$ 269,021
	<u>25,596.651</u>		<u>\$ 269,021</u>
<b>ING PIMCO Total Return Portfolio - Service Class</b>			
Currently payable annuity contracts:			
	65,924.741	\$ 10.89	\$ 717,920
Contracts in accumulation period:			
ING Custom Choice 62	1,440.117	10.80	15,553
ING Custom Choice 65	21,348.544	10.52	224,587
ING MAP PLUS NP5	169.216	10.92	1,848
ING MAP PLUS NP6	16,926.071	10.90	184,494
ING MAP PLUS NP8	67.131	10.87	730
ING MAP PLUS NP10	26,370.832	10.84	285,860
ING MAP PLUS NP11	29,286.282	10.82	316,878
ING MAP PLUS NP12	26,195.954	10.81	283,178
ING MAP PLUS NP13	8,917.082	10.79	96,215
ING MAP PLUS NP14	23,802.216	10.78	256,588
ING MAP PLUS NP15	38,338.550	10.76	412,523
ING MAP PLUS NP16	1,186.525	10.75	12,755
ING MAP PLUS NP17	1,566.761	10.73	16,811
ING MAP PLUS NP18	22,054.141	10.71	236,200
ING MAP PLUS NP20	64,234.077	10.68	686,020
ING MAP PLUS NP21	9,805.827	10.67	104,628
ING MAP PLUS NP22	602.869	10.65	6,421
ING MAP PLUS NP23	3,056.493	10.64	32,521
ING MAP PLUS NP24	339.685	10.62	3,607
ING MAP PLUS NP26	12,372.641	10.59	131,026
ING MAP PLUS NP27	9,474.443	10.58	100,240
ING MAP PLUS NP28	9,009.121	10.56	95,136

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**

**Notes to Financial Statements**

<b>Division/Contract</b>	<b>Units</b>	<b>Unit Value</b>	<b>Extended Value</b>
<b>ING PIMCO Total Return</b>			
<b>Portfolio - Service Class (continued)</b>			
ING MAP PLUS NP29	44.163	\$ 10.55	\$ 466
ING MAP PLUS NP30	6,874.483	10.53	72,388
ING MAP PLUS NP32	3,586.064	10.50	37,654
Qualified VI	1,745,604.755	11.75	20,510,856
Qualified VIII	730.804	11.74	8,580
Qualified X (1.15)	33,117.553	11.80	390,787
Qualified X (1.25)	144,933.535	11.75	1,702,969
Qualified XII (0.35)	1,919.299	12.25	23,511
Qualified XII (0.50)	88,336.465	12.17	1,075,055
Qualified XII (0.55)	14,458.610	12.14	175,528
Qualified XII (0.60)	46,473.901	12.11	562,799
Qualified XII (0.65)	167,215.018	12.08	2,019,957
Qualified XII (0.70)	152,071.335	12.05	1,832,460
Qualified XII (0.75)	82,833.706	12.03	996,489
Qualified XII (0.80)	204,493.312	12.00	2,453,920
Qualified XII (0.85)	126,953.283	11.97	1,519,631
Qualified XII (0.90)	42,707.955	11.94	509,933
Qualified XII (0.95)	259,804.530	11.91	3,094,272
Qualified XII (1.00)	622,697.632	11.89	7,403,875
Qualified XII (1.05)	127,859.421	11.86	1,516,413
Qualified XII (1.10)	34,960.366	11.83	413,581
Qualified XII (1.15)	33,799.881	11.80	398,839
Qualified XII (1.20)	23,365.239	11.78	275,243
Qualified XII (1.25)	69,752.510	11.75	819,592
Qualified XII (1.30)	1,369.166	11.72	16,047
Qualified XII (1.35)	11,059.444	11.69	129,285
Qualified XII (1.40)	16,540.846	11.67	193,032
Qualified XII (1.45)	9,813.757	11.64	114,232
Qualified XII (1.50)	4,056.140	11.61	47,092
Qualified XV	9,477.815	11.91	112,881
Qualified XVI	41,378.259	11.61	480,402
Qualified XVII	3,487.328	11.75	40,976
Qualified XVIII	837.727	11.89	9,961
Qualified XXI	8,008.520	12.00	96,102
Qualified XXV	8,157.347	12.03	98,133
Qualified XXVI	7,974.653	11.94	95,217
Qualified XXVII	600,663.163	10.89	6,541,222
Qualified XXVIII	224,513.657	11.89	2,669,467
Qualified XXXII	1,087.650	10.69	11,627
Qualified XXXIII (0.40)	19,114.440	12.26	234,343
	<u>5,394,623.051</u>		<u>\$ 62,926,556</u>

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**

**Notes to Financial Statements**

<u>Division/Contract</u>	<u>Units</u>	<u>Unit Value</u>	<u>Extended Value</u>
<b>ING Pioneer High Yield Portfolio - Initial Class</b>			
Contracts in accumulation period:			
ING Custom Choice 65	112.436	\$ 10.65	\$ 1,197
Qualified VI	45,396.717	10.58	480,297
Qualified X (1.15)	394.129	10.58	4,170
Qualified X (1.25)	2,336.017	10.58	24,715
Qualified XII (0.00)	2.090	10.66	22
Qualified XII (0.40)	199.597	10.64	2,124
Qualified XII (0.50)	17,939.275	10.63	190,694
Qualified XII (0.65)	8.933	10.62	95
Qualified XII (0.70)	1,562.202	10.61	16,575
Qualified XII (0.75)	22.603	10.61	240
Qualified XII (0.80)	4.776	10.61	51
Qualified XII (0.85)	152.453	10.60	1,616
Qualified XII (0.90)	29.461	10.60	312
Qualified XII (0.95)	2,268.199	10.60	24,043
Qualified XII (1.00)	18,525.456	10.59	196,185
Qualified XII (1.05)	2,756.411	10.59	29,190
Qualified XII (1.10)	1,034.483	10.59	10,955
Qualified XII (1.15)	63.539	10.58	672
Qualified XII (1.20)	471.176	10.58	4,985
Qualified XII (1.25)	615.523	10.58	6,512
Qualified XII (1.35)	23.464	10.57	248
Qualified XII (1.40)	120.692	10.56	1,275
Qualified XVI	277.746	10.56	2,933
Qualified XXI	1.889	10.61	20
Qualified XXVI	48.854	10.60	518
	<u>94,368.121</u>		<u>\$ 999,644</u>
<b>ING Pioneer High Yield Portfolio - Service Class</b>			
Contracts in accumulation period:			
ING MAP PLUS NP15	194.185	\$ 10.60	\$ 2,058
ING MAP PLUS NP22	218.687	10.57	2,312
ING MAP PLUS NP25	178.012	10.56	1,880
	<u>590.884</u>		<u>\$ 6,250</u>



**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**

**Notes to Financial Statements**

<b>Division/Contract</b>	<b>Units</b>	<b>Unit Value</b>	<b>Extended Value</b>
<b>ING Solution 2015 Portfolio - Adviser Class</b>			
Contracts in accumulation period:			
ING MAP PLUS NP5	5,920.597	\$ 11.83	\$ 70,041
ING MAP PLUS NP6	14,466.649	11.82	170,996
ING MAP PLUS NP8	39,035.706	11.80	460,621
ING MAP PLUS NP9	17,279.302	11.79	203,723
ING MAP PLUS NP10	3,936.684	11.78	46,374
ING MAP PLUS NP11	8,030.449	11.77	94,518
ING MAP PLUS NP14	4,711.735	11.74	55,316
ING MAP PLUS NP15	63,224.156	11.73	741,619
ING MAP PLUS NP16	3,437.453	11.72	40,287
ING MAP PLUS NP17	12,542.412	11.71	146,872
ING MAP PLUS NP18	2,518.326	11.70	29,464
ING MAP PLUS NP19	429.428	11.70	5,024
ING MAP PLUS NP21	32,412.650	11.68	378,580
ING MAP PLUS NP22	26,167.470	11.67	305,374
ING MAP PLUS NP23	6.070	11.66	71
ING MAP PLUS NP25	344.122	11.64	4,006
ING MAP PLUS NP26	1,100.389	11.63	12,798
ING MAP PLUS NP28	2,295.595	11.61	26,652
ING MAP PLUS NP29	1,812.395	11.60	21,024
ING MAP PLUS NP32	15.486	11.57	179
Qualified XXXV	3,225.580	11.27	36,352
	<u>242,912.654</u>		<u>\$ 2,849,891</u>
<b>ING Solution 2015 Portfolio - Service Class</b>			
Contracts in accumulation period:			
ING Custom Choice 65	8,675.374	\$ 11.90	\$ 103,237
Qualified VI	317,056.316	11.68	3,703,218
Qualified X (1.15)	49,511.445	11.70	579,284
Qualified X (1.25)	63,729.099	11.68	744,356
Qualified XII (0.00)	1.877	11.93	22
Qualified XII (0.05)	14,941.811	11.93	178,256
Qualified XII (0.15)	15,185.959	11.90	180,713
Qualified XII (0.35)	159,880.640	11.86	1,896,184
Qualified XII (0.50)	44,451.846	11.83	525,865
Qualified XII (0.55)	138,732.407	11.82	1,639,817
Qualified XII (0.60)	74,710.396	11.81	882,330
Qualified XII (0.65)	1,169.553	11.80	13,801
Qualified XII (0.70)	5,274.357	11.79	62,185
Qualified XII (0.75)	74,166.909	11.78	873,686
Qualified XII (0.80)	394.977	11.77	4,649
Qualified XII (0.85)	37,316.832	11.76	438,846

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**

**Notes to Financial Statements**

<b>Division/Contract</b>	<b>Units</b>	<b>Unit Value</b>	<b>Extended Value</b>
<b>ING Solution 2015 Portfolio - Service Class (continued)</b>			
Qualified XII (0.90)	56,247.206	\$ 11.75	\$ 660,905
Qualified XII (0.95)	87,654.130	11.74	1,029,059
Qualified XII (1.00)	25,145.592	11.73	294,958
Qualified XII (1.05)	12,403.085	11.72	145,364
Qualified XII (1.10)	5,346.738	11.71	62,610
Qualified XII (1.15)	28,239.526	11.70	330,402
Qualified XII (1.20)	351.755	11.69	4,112
Qualified XII (1.25)	9,286.991	11.68	108,472
Qualified XII (1.30)	499.380	11.67	5,828
Qualified XII (1.35)	1,232.744	11.67	14,386
Qualified XII (1.40)	2,470.574	11.66	28,807
Qualified XII (1.45)	35.606	11.65	415
Qualified XV	11,030.357	11.74	129,496
Qualified XVI	9,030.977	11.64	105,121
Qualified XVII	12,433.397	11.68	145,222
Qualified XVIII	6,124.209	11.68	71,531
Qualified XXI	5,713.348	11.77	67,246
Qualified XXVI	24.374	11.75	286
Qualified XXXII	3,091.578	11.68	36,110
Qualified XXXVI	12,037.747	11.82	142,286
	<u>1,293,599.112</u>		<u>\$ 15,209,065</u>
<b>ING Solution 2025 Portfolio - Adviser Class</b>			
Contracts in accumulation period:			
ING MAP PLUS NP5	39,447.854	\$ 12.29	\$ 484,814
ING MAP PLUS NP6	16,627.036	12.28	204,180
ING MAP PLUS NP8	38,697.546	12.25	474,045
ING MAP PLUS NP9	2,151.029	12.24	26,329
ING MAP PLUS NP10	432.750	12.23	5,293
ING MAP PLUS NP11	19,999.498	12.22	244,394
ING MAP PLUS NP14	9,014.007	12.19	109,881
ING MAP PLUS NP15	117,762.750	12.18	1,434,350
ING MAP PLUS NP17	14,835.387	12.16	180,398
ING MAP PLUS NP18	3,876.069	12.15	47,094
ING MAP PLUS NP19	21,894.017	12.14	265,793
ING MAP PLUS NP21	26,835.406	12.12	325,245
ING MAP PLUS NP22	35,484.174	12.11	429,713
ING MAP PLUS NP23	708.629	12.10	8,574
ING MAP PLUS NP26	1,838.633	12.07	22,192
ING MAP PLUS NP28	526.387	12.05	6,343
ING MAP PLUS NP29	3,805.357	12.04	45,816
ING MAP PLUS NP31	1,211.773	12.02	14,566
ING MAP PLUS NP32	5,085.674	12.01	61,079
	<u>360,233.976</u>		<u>\$ 4,390,099</u>

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**

**Notes to Financial Statements**

<b>Division/Contract</b>	<b>Units</b>	<b>Unit Value</b>	<b>Extended Value</b>
<b>ING Solution 2025 Portfolio - Service Class</b>			
Contracts in accumulation period:			
ING Custom Choice 65	1,916.381	\$ 12.35	\$ 23,667
Qualified VI	382,745.594	12.13	4,642,704
Qualified X (1.15)	4,687.426	12.15	56,952
Qualified X (1.25)	46,778.582	12.13	567,424
Qualified XII (0.05)	3,032.328	12.38	37,540
Qualified XII (0.15)	217,848.385	12.35	2,690,428
Qualified XII (0.35)	182,203.916	12.31	2,242,930
Qualified XII (0.50)	25,973.157	12.28	318,950
Qualified XII (0.55)	72,194.358	12.27	885,825
Qualified XII (0.60)	105,386.023	12.26	1,292,033
Qualified XII (0.65)	7,747.180	12.25	94,903
Qualified XII (0.70)	23,474.609	12.24	287,329
Qualified XII (0.75)	54,160.615	12.23	662,384
Qualified XII (0.80)	5,852.034	12.22	71,512
Qualified XII (0.85)	20,669.251	12.21	252,372
Qualified XII (0.90)	41,050.938	12.20	500,821
Qualified XII (0.95)	113,866.436	12.19	1,388,032
Qualified XII (1.00)	55,397.604	12.18	674,743
Qualified XII (1.05)	17,886.404	12.17	217,678
Qualified XII (1.10)	15,282.607	12.16	185,837
Qualified XII (1.15)	16,553.063	12.15	201,120
Qualified XII (1.20)	5,561.777	12.14	67,520
Qualified XII (1.25)	3,473.824	12.13	42,137
Qualified XII (1.30)	2,596.455	12.12	31,469
Qualified XII (1.35)	55.539	12.11	673
Qualified XII (1.40)	5,026.031	12.10	60,815
Qualified XII (1.45)	951.888	12.09	11,508
Qualified XII (1.50)	1,452.217	12.08	17,543
Qualified XV	215.844	12.19	2,631
Qualified XVI	7,127.397	12.08	86,099
Qualified XVII	10,607.690	12.13	128,671
Qualified XXI	21,571.539	12.22	263,604
Qualified XXVI	140.939	12.20	1,719
Qualified XXXII	989.214	12.13	11,999
Qualified XXXVI	13,234.795	12.27	162,391
	<u>1,487,712.040</u>		<u>\$ 18,183,963</u>

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**

**Notes to Financial Statements**

<b>Division/Contract</b>	<b>Units</b>	<b>Unit Value</b>	<b>Extended Value</b>
<b>ING Solution 2035 Portfolio - Adviser Class</b>			
Contracts in accumulation period:			
ING MAP PLUS NP5	11,262.076	\$ 12.64	\$ 142,353
ING MAP PLUS NP6	27,240.884	12.63	344,052
ING MAP PLUS NP8	37,888.413	12.60	477,394
ING MAP PLUS NP9	4,513.229	12.59	56,822
ING MAP PLUS NP11	34,518.902	12.57	433,903
ING MAP PLUS NP14	7,289.242	12.54	91,407
ING MAP PLUS NP15	92,491.725	12.53	1,158,921
ING MAP PLUS NP17	19,962.323	12.51	249,729
ING MAP PLUS NP18	5,174.545	12.50	64,682
ING MAP PLUS NP21	10,791.222	12.47	134,567
ING MAP PLUS NP22	46,655.253	12.46	581,324
ING MAP PLUS NP25	163.505	12.43	2,032
ING MAP PLUS NP26	1,440.039	12.42	17,885
ING MAP PLUS NP28	1,254.754	12.40	15,559
ING MAP PLUS NP29	4,217.462	12.39	52,254
ING MAP PLUS NP30	578.078	12.37	7,151
ING MAP PLUS NP32	972.651	12.35	12,012
Qualified XXXV	1,003.883	11.69	11,735
	<u>307,418.186</u>		<u>\$ 3,853,782</u>
<b>ING Solution 2035 Portfolio - Service Class</b>			
Contracts in accumulation period:			
ING Custom Choice 65	3,670.441	\$ 12.70	\$ 46,615
Qualified VI	270,076.246	12.47	3,367,851
Qualified X (1.15)	2,766.604	12.49	34,555
Qualified X (1.25)	5,619.910	12.47	70,080
Qualified XII (0.05)	7,883.601	12.74	100,437
Qualified XII (0.15)	7,111.443	12.70	90,315
Qualified XII (0.35)	221,134.444	12.66	2,799,562
Qualified XII (0.50)	31,163.769	12.63	393,598
Qualified XII (0.55)	62,393.316	12.62	787,404
Qualified XII (0.60)	48,992.188	12.61	617,791
Qualified XII (0.65)	4,364.171	12.60	54,989
Qualified XII (0.70)	12,390.357	12.59	155,995
Qualified XII (0.75)	34,727.766	12.58	436,875
Qualified XII (0.80)	724.842	12.57	9,111
Qualified XII (0.85)	8,500.693	12.56	106,769

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**

**Notes to Financial Statements**

<b>Division/Contract</b>	<b>Units</b>	<b>Unit Value</b>	<b>Extended Value</b>
<b>ING Solution 2035 Portfolio - Service Class (continued)</b>			
Qualified XII (0.90)	17,858.284	\$ 12.55	\$ 224,121
Qualified XII (0.95)	98,929.044	12.54	1,240,570
Qualified XII (1.00)	37,686.724	12.53	472,215
Qualified XII (1.05)	23,120.810	12.52	289,473
Qualified XII (1.10)	2,582.403	12.50	32,280
Qualified XII (1.15)	23,517.289	12.49	293,731
Qualified XII (1.20)	2,549.560	12.48	31,819
Qualified XII (1.25)	11,636.468	12.47	145,107
Qualified XII (1.30)	316.571	12.46	3,944
Qualified XII (1.40)	7,592.908	12.44	94,456
Qualified XII (1.45)	77.451	12.43	963
Qualified XII (1.50)	424.878	12.42	5,277
Qualified XVI	1,702.301	12.42	21,143
Qualified XXI	4,566.622	12.57	57,402
Qualified XXV	46.880	12.58	590
Qualified XXVI	29.743	12.55	373
Qualified XXXVI	1,714.005	12.62	21,631
	<u>955,871.732</u>		<u>\$ 12,007,042</u>
<b>ING Solution 2045 Portfolio - Adviser Class</b>			
Contracts in accumulation period:			
ING MAP PLUS NP5	997.613	\$ 12.99	\$ 12,959
ING MAP PLUS NP6	17,947.481	12.98	232,958
ING MAP PLUS NP8	25,563.610	12.96	331,304
ING MAP PLUS NP9	5,266.135	12.95	68,196
ING MAP PLUS NP10	367.100	12.93	4,747
ING MAP PLUS NP11	12,541.266	12.92	162,033
ING MAP PLUS NP13	9,885.129	12.90	127,518
ING MAP PLUS NP14	1,839.947	12.89	23,717
ING MAP PLUS NP15	79,684.605	12.88	1,026,338
ING MAP PLUS NP16	5.860	12.87	75
ING MAP PLUS NP17	10,046.122	12.86	129,193
ING MAP PLUS NP18	1,398.299	12.85	17,968
ING MAP PLUS NP19	101.174	12.84	1,299
ING MAP PLUS NP21	1,370.419	12.82	17,569
ING MAP PLUS NP22	1,890.351	12.81	24,215
ING MAP PLUS NP25	1.287	12.77	16
ING MAP PLUS NP26	175.158	12.76	2,235
ING MAP PLUS NP28	2,894.883	12.74	36,881
ING MAP PLUS NP29	786.271	12.73	10,009
ING MAP PLUS NP30	192.616	12.72	2,450
ING MAP PLUS NP31	787.382	12.71	10,008
ING MAP PLUS NP32	624.039	12.70	7,925
	<u>174,366.747</u>		<u>\$ 2,249,613</u>

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**

**Notes to Financial Statements**

---

<b>Division/Contract</b>	<b>Units</b>	<b>Unit Value</b>	<b>Extended Value</b>
<b>ING Solution 2045 Portfolio - Service Class</b>			
Contracts in accumulation period:			
ING Custom Choice 65	14,143.492	\$ 13.04	\$ 184,431
Qualified VI	192,260.362	12.81	2,462,855
Qualified X (1.15)	6,682.315	12.83	85,734
Qualified X (1.25)	17,138.511	12.81	219,544
Qualified XII (0.05)	7,199.277	13.08	94,167
Qualified XII (0.15)	19,579.812	13.05	255,517
Qualified XII (0.35)	67,196.115	13.01	874,221
Qualified XII (0.50)	15,262.950	12.97	197,960
Qualified XII (0.55)	22,035.790	12.96	285,584
Qualified XII (0.60)	22,333.377	12.95	289,217
Qualified XII (0.65)	2,319.243	12.94	30,011
Qualified XII (0.70)	3,580.295	12.93	46,293
Qualified XII (0.75)	21,097.783	12.92	272,583
Qualified XII (0.80)	5,315.021	12.91	68,617
Qualified XII (0.85)	7,939.786	12.90	102,423
Qualified XII (0.90)	9,507.279	12.89	122,549
Qualified XII (0.95)	40,245.227	12.88	518,359
Qualified XII (1.00)	66,361.043	12.87	854,067
Qualified XII (1.05)	15,839.138	12.85	203,533
Qualified XII (1.10)	4,649.546	12.84	59,700
Qualified XII (1.15)	5,417.272	12.83	69,504
Qualified XII (1.20)	2,224.653	12.82	28,520
Qualified XII (1.25)	4,297.892	12.81	55,056
Qualified XII (1.30)	130.666	12.80	1,673
Qualified XII (1.35)	18.808	12.79	241
Qualified XII (1.40)	5,998.155	12.78	76,656
Qualified XII (1.45)	35.774	12.77	457
Qualified XVI	6,472.878	12.76	82,594
Qualified XXI	3,166.227	12.91	40,876
Qualified XXVI	4.689	12.89	60
Qualified XXXVI	195.475	12.96	2,533
	<u>588,648.851</u>		<u>\$ 7,585,535</u>

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**

**Notes to Financial Statements**

<b>Division/Contract</b>	<b>Units</b>	<b>Unit Value</b>	<b>Extended Value</b>
<b>ING Solution Income Portfolio - Adviser Class</b>			
Contracts in accumulation period:			
ING MAP PLUS NP5	3,967.984	\$ 11.07	\$ 43,926
ING MAP PLUS NP6	36,059.297	11.06	398,816
ING MAP PLUS NP8	70,931.283	11.04	783,081
ING MAP PLUS NP11	4,424.775	11.01	48,717
ING MAP PLUS NP14	158.808	10.99	1,745
ING MAP PLUS NP15	28,808.256	10.98	316,315
ING MAP PLUS NP17	61.806	10.96	677
ING MAP PLUS NP18	708.321	10.95	7,756
ING MAP PLUS NP21	4,889.614	10.92	53,395
ING MAP PLUS NP22	0.916	10.91	10
ING MAP PLUS NP25	7.463	10.89	81
ING MAP PLUS NP26	112.950	10.88	1,229
ING MAP PLUS NP28	8.370	10.86	91
ING MAP PLUS NP29	68.652	10.85	745
	<u>150,208.495</u>		<u>\$ 1,656,584</u>
<b>ING Solution Income Portfolio - Service Class</b>			
Contracts in accumulation period:			
Qualified VI	81,540.626	\$ 10.92	\$ 890,424
Qualified X (1.15)	7,039.343	10.94	77,010
Qualified X (1.25)	41,194.821	10.92	449,847
Qualified XII (0.15)	4,158.268	11.13	46,282
Qualified XII (0.35)	30,470.796	11.09	337,921
Qualified XII (0.50)	45,575.773	11.06	504,068
Qualified XII (0.55)	6,209.577	11.05	68,616
Qualified XII (0.60)	597.883	11.04	6,601
Qualified XII (0.65)	66.928	11.03	738
Qualified XII (0.70)	446.387	11.03	4,924
Qualified XII (0.75)	4,759.019	11.02	52,444
Qualified XII (0.80)	152.238	11.01	1,676
Qualified XII (0.85)	139.889	11.00	1,539
Qualified XII (0.90)	8,586.471	10.99	94,365
Qualified XII (0.95)	2,825.437	10.98	31,023
Qualified XII (1.00)	8,772.326	10.97	96,232
Qualified XII (1.05)	1,816.696	10.96	19,911
Qualified XII (1.10)	350.957	10.95	3,843
Qualified XII (1.20)	128.767	10.93	1,407
Qualified XII (1.25)	3,215.336	10.92	35,111
Qualified XII (1.40)	108.817	10.90	1,186
Qualified XII (1.45)	8.111	10.89	88
Qualified XVI	1,883.313	10.88	20,490
	<u>250,047.779</u>		<u>\$ 2,745,746</u>

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**

**Notes to Financial Statements**

<b>Division/Contract</b>	<b>Units</b>	<b>Unit Value</b>	<b>Extended Value</b>
<b>ING T. Rowe Price Diversified Mid Cap Growth Portfolio - Adviser Class</b>			
Contracts in accumulation period:			
Qualified XXXV	3,450.098	\$ 11.31	\$ 39,021
	<u>3,450.098</u>		<u>\$ 39,021</u>
<b>ING T. Rowe Price Diversified Mid Cap Growth Portfolio - Initial Class</b>			
Currently payable annuity contracts:	28,899.566	\$ 12.10	\$ 349,685
Contracts in accumulation period:			
ING Custom Choice 65	110,006.954	12.72	1,399,288
ING MAP PLUS NP8	113.084	10.71	1,211
ING MAP PLUS NP12	20.223	10.69	216
ING MAP PLUS NP15	6.369	10.67	68
ING MAP PLUS NP18	1,015.834	10.65	10,819
ING MAP PLUS NP20	444.388	10.64	4,728
ING MAP PLUS NP29	77.808	10.59	824
Qualified V	1,691.314	11.92	20,160
Qualified VI	13,974,045.620	11.95	166,989,845
Qualified VIII	16,106.323	11.95	192,471
Qualified X (1.15)	393,556.570	11.98	4,714,808
Qualified X (1.25)	950,248.891	11.95	11,355,474
Qualified XII (0.05)	183,785.620	12.65	2,324,888
Qualified XII (0.25)	228,420.971	12.18	2,782,167
Qualified XII (0.35)	63,034.521	12.16	766,500
Qualified XII (0.45)	951.592	12.14	11,552
Qualified XII (0.50)	565,760.829	12.52	7,083,326
Qualified XII (0.55)	89,103.715	12.11	1,079,046
Qualified XII (0.55)	163,498.801	12.11	1,979,970
Qualified XII (0.60)	614,774.260	12.10	7,438,769
Qualified XII (0.65)	145,786.495	12.09	1,762,559
Qualified XII (0.70)	564,689.136	12.08	6,821,445
Qualified XII (0.75)	726,267.387	12.07	8,766,047
Qualified XII (0.80)	1,312,088.473	12.44	16,322,381
Qualified XII (0.85)	1,236,768.785	12.04	14,890,696
Qualified XII (0.90)	97,619.177	12.42	1,212,430
Qualified XII (0.95)	1,147,116.245	12.02	13,788,337
Qualified XII (1.00)	3,007,898.578	12.01	36,124,862
Qualified XII (1.05)	411,710.762	12.00	4,940,529
Qualified XII (1.10)	272,768.391	11.99	3,270,493
Qualified XII (1.15)	272,350.037	12.35	3,363,523
Qualified XII (1.20)	121,511.075	11.97	1,454,488
Qualified XII (1.25)	139,017.888	12.32	1,712,700
Qualified XII (1.30)	8,139.003	12.31	100,191



**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**

**Notes to Financial Statements**

<b>Division/Contract</b>	<b>Units</b>	<b>Unit Value</b>	<b>Extended Value</b>
<b>ING T. Rowe Price Diversified Mid Cap Growth Portfolio - Initial Class (continued)</b>			
Qualified XII (1.35)	28,554.281	11.93	340,653
Qualified XII (1.40)	62,135.786	11.92	740,659
Qualified XII (1.45)	5,425.647	11.91	64,619
Qualified XII (1.50)	14,603.170	11.90	173,778
Qualified XV	130,682.156	12.02	1,570,800
Qualified XVI	321,463.710	11.90	3,825,418
Qualified XVII	17,771.835	11.95	212,373
Qualified XVIII	38,008.696	11.95	454,204
Qualified XXI	298,591.329	12.06	3,601,011
Qualified XXII	95.188	12.14	1,156
Qualified XXV	192,168.880	12.07	2,319,478
Qualified XXVI	138,137.086	12.03	1,661,789
Qualified XXVII	4,225,985.690	12.09	51,092,167
Qualified XXVIII	435,740.063	12.09	5,268,097
Qualified XXXII	23,875.425	11.95	285,311
Qualified XXXVI	219,788.707	12.11	2,661,641
	<u>33,002,322.334</u>		<u>\$ 397,309,650</u>
<b>ING T. Rowe Price Diversified Mid Cap Growth Portfolio - Service Class</b>			
Contracts in accumulation period:			
ING MAP PLUS NP5	3,650.086	\$ 12.27	\$ 44,787
ING MAP PLUS NP8	1,329.132	12.21	16,229
ING MAP PLUS NP12	6,126.581	12.14	74,377
ING MAP PLUS NP15	10,118.275	12.09	122,330
ING MAP PLUS NP20	12,275.619	12.00	147,307
ING MAP PLUS NP23	570.495	11.95	6,817
ING MAP PLUS NP26	28.089	11.90	334
Qualified VI	22.438	8.90	200
Qualified XII (1.00)	1,347.893	9.01	12,145
	<u>35,468.608</u>		<u>\$ 424,526</u>
<b>ING T. Rowe Price Growth Equity Portfolio - Adviser Class</b>			
Contracts in accumulation period:			
Qualified XXXV	12,367.864	\$ 11.53	\$ 142,601
	<u>12,367.864</u>		<u>\$ 142,601</u>

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**

**Notes to Financial Statements**

---

<b>Division/Contract</b>	<b>Units</b>	<b>Unit Value</b>	<b>Extended Value</b>
<b>ING T. Rowe Price Growth Equity Portfolio - Initial Class</b>			
Currently payable annuity contracts:	78,578.640	\$9.60 to \$15.98	\$ 1,102,743
Contracts in accumulation period:			
ING Custom Choice 62	1,792.785	13.10	23,485
ING Custom Choice 65	64,666.563	12.90	834,199
Qualified V	1,507.597	24.03	36,228
Qualified VI	4,049,154.545	23.96	97,017,743
Qualified VIII	3,558.360	24.45	87,002
Qualified X (1.15)	174,505.834	27.15	4,737,833
Qualified X (1.25)	288,298.715	26.84	7,737,938
Qualified XII (0.05)	24,116.511	25.68	619,312
Qualified XII (0.25)	2,491.797	15.83	39,445
Qualified XII (0.30)	70.664	15.77	1,114
Qualified XII (0.35)	27,673.909	15.70	434,480
Qualified XII (0.40)	222,140.437	23.83	5,293,607
Qualified XII (0.45)	558.249	15.56	8,686
Qualified XII (0.50)	424,529.145	16.20	6,877,372
Qualified XII (0.55)	120,195.389	15.43	1,854,615
Qualified XII (0.60)	179,278.653	15.36	2,753,720
Qualified XII (0.65)	175,551.097	15.30	2,685,932
Qualified XII (0.70)	331,351.568	15.23	5,046,484
Qualified XII (0.75)	439,097.723	15.17	6,661,112
Qualified XII (0.80)	578,885.195	16.64	9,632,650
Qualified XII (0.85)	339,736.870	23.04	7,827,537
Qualified XII (0.90)	26,957.771	16.01	431,594
Qualified XII (0.95)	779,166.300	22.79	17,757,200
Qualified XII (1.00)	1,002,605.768	22.67	22,729,073
Qualified XII (1.05)	130,093.805	22.55	2,933,615
Qualified XII (1.10)	62,740.826	22.43	1,407,277
Qualified XII (1.15)	81,984.866	22.31	1,829,082
Qualified XII (1.20)	27,031.837	22.19	599,836
Qualified XII (1.25)	69,188.676	22.08	1,527,686
Qualified XII (1.30)	3,560.700	21.96	78,193
Qualified XII (1.35)	12,834.586	21.84	280,307
Qualified XII (1.40)	17,140.624	21.73	372,466
Qualified XII (1.45)	2,136.436	21.61	46,168
Qualified XII (1.50)	1,236.706	21.50	26,589
Qualified XV	12,348.451	24.69	304,883
Qualified XVI	116,940.550	23.39	2,735,239
Qualified XVII	16,010.911	23.96	383,621
Qualified XVIII	13,023.485	26.84	349,550
Qualified XXI	53,822.556	24.98	1,344,487
Qualified XXII	51.385	25.39	1,305
Qualified XXV	15,001.464	24.72	370,836
Qualified XXVI	24,903.873	24.49	609,896
Qualified XXVII	1,417,849.514	28.07	39,799,036

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**

**Notes to Financial Statements**

<b>Division/Contract</b>	<b>Units</b>	<b>Unit Value</b>	<b>Extended Value</b>
<b>ING T. Rowe Price Growth Equity Portfolio - Initial Class</b>			
<b>(continued)</b>			
Qualified XXVIII	843,113.818	\$ 27.98	\$ 23,590,325
Qualified XXXII	14,060.671	13.23	186,023
Qualified XXXIII (0.65)	6,338.645	13.43	85,128
Qualified XXXVI	33,622.370	13.50	453,902
	<u>12,311,506.840</u>		<u>\$ 281,546,554</u>
<b>ING T. Rowe Price Growth Equity Portfolio - Service Class</b>			
Contracts in accumulation period:			
ING MAP PLUS NP5	7,009.929	\$ 12.82	\$ 89,867
ING MAP PLUS NP10	15,364.268	12.73	195,587
ING MAP PLUS NP13	752.356	12.67	9,532
ING MAP PLUS NP15	17,966.507	12.64	227,097
ING MAP PLUS NP16	1,777.944	12.62	22,438
ING MAP PLUS NP17	4,154.291	12.60	52,344
ING MAP PLUS NP23	5,143.300	12.49	64,240
ING MAP PLUS NP25	252.953	12.45	3,149
ING MAP PLUS NP26	1,810.287	12.44	22,520
ING MAP PLUS NP27	1,448.587	12.42	17,991
ING MAP PLUS NP28	1,141.162	12.40	14,150
ING MAP PLUS NP30	234.049	12.36	2,893
ING MAP PLUS NP31	126.642	12.35	1,564
ING MAP PLUS NP32	271.753	12.33	3,351
Qualified XII (1.00)	9,856.767	14.27	140,656
	<u>67,310.795</u>		<u>\$ 867,379</u>
<b>ING Templeton Foreign Equity Portfolio - Service Class</b>			
Contracts in accumulation period:			
Qualified VI	14,186.036	\$ 11.18	\$ 158,600
Qualified XII (0.50)	672.910	11.23	7,557
Qualified XII (0.60)	208.502	11.22	2,339
Qualified XII (0.65)	247.340	11.22	2,775
Qualified XII (0.70)	69.963	11.22	785
Qualified XII (0.75)	2,060.890	11.21	23,103
Qualified XII (0.80)	314.916	11.21	3,530
Qualified XII (0.85)	769.870	11.21	8,630
Qualified XII (0.90)	83.430	11.20	934
Qualified XII (0.95)	436.601	11.20	4,890
Qualified XII (1.00)	6,797.903	11.19	76,069
Qualified XII (1.05)	287.029	11.19	3,212
Qualified XII (1.10)	468.004	11.19	5,237
Qualified XII (1.15)	19.840	11.18	222
Qualified XII (1.20)	0.992	11.18	11
Qualified XII (1.25)	48.400	11.18	541
Qualified XII (1.40)	261.066	11.16	2,913
Qualified XVI	2.215	11.16	25
Qualified XXI	28.925	11.21	324
	<u>26,964.832</u>		<u>\$ 301,697</u>

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**

**Notes to Financial Statements**

<b>Division/Contract</b>	<b>Units</b>	<b>Unit Value</b>	<b>Extended Value</b>
<b>ING Thornburg Value Portfolio - Adviser Class</b>			
Contracts in accumulation period:			
Qualified XXXV	4,521.843	\$ 11.85	\$ 53,584
	<u>4,521.843</u>		<u>\$ 53,584</u>
<b>ING Thornburg Value Portfolio - Initial Class</b>			
Currently payable annuity contracts:	21,862.088	\$7.15 to \$27.63	\$ 319,462
Contracts in accumulation period:			
ING Custom Choice 65	9,697.446	12.59	122,091
Qualified V	272.981	27.17	7,417
Qualified VI	1,196,909.648	27.63	33,070,614
Qualified VIII	4,122.341	23.74	97,864
Qualified X (1.15)	38,176.073	12.11	462,312
Qualified X (1.25)	138,136.826	12.01	1,659,023
Qualified XII (0.05)	8,014.906	29.61	237,321
Qualified XII (0.25)	1,317.266	13.25	17,454
Qualified XII (0.35)	4,908.913	13.13	64,454
Qualified XII (0.40)	121,359.201	19.20	2,330,097
Qualified XII (0.45)	78.451	13.02	1,021
Qualified XII (0.50)	69,751.845	13.75	959,088
Qualified XII (0.55)	57,468.925	12.91	741,924
Qualified XII (0.60)	48,016.932	12.85	617,018
Qualified XII (0.65)	17,273.544	12.80	221,101
Qualified XII (0.70)	151,622.476	12.74	1,931,670
Qualified XII (0.75)	112,115.295	12.69	1,422,743
Qualified XII (0.80)	169,428.927	14.30	2,422,834
Qualified XII (0.85)	281,687.401	18.56	5,228,118
Qualified XII (0.90)	18,923.937	13.71	259,447
Qualified XII (0.95)	170,795.035	18.36	3,135,797
Qualified XII (1.00)	905,678.767	18.26	16,537,694
Qualified XII (1.05)	56,833.159	18.17	1,032,658
Qualified XII (1.10)	40,272.331	18.07	727,721
Qualified XII (1.15)	50,052.430	17.97	899,442
Qualified XII (1.20)	13,279.971	17.88	237,446
Qualified XII (1.25)	18,312.503	17.78	325,596
Qualified XII (1.30)	1,157.800	17.69	20,481
Qualified XII (1.35)	1,102.590	17.60	19,406
Qualified XII (1.40)	14,659.120	17.50	256,535
Qualified XII (1.45)	1,214.075	17.41	21,137
Qualified XII (1.50)	628.749	17.32	10,890
Qualified XV	13,953.367	28.48	397,392
Qualified XVI	25,118.342	26.97	677,442
Qualified XVII	568.591	27.63	15,710

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**

**Notes to Financial Statements**

<b>Division/Contract</b>	<b>Units</b>	<b>Unit Value</b>	<b>Extended Value</b>
<b>ING Thornburg Value Portfolio - Initial Class (continued)</b>			
Qualified XVIII	4,191.792	12.01	50,343
Qualified XXI	12,777.350	28.80	367,988
Qualified XXV	6,117.620	28.51	174,413
Qualified XXVI	4,138.978	28.24	116,885
Qualified XXVII	1,062,399.742	34.10	36,227,831
Qualified XXVIII	108,046.743	34.00	3,673,589
Qualified XXXII	3,557.843	13.35	47,497
Qualified XXXVI	17,011.063	11.51	195,797
	<u>5,003,013.383</u>		<u>\$ 117,362,763</u>
<b>ING UBS U.S. Large Cap Equity Portfolio - Initial Class</b>			
Currently payable annuity contracts:	103,927.624	\$13.58 to \$14.52	\$ 1,490,076
Contracts in accumulation period:			
ING Custom Choice 62	317.044	13.99	4,435
ING Custom Choice 65	42,867.681	12.91	553,422
Qualified V	739.311	18.74	13,855
Qualified VI	3,259,525.464	19.17	62,485,103
Qualified VII	60,397.233	16.25	981,455
Qualified VIII	8,229.871	16.16	132,995
Qualified IX	2,665.650	16.25	43,317
Qualified X (1.15)	91,910.633	19.43	1,785,824
Qualified X (1.25)	250,024.750	19.17	4,792,974
Qualified XII (0.05)	18,829.019	20.55	386,936
Qualified XII (0.25)	5,132.519	13.13	67,390
Qualified XII (0.35)	7,581.081	13.01	98,630
Qualified XII (0.40)	106,062.124	13.03	1,381,989
Qualified XII (0.45)	850.598	12.90	10,973
Qualified XII (0.50)	136,454.354	13.52	1,844,863
Qualified XII (0.55)	54,312.113	12.79	694,652
Qualified XII (0.60)	130,674.979	12.74	1,664,799
Qualified XII (0.65)	36,134.099	12.68	458,180
Qualified XII (0.70)	165,286.778	12.63	2,087,572
Qualified XII (0.75)	214,135.369	12.57	2,691,682
Qualified XII (0.80)	340,345.279	13.86	4,717,186
Qualified XII (0.85)	491,808.767	12.59	6,191,872
Qualified XII (0.90)	22,157.280	13.38	296,464
Qualified XII (0.95)	286,179.215	12.46	3,565,793
Qualified XII (1.00)	839,607.518	12.39	10,402,737
Qualified XII (1.05)	63,926.520	12.33	788,214
Qualified XII (1.10)	44,742.068	12.26	548,538
Qualified XII (1.15)	105,153.436	12.20	1,282,872
Qualified XII (1.20)	9,745.892	12.13	118,218

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**

**Notes to Financial Statements**

<b>Division/Contract</b>	<b>Units</b>	<b>Unit Value</b>	<b>Extended Value</b>
<b>ING UBS U.S. Large Cap Equity Portfolio - Initial Class (continued)</b>			
Qualified XII (1.25)	30,367.258	12.07	366,533
Qualified XII (1.30)	769.142	12.00	9,230
Qualified XII (1.35)	6,998.102	11.94	83,557
Qualified XII (1.40)	9,649.298	11.88	114,634
Qualified XII (1.45)	2,145.113	11.81	25,334
Qualified XII (1.50)	1,013.319	11.75	11,906
Qualified XV	14,727.646	19.76	291,018
Qualified XVI	78,042.881	18.71	1,460,182
Qualified XVII	41,846.478	19.17	802,197
Qualified XVIII	16,189.940	19.17	310,361
Qualified XIX	1,625.054	12.63	20,524
Qualified XX	1,317.200	16.62	21,892
Qualified XXI	33,806.872	19.99	675,799
Qualified XXV	7,356.109	19.78	145,504
Qualified XXVI	8,853.528	19.59	173,441
Qualified XXVII	754,937.881	18.47	13,943,703
Qualified XXVIII	129,701.819	18.41	2,387,810
Qualified XXIX	3,383.576	16.62	56,235
Qualified XXX	37,424.422	16.37	612,638
Qualified XXXII	90,207.948	14.31	1,290,876
Qualified XXXVI	68,910.263	13.09	902,035
	<u>8,238,998.118</u>		<u>\$ 135,288,425</u>
<b>ING UBS U.S. Large Cap Equity Portfolio - Service Class</b>			
Contracts in accumulation period:			
Qualified XII (1.00)	291.545	\$ 11.05	\$ 3,222
	<u>291.545</u>		<u>\$ 3,222</u>
<b>ING UBS U.S. Small Cap Growth Portfolio - Service Class</b>			
Contracts in accumulation period:			
Qualified VI	1,176.428	\$ 9.70	\$ 11,411
Qualified XII (0.40)	500.849	9.76	4,888
Qualified XII (0.70)	263.641	9.74	2,568
Qualified XII (0.80)	42.513	9.73	414
Qualified XII (0.95)	211.461	9.72	2,055
Qualified XII (1.00)	3.660	9.72	36
Qualified XII (1.10)	203.645	9.71	1,977
Qualified XII (1.25)	85.731	9.70	832
	<u>2,487.928</u>		<u>\$ 24,181</u>
<b>ING Van Kampen Comstock Portfolio - Adviser Class</b>			
Contracts in accumulation period:			
Qualified XXXV	12,566.406	\$ 11.98	\$ 150,546
	<u>12,566.406</u>		<u>\$ 150,546</u>

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**

**Notes to Financial Statements**

---

<b>Division/Contract</b>	<b>Units</b>	<b>Unit Value</b>	<b>Extended Value</b>
<b>ING Van Kampen Comstock Portfolio - Service Class</b>			
Currently payable annuity contracts:	136,588.008	\$13.23 to \$14.40	\$ 1,936,200
Contracts in accumulation period:			
ING Custom Choice 62	2,284.635	13.56	30,980
ING Custom Choice 65	5,086.270	12.38	62,968
ING MAP PLUS NP11	5,955.879	13.40	79,809
ING MAP PLUS NP13	739.332	13.36	9,877
ING MAP PLUS NP15	85,102.815	13.32	1,133,569
ING MAP PLUS NP16	3,629.985	13.30	48,279
ING MAP PLUS NP17	11,128.842	13.28	147,791
ING MAP PLUS NP18	1.932	13.27	26
ING MAP PLUS NP19	1,994.014	13.25	26,421
ING MAP PLUS NP21	2,483.852	13.21	32,812
ING MAP PLUS NP22	534.701	13.19	7,053
ING MAP PLUS NP23	1,198.448	13.17	15,784
ING MAP PLUS NP24	7,830.458	13.15	102,971
ING MAP PLUS NP26	6.069	13.11	80
ING MAP PLUS NP27	740.611	13.09	9,695
ING MAP PLUS NP28	508.196	13.07	6,642
ING MAP PLUS NP31	118.852	13.02	1,547
Qualified V	332.657	14.23	4,734
Qualified VI	2,244,782.203	14.34	32,190,177
Qualified X (1.15)	75,477.745	14.41	1,087,634
Qualified X (1.25)	309,788.235	14.34	4,442,363
Qualified XII (0.30)	75.225	14.99	1,128
Qualified XII (0.35)	191.322	14.96	2,862
Qualified XII (0.50)	152,559.877	14.85	2,265,514
Qualified XII (0.55)	12,798.634	14.82	189,676
Qualified XII (0.60)	59,420.660	14.78	878,237
Qualified XII (0.65)	11,448.961	14.75	168,872
Qualified XII (0.70)	77,053.146	14.71	1,133,452
Qualified XII (0.75)	98,981.393	14.68	1,453,047
Qualified XII (0.80)	317,132.789	14.65	4,645,995
Qualified XII (0.85)	210,807.045	14.61	3,079,891
Qualified XII (0.90)	35,209.656	14.58	513,357
Qualified XII (0.95)	215,373.387	14.54	3,131,529
Qualified XII (1.00)	1,327,633.675	14.51	19,263,965
Qualified XII (1.05)	63,369.117	14.48	917,585
Qualified XII (1.10)	15,118.898	14.44	218,317
Qualified XII (1.15)	24,864.254	14.41	358,294
Qualified XII (1.20)	8,121.132	14.37	116,701
Qualified XII (1.25)	71,554.798	14.34	1,026,096
Qualified XII (1.30)	458.363	14.31	6,559

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Notes to Financial Statements**

<b>Division/Contract</b>	<b>Units</b>	<b>Unit Value</b>	<b>Extended Value</b>
<b>ING Van Kampen Comstock</b>			
<b>Portfolio - Service Class (continued)</b>			
Qualified XII (1.35)	2,121.552	\$ 14.27	\$ 30,275
Qualified XII (1.40)	3,181.220	14.24	45,301
Qualified XII (1.45)	1,909.331	14.21	27,132
Qualified XII (1.50)	333.682	14.17	4,728
Qualified XV	5,138.477	14.54	74,713
Qualified XVI	25,346.649	14.17	359,162
Qualified XVII	11,327.713	14.34	162,439
Qualified XVIII	7,686.784	14.51	111,535
Qualified XXI	9,042.904	14.65	132,479
Qualified XXV	6,641.659	14.68	97,500
Qualified XXVI	1,221.848	14.58	17,815
Qualified XXVII	1,075,447.726	16.94	18,218,084
Qualified XXXII	5,024.504	14.10	70,846
Qualified XXXIII (0.40)	9,784.057	14.97	146,467
	<u>6,762,694.177</u>		<u>\$ 100,246,965</u>
<b>ING Van Kampen Equity and Income</b>			
<b>Portfolio - Adviser Class</b>			
Contracts in accumulation period:			
Qualified XXXV	1,884.238	\$ 11.38	\$ 21,443
	<u>1,884.238</u>		<u>\$ 21,443</u>
<b>ING Van Kampen Equity and Income</b>			
<b>Portfolio - Initial Class</b>			
Currently payable annuity contracts:	146,606.790	\$11.77 to \$11.98	\$ 1,750,160
Contracts in accumulation period:			
ING Custom Choice 62	79.975	11.89	951
ING Custom Choice 65	51,529.171	12.29	633,294
Qualified V	2,817.581	11.86	33,417
Qualified VI	11,899,869.560	11.89	141,489,449
Qualified VIII	14,815.102	11.89	176,152
Qualified X (1.15)	476,388.509	11.91	5,673,787
Qualified X (1.25)	1,328,864.013	11.89	15,800,193
Qualified XII (0.05)	113,897.743	12.63	1,438,528
Qualified XII (0.25)	773,134.008	12.12	9,370,384
Qualified XII (0.30)	132.285	12.11	1,602
Qualified XII (0.35)	39,629.106	12.09	479,116
Qualified XII (0.40)	1,425,457.167	12.48	17,789,705
Qualified XII (0.45)	182.851	12.07	2,207
Qualified XII (0.50)	534,406.104	12.50	6,680,076
Qualified XII (0.55)	175,934.551	12.05	2,120,011
Qualified XII (0.55)	725,802.761	12.05	8,745,923
Qualified XII (0.60)	408,718.376	12.04	4,920,969
Qualified XII (0.65)	372,013.750	12.03	4,475,325
Qualified XII (0.70)	439,900.816	12.02	5,287,608
Qualified XII (0.75)	958,188.313	12.00	11,498,260
Qualified XII (0.80)	1,370,748.633	12.42	17,024,698



**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Notes to Financial Statements**

<b>Division/Contract</b>	<b>Units</b>	<b>Unit Value</b>	<b>Extended Value</b>
<b>ING Van Kampen Equity and Income Portfolio - Initial Class (continued)</b>			
Qualified XII (0.85)	1,124,602.808	\$ 11.98	\$ 13,472,742
Qualified XII (0.90)	65,225.503	12.40	808,796
Qualified XII (0.95)	879,941.640	11.96	10,524,102
Qualified XII (1.00)	3,855,108.784	11.95	46,068,550
Qualified XII (1.05)	587,280.058	11.94	7,012,124
Qualified XII (1.10)	250,896.246	11.93	2,993,192
Qualified XII (1.15)	236,757.380	12.33	2,919,218
Qualified XII (1.20)	153,266.027	11.90	1,823,866
Qualified XII (1.25)	299,370.816	12.31	3,685,255
Qualified XII (1.30)	12,529.574	12.29	153,988
Qualified XII (1.35)	26,429.878	11.87	313,723
Qualified XII (1.40)	72,543.407	11.86	860,365
Qualified XII (1.45)	14,293.781	11.85	169,381
Qualified XII (1.50)	7,362.783	11.84	87,175
Qualified XV	43,020.431	11.96	514,524
Qualified XVI	278,531.436	11.84	3,297,812
Qualified XVII	7,472.714	11.89	88,851
Qualified XVIII	62,318.976	11.89	740,973
Qualified XXI	126,104.238	11.99	1,511,990
Qualified XXV	165,288.094	12.00	1,983,457
Qualified XXVI	43,012.533	11.97	514,860
Qualified XXVII	1,816,695.997	11.97	21,745,851
Qualified XXXII	35,175.378	11.89	418,235
Qualified XXXIII (0.65)	12,528.251	12.03	150,715
Qualified XXXVI	110,104.362	12.05	1,326,758
	<u>31,544,978.260</u>		<u>\$ 378,578,318</u>
<b>ING Van Kampen Equity and Income Portfolio - Service Class</b>			
Contracts in accumulation period:			
Qualified VI	0.071	\$ 38.19	\$ 3
Qualified X (1.25)	1,075.939	12.33	13,266
Qualified XII (0.60)	7.053	39.49	279
Qualified XII (1.00)	1,974.634	38.69	76,399
	<u>3,057.697</u>		<u>\$ 89,947</u>

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**

**Notes to Financial Statements**

---

<b>Division/Contract</b>	<b>Units</b>	<b>Unit Value</b>	<b>Extended Value</b>
<b>ING VP Strategic Allocation Conservative Portfolio - Class I</b>			
Currently payable annuity contracts:	63,701.150	\$11.45 to \$18.66	\$ 803,830
Contracts in accumulation period:			
ING Custom Choice 65	9,480.345	11.41	108,171
ING MAP PLUS NP5	1,602.849	11.84	18,978
ING MAP PLUS NP7	1,371.044	11.80	16,178
ING MAP PLUS NP10	2,805.146	11.75	32,960
ING MAP PLUS NP11	1,062.199	11.73	12,460
ING MAP PLUS NP12	16,506.637	11.72	193,458
ING MAP PLUS NP14	3,880.303	11.68	45,322
ING MAP PLUS NP15	130,557.726	11.67	1,523,609
ING MAP PLUS NP17	43.055	11.63	501
ING MAP PLUS NP18	5,185.584	11.61	60,205
ING MAP PLUS NP19	3,154.637	11.60	36,594
ING MAP PLUS NP20	16,615.292	11.58	192,405
ING MAP PLUS NP21	22,353.302	11.56	258,404
ING MAP PLUS NP22	1,240.731	11.55	14,330
ING MAP PLUS NP23	123.154	11.53	1,420
ING MAP PLUS NP24	1,334.323	11.51	15,358
ING MAP PLUS NP26	3,394.960	11.48	38,974
ING MAP PLUS NP28	1,693.654	11.45	19,392
ING MAP PLUS NP29	85.891	11.43	982
ING MAP PLUS NP30	2,336.729	11.41	26,662
Qualified V	97.314	18.33	1,784
Qualified VI	636,203.103	18.66	11,871,550
Qualified X (1.15)	52,255.043	18.96	990,756
Qualified X (1.25)	73,884.813	18.74	1,384,601
Qualified XII (0.00)	12.532	14.62	183
Qualified XII (0.05)	11,237.202	20.00	224,744
Qualified XII (0.25)	103.729	14.31	1,484
Qualified XII (0.35)	734.016	14.19	10,416
Qualified XII (0.40)	113,363.824	18.38	2,083,627
Qualified XII (0.45)	20.575	14.06	289
Qualified XII (0.50)	13,310.161	14.31	190,468
Qualified XII (0.55)	18,283.733	13.94	254,875
Qualified XII (0.60)	42,681.626	13.88	592,421
Qualified XII (0.65)	1,901.405	13.82	26,277
Qualified XII (0.70)	63,260.671	13.76	870,467
Qualified XII (0.75)	52,965.186	13.71	726,153
Qualified XII (0.80)	91,758.132	14.15	1,298,378
Qualified XII (0.85)	38,641.193	17.77	686,654
Qualified XII (0.90)	3,859.110	13.94	53,796
Qualified XII (0.95)	72,182.342	17.58	1,268,966

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**

**Notes to Financial Statements**

<b>Division/Contract</b>	<b>Units</b>	<b>Unit Value</b>	<b>Extended Value</b>
<b>ING VP Strategic Allocation Conservative Portfolio - Class I (continued)</b>			
Qualified XII (1.00)	316,488.780	\$ 17.48	\$ 5,532,224
Qualified XII (1.05)	40,537.876	17.39	704,954
Qualified XII (1.10)	47,213.138	17.30	816,787
Qualified XII (1.15)	42,794.223	17.21	736,489
Qualified XII (1.20)	6,302.834	17.12	107,905
Qualified XII (1.25)	13,450.414	17.03	229,061
Qualified XII (1.30)	4,061.920	16.94	68,809
Qualified XII (1.35)	63.928	16.85	1,077
Qualified XII (1.40)	7,952.739	16.76	133,288
Qualified XII (1.45)	917.312	16.67	15,292
Qualified XII (1.50)	248.995	16.58	4,128
Qualified XV	786.530	19.23	15,125
Qualified XVI	17,521.766	18.21	319,071
Qualified XVII	12,396.304	19.30	239,249
Qualified XVIII	32,993.510	19.38	639,414
Qualified XXI	4,794.604	19.45	93,255
Qualified XXV	6,555.385	19.44	127,437
Qualified XXVI	1,084.561	19.25	20,878
Qualified XXVII	97,184.222	18.96	1,842,613
Qualified XXVIII	91,489.524	18.90	1,729,152
Qualified XXXII	6,496.775	11.91	77,377
Qualified XXXIII (0.65)	2,573.615	12.76	32,839
Qualified XXXVI	6,007.208	12.84	77,133
	<u>2,335,200.584</u>		<u>\$ 39,521,639</u>
<b>ING VP Strategic Allocation Growth Portfolio - Class I</b>			
Currently payable annuity contracts:	34,303.790	\$11.07 to \$14.31	\$ 457,511
Contracts in accumulation period:			
ING Custom Choice 65	25,405.580	12.44	316,045
ING MAP PLUS NP5	6,443.870	13.06	84,157
ING MAP PLUS NP7	553.457	13.03	7,212
ING MAP PLUS NP10	2,126.625	12.97	27,582
ING MAP PLUS NP11	27,295.776	12.95	353,480
ING MAP PLUS NP12	19,123.035	12.93	247,261
ING MAP PLUS NP13	3,746.308	12.91	48,365
ING MAP PLUS NP14	1,961.871	12.89	25,289
ING MAP PLUS NP15	15,013.627	12.88	193,376
ING MAP PLUS NP17	242.455	12.84	3,113
ING MAP PLUS NP18	201.051	12.82	2,577
ING MAP PLUS NP19	3,942.419	12.80	50,463
ING MAP PLUS NP20	32,721.406	12.78	418,180
ING MAP PLUS NP21	35,524.415	12.76	453,292

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**

**Notes to Financial Statements**

---

<b>Division/Contract</b>	<b>Units</b>	<b>Unit Value</b>	<b>Extended Value</b>
<b>ING VP Strategic Allocation Growth</b>			
<b>Portfolio - Class I (continued)</b>			
ING MAP PLUS NP22	2,306.641	12.75	29,410
ING MAP PLUS NP23	948.706	12.73	12,077
ING MAP PLUS NP26	3,894.470	12.67	49,343
ING MAP PLUS NP28	5,631.639	12.64	71,184
ING MAP PLUS NP29	29.113	12.62	367
ING MAP PLUS NP30	1,408.365	12.60	17,745
Qualified V	235.971	20.48	4,833
Qualified VI	1,757,978.867	20.86	36,671,439
Qualified VIII	8.582	20.84	179
Qualified X (1.15)	75,152.543	21.70	1,630,810
Qualified X (1.25)	166,555.181	21.45	3,572,609
Qualified XII (0.00)	0.877	13.85	12
Qualified XII (0.05)	7,998.067	22.35	178,757
Qualified XII (0.25)	1,440.266	13.55	19,516
Qualified XII (0.35)	8,061.404	13.44	108,345
Qualified XII (0.40)	136,574.671	19.79	2,702,813
Qualified XII (0.50)	38,454.312	13.73	527,978
Qualified XII (0.55)	58,054.233	13.21	766,896
Qualified XII (0.60)	49,500.729	13.15	650,935
Qualified XII (0.65)	7,638.429	13.10	100,063
Qualified XII (0.70)	181,503.643	13.04	2,366,808
Qualified XII (0.75)	190,980.989	12.98	2,478,933
Qualified XII (0.80)	191,012.443	13.75	2,626,421
Qualified XII (0.85)	115,492.382	19.13	2,209,369
Qualified XII (0.90)	24,534.695	13.44	329,746
Qualified XII (0.95)	114,464.740	18.93	2,166,818
Qualified XII (1.00)	596,799.537	18.83	11,237,735
Qualified XII (1.05)	163,468.247	18.73	3,061,760
Qualified XII (1.10)	72,441.440	18.63	1,349,584
Qualified XII (1.15)	88,680.193	18.53	1,643,244
Qualified XII (1.20)	21,194.227	18.43	390,610
Qualified XII (1.25)	38,767.286	18.33	710,604
Qualified XII (1.30)	9,355.861	18.24	170,651
Qualified XII (1.35)	186.819	18.14	3,389
Qualified XII (1.40)	11,759.899	18.04	212,149
Qualified XII (1.45)	513.897	17.95	9,224
Qualified XII (1.50)	2,872.387	17.85	51,272
Qualified XV	4,908.394	21.49	105,481
Qualified XVI	33,504.153	20.35	681,810
Qualified XVIII	5,087.015	22.18	112,830
Qualified XXI	11,975.285	21.74	260,343
Qualified XXII	1,446.195	22.10	31,961
Qualified XXV	7,253.322	21.72	157,542
Qualified XXVI	319.774	21.51	6,878

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**

**Notes to Financial Statements**

<b>Division/Contract</b>	<b>Units</b>	<b>Unit Value</b>	<b>Extended Value</b>
<b>ING VP Strategic Allocation Growth</b>			
<b>Portfolio - Class I (continued)</b>			
Qualified XXVII	136,097.245	\$ 21.18	\$ 2,882,540
Qualified XXVIII	149,556.178	21.12	3,158,626
Qualified XXXII	6,724.487	13.37	89,906
Qualified XXXIII (0.65)	515.920	13.67	7,053
Qualified XXXVI	20,364.390	13.75	280,010
	<u>4,732,259.794</u>		<u>\$ 88,596,511</u>
<b>ING VP Strategic Allocation Moderate Portfolio - Class I</b>			
Currently payable annuity contracts:	75,472.849	\$11.34 to \$13.90	\$ 968,791
Contracts in accumulation period:			
ING Custom Choice 65	15,611.647	11.94	186,403
ING MAP PLUS NP5	3,676.170	12.47	45,842
ING MAP PLUS NP7	37.780	12.43	470
ING MAP PLUS NP10	959.821	12.38	11,883
ING MAP PLUS NP11	9,582.998	12.36	118,446
ING MAP PLUS NP12	22,537.241	12.34	278,110
ING MAP PLUS NP13	4,630.539	12.32	57,048
ING MAP PLUS NP14	12,744.275	12.31	156,882
ING MAP PLUS NP15	57,009.524	12.29	700,647
ING MAP PLUS NP17	603.167	12.25	7,389
ING MAP PLUS NP18	26,738.758	12.23	327,015
ING MAP PLUS NP19	301.633	12.22	3,686
ING MAP PLUS NP20	26,620.772	12.20	324,773
ING MAP PLUS NP21	18,041.699	12.18	219,748
ING MAP PLUS NP22	3,947.479	12.16	48,001
ING MAP PLUS NP23	1,518.030	12.15	18,444
ING MAP PLUS NP26	29,895.080	12.09	361,432
ING MAP PLUS NP28	6,388.105	12.06	77,041
ING MAP PLUS NP29	20.808	12.04	251
ING MAP PLUS NP30	3,011.177	12.02	36,194
Qualified V	357.357	19.18	6,854
Qualified VI	1,391,337.693	19.53	27,172,825
Qualified X (1.15)	46,989.308	20.22	950,124
Qualified X (1.25)	145,254.571	19.99	2,903,639
Qualified XII (0.00)	71.075	14.03	997
Qualified XII (0.05)	15,919.850	20.93	333,202
Qualified XII (0.25)	747.689	13.73	10,266
Qualified XII (0.35)	3,904.937	13.61	53,146
Qualified XII (0.40)	340,525.442	18.84	6,415,499
Qualified XII (0.45)	33.551	13.49	453
Qualified XII (0.50)	94,487.320	13.83	1,306,760
Qualified XII (0.55)	41,633.453	13.38	557,056
Qualified XII (0.60)	69,643.102	13.32	927,646
Qualified XII (0.65)	3,365.299	13.26	44,624
Qualified XII (0.70)	169,716.614	13.21	2,241,956

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**

**Notes to Financial Statements**

---

<b>Division/Contract</b>	<b>Units</b>	<b>Unit Value</b>	<b>Extended Value</b>
<b>ING VP Strategic Allocation Moderate Portfolio - Class I (continued)</b>			
Qualified XII (0.75)	188,885.754	\$ 13.15	\$ 2,483,848
Qualified XII (0.80)	205,513.861	13.81	2,838,146
Qualified XII (0.85)	75,524.257	18.21	1,375,297
Qualified XII (0.90)	11,345.467	13.52	153,391
Qualified XII (0.95)	139,533.606	18.02	2,514,396
Qualified XII (1.00)	534,641.272	17.92	9,580,772
Qualified XII (1.05)	352,445.446	17.83	6,284,102
Qualified XII (1.10)	67,304.623	17.73	1,193,311
Qualified XII (1.15)	95,782.842	17.64	1,689,609
Qualified XII (1.20)	18,293.563	17.54	320,869
Qualified XII (1.25)	39,860.600	17.45	695,567
Qualified XII (1.30)	11,053.098	17.36	191,882
Qualified XII (1.35)	1,035.442	17.27	17,882
Qualified XII (1.40)	24,061.220	17.17	413,131
Qualified XII (1.45)	983.656	17.08	16,801
Qualified XII (1.50)	3,433.815	16.99	58,341
Qualified XV	3,356.068	20.13	67,558
Qualified XVI	29,784.278	19.06	567,688
Qualified XVIII	15,275.095	20.67	315,736
Qualified XXI	6,465.686	20.36	131,641
Qualified XXII	509.130	20.69	10,534
Qualified XXV	2,698.690	20.34	54,891
Qualified XXVI	309.627	20.15	6,239
Qualified XXVII	129,551.761	19.84	2,570,307
Qualified XXVIII	112,329.618	19.78	2,221,880
Qualified XXXII	3,127.985	12.66	39,600
Qualified XXXIII (0.65)	528.832	13.23	6,996
Qualified XXXVI	8,875.384	13.31	118,131
	<u>4,725,847.489</u>		<u>\$ 82,812,089</u>

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**

**Notes to Financial Statements**

---

<b>Division/Contract</b>	<b>Units</b>	<b>Unit Value</b>	<b>Extended Value</b>
<b>ING VP Growth and Income Portfolio - Class I</b>			
Currently payable annuity contracts:	1,654,381.262	\$12.65 to \$325.50	\$ 153,704,252
Contracts in accumulation period:			
ING Custom Choice 62	2,407.291	13.21	31,800
ING Custom Choice 65	332,591.332	12.72	4,230,562
Qualified I	35,616.029	317.14	11,295,267
Qualified V	830.305	24.15	20,052
Qualified VI	34,440,079.050	24.52	844,470,738
Qualified VII	2,999,205.537	23.23	69,671,545
Qualified VIII	39,238.335	22.75	892,672
Qualified IX	6,422.819	23.72	152,349
Qualified X (1.15)	1,034,648.087	24.84	25,700,658
Qualified X (1.25)	5,131,357.707	24.52	125,820,891
Qualified XII (0.05)	171,207.929	26.27	4,497,632
Qualified XII (0.25)	75,267.551	10.76	809,879
Qualified XII (0.35)	152,431.424	10.67	1,626,443
Qualified XII (0.40)	232,597.929	17.51	4,072,790
Qualified XII (0.45)	3,604.807	10.57	38,103
Qualified XII (0.50)	1,720,871.648	11.06	19,032,840
Qualified XII (0.55)	668,812.573	10.48	7,009,156
Qualified XII (0.60)	1,860,530.970	10.44	19,423,943
Qualified XII (0.65)	148,346.258	10.39	1,541,318
Qualified XII (0.70)	1,310,593.063	10.35	13,564,638
Qualified XII (0.75)	2,472,116.819	10.30	25,462,803
Qualified XII (0.80)	4,061,970.944	11.25	45,697,173
Qualified XII (0.85)	3,838,456.216	16.93	64,985,064
Qualified XII (0.90)	338,057.804	10.86	3,671,308
Qualified XII (0.95)	1,400,434.451	16.75	23,457,277
Qualified XII (1.00)	7,001,728.107	16.66	116,648,790
Qualified XII (1.05)	519,176.293	16.57	8,602,751
Qualified XII (1.10)	325,909.065	16.48	5,370,981
Qualified XII (1.15)	895,372.414	16.40	14,684,108
Qualified XII (1.20)	63,530.462	16.31	1,036,182
Qualified XII (1.25)	120,422.183	16.22	1,953,248
Qualified XII (1.30)	3,227.621	16.14	52,094
Qualified XII (1.35)	861.399	16.05	13,825
Qualified XII (1.40)	47,214.456	15.97	754,015
Qualified XII (1.45)	600.214	15.88	9,531
Qualified XII (1.50)	8,084.828	15.80	127,740
Qualified XV	282,822.727	25.27	7,146,930
Qualified XVI	629,335.834	23.93	15,060,007
Qualified XVII	1,838,625.238	25.11	46,167,880
Qualified XVIII	2,113,961.550	25.11	53,081,575

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**

**Notes to Financial Statements**

<b>Division/Contract</b>	<b>Units</b>	<b>Unit Value</b>	<b>Extended Value</b>
<b>ING VP Growth and Income Portfolio - Class I (continued)</b>			
Qualified XIX	13,075.338	\$ 324.81	\$ 4,247,001
Qualified XX	43,234.043	245.94	10,632,981
Qualified XXI	212,795.532	25.56	5,439,054
Qualified XXII	782.940	25.98	20,341
Qualified XXV	93,221.499	25.53	2,379,945
Qualified XXVI	62,501.052	25.29	1,580,652
Qualified XXVII	618,830.730	243.92	150,945,192
Qualified XXVIII	9,645.382	243.15	2,345,275
Qualified XXIX	1,683.188	240.13	404,184
Qualified XXX	33,995.677	236.51	8,040,318
Qualified XXXII	582,194.564	13.48	7,847,983
Qualified XXXVI	405,586.532	11.92	4,834,591
	<u>80,060,497.008</u>		<u>\$ 1,940,308,327</u>
<b>ING GET U.S. Core Portfolio - Series 1</b>			
Contracts in accumulation period:			
Qualified XXVII	88,766.236	\$ 11.21	\$ 995,070
	<u>88,766.236</u>		<u>\$ 995,070</u>
<b>ING GET U.S. Core Portfolio - Series 2</b>			
Contracts in accumulation period:			
Qualified VI	99,429.380	\$ 10.71	\$ 1,064,889
Qualified XII (0.80)	52,875.052	10.86	574,223
Qualified XII (0.95)	0.569	10.81	6
Qualified XII (1.00)	331,745.861	10.79	3,579,538
Qualified XII (1.10)	3,209.218	10.75	34,499
Qualified XVII	15,326.003	10.71	164,141
Qualified XXVII	49,214.985	10.79	531,030
Qualified XXVIII	152,649.420	10.86	1,657,773
	<u>704,450.488</u>		<u>\$ 7,606,099</u>
<b>ING GET U.S. Core Portfolio - Series 3</b>			
Contracts in accumulation period:			
Qualified VI	764,104.947	\$ 10.38	\$ 7,931,409
Qualified X (1.15)	152,063.184	10.31	1,567,771
Qualified X (1.25)	335,113.421	10.36	3,471,775
Qualified XII (0.80)	256,691.511	10.51	2,697,828
Qualified XII (0.85)	25,931.715	10.49	272,024
Qualified XII (0.95)	7,176.554	10.46	75,067
Qualified XII (1.00)	351,132.245	10.44	3,665,821
Qualified XII (1.10)	5,457.886	10.41	56,817
Qualified XII (1.15)	75,021.959	10.39	779,478
Qualified XVI	638.045	10.30	6,572
Qualified XVIII	44,292.267	10.32	457,096
Qualified XXVII	610,185.211	10.46	6,382,537
Qualified XXVIII	25,106.795	10.52	264,123
Qualified XXXII	25,129.766	10.31	259,088
	<u>2,678,045.506</u>		<u>\$ 27,887,406</u>



**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**

**Notes to Financial Statements**

<b>Division/Contract</b>	<b>Units</b>	<b>Unit Value</b>	<b>Extended Value</b>
<b>ING GET U.S. Core Portfolio - Series 5</b>			
Contracts in accumulation period:			
Qualified X (1.15)	7,114.285	\$ 11.55	\$ 82,170
Qualified X (1.25)	33,373.288	11.55	385,461
Qualified XXXII	18,831.804	11.55	217,507
	<u>59,319.377</u>		<u>\$ 685,138</u>
<b>ING GET U.S. Core Portfolio - Series 6</b>			
Contracts in accumulation period:			
Qualified X (1.15)	129,908.932	\$ 11.04	\$ 1,434,195
Qualified X (1.25)	161,311.047	11.04	1,780,874
Qualified XVIII	36,871.169	11.05	407,426
Qualified XXXII	27,929.940	11.04	308,347
	<u>356,021.088</u>		<u>\$ 3,930,842</u>
<b>ING GET U.S. Core Portfolio - Series 7</b>			
Contracts in accumulation period:			
Qualified X (1.15)	60,355.727	\$ 10.90	\$ 657,877
Qualified X (1.25)	64,693.084	10.90	705,155
Qualified XVIII	48,321.915	10.91	527,192
Qualified XXVII	102,658.367	11.01	1,130,269
Qualified XXVIII	43,666.426	11.05	482,514
Qualified XXXII	4,824.586	10.90	52,588
	<u>324,520.105</u>		<u>\$ 3,555,595</u>
<b>ING GET U.S. Core Portfolio - Series 8</b>			
Contracts in accumulation period:			
Qualified X (1.15)	42,568.132	\$ 10.99	\$ 467,824
Qualified X (1.25)	68,002.849	10.98	746,671
Qualified XVIII	25,851.720	10.99	284,110
Qualified XXXII	764.398	10.98	8,393
	<u>137,187.099</u>		<u>\$ 1,506,998</u>
<b>ING GET U.S. Core Portfolio - Series 9</b>			
Contracts in accumulation period:			
Qualified X (1.15)	3,405.527	\$ 10.79	\$ 36,746
Qualified X (1.25)	11,216.478	10.79	121,026
Qualified XVIII	781.930	10.80	8,445
Qualified XXXII	150.875	10.79	1,628
	<u>15,554.810</u>		<u>\$ 167,845</u>

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**

**Notes to Financial Statements**

<u>Division/Contract</u>	<u>Units</u>	<u>Unit Value</u>	<u>Extended Value</u>
<b>ING GET U.S. Core Portfolio - Series 10</b>			
Contracts in accumulation period:			
Qualified X (1.25)	7,036.925	\$ 10.76	\$ 75,717
	<u>7,036.925</u>		<u>\$ 75,717</u>
<b>ING GET U.S. Core Portfolio - Series 11</b>			
Contracts in accumulation period:			
Qualified X (1.15)	141.322	\$ 10.62	\$ 1,501
Qualified X (1.25)	4,278.845	10.62	45,441
	<u>4,420.167</u>		<u>\$ 46,942</u>
<b>ING VP Global Science and Technology Portfolio - Class I</b>			
Contracts in accumulation period:			
ING Custom Choice 65	5,338.093	\$ 13.50	\$ 72,064
ING MAP PLUS NP6	428.455	11.37	4,872
ING MAP PLUS NP13	1,682.537	11.26	18,945
ING MAP PLUS NP14	952.948	11.24	10,711
ING MAP PLUS NP15	2,565.815	11.23	28,814
ING MAP PLUS NP19	41.918	11.16	468
ING MAP PLUS NP21	1,613.524	11.13	17,959
ING MAP PLUS NP22	83.775	11.11	931
ING MAP PLUS NP26	403.401	11.05	4,458
ING MAP PLUS NP28	403.913	11.02	4,451
ING MAP PLUS NP30	133.611	10.99	1,468
Qualified V	2,125.261	4.17	8,862
Qualified VI	3,308,839.615	4.21	13,930,215
Qualified VIII	1,744.466	4.21	7,344
Qualified X (1.15)	57,633.540	4.24	244,366
Qualified X (1.25)	198,802.439	4.21	836,958
Qualified XII (0.05)	102,088.632	4.46	455,315
Qualified XII (0.50)	171,422.474	4.43	759,402
Qualified XII (0.55)	145,211.524	4.41	640,383
Qualified XII (0.60)	131,548.839	4.40	578,815
Qualified XII (0.65)	57,695.614	4.38	252,707
Qualified XII (0.70)	253,575.263	4.37	1,108,124
Qualified XII (0.75)	182,138.749	4.35	792,304
Qualified XII (0.80)	837,706.210	4.34	3,635,645
Qualified XII (0.85)	356,502.406	4.33	1,543,655

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**

**Notes to Financial Statements**

<b>Division/Contract</b>	<b>Units</b>	<b>Unit Value</b>	<b>Extended Value</b>
<b>ING VP Global Science and Technology</b>			
<b>Portfolio - Class I (continued)</b>			
Qualified XII (0.90)	28,216.522	\$ 4.31	\$ 121,613
Qualified XII (0.95)	327,408.435	4.30	1,407,856
Qualified XII (1.00)	1,025,967.208	4.28	4,391,140
Qualified XII (1.05)	95,516.150	4.27	407,854
Qualified XII (1.10)	43,128.031	4.25	183,294
Qualified XII (1.15)	39,142.323	4.24	165,963
Qualified XII (1.20)	31,230.501	4.23	132,105
Qualified XII (1.25)	63,626.691	4.21	267,868
Qualified XII (1.30)	2,696.940	4.20	11,327
Qualified XII (1.35)	17,621.993	4.18	73,660
Qualified XII (1.40)	17,078.173	4.17	71,216
Qualified XII (1.45)	2,056.234	4.15	8,533
Qualified XV	18,223.263	4.30	78,360
Qualified XVI	62,466.027	4.14	258,609
Qualified XVII	5,138.645	4.28	21,993
Qualified XVIII	7,537.923	4.28	32,262
Qualified XXI	174,065.795	4.34	755,446
Qualified XXV	29,731.847	4.39	130,523
Qualified XXVI	16,968.225	4.35	73,812
Qualified XXVII	914,445.833	4.19	3,831,528
Qualified XXXII	1,524.686	11.69	17,824
Qualified XXXVI	18,424.676	10.55	194,380
	<u>8,762,899.143</u>		<u>\$ 37,596,402</u>
<b>ING VP Growth Portfolio - Class I</b>			
Currently payable annuity contracts:	34,318.852	\$5.88 to \$15.66	\$ 274,423
Contracts in accumulation period:			
ING Custom Choice 65	14,155.118	11.91	168,587
Qualified VI	1,719,952.037	15.66	26,934,449
Qualified VIII	413.492	15.65	6,471
Qualified X (1.15)	49,338.044	15.82	780,528
Qualified X (1.25)	201,088.744	15.66	3,149,050
Qualified XII (0.05)	11,751.118	16.77	197,066
Qualified XII (0.25)	55,349.996	10.88	602,208
Qualified XII (0.35)	10,257.468	10.79	110,678
Qualified XII (0.40)	398,447.862	16.86	6,717,831
Qualified XII (0.45)	77.848	10.69	832
Qualified XII (0.50)	47,257.802	11.51	543,937
Qualified XII (0.55)	47,597.057	10.60	504,529
Qualified XII (0.60)	98,724.952	10.56	1,042,535
Qualified XII (0.65)	6,795.475	10.51	71,420
Qualified XII (0.70)	153,980.472	10.46	1,610,636

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**

**Notes to Financial Statements**

---

<b>Division/Contract</b>	<b>Units</b>	<b>Unit Value</b>	<b>Extended Value</b>
<b>ING VP Growth Portfolio - Class I (continued)</b>			
Qualified XII (0.75)	177,702.256	\$ 10.42	\$ 1,851,658
Qualified XII (0.80)	225,635.723	11.81	2,664,758
Qualified XII (0.85)	121,661.649	16.28	1,980,652
Qualified XII (0.90)	18,563.510	11.40	211,624
Qualified XII (0.95)	108,160.063	16.13	1,744,622
Qualified XII (1.00)	626,000.576	16.05	10,047,309
Qualified XII (1.05)	44,795.622	15.97	715,386
Qualified XII (1.10)	37,483.734	15.89	595,617
Qualified XII (1.15)	35,322.186	15.82	558,797
Qualified XII (1.20)	8,251.899	15.74	129,885
Qualified XII (1.25)	29,334.173	15.66	459,373
Qualified XII (1.30)	1,265.922	15.59	19,736
Qualified XII (1.35)	1,102.128	15.51	17,094
Qualified XII (1.40)	9,698.695	15.44	149,748
Qualified XII (1.45)	2,545.820	15.36	39,104
Qualified XII (1.50)	787.177	15.29	12,036
Qualified XV	8,632.565	16.13	139,243
Qualified XVI	46,140.519	15.29	705,489
Qualified XVII	5,053.368	15.66	79,136
Qualified XVIII	27,319.257	16.20	442,572
Qualified XXI	28,119.169	16.31	458,624
Qualified XXV	10,771.849	16.31	175,689
Qualified XXVI	11,842.015	16.16	191,367
Qualified XXVII	224,524.585	5.91	1,326,940
Qualified XXXII	6,557.334	11.97	78,491
Qualified XXXVI	31,573.529	10.47	330,575
	<u>4,698,351.660</u>		<u>\$ 67,840,705</u>

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**

**Notes to Financial Statements**

---

<b>Division/Contract</b>	<b>Units</b>	<b>Unit Value</b>	<b>Extended Value</b>
<b>ING VP Index Plus LargeCap Portfolio - Class I</b>			
Currently payable annuity contracts:	378,449.912	\$9.36 to \$21.84	\$ 5,227,532
Contracts in accumulation period:			
ING Custom Choice 62	7,394.000	13.15	97,231
ING Custom Choice 65	88,681.984	12.60	1,117,393
ING MAP PLUS NP5	7,718.764	12.89	99,495
ING MAP PLUS NP6	2,782.763	12.87	35,814
ING MAP PLUS NP7	2,444.481	12.86	31,436
ING MAP PLUS NP9	7,766.627	12.82	99,568
ING MAP PLUS NP10	11,170.016	12.80	142,976
ING MAP PLUS NP11	2,490.466	12.78	31,828
ING MAP PLUS NP13	9,357.167	12.74	119,210
ING MAP PLUS NP14	17,467.497	12.73	222,361
ING MAP PLUS NP15	12,614.859	12.71	160,335
ING MAP PLUS NP16	1,413.502	12.69	17,937
ING MAP PLUS NP17	4,709.556	12.67	59,670
ING MAP PLUS NP18	5,307.014	12.65	67,134
ING MAP PLUS NP20	27,897.310	12.62	352,064
ING MAP PLUS NP21	9,138.968	12.60	115,151
ING MAP PLUS NP23	4,005.103	12.56	50,304
ING MAP PLUS NP24	310.734	12.54	3,897
ING MAP PLUS NP26	1,752.661	12.51	21,926
ING MAP PLUS NP27	563.027	12.49	7,032
ING MAP PLUS NP28	10,853.128	12.47	135,339
ING MAP PLUS NP29	17.687	12.45	220
ING MAP PLUS NP30	347.790	12.43	4,323
ING MAP PLUS NP32	183.685	12.40	2,278
Qualified V	73.470	21.48	1,578
Qualified VI	9,473,650.825	21.84	206,904,534
Qualified VIII	3,887.137	21.82	84,817
Qualified X (1.15)	278,461.435	22.06	6,142,859
Qualified X (1.25)	887,824.289	21.84	19,390,082
Qualified XII (0.05)	230,630.013	23.40	5,396,742
Qualified XII (0.25)	246,213.864	14.26	3,511,010
Qualified XII (0.35)	46,236.236	14.14	653,780
Qualified XII (0.40)	518,308.445	23.55	12,206,164
Qualified XII (0.45)	730.287	14.02	10,239
Qualified XII (0.50)	342,527.868	14.85	5,086,539
Qualified XII (0.55)	356,780.897	13.90	4,959,254
Qualified XII (0.60)	380,672.258	13.84	5,268,504
Qualified XII (0.65)	112,469.038	13.78	1,549,823
Qualified XII (0.70)	580,790.386	13.72	7,968,444
Qualified XII (0.75)	837,325.649	13.66	11,437,868
Qualified XII (0.80)	1,941,934.812	15.18	29,478,570

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**

**Notes to Financial Statements**

---

<b>Division/Contract</b>	<b>Units</b>	<b>Unit Value</b>	<b>Extended Value</b>
<b>ING VP Index Plus LargeCap Portfolio - Class I (continued)</b>			
Qualified XII (0.85)	790,125.331	\$ 22.75	\$ 17,975,351
Qualified XII (0.90)	135,541.124	14.60	1,978,900
Qualified XII (0.95)	597,206.435	22.52	13,449,089
Qualified XII (1.00)	3,772,711.547	22.41	84,546,466
Qualified XII (1.05)	254,587.252	22.29	5,674,750
Qualified XII (1.10)	138,038.489	22.18	3,061,694
Qualified XII (1.15)	312,929.750	22.06	6,903,230
Qualified XII (1.20)	70,760.651	21.95	1,553,196
Qualified XII (1.25)	145,258.652	21.84	3,172,449
Qualified XII (1.30)	8,143.631	21.72	176,880
Qualified XII (1.35)	3,078.073	21.61	66,517
Qualified XII (1.40)	34,684.918	21.50	745,726
Qualified XII (1.45)	5,695.347	21.39	121,823
Qualified XII (1.50)	4,509.837	21.28	95,969
Qualified XV	40,434.648	22.50	909,780
Qualified XVI	147,958.606	21.31	3,152,998
Qualified XVII	50,558.546	22.05	1,114,816
Qualified XVIII	52,004.689	22.58	1,174,266
Qualified XXI	136,755.645	22.76	3,112,558
Qualified XXV	27,690.940	22.74	629,692
Qualified XXVI	23,164.257	22.53	521,891
Qualified XXVII	2,024,732.884	22.18	44,908,575
Qualified XXVIII	606,506.501	22.11	13,409,859
Qualified XXXII	51,799.436	13.36	692,040
Qualified XXXIII (0.65)	7,330.585	12.71	93,172
Qualified XXXVI	153,886.494	12.79	1,968,208
	<u>26,449,449.878</u>		<u>\$ 539,483,156</u>
<b>ING VP Index Plus LargeCap Portfolio - Class S</b>			
Contracts in accumulation period:			
Qualified XXXV	606.875	\$ 11.63	\$ 7,058
	<u>606.875</u>		<u>\$ 7,058</u>

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**

**Notes to Financial Statements**

---

<b>Division/Contract</b>	<b>Units</b>	<b>Unit Value</b>	<b>Extended Value</b>
<b>ING VP Index Plus MidCap Portfolio - Class I</b>			
Currently payable annuity contracts:	103,886.205	\$ 13.87	\$ 1,440,902
Contracts in accumulation period:			
ING Custom Choice 62	6,753.913	13.88	93,744
ING Custom Choice 65	65,711.292	12.68	833,219
ING MAP PLUS NP5	6,879.769	13.64	93,840
ING MAP PLUS NP6	2,102.761	13.62	28,640
ING MAP PLUS NP7	882.595	13.60	12,003
ING MAP PLUS NP8	15,677.063	13.58	212,895
ING MAP PLUS NP9	84.055	13.56	1,140
ING MAP PLUS NP10	1,630.066	13.54	22,071
ING MAP PLUS NP11	659.044	13.52	8,910
ING MAP PLUS NP12	11,909.153	13.50	160,774
ING MAP PLUS NP14	3,033.205	13.46	40,827
ING MAP PLUS NP15	4,334.929	13.44	58,261
ING MAP PLUS NP16	459.250	13.42	6,163
ING MAP PLUS NP17	2,580.789	13.40	34,583
ING MAP PLUS NP18	3,078.912	13.38	41,196
ING MAP PLUS NP21	1,285.328	13.33	17,133
ING MAP PLUS NP22	19.908	13.31	265
ING MAP PLUS NP23	884.496	13.29	11,755
ING MAP PLUS NP24	3,846.425	13.27	51,042
ING MAP PLUS NP26	1,682.824	13.23	22,264
ING MAP PLUS NP28	3,238.140	13.19	42,711
ING MAP PLUS NP29	6,554.904	13.17	86,328
ING MAP PLUS NP30	2,417.657	13.15	31,792
ING MAP PLUS NP32	1,309.780	13.11	17,171
Qualified V	1,456.151	21.99	32,021
Qualified VI	5,155,750.263	22.30	114,973,231
Qualified VIII	1,674.739	22.28	37,313
Qualified X (1.15)	126,099.167	22.49	2,835,970
Qualified X (1.25)	419,126.696	22.30	9,346,525
Qualified XII (0.05)	190,581.714	23.79	4,533,939
Qualified XII (0.15)	19,631.843	25.09	492,563
Qualified XII (0.25)	179,476.567	24.88	4,465,377
Qualified XII (0.35)	36,706.700	24.66	905,187
Qualified XII (0.40)	247,354.229	23.93	5,919,187
Qualified XII (0.50)	432,042.956	23.80	10,282,622
Qualified XII (0.55)	167,492.509	24.24	4,060,018
Qualified XII (0.60)	136,774.504	24.14	3,301,737
Qualified XII (0.65)	136,329.493	24.03	3,275,998
Qualified XII (0.70)	270,615.180	23.93	6,475,821
Qualified XII (0.75)	327,731.893	23.83	7,809,851

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**

**Notes to Financial Statements**

<b>Division/Contract</b>	<b>Units</b>	<b>Unit Value</b>	<b>Extended Value</b>
<b>ING VP Index Plus MidCap Portfolio - Class I (continued)</b>			
Qualified XII (0.80)	1,786,510.885	\$ 23.18	\$ 41,411,322
Qualified XII (0.85)	509,522.790	23.08	11,759,786
Qualified XII (0.90)	67,608.710	22.98	1,553,648
Qualified XII (0.95)	1,799,490.764	22.88	41,172,349
Qualified XII (1.00)	2,003,739.432	22.78	45,645,184
Qualified XII (1.05)	229,461.419	22.69	5,206,480
Qualified XII (1.10)	103,878.421	22.59	2,346,614
Qualified XII (1.15)	180,400.760	22.49	4,057,213
Qualified XII (1.20)	55,277.403	22.39	1,237,661
Qualified XII (1.25)	149,157.791	22.30	3,326,219
Qualified XII (1.30)	4,107.359	22.20	91,183
Qualified XII (1.35)	10,235.322	22.10	226,201
Qualified XII (1.40)	33,680.064	22.01	741,298
Qualified XII (1.45)	8,063.915	21.91	176,680
Qualified XII (1.50)	5,352.767	21.82	116,797
Qualified XV	18,171.133	22.88	415,756
Qualified XVI	98,978.752	21.82	2,159,716
Qualified XVII	12,981.960	22.30	289,498
Qualified XVIII	22,950.132	22.30	511,788
Qualified XXI	62,234.035	23.15	1,440,718
Qualified XXV	39,559.963	23.22	918,582
Qualified XXVI	35,739.229	23.00	822,002
Qualified XXVII	1,947,853.569	23.58	45,930,387
Qualified XXVIII	1,110,554.572	23.50	26,098,032
Qualified XXXII	13,482.803	13.90	187,411
Qualified XXXIII (0.65)	6,135.805	16.35	100,320
Qualified XXXVI	102,803.884	16.45	1,691,124
	<u>18,517,680.706</u>		<u>\$ 421,750,958</u>
<b>ING VP Index Plus MidCap Portfolio - Class S</b>			
Contracts in accumulation period:			
Qualified XXXV	<u>3,850.631</u>	\$ 11.19	<u>\$ 43,089</u>
	<u>3,850.631</u>		<u>\$ 43,089</u>



**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Notes to Financial Statements**

---

<b>Division/Contract</b>	<b>Units</b>	<b>Unit Value</b>	<b>Extended Value</b>
<b>ING VP Index Plus SmallCap Portfolio - Class I</b>			
Currently payable annuity contracts:	88,932.674	\$ 14.74	\$ 1,310,868
Contracts in accumulation period:			
ING Custom Choice 62	6,011.931	14.59	87,714
ING Custom Choice 65	43,181.771	13.03	562,658
ING MAP PLUS NP5	2,021.016	14.30	28,901
ING MAP PLUS NP6	5,444.688	14.28	77,750
ING MAP PLUS NP8	3,311.837	14.24	47,161
ING MAP PLUS NP9	3,375.340	14.22	47,997
ING MAP PLUS NP10	4,305.945	14.20	61,144
ING MAP PLUS NP11	490.090	14.18	6,949
ING MAP PLUS NP12	11,485.158	14.16	162,630
ING MAP PLUS NP14	893.043	14.12	12,610
ING MAP PLUS NP15	27,055.333	14.10	381,480
ING MAP PLUS NP16	185.994	14.08	2,619
ING MAP PLUS NP17	5,890.649	14.06	82,823
ING MAP PLUS NP18	3,011.226	14.04	42,278
ING MAP PLUS NP19	5,381.166	14.02	75,444
ING MAP PLUS NP21	3,791.790	13.98	53,009
ING MAP PLUS NP22	44.528	13.95	621
ING MAP PLUS NP24	2,204.452	13.91	30,664
ING MAP PLUS NP26	242.420	13.87	3,362
ING MAP PLUS NP28	773.734	13.83	10,701
ING MAP PLUS NP30	728.054	13.79	10,040
ING MAP PLUS NP32	1,555.526	13.75	21,388
Qualified V	907.935	17.32	15,725
Qualified VI	2,836,623.898	17.56	49,811,116
Qualified VIII	760.790	17.55	13,352
Qualified X (1.15)	71,415.276	17.71	1,264,765
Qualified X (1.25)	272,258.724	17.56	4,780,863
Qualified XII (0.05)	152,177.709	18.74	2,851,810
Qualified XII (0.15)	1,054.050	20.09	21,176
Qualified XII (0.25)	116,439.299	19.92	2,319,471
Qualified XII (0.30)	103.788	19.83	2,058
Qualified XII (0.35)	22,671.422	19.75	447,761
Qualified XII (0.40)	1,593.540	18.85	30,038
Qualified XII (0.50)	387,809.596	18.74	7,267,552
Qualified XII (0.55)	71,347.414	19.41	1,384,853
Qualified XII (0.60)	98,943.622	19.33	1,912,580
Qualified XII (0.65)	71,032.576	19.24	1,366,667
Qualified XII (0.70)	181,029.899	19.16	3,468,533
Qualified XII (0.75)	235,604.111	19.08	4,495,326
Qualified XII (0.80)	1,173,654.627	18.26	21,430,933

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**

**Notes to Financial Statements**

<b>Division/Contract</b>	<b>Units</b>	<b>Unit Value</b>	<b>Extended Value</b>
<b>ING VP Index Plus SmallCap Portfolio - Class I (continued)</b>			
Qualified XII (0.85)	286,765.658	18.18	5,213,400
Qualified XII (0.90)	54,260.425	18.10	982,114
Qualified XII (0.95)	241,472.137	18.02	4,351,328
Qualified XII (1.00)	1,223,100.418	17.95	21,954,653
Qualified XII (1.05)	79,275.724	17.87	1,416,657
Qualified XII (1.10)	48,711.752	17.79	866,582
Qualified XII (1.15)	127,954.756	17.71	2,266,079
Qualified XII (1.20)	24,854.916	17.64	438,441
Qualified XII (1.25)	98,473.085	17.56	1,729,187
Qualified XII (1.30)	843.433	17.49	14,752
Qualified XII (1.35)	1,403.990	17.41	24,443
Qualified XII (1.40)	18,739.783	17.33	324,760
Qualified XII (1.45)	1,856.758	17.26	32,048
Qualified XII (1.50)	979.699	17.18	16,831
Qualified XV	21,117.254	18.02	380,533
Qualified XVI	62,443.101	17.18	1,072,772
Qualified XVII	7,602.482	17.56	133,500
Qualified XVIII	15,960.503	17.56	280,266
Qualified XXI	15,669.724	18.23	285,659
Qualified XXV	9,049.334	18.29	165,512
Qualified XXVI	13,776.794	18.12	249,636
Qualified XXVII	1,363,094.002	18.53	25,258,132
Qualified XXVIII	847,298.287	18.47	15,649,599
Qualified XXXII	3,854.813	14.69	56,627
Qualified XXXIII (0.65)	5,325.951	17.68	94,163
Qualified XXXVI	35,044.251	17.79	623,437
	<u>10,524,675.671</u>		<u>\$ 189,886,501</u>
<b>ING VP Index Plus SmallCap Portfolio - Class S</b>			
Contracts in accumulation period:			
Qualified XXXV	<u>4,545.954</u>	\$ 11.44	<u>\$ 52,006</u>
	<u>4,545.954</u>		<u>\$ 52,006</u>

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**

**Notes to Financial Statements**

<b>Division/Contract</b>	<b>Units</b>	<b>Unit Value</b>	<b>Extended Value</b>
<b>ING VP International Equity Portfolio - Class I</b>			
Currently payable annuity contracts:	67,204.400	\$15.12 to \$17.15	\$ 1,148,230
Contracts in accumulation period:			
ING Custom Choice 62	249.522	16.74	4,177
ING Custom Choice 65	191.829	14.76	2,831
Qualified VI	568,307.895	13.28	7,547,129
Qualified VIII	12.993	13.27	172
Qualified X (1.15)	14,982.596	13.39	200,617
Qualified X (1.25)	100,913.616	13.28	1,340,133
Qualified XII (0.05)	13,676.834	14.17	193,801
Qualified XII (0.25)	9,967.124	14.11	140,636
Qualified XII (0.30)	9.157	14.05	129
Qualified XII (0.35)	281.021	13.99	3,931
Qualified XII (0.40)	132,407.414	14.25	1,886,806
Qualified XII (0.50)	23,384.570	14.17	331,359
Qualified XII (0.55)	10,015.820	13.75	137,718
Qualified XII (0.60)	17,577.977	13.69	240,643
Qualified XII (0.65)	2,176.245	13.63	29,662
Qualified XII (0.70)	41,958.723	13.57	569,380
Qualified XII (0.75)	47,674.515	13.52	644,559
Qualified XII (0.80)	75,706.538	13.81	1,045,507
Qualified XII (0.85)	79,526.511	13.75	1,093,490
Qualified XII (0.90)	4,746.317	13.69	64,977
Qualified XII (0.95)	88,506.048	13.63	1,206,337
Qualified XII (1.00)	121,376.401	13.57	1,647,078
Qualified XII (1.05)	13,807.642	13.51	186,541
Qualified XII (1.10)	10,953.216	13.45	147,321
Qualified XII (1.15)	25,046.020	13.39	335,366
Qualified XII (1.20)	4,181.253	13.34	55,778
Qualified XII (1.25)	10,484.354	13.28	139,232
Qualified XII (1.35)	59.740	13.16	786
Qualified XII (1.40)	4,406.677	13.11	57,772
Qualified XII (1.45)	292.236	13.05	3,814
Qualified XII (1.50)	71.834	12.99	933
Qualified XV	11,040.488	13.63	150,482
Qualified XVI	11,495.240	12.99	149,323
Qualified XVIII	3,844.755	13.28	51,058
Qualified XXI	11,518.263	13.78	158,722
Qualified XXV	1,205.309	13.83	16,669
Qualified XXVI	390.432	13.70	5,349
Qualified XXVII	164,312.700	9.49	1,559,328
Qualified XXXII	1,187.968	17.14	20,362
Qualified XXXVI	6,856.206	15.84	108,602
	<u>1,702,008.399</u>		<u>\$ 22,626,740</u>

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**

**Notes to Financial Statements**

<b>Division/Contract</b>	<b>Units</b>	<b>Unit Value</b>	<b>Extended Value</b>
<b>ING VP International Equity Portfolio - Class S</b>			
Contracts in accumulation period:			
Qualified XXXV	1,399.972	\$ 12.96	\$ 18,144
	<u>1,399.972</u>		<u>\$ 18,144</u>
<b>ING VP Small Company Portfolio - Class I</b>			
Currently payable annuity contracts:	54,107.031	\$13.75 to \$27.86	\$ 976,083
Contracts in accumulation period:			
ING Custom Choice 62	92.392	14.87	1,374
ING Custom Choice 65	22,979.350	13.84	318,034
ING MAP PLUS NP14	2,301.178	14.07	32,378
ING MAP PLUS NP16	5.446	14.03	76
ING MAP PLUS NP26	267.842	13.83	3,704
ING MAP PLUS NP27	113.274	13.81	1,564
ING MAP PLUS NP29	3.826	13.77	53
Qualified V	161.443	27.43	4,428
Qualified VI	1,927,277.754	27.86	53,693,958
Qualified VIII	231.655	27.83	6,447
Qualified X (1.15)	64,559.777	28.13	1,816,067
Qualified X (1.25)	226,733.794	27.86	6,316,804
Qualified XII (0.05)	32,642.801	29.82	973,408
Qualified XII (0.25)	35,527.875	20.33	722,282
Qualified XII (0.35)	14,864.461	20.16	299,668
Qualified XII (0.40)	264,699.560	29.99	7,938,340
Qualified XII (0.45)	454.151	19.99	9,078
Qualified XII (0.50)	91,466.742	20.20	1,847,628
Qualified XII (0.55)	89,954.220	19.82	1,782,893
Qualified XII (0.60)	143,056.821	19.73	2,822,511
Qualified XII (0.65)	26,632.631	19.65	523,331
Qualified XII (0.70)	178,677.179	19.56	3,494,926
Qualified XII (0.75)	254,505.791	19.48	4,957,773
Qualified XII (0.80)	1,224,186.270	20.68	25,316,172
Qualified XII (0.85)	199,460.535	28.96	5,776,377
Qualified XII (0.90)	27,545.187	19.99	550,628
Qualified XII (0.95)	117,019.394	28.68	3,356,116
Qualified XII (1.00)	892,199.108	28.54	25,463,363
Qualified XII (1.05)	102,124.826	28.40	2,900,345
Qualified XII (1.10)	36,970.819	28.26	1,044,795
Qualified XII (1.15)	74,968.662	28.13	2,108,868
Qualified XII (1.20)	14,749.002	27.99	412,825
Qualified XII (1.25)	38,681.614	27.86	1,077,670
Qualified XII (1.30)	4,188.259	27.72	116,099
Qualified XII (1.35)	3,942.213	27.59	108,766

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**

**Notes to Financial Statements**

<b>Division/Contract</b>	<b>Units</b>	<b>Unit Value</b>	<b>Extended Value</b>
<b>ING VP Small Company Portfolio - Class I (continued)</b>			
Qualified XII (1.40)	16,611.478	\$ 27.45	\$ 455,985
Qualified XII (1.45)	2,088.756	27.32	57,065
Qualified XII (1.50)	2,829.011	27.19	76,921
Qualified XV	10,562.956	28.68	302,946
Qualified XVI	54,302.892	27.19	1,476,496
Qualified XVII	4,383.320	27.86	122,119
Qualified XVIII	13,388.239	28.80	385,581
Qualified XXI	25,658.256	29.01	744,346
Qualified XXV	14,657.652	29.01	425,218
Qualified XXVI	9,302.787	28.74	267,362
Qualified XXVII	450,154.036	13.92	6,266,144
Qualified XXVIII	72,192.681	14.82	1,069,896
Qualified XXXII	6,171.573	14.48	89,364
Qualified XXXIII (0.65)	2,009.050	15.78	31,703
Qualified XXXVI	34,638.290	15.88	550,056
	<u>6,886,303.860</u>		<u>\$ 169,096,034</u>
<b>ING VP Small Company Portfolio - Class S</b>			
Contracts in accumulation period:			
Qualified XXXV	922.383	\$ 11.80	\$ 10,884
	<u>922.383</u>		<u>\$ 10,884</u>
<b>ING VP Value Opportunity Portfolio - Class I</b>			
Currently payable annuity contracts:	3,617.867	\$ 13.80	\$ 49,927
Contracts in accumulation period:			
ING Custom Choice 65	16,171.553	12.94	209,260
ING MAP PLUS NP18	189.480	13.07	2,477
ING MAP PLUS NP30	9.426	12.84	121
Qualified V	67.156	21.46	1,441
Qualified VI	1,409,865.081	21.80	30,735,059
Qualified VIII	643.477	21.78	14,015
Qualified X (1.15)	63,050.789	22.01	1,387,748
Qualified X (1.25)	120,654.967	21.80	2,630,278
Qualified XII (0.05)	26,891.071	23.34	627,638
Qualified XII (0.25)	158.419	15.69	2,486
Qualified XII (0.35)	5,676.025	15.56	88,319
Qualified XII (0.45)	60.564	15.42	934
Qualified XII (0.50)	45,769.485	16.41	751,077
Qualified XII (0.55)	208,629.434	15.29	3,189,944
Qualified XII (0.60)	67,430.877	15.23	1,026,972
Qualified XII (0.65)	15,657.676	15.16	237,370
Qualified XII (0.70)	135,592.060	15.09	2,046,084

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**

**Notes to Financial Statements**

<b>Division/Contract</b>	<b>Units</b>	<b>Unit Value</b>	<b>Extended Value</b>
<b>ING VP Value Opportunity Portfolio - Class I (continued)</b>			
Qualified XII (0.75)	232,079.544	15.03	3,488,156
Qualified XII (0.80)	403,393.034	16.48	6,647,917
Qualified XII (0.85)	152,141.256	22.66	3,447,521
Qualified XII (0.90)	28,568.314	16.03	457,950
Qualified XII (0.95)	124,340.120	22.44	2,790,192
Qualified XII (1.00)	623,918.318	22.33	13,932,096
Qualified XII (1.05)	63,430.761	22.22	1,409,432
Qualified XII (1.10)	19,655.270	22.12	434,775
Qualified XII (1.15)	48,861.318	22.01	1,075,438
Qualified XII (1.20)	35,875.968	21.90	785,684
Qualified XII (1.25)	31,056.750	21.80	677,037
Qualified XII (1.30)	2,001.795	21.69	43,419
Qualified XII (1.35)	753.371	21.59	16,265
Qualified XII (1.40)	8,692.832	21.48	186,722
Qualified XII (1.45)	1,579.363	21.38	33,767
Qualified XII (1.50)	1,683.014	21.27	35,798
Qualified XV	2,361.602	22.44	52,994
Qualified XVI	28,691.349	21.27	610,265
Qualified XVII	4,428.177	21.80	96,534
Qualified XVIII	3,841.319	22.54	86,583
Qualified XXI	22,815.699	22.70	517,916
Qualified XXV	17,836.884	22.70	404,897
Qualified XXVI	7,086.492	22.49	159,375
Qualified XXVII	578,587.626	16.70	9,662,413
Qualified XXVIII	378,826.786	16.64	6,303,678
Qualified XXXII	5,127.896	13.71	70,303
Qualified XXXIII (0.65)	474.225	11.84	5,615
Qualified XXXVI	31,958.291	11.91	380,623
	<u>4,980,202.781</u>		<u>\$ 96,814,515</u>

**ING VP Financial Services Portfolio - Class I**

Contracts in accumulation period:

ING Custom Choice 65	836.562	\$	13.72	\$	11,478
Qualified VI	132,395.844		13.73		1,817,795
Qualified X (1.15)	672.324		14.15		9,513
Qualified X (1.25)	5,172.613		14.12		73,037
Qualified XII (0.50)	9,896.247		14.00		138,547
Qualified XII (0.55)	602.886		13.98		8,428
Qualified XII (0.60)	4,467.024		13.97		62,404
Qualified XII (0.65)	458.518		13.95		6,396
Qualified XII (0.70)	2,739.914		13.93		38,167
Qualified XII (0.75)	1,266.777		13.91		17,621

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**

**Notes to Financial Statements**

<b>Division/Contract</b>	<b>Units</b>	<b>Unit Value</b>	<b>Extended Value</b>
<b>ING VP Financial Services Portfolio - Class I (continued)</b>			
Qualified XII (0.80)	18,176.525	\$ 13.89	\$ 252,472
Qualified XII (0.85)	5,336.950	13.87	74,023
Qualified XII (0.90)	2,906.368	13.85	40,253
Qualified XII (0.95)	9,913.655	13.84	137,205
Qualified XII (1.00)	34,859.313	13.82	481,756
Qualified XII (1.05)	3,730.476	13.80	51,481
Qualified XII (1.10)	1,025.583	13.78	14,133
Qualified XII (1.15)	10,096.969	13.76	138,934
Qualified XII (1.20)	2,866.726	13.74	39,389
Qualified XII (1.25)	3,287.168	13.73	45,133
Qualified XII (1.40)	361.574	13.67	4,943
Qualified XII (1.45)	3.115	13.65	43
Qualified XV	3,008.301	13.84	41,635
Qualified XVI	5,132.166	13.63	69,951
Qualified XVIII	805.402	14.20	11,437
Qualified XXI	314.829	13.89	4,373
Qualified XXV	319.215	13.97	4,459
Qualified XXVI	1,864.912	13.91	25,941
	<u>262,517.956</u>		<u>\$ 3,620,947</u>
<b>ING VP International Value Portfolio - Class I</b>			
Currently payable annuity contracts:	124,147.989	\$ 16.92	\$ 2,100,584
Contracts in accumulation period:			
ING Custom Choice 62	903.931	16.44	14,861
ING Custom Choice 65	14,102.353	14.78	208,433
ING MAP PLUS NP7	1,178.209	16.32	19,228
ING MAP PLUS NP10	32.678	16.25	531
ING MAP PLUS NP15	5,065.897	16.14	81,764
ING MAP PLUS NP16	580.759	16.11	9,356
ING MAP PLUS NP21	3,349.069	16.00	53,585
ING MAP PLUS NP26	86.836	15.88	1,379
ING MAP PLUS NP27	1,046.877	15.86	16,603
ING MAP PLUS NP30	38.061	15.79	601
ING MAP PLUS NP32	188.036	15.74	2,960
Qualified V	310.884	16.25	5,052
Qualified VI	1,141,765.869	16.39	18,713,543
Qualified X (1.15)	81,053.471	16.48	1,335,761
Qualified X (1.25)	281,412.506	16.39	4,612,351
Qualified XII (0.30)	7.428	17.26	128
Qualified XII (0.40)	233,173.717	17.17	4,003,593
Qualified XII (0.50)	72,092.104	17.08	1,231,333
Qualified XII (0.55)	52,807.322	17.03	899,309

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**

**Notes to Financial Statements**

<b>Division/Contract</b>	<b>Units</b>	<b>Unit Value</b>	<b>Extended Value</b>
<b>ING VP International Value Portfolio - Class I (continued)</b>			
Qualified XII (0.60)	39,906.405	16.98	677,611
Qualified XII (0.65)	105,504.937	16.94	1,787,254
Qualified XII (0.70)	82,905.164	16.89	1,400,268
Qualified XII (0.75)	45,801.240	16.85	771,751
Qualified XII (0.80)	591,171.161	16.80	9,931,676
Qualified XII (0.85)	84,487.399	16.75	1,415,164
Qualified XII (0.90)	9,475.203	16.71	158,331
Qualified XII (0.95)	3,106,128.294	16.66	51,748,097
Qualified XII (1.00)	463,296.652	16.62	7,699,990
Qualified XII (1.05)	33,438.229	16.57	554,071
Qualified XII (1.10)	8,660.777	16.53	143,163
Qualified XII (1.15)	100,267.310	16.48	1,652,405
Qualified XII (1.20)	4,690.720	16.44	77,115
Qualified XII (1.25)	34,798.850	16.39	570,353
Qualified XII (1.30)	487.231	16.35	7,966
Qualified XII (1.35)	654.387	16.30	10,667
Qualified XII (1.40)	6,617.889	16.26	107,607
Qualified XII (1.45)	1,205.039	16.22	19,546
Qualified XII (1.50)	885.816	16.17	14,324
Qualified XV	3,368.673	16.66	56,122
Qualified XVI	24,232.651	16.17	391,842
Qualified XVII	3,696.543	16.39	60,586
Qualified XVIII	20,473.983	16.39	335,569
Qualified XXI	7,575.707	16.80	127,272
Qualified XXV	2,064.516	16.96	35,014
Qualified XXVI	5,259.843	16.74	88,050
Qualified XXVIII	551,162.050	18.51	10,202,010
Qualified XXXII	3,438.836	16.81	57,807
Qualified XXXIII (0.65)	20,602.118	16.85	347,146
	<u>7,375,601.619</u>		<u>\$ 123,759,732</u>
<b>ING VP International Value Portfolio - Class S</b>			
Contracts in accumulation period:			
Qualified XXXV	<u>4,508.599</u>	\$ 13.36	<u>\$ 60,235</u>
	<u>4,508.599</u>		<u>\$ 60,235</u>



**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**

**Notes to Financial Statements**

<b>Division/Contract</b>	<b>Units</b>	<b>Unit Value</b>	<b>Extended Value</b>
<b>ING VP MidCap Opportunities Portfolio - Class I</b>			
Contracts in accumulation period:			
ING Custom Choice 65	918.866	\$ 12.55	\$ 11,532
Qualified VI	194,640.540	11.93	2,322,062
Qualified X (1.15)	11,536.761	11.99	138,326
Qualified X (1.25)	35,829.507	11.93	427,446
Qualified XII (0.50)	4,432.982	12.43	55,102
Qualified XII (0.55)	14,504.674	12.39	179,713
Qualified XII (0.60)	4,151.701	12.36	51,315
Qualified XII (0.65)	6,088.611	12.33	75,073
Qualified XII (0.70)	7,994.668	12.29	98,254
Qualified XII (0.75)	7,509.493	12.26	92,066
Qualified XII (0.80)	74,667.483	12.23	913,183
Qualified XII (0.85)	21,490.656	12.19	261,971
Qualified XII (0.90)	2,667.225	12.16	32,433
Qualified XII (0.95)	33,120.735	12.13	401,755
Qualified XII (1.00)	46,789.642	12.09	565,687
Qualified XII (1.05)	2,244.935	12.06	27,074
Qualified XII (1.10)	8,043.273	12.03	96,761
Qualified XII (1.15)	5,706.952	11.99	68,426
Qualified XII (1.20)	2,702.418	11.96	32,321
Qualified XII (1.25)	7,346.285	11.93	87,641
Qualified XII (1.30)	893.125	11.90	10,628
Qualified XII (1.35)	13.791	11.86	164
Qualified XII (1.40)	1,550.520	11.83	18,343
Qualified XII (1.45)	198.384	11.80	2,341
Qualified XII (1.50)	152.264	11.77	1,792
Qualified XV	163.399	12.13	1,982
Qualified XVI	5,310.962	11.77	62,510
Qualified XVIII	4,694.434	11.93	56,005
Qualified XXI	2,143.476	12.23	26,215
Qualified XXV	148.378	12.34	1,831
Qualified XXVI	1,703.667	12.18	20,751
	<u>509,359.807</u>		<u>\$ 6,140,703</u>
<b>ING VP MidCap Opportunities Portfolio - Class S</b>			
Contracts in accumulation period:			
Qualified XXXV	242.710	\$ 11.20	\$ 2,718
	<u>242.710</u>		<u>\$ 2,718</u>

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**

**Notes to Financial Statements**

<b>Division/Contract</b>	<b>Units</b>	<b>Unit Value</b>	<b>Extended Value</b>
<b>ING VP Real Estate Portfolio - Class I</b>			
Contracts in accumulation period:			
ING Custom Choice 62	260.358	\$ 20.23	\$ 5,267
ING Custom Choice 65	2,829.236	16.05	45,409
Qualified V	346.550	20.66	7,160
Qualified VI	1,455,293.701	20.74	30,182,791
Qualified X (1.15)	23,497.122	20.80	488,740
Qualified X (1.25)	96,956.186	20.74	2,010,871
Qualified XII (0.30)	11.920	21.28	254
Qualified XII (0.40)	5,639.156	21.22	119,663
Qualified XII (0.50)	78,133.646	21.16	1,653,308
Qualified XII (0.55)	6,526.873	21.14	137,978
Qualified XII (0.60)	11,171.146	21.11	235,823
Qualified XII (0.65)	1,367.860	21.08	28,834
Qualified XII (0.70)	73,521.338	21.05	1,547,624
Qualified XII (0.75)	21,609.688	21.02	454,236
Qualified XII (0.80)	714,507.069	21.00	15,004,648
Qualified XII (0.85)	134,630.561	20.97	2,823,203
Qualified XII (0.90)	11,101.522	20.94	232,466
Qualified XII (0.95)	39,289.459	20.91	821,543
Qualified XII (1.00)	744,527.601	20.88	15,545,736
Qualified XII (1.05)	26,632.985	20.86	555,564
Qualified XII (1.10)	23,037.897	20.83	479,879
Qualified XII (1.15)	33,924.037	20.80	705,620
Qualified XII (1.20)	5,725.469	20.77	118,918
Qualified XII (1.25)	23,947.338	20.74	496,668
Qualified XII (1.30)	47.082	20.72	976
Qualified XII (1.35)	1,092.788	20.69	22,610
Qualified XII (1.40)	5,838.000	20.66	120,613
Qualified XII (1.45)	1,489.671	20.63	30,732
Qualified XII (1.50)	478.293	20.61	9,858
Qualified XV	2,378.452	20.91	49,733
Qualified XVI	13,265.005	20.61	273,392
Qualified XVII	849.105	20.88	17,729
Qualified XVIII	3,146.812	20.74	65,265
Qualified XXI	3,950.881	21.00	82,969
Qualified XXV	10,188.515	21.11	215,080
Qualified XXVI	7,289.054	21.02	153,216
Qualified XXVII	570,375.643	20.88	11,909,443
Qualified XXXII	2,690.701	20.74	55,805
Qualified XXXIII (0.65)	75.821	20.55	1,558
	<u>4,157,644.541</u>		<u>\$ 86,711,182</u>

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**

**Notes to Financial Statements**

<b>Division/Contract</b>	<b>Units</b>	<b>Unit Value</b>	<b>Extended Value</b>
<b>ING VP SmallCap Opportunities Portfolio - Class I</b>			
Contracts in accumulation period:			
ING Custom Choice 65	157.484	\$ 13.46	\$ 2,120
Qualified V	67.914	8.81	598
Qualified VI	257,895.292	8.89	2,292,689
Qualified VIII	126.432	8.89	1,124
Qualified X (1.15)	13,356.996	8.94	119,412
Qualified X (1.25)	49,367.119	8.89	438,874
Qualified XII (0.40)	54,941.989	9.31	511,510
Qualified XII (0.50)	1,809.363	9.26	16,755
Qualified XII (0.55)	392,017.455	9.23	3,618,321
Qualified XII (0.60)	10,644.839	9.21	98,039
Qualified XII (0.65)	24,253.230	9.18	222,645
Qualified XII (0.70)	10,349.238	9.16	94,799
Qualified XII (0.75)	7,428.563	9.13	67,823
Qualified XII (0.80)	91,622.059	9.11	834,677
Qualified XII (0.85)	19,993.296	9.08	181,539
Qualified XII (0.90)	1,065.153	9.06	9,650
Qualified XII (0.95)	14,035.206	9.04	126,878
Qualified XII (1.00)	112,478.244	9.01	1,013,429
Qualified XII (1.05)	8,082.445	8.99	72,661
Qualified XII (1.10)	9,466.042	8.96	84,816
Qualified XII (1.15)	3,719.563	8.94	33,253
Qualified XII (1.20)	3,844.806	8.91	34,257
Qualified XII (1.25)	11,517.717	8.89	102,393
Qualified XII (1.35)	173.313	8.84	1,532
Qualified XII (1.40)	2,915.785	8.82	25,717
Qualified XII (1.45)	1,010.549	8.79	8,883
Qualified XV	753.376	9.04	6,811
Qualified XVI	6,021.756	8.77	52,811
Qualified XVIII	3,357.754	8.89	29,850
Qualified XXI	2,104.046	9.11	19,168
Qualified XXV	6,728.390	9.20	61,901
Qualified XXVI	618.216	9.08	5,613
	<u>1,121,923.630</u>		<u>\$ 10,190,548</u>
<b>ING VP SmallCap Opportunities Portfolio - Class S</b>			
Contracts in accumulation period:			
Qualified XXXV	847.413	\$ 11.50	\$ 9,745
	<u>847.413</u>		<u>\$ 9,745</u>

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**

**Notes to Financial Statements**

---

<b>Division/Contract</b>	<b>Units</b>	<b>Unit Value</b>	<b>Extended Value</b>
<b>ING VP Balanced Portfolio - Class I</b>			
Currently payable annuity contracts:	1,019,264.311	\$11.83 to \$38.35	\$ 28,275,606
Contracts in accumulation period:			
ING Custom Choice 65	77,197.218	11.74	906,295
ING MAP PLUS NP5	1,202.081	12.17	14,629
ING MAP PLUS NP14	3,296.067	12.01	39,586
ING MAP PLUS NP25	57.537	11.82	680
ING MAP PLUS NP26	938.703	11.80	11,077
Qualified I	25,550.273	37.76	964,778
Qualified V	374.220	28.00	10,478
Qualified VI	8,919,426.710	28.45	253,757,690
Qualified VII	145,036.896	27.51	3,989,965
Qualified VIII	2,233.434	26.39	58,940
Qualified IX	1,556.428	27.63	43,004
Qualified X (1.15)	344,016.952	28.83	9,918,009
Qualified X (1.25)	1,638,937.658	28.45	46,627,776
Qualified XII (0.05)	74,779.644	30.49	2,280,031
Qualified XII (0.25)	46,963.664	15.15	711,500
Qualified XII (0.35)	14,972.275	15.02	224,884
Qualified XII (0.40)	231,588.271	21.49	4,976,832
Qualified XII (0.45)	38.505	14.89	573
Qualified XII (0.50)	612,966.017	15.40	9,439,677
Qualified XII (0.55)	219,573.584	14.77	3,243,102
Qualified XII (0.60)	465,727.484	14.70	6,846,194
Qualified XII (0.65)	69,738.302	14.64	1,020,969
Qualified XII (0.70)	333,481.153	14.58	4,862,155
Qualified XII (0.75)	608,169.373	14.52	8,830,619
Qualified XII (0.80)	1,789,302.811	15.42	27,591,049
Qualified XII (0.85)	1,129,839.587	20.77	23,466,768
Qualified XII (0.90)	177,825.035	15.03	2,672,710
Qualified XII (0.95)	643,741.236	20.55	13,228,882
Qualified XII (1.00)	2,196,236.696	20.44	44,891,078
Qualified XII (1.05)	198,119.744	20.34	4,029,756
Qualified XII (1.10)	210,712.881	20.23	4,262,722
Qualified XII (1.15)	397,173.300	20.12	7,991,127
Qualified XII (1.20)	32,683.351	20.01	653,994
Qualified XII (1.25)	87,399.775	19.91	1,740,130
Qualified XII (1.30)	4,361.758	19.80	86,363
Qualified XII (1.35)	1,625.646	19.70	32,025
Qualified XII (1.40)	19,749.750	19.59	386,898
Qualified XII (1.45)	527.889	19.49	10,289
Qualified XII (1.50)	844.106	19.38	16,359
Qualified XV	46,226.805	29.32	1,355,370

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**

**Notes to Financial Statements**

<b>Division/Contract</b>	<b>Units</b>	<b>Unit Value</b>	<b>Extended Value</b>
<b>ING VP Balanced Portfolio - Class I (continued)</b>			
Qualified XVI	187,136.449	\$ 27.77	\$ 5,196,779
Qualified XVII	135,887.583	29.14	3,959,764
Qualified XVIII	208,976.896	29.14	6,089,587
Qualified XIX	11,592.179	38.67	448,270
Qualified XX	23,881.491	38.26	913,706
Qualified XXI	69,428.019	29.66	2,059,235
Qualified XXV	48,979.744	29.63	1,451,270
Qualified XXVI	20,721.280	29.35	608,170
Qualified XXVII	992,418.864	37.95	37,662,296
Qualified XXVIII	104,149.655	37.83	3,939,981
Qualified XXIX	786.469	37.36	29,382
Qualified XXX	52,039.198	36.80	1,915,042
Qualified XXXII	287,884.283	12.35	3,555,371
Qualified XXXIII (0.65)	3,240.260	13.17	42,674
Qualified XXXVI	79,825.271	13.25	1,057,685
	<u>24,020,404.771</u>		<u>\$ 588,399,781</u>
<b>ING VP Intermediate Bond Portfolio - Class I</b>			
Currently payable annuity contracts:	306,445.635	\$10.60 to \$87.81	\$ 6,798,386
Contracts in accumulation period:			
ING Custom Choice 62	3,404.237	10.97	37,344
ING Custom Choice 65	73,059.910	10.62	775,896
ING MAP PLUS NP5	28,485.760	10.95	311,919
ING MAP PLUS NP7	1,244.553	10.92	13,591
ING MAP PLUS NP8	24,523.672	10.91	267,553
ING MAP PLUS NP9	26,446.085	10.89	287,998
ING MAP PLUS NP11	11,929.787	10.86	129,557
ING MAP PLUS NP12	43,588.835	10.84	472,503
ING MAP PLUS NP13	203.492	10.83	2,204
ING MAP PLUS NP15	92,039.911	10.80	994,031
ING MAP PLUS NP16	2,271.190	10.78	24,483
ING MAP PLUS NP17	4,851.077	10.77	52,246
ING MAP PLUS NP18	6.602	10.75	71
ING MAP PLUS NP19	1,076.810	10.73	11,554
ING MAP PLUS NP20	8,943.611	10.72	95,876
ING MAP PLUS NP21	1,338.269	10.70	14,319
ING MAP PLUS NP22	2,954.655	10.69	31,585
ING MAP PLUS NP24	9,270.528	10.66	98,824
ING MAP PLUS NP25	278.672	10.64	2,965
ING MAP PLUS NP26	357.470	10.63	3,800
ING MAP PLUS NP27	856.774	10.61	9,090
ING MAP PLUS NP28	828.511	10.59	8,774

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**

**Notes to Financial Statements**

---

<b>Division/Contract</b>	<b>Units</b>	<b>Unit Value</b>	<b>Extended Value</b>
<b>ING VP Intermediate Bond Portfolio - Class I (continued)</b>			
ING MAP PLUS NP29	9,384.666	\$ 10.58	\$ 99,290
ING MAP PLUS NP30	2,826.235	10.56	29,845
Qualified I	6,192.273	77.41	479,344
Qualified V	319.804	19.58	6,262
Qualified VI	6,748,054.088	19.63	132,464,302
Qualified VII	77,415.805	18.25	1,412,838
Qualified VIII	8,377.693	18.06	151,301
Qualified IX	559.602	18.95	10,604
Qualified X (1.15)	255,125.815	19.89	5,074,452
Qualified X (1.25)	993,778.337	19.63	19,507,869
Qualified XII (0.00)	4.184	16.19	68
Qualified XII (0.05)	117,383.476	21.03	2,468,575
Qualified XII (0.15)	59,511.106	15.98	950,987
Qualified XII (0.25)	179,852.000	15.84	2,848,856
Qualified XII (0.30)	133.147	15.77	2,100
Qualified XII (0.35)	39,814.300	15.70	625,085
Qualified XII (0.40)	2,902.340	17.95	52,097
Qualified XII (0.45)	745.362	15.57	11,605
Qualified XII (0.50)	299,042.120	15.72	4,700,942
Qualified XII (0.55)	136,970.246	15.44	2,114,821
Qualified XII (0.60)	312,992.275	15.37	4,810,691
Qualified XII (0.65)	144,331.384	15.30	2,208,270
Qualified XII (0.70)	436,561.166	15.24	6,653,192
Qualified XII (0.75)	367,107.619	15.17	5,569,023
Qualified XII (0.80)	1,245,873.137	15.33	19,099,235
Qualified XII (0.85)	777,013.085	17.35	13,481,177
Qualified XII (0.90)	86,964.676	15.21	1,322,733
Qualified XII (0.95)	1,814,045.449	17.16	31,129,020
Qualified XII (1.00)	2,187,158.899	17.07	37,334,802
Qualified XII (1.05)	300,212.609	16.98	5,097,610
Qualified XII (1.10)	121,215.509	16.89	2,047,330
Qualified XII (1.15)	176,238.189	16.80	2,960,802
Qualified XII (1.20)	66,886.460	16.71	1,117,673
Qualified XII (1.25)	98,872.567	16.62	1,643,262
Qualified XII (1.30)	6,279.016	16.54	103,855
Qualified XII (1.35)	4,802.104	16.45	78,995
Qualified XII (1.40)	37,072.314	16.36	606,503
Qualified XII (1.45)	10,778.299	16.27	175,363
Qualified XII (1.50)	976.882	16.19	15,816
Qualified XV	11,894.217	20.23	240,620
Qualified XVI	156,611.117	19.15	2,999,103
Qualified XVII	155,701.937	19.91	3,100,026

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**

**Notes to Financial Statements**

<b>Division/Contract</b>	<b>Units</b>	<b>Unit Value</b>	<b>Extended Value</b>
<b>ING VP Intermediate Bond Portfolio - Class I (continued)</b>			
Qualified XVIII	232,776.886	19.91	4,634,588
Qualified XIX	1,106.155	78.53	86,866
Qualified XX	7,565.345	77.20	584,045
Qualified XXI	26,043.070	20.46	532,841
Qualified XXV	25,315.970	20.44	517,458
Qualified XXVI	22,289.352	20.25	451,359
Qualified XXVII	685,422.315	77.30	52,983,145
Qualified XXVIII	146,563.559	77.06	11,294,188
Qualified XXIX	1,169.363	76.10	88,989
Qualified XXX	17,893.301	74.96	1,341,282
Qualified XXXII	110,379.029	10.88	1,200,924
Qualified XXXIII (0.65)	24,874.616	12.88	320,385
Qualified XXXVI	68,028.805	12.96	881,653
	<u>19,471,815.321</u>		<u>\$ 400,168,636</u>
<b>ING VP Intermediate Bond Portfolio - Class S</b>			
Contracts in accumulation period:			
Qualified XXXV	<u>1,194.559</u>	\$ 10.05	<u>\$ 12,005</u>
	<u>1,194.559</u>		<u>\$ 12,005</u>
<b>ING VP Money Market Portfolio - Class I</b>			
Currently payable annuity contracts:	122,722.406	\$10.61 to \$12.33	\$ 1,313,931
Contracts in accumulation period:			
ING Custom Choice 62	83,342.007	10.54	878,425
ING Custom Choice 65	15,816.579	10.72	169,554
ING MAP PLUS NP5	13.999	10.69	150
Qualified I	6,937.612	51.47	357,079
Qualified V	10,601.251	14.36	152,234
Qualified VI	4,497,051.285	14.65	65,881,801
Qualified VII	114,136.541	14.63	1,669,818
Qualified VIII	3,532.993	14.10	49,815
Qualified IX	967.640	14.83	14,350
Qualified X (1.15)	255,510.633	14.84	3,791,778
Qualified X (1.25)	834,247.502	14.65	12,221,726
Qualified XII (0.00)	23.435	13.44	315
Qualified XII (0.05)	33,655.144	15.70	528,386
Qualified XII (0.25)	1,706.341	13.15	22,438
Qualified XII (0.35)	27,460.370	13.04	358,083
Qualified XII (0.45)	54.283	12.93	702
Qualified XII (0.50)	214,602.186	12.99	2,787,682
Qualified XII (0.55)	282,542.715	12.81	3,619,372
Qualified XII (0.60)	81,828.344	12.76	1,044,130
Qualified XII (0.65)	402,564.115	12.71	5,116,590
Qualified XII (0.70)	1,145,842.682	12.65	14,494,910
Qualified XII (0.75)	534,136.717	12.60	6,730,123
Qualified XII (0.80)	1,765,402.303	12.70	22,420,609
Qualified XII (0.85)	502,169.197	13.67	6,864,653

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**

**Notes to Financial Statements**

<b>Division/Contract</b>	<b>Units</b>	<b>Unit Value</b>	<b>Extended Value</b>
<b>ING VP Money Market Portfolio - Class I (continued)</b>			
Qualified XII (0.90)	85,411.217	\$ 12.56	\$ 1,072,765
Qualified XII (0.95)	1,307,563.067	13.52	17,678,253
Qualified XII (1.00)	2,584,991.050	13.45	34,768,130
Qualified XII (1.05)	275,898.507	13.38	3,691,522
Qualified XII (1.10)	171,087.151	13.31	2,277,170
Qualified XII (1.15)	185,983.965	13.24	2,462,428
Qualified XII (1.20)	90,226.803	13.17	1,188,287
Qualified XII (1.25)	293,490.616	13.10	3,844,727
Qualified XII (1.30)	8,582.434	13.03	111,829
Qualified XII (1.35)	14,215.591	12.96	184,234
Qualified XII (1.40)	30,484.673	12.89	392,947
Qualified XII (1.45)	20,706.253	12.82	265,454
Qualified XII (1.50)	592.191	12.75	7,550
Qualified XV	10,286.367	15.10	155,324
Qualified XVI	100,066.801	14.30	1,430,955
Qualified XVII	167,740.836	14.65	2,457,403
Qualified XVIII	292,612.817	14.65	4,286,778
Qualified XIX	2,013.404	51.47	103,630
Qualified XX	14,897.565	50.47	751,880
Qualified XXI	33,694.291	15.27	514,512
Qualified XXV	67,642.404	15.25	1,031,547
Qualified XXVI	38,625.869	15.11	583,637
Qualified XXVII	2,061,958.423	53.71	110,747,787
Qualified XXVIII	397,732.545	52.68	20,952,550
Qualified XXIX	1,059.446	50.47	53,470
Qualified XXX	4,303.015	49.71	213,903
Qualified XXXII	29,918.014	10.51	314,438
Qualified XXXIII (0.65)	15,836.259	11.05	174,991
Qualified XXXV	27,138.797	10.51	285,229
Qualified XXXVI	26,619.342	11.12	296,007
	<u>19,298,247.993</u>		<u>\$ 362,787,991</u>
<b>ING VP Natural Resources Trust</b>			
Contracts in accumulation period:			
ING Custom Choice 62	2,886.874	\$ 21.17	\$ 61,115
ING Custom Choice 65	6,122.348	16.33	99,978
Qualified V	13.231	32.17	426
Qualified VI	955,153.344	31.73	30,307,016
Qualified VIII	533.838	27.49	14,675
Qualified XII (0.05)	8,360.997	34.00	284,274



**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Notes to Financial Statements**

<b>Division/Contract</b>	<b>Units</b>	<b>Unit Value</b>	<b>Extended Value</b>
<b>ING VP Natural Resources Trust (continued)</b>			
Qualified XII (0.25)	620.014	\$ 21.51	\$ 13,337
Qualified XII (0.30)	11.949	21.42	256
Qualified XII (0.35)	1,019.308	21.33	21,742
Qualified XII (0.45)	189.130	21.14	3,998
Qualified XII (0.50)	46,961.129	22.36	1,050,051
Qualified XII (0.55)	16,968.562	20.96	355,661
Qualified XII (0.60)	37,714.548	20.87	787,103
Qualified XII (0.65)	5,242.415	20.78	108,937
Qualified XII (0.70)	102,937.757	20.69	2,129,782
Qualified XII (0.75)	56,112.261	20.60	1,155,913
Qualified XII (0.80)	221,346.090	22.44	4,967,006
Qualified XII (0.85)	83,848.605	25.61	2,147,363
Qualified XII (0.90)	14,208.984	22.25	316,150
Qualified XII (0.95)	104,149.985	25.34	2,639,161
Qualified XII (1.00)	337,413.132	25.21	8,506,185
Qualified XII (1.05)	20,923.123	25.07	524,543
Qualified XII (1.10)	16,329.123	24.94	407,248
Qualified XII (1.15)	25,567.175	24.81	634,322
Qualified XII (1.20)	9,515.519	24.68	234,843
Qualified XII (1.25)	16,705.728	24.55	410,126
Qualified XII (1.30)	543.882	24.42	13,282
Qualified XII (1.35)	1,890.245	24.29	45,914
Qualified XII (1.40)	5,854.692	24.16	141,449
Qualified XII (1.45)	368.571	24.03	8,857
Qualified XV	7,614.065	32.70	248,980
Qualified XVI	20,964.498	30.97	649,271
Qualified XVII	4,227.582	31.73	134,141
Qualified XXI	10,312.583	33.08	341,140
Qualified XXV	12,951.509	32.95	426,752
Qualified XXVI	5,299.099	32.48	172,115
Qualified XXVII	357,257.868	29.87	10,671,293
Qualified XXVIII	94,907.806	29.78	2,826,354
Qualified XXXVI	5,040.070	24.69	124,439
	<u>2,618,087.639</u>		<u>\$ 72,985,198</u>
<b>Janus Adviser Balanced Fund - Class S</b>			
Contracts in accumulation period:			
Qualified XII (1.00)	46.423	\$ 13.28	\$ 616
	<u>46.423</u>		<u>\$ 616</u>

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**

**Notes to Financial Statements**

<u>Division/Contract</u>	<u>Units</u>	<u>Unit Value</u>	<u>Extended Value</u>
<b>Janus Aspen Series Balanced Portfolio - Institutional Shares</b>			
Contracts in accumulation period:			
ING Custom Choice 65	652.205	\$ 12.22	\$ 7,970
Qualified VI	10,331.165	29.45	304,253
Qualified XII (0.50)	150.377	19.50	2,932
Qualified XII (0.65)	15.041	18.31	275
Qualified XII (0.70)	433.866	18.23	7,909
Qualified XII (0.75)	16.020	18.16	291
Qualified XII (0.80)	60.113	19.54	1,175
Qualified XII (0.85)	8.758	27.35	240
Qualified XII (0.90)	749.034	19.00	14,232
Qualified XII (0.95)	33.356	27.06	903
Qualified XII (1.00)	1,225.889	26.92	33,001
Qualified XII (1.05)	348.901	26.78	9,344
Qualified XII (1.15)	15.258	26.49	404
Qualified XII (1.45)	15.288	25.66	392
Qualified XVII	367.087	29.45	10,811
	<u>14,422.358</u>		<u>\$ 394,132</u>
<b>Janus Aspen Series Flexible Bond Portfolio - Institutional Shares</b>			
Contracts in accumulation period:			
Qualified VI	4,151.859	\$ 21.18	\$ 87,936
Qualified X (1.25)	8.136	14.25	116
Qualified XII (0.50)	25.210	15.45	389
Qualified XII (0.55)	18.028	15.10	272
Qualified XII (0.70)	409.966	14.90	6,108
Qualified XII (0.80)	51.249	15.08	773
Qualified XII (0.85)	4.622	18.46	85
Qualified XII (1.00)	512.583	18.17	9,314
Qualified XII (1.05)	9.308	18.07	168
Qualified XII (1.15)	513.123	17.88	9,175
	<u>5,704.084</u>		<u>\$ 114,336</u>

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**

**Notes to Financial Statements**

<b>Division/Contract</b>	<b>Units</b>	<b>Unit Value</b>	<b>Extended Value</b>
<b>Janus Aspen Series Large Cap Growth</b>			
<b>Portfolio - Institutional Shares</b>			
Contracts in accumulation period:			
Qualified VI	5,392.228	\$ 20.34	\$ 109,678
Qualified X (1.15)	38.082	22.00	838
Qualified X (1.25)	19.369	21.75	421
Qualified XII (0.50)	137.538	12.96	1,782
Qualified XII (0.70)	1,032.634	12.01	12,402
Qualified XII (0.75)	22.936	11.96	274
Qualified XII (0.80)	38.053	13.10	498
Qualified XII (0.85)	49.610	18.14	900
Qualified XII (0.90)	525.747	12.62	6,635
Qualified XII (0.95)	72.004	17.95	1,292
Qualified XII (1.00)	740.876	17.85	13,225
Qualified XII (1.40)	4.421	17.11	76
Qualified XVII	7.865	20.34	160
	<u>8,081.363</u>		<u>\$ 148,181</u>
<b>Janus Aspen Series Mid Cap Growth</b>			
<b>Portfolio - Institutional Shares</b>			
Contracts in accumulation period:			
Qualified VI	14,612.886	\$ 26.46	\$ 386,657
Qualified X (1.15)	24.353	25.84	629
Qualified XII (0.25)	326.847	16.62	5,432
Qualified XII (0.45)	0.050	16.33	1
Qualified XII (0.50)	137.830	16.82	2,318
Qualified XII (0.65)	15.002	16.06	241
Qualified XII (0.70)	1,496.893	15.99	23,935
Qualified XII (0.75)	23.711	15.92	377
Qualified XII (0.80)	0.406	17.09	7
Qualified XII (0.85)	801.639	18.46	14,798
Qualified XII (0.90)	423.142	16.67	7,054
Qualified XII (0.95)	92.923	18.26	1,697
Qualified XII (1.00)	362.279	18.16	6,579
Qualified XII (1.10)	379.170	17.97	6,814
Qualified XII (1.15)	288.757	17.88	5,163
Qualified XII (1.40)	103.912	17.41	1,809
Qualified XII (1.45)	26.566	17.31	460
Qualified XVII	79.085	26.46	2,093
	<u>19,195.451</u>		<u>\$ 466,064</u>

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Notes to Financial Statements**

<u>Division/Contract</u>	<u>Units</u>	<u>Unit Value</u>	<u>Extended Value</u>
<b>Janus Aspen Series Worldwide Growth Portfolio - Institutional Shares</b>			
Contracts in accumulation period:			
Qualified VI	11,015.370	\$ 25.10	\$ 276,486
Qualified X (1.15)	109.684	28.51	3,127
Qualified XII (0.45)	0.093	12.86	1
Qualified XII (0.50)	58.870	14.38	847
Qualified XII (0.65)	14.977	12.64	189
Qualified XII (0.70)	1,735.548	12.59	21,851
Qualified XII (0.75)	185.556	12.54	2,327
Qualified XII (0.80)	10.645	14.68	156
Qualified XII (0.85)	349.406	21.44	7,491
Qualified XII (0.90)	565.632	14.24	8,055
Qualified XII (0.95)	51.258	21.21	1,087
Qualified XII (1.00)	723.828	21.10	15,273
Qualified XII (1.05)	13.628	20.99	286
Qualified XII (1.10)	95.508	20.88	1,994
Qualified XII (1.15)	158.336	20.77	3,289
Qualified XVII	411.135	25.10	10,319
	<u>15,499.474</u>		<u>\$ 352,778</u>
<b>Legg Mason Value Trust, Inc. - Primary Class</b>			
Contracts in accumulation period:			
ING MAP PLUS NP20	125,369.350	\$ 12.08	\$ 1,514,462
	<u>125,369.350</u>		<u>\$ 1,514,462</u>
<b>LKCM Aquinas Growth Fund</b>			
Contracts in accumulation period:			
Qualified XII (0.90)	16,844.429	\$ 10.87	\$ 183,099
	<u>16,844.429</u>		<u>\$ 183,099</u>

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**

**Notes to Financial Statements**

<b>Division/Contract</b>	<b>Units</b>	<b>Unit Value</b>	<b>Extended Value</b>
<b>Lord Abbett Affiliated Fund - Class A</b>			
Contracts in accumulation period:			
ING MAP PLUS NP6	7,092.032	\$ 13.39	\$ 94,962
ING MAP PLUS NP8	652.084	13.35	8,705
ING MAP PLUS NP11	3,493.861	13.29	46,433
ING MAP PLUS NP12	223.968	13.27	2,972
ING MAP PLUS NP13	3,055.970	13.25	40,492
ING MAP PLUS NP14	312.414	13.23	4,133
ING MAP PLUS NP15	1,913.992	13.21	25,284
ING MAP PLUS NP18	53,707.763	13.16	706,794
ING MAP PLUS NP20	4,663.211	13.12	61,181
ING MAP PLUS NP21	2,666.469	13.10	34,931
ING MAP PLUS NP22	3,911.846	13.08	51,167
ING MAP PLUS NP23	546.730	13.06	7,140
ING MAP PLUS NP24	6,645.480	13.04	86,657
ING MAP PLUS NP25	91.171	13.02	1,187
ING MAP PLUS NP26	1,878.609	13.00	24,422
ING MAP PLUS NP28	20.173	12.97	262
ING MAP PLUS NP29	8.920	12.95	116
ING MAP PLUS NP30	2,588.022	12.93	33,463
ING MAP PLUS NP32	1,046.510	12.89	13,490
	<u>94,519.225</u>		<u>\$ 1,243,791</u>
<b>Lord Abbett Mid-Cap Value Fund, Inc. - Class A</b>			
Contracts in accumulation period:			
ING MAP PLUS NP7	1,558.732	\$ 14.48	\$ 22,570
ING MAP PLUS NP12	13,482.469	14.38	193,878
ING MAP PLUS NP14	6,456.087	14.33	92,516
ING MAP PLUS NP15	3,867.859	14.31	55,349
ING MAP PLUS NP16	3,786.932	14.29	54,115
ING MAP PLUS NP17	357.649	14.27	5,104
ING MAP PLUS NP20	1,881.246	14.21	26,733
ING MAP PLUS NP21	8,942.759	14.19	126,898
ING MAP PLUS NP22	7,062.553	14.17	100,076
ING MAP PLUS NP23	5,341.366	14.15	75,580
ING MAP PLUS NP24	5,943.948	14.13	83,988
ING MAP PLUS NP26	198.238	14.09	2,793
ING MAP PLUS NP28	9,120.435	14.05	128,142
ING MAP PLUS NP29	6.986	14.03	98
ING MAP PLUS NP30	1,299.909	14.01	18,212
ING MAP PLUS NP32	791.908	13.96	11,055
Qualified XII (1.00)	4,923.528	16.97	83,552
	<u>75,022.604</u>		<u>\$ 1,080,659</u>

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**

**Notes to Financial Statements**

---

<u>Division/Contract</u>	<u>Units</u>	<u>Unit Value</u>	<u>Extended Value</u>
<b>Lord Abbett Small-Cap Value Fund - Class A</b>			
Contracts in accumulation period:			
ING MAP PLUS NP11	17,820.239	\$ 15.91	\$ 283,520
ING MAP PLUS NP12	4,909.318	15.89	78,009
ING MAP PLUS NP14	10,634.327	15.84	168,448
ING MAP PLUS NP15	10,315.501	15.82	163,191
ING MAP PLUS NP17	112.983	15.78	1,783
ING MAP PLUS NP19	2,203.928	15.73	34,668
ING MAP PLUS NP21	16,207.919	15.68	254,140
ING MAP PLUS NP22	3,177.618	15.66	49,761
ING MAP PLUS NP23	953.696	15.64	14,916
ING MAP PLUS NP26	177.234	15.57	2,760
ING MAP PLUS NP27	11,644.520	15.55	181,072
ING MAP PLUS NP28	104.557	15.53	1,624
ING MAP PLUS NP29	5,552.703	15.50	86,067
ING MAP PLUS NP30	3,487.902	15.48	53,993
ING MAP PLUS NP32	327.035	15.44	5,049
	<u>87,629.480</u>		<u>\$ 1,379,001</u>

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**

**Notes to Financial Statements**

<b>Division/Contract</b>	<b>Units</b>	<b>Unit Value</b>	<b>Extended Value</b>
<b>Lord Abbett Series Fund - Growth and Income Portfolio - Class VC</b>			
Currently payable annuity contracts:	102,892.261	\$12.89 to \$13.93	1,425,230
Contracts in accumulation period:			
ING Custom Choice 62	1,164.373	13.47	15,684
ING Custom Choice 65	56,429.583	12.67	714,963
Qualified V	2,101.981	13.24	27,830
Qualified VI	3,972,086.909	13.35	53,027,360
Qualified VIII	4,394.301	13.35	58,664
Qualified X (1.15)	195,968.161	13.42	2,629,893
Qualified X (1.25)	627,950.984	13.35	8,383,146
Qualified XII (0.45)	795.875	13.95	11,102
Qualified XII (0.50)	330,415.982	13.91	4,596,086
Qualified XII (0.55)	224,531.353	13.87	3,114,250
Qualified XII (0.60)	114,980.952	13.83	1,590,187
Qualified XII (0.65)	218,126.591	13.80	3,010,147
Qualified XII (0.70)	289,512.507	13.76	3,983,692
Qualified XII (0.75)	229,111.599	13.72	3,143,411
Qualified XII (0.80)	414,381.043	13.68	5,668,733
Qualified XII (0.85)	495,395.312	13.65	6,762,146
Qualified XII (0.90)	31,446.921	13.61	427,993
Qualified XII (0.95)	281,765.657	13.57	3,823,560
Qualified XII (1.00)	2,063,191.830	13.53	27,914,985
Qualified XII (1.05)	183,986.721	13.50	2,483,821
Qualified XII (1.10)	49,883.135	13.46	671,427
Qualified XII (1.15)	83,274.877	13.42	1,117,549
Qualified XII (1.20)	23,995.610	13.39	321,301
Qualified XII (1.25)	149,724.642	13.35	1,998,824
Qualified XII (1.30)	1,958.672	13.32	26,090
Qualified XII (1.35)	11,593.288	13.28	153,959
Qualified XII (1.40)	39,242.401	13.24	519,569
Qualified XII (1.45)	7,042.534	13.21	93,032
Qualified XII (1.50)	8,060.275	13.17	106,154
Qualified XV	21,737.234	13.57	294,974
Qualified XVI	111,752.768	13.17	1,471,784
Qualified XVII	13,008.205	13.35	173,660
Qualified XVIII	23,476.755	13.35	313,415
Qualified XXI	72,072.909	13.68	985,957
Qualified XXV	62,156.718	13.72	852,790
Qualified XXVI	16,134.270	13.61	219,587
Qualified XXXII	6,593.540	13.71	90,397
	<u>10,542,338.729</u>		<u>\$ 142,223,352</u>

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Notes to Financial Statements**

<b>Division/Contract</b>	<b>Units</b>	<b>Unit Value</b>	<b>Extended Value</b>
<b>Lord Abbett Series Fund - Mid-Cap Value Portfolio - Class VC</b>			
Currently payable annuity contracts:	78,598.627	\$ 15.24	\$ 1,197,843
Contracts in accumulation period:			
ING Custom Choice 62	1,533.295	14.33	21,972
ING Custom Choice 65	6,976.253	12.72	88,738
Qualified VI	2,555,514.278	14.88	38,026,052
Qualified X (1.15)	133,150.355	14.96	1,991,929
Qualified X (1.25)	342,103.656	14.88	5,090,502
Qualified XII (0.25)	93,847.403	15.71	1,474,343
Qualified XII (0.30)	134.551	15.67	2,108
Qualified XII (0.35)	5,928.331	15.63	92,660
Qualified XII (0.50)	124,246.879	15.50	1,925,827
Qualified XII (0.55)	189,560.586	15.46	2,930,607
Qualified XII (0.60)	85,412.132	15.42	1,317,055
Qualified XII (0.65)	14,823.531	15.38	227,986
Qualified XII (0.70)	120,994.661	15.33	1,854,848
Qualified XII (0.75)	87,225.228	15.29	1,333,674
Qualified XII (0.80)	279,291.043	15.25	4,259,188
Qualified XII (0.85)	232,217.394	15.21	3,532,027
Qualified XII (0.90)	31,189.770	15.17	473,149
Qualified XII (0.95)	1,878,475.210	15.13	28,421,330
Qualified XII (1.00)	1,192,809.263	15.08	17,987,564
Qualified XII (1.05)	90,240.284	15.04	1,357,214
Qualified XII (1.10)	37,123.381	15.00	556,851
Qualified XII (1.15)	76,389.908	14.96	1,142,793
Qualified XII (1.20)	17,462.410	14.92	260,539
Qualified XII (1.25)	87,367.712	14.88	1,300,032
Qualified XII (1.30)	2,316.962	14.84	34,384
Qualified XII (1.35)	6,228.255	14.80	92,178
Qualified XII (1.40)	18,992.699	14.76	280,332
Qualified XII (1.45)	2,899.158	14.72	42,676
Qualified XII (1.50)	1,279.157	14.68	18,778
Qualified XV	10,842.988	15.13	164,054
Qualified XVI	58,774.963	14.68	862,816
Qualified XVII	3,085.005	14.88	45,905
Qualified XVIII	7,504.685	14.88	111,670
Qualified XXI	89,562.499	15.25	1,365,828
Qualified XXV	40,131.404	15.29	613,609
Qualified XXVI	14,166.742	15.17	214,909
Qualified XXVII	961,268.229	18.67	17,946,878
Qualified XXVIII	1,053,748.222	16.16	17,028,571
Qualified XXXII	10,678.052	14.99	160,064
Qualified XXXIII (0.65)	22,848.251	17.21	393,218
	<u>10,066,943.412</u>		<u>\$ 156,242,701</u>



**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**

**Notes to Financial Statements**

<b>Division/Contract</b>	<b>Units</b>	<b>Unit Value</b>	<b>Extended Value</b>
<b>Massachusetts Investors Growth Stock Fund - Class A</b>			
Contracts in accumulation period:			
ING MAP PLUS NP12	19,180.326	\$ 11.61	\$ 222,684
ING MAP PLUS NP14	14,016.640	11.58	162,313
ING MAP PLUS NP17	504.450	11.53	5,816
ING MAP PLUS NP20	17,850.634	11.48	204,925
ING MAP PLUS NP26	52.822	11.38	601
	<u>51,604.872</u>		<u>\$ 596,339</u>
<b>MFS® Total Return Series - Initial Class</b>			
Contracts in accumulation period:			
Qualified XXVII	2,475,154.727	\$ 16.40	\$ 40,592,538
Qualified XXVIII	2,486,615.354	16.26	40,432,366
	<u>4,961,770.081</u>		<u>\$ 81,024,904</u>
<b>Moderate Allocation Portfolio</b>			
ING Custom Choice 41	1,936.889	\$ 12.71	\$ 24,618
	<u>1,936.889</u>		<u>\$ 24,618</u>
<b>Neuberger Berman Socially Responsive Fund® - Trust Class</b>			
Contracts in accumulation period:			
ING Custom Choice 65	17.711	\$ 10.77	\$ 191
ING MAP PLUS NP18	594.299	10.72	6,371
Qualified VI	26,097.531	10.69	278,983
Qualified XII (0.50)	724.549	10.75	7,789
Qualified XII (0.70)	109.991	10.73	1,180
Qualified XII (0.75)	315.418	10.73	3,384
Qualified XII (0.85)	660.952	10.72	7,085
Qualified XII (0.90)	12.836	10.72	138
Qualified XII (0.95)	9,477.957	10.72	101,604
Qualified XII (1.00)	7,870.151	10.71	84,289
Qualified XII (1.05)	1,406.536	10.71	15,064
Qualified XII (1.10)	82.631	10.70	884
Qualified XII (1.20)	400.156	10.70	4,282
Qualified XII (1.25)	49.952	10.69	534
Qualified XVI	148.069	10.68	1,581
Qualified XXI	146.383	10.73	1,571
Qualified XXV	166.041	10.73	1,782
Qualified XXVI	83.395	10.72	894
Qualified XXXVI	88.342	10.74	949
	<u>48,452.900</u>		<u>\$ 518,555</u>

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**

**Notes to Financial Statements**

<b>Division/Contract</b>	<b>Units</b>	<b>Unit Value</b>	<b>Extended Value</b>
<b>New Perspective Fund®, Inc. - Class R-3</b>			
Contracts in accumulation period:			
ING MAP PLUS NP5	6,696.579	\$ 14.75	\$ 98,775
ING MAP PLUS NP6	6,369.029	14.73	93,816
ING MAP PLUS NP7	2,300.141	14.71	33,835
ING MAP PLUS NP8	2,496.531	14.69	36,674
ING MAP PLUS NP9	634.952	14.66	9,308
ING MAP PLUS NP11	14,642.838	14.62	214,078
ING MAP PLUS NP14	16,516.644	14.56	240,482
ING MAP PLUS NP15	5.600	14.54	81
ING MAP PLUS NP17	7,471.937	14.50	108,343
ING MAP PLUS NP18	13,528.440	14.47	195,757
ING MAP PLUS NP21	10,424.313	14.41	150,214
ING MAP PLUS NP23	967.024	14.37	13,896
ING MAP PLUS NP32	604.563	14.18	8,573
	<u>82,658.591</u>		<u>\$ 1,203,832</u>
<b>New Perspective Fund®, Inc. - Class R-4</b>			
Contracts in accumulation period:			
ING Custom Choice 62	376.467	\$ 15.13	\$ 5,696
ING Custom Choice 65	373.293	13.90	5,189
Qualified VI	658,349.713	14.72	9,690,908
Qualified XII (0.30)	87.755	15.10	1,325
Qualified XII (0.40)	10,731.414	15.06	161,615
Qualified XII (0.50)	163,750.465	15.02	2,459,532
Qualified XII (0.55)	12,486.744	15.00	187,301
Qualified XII (0.60)	15,663.596	14.98	234,641
Qualified XII (0.65)	1,222.650	14.96	18,291
Qualified XII (0.70)	43,555.518	14.94	650,719
Qualified XII (0.75)	32,355.551	14.92	482,745
Qualified XII (0.80)	277,481.356	14.90	4,134,472
Qualified XII (0.85)	65,794.349	14.88	979,020
Qualified XII (0.90)	6,167.152	14.86	91,644
Qualified XII (0.95)	40,699.449	14.84	603,980
Qualified XII (1.00)	330,652.306	14.82	4,900,267
Qualified XII (1.05)	16,951.523	14.80	250,883
Qualified XII (1.10)	10,097.735	14.78	149,245
Qualified XII (1.15)	20,029.243	14.76	295,632
Qualified XII (1.20)	5,026.412	14.74	74,089
Qualified XII (1.25)	27,000.965	14.72	397,454
Qualified XII (1.30)	27.302	14.70	401
Qualified XII (1.35)	361.515	14.68	5,307
Qualified XII (1.40)	6,439.911	14.66	94,409
Qualified XII (1.45)	542.626	14.64	7,944

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Notes to Financial Statements**

<b>Division/Contract</b>	<b>Units</b>	<b>Unit Value</b>	<b>Extended Value</b>
<b>New Perspective Fund®, Inc. - Class R-4 (continued)</b>			
Qualified XV	947.227	14.84	14,057
Qualified XVI	4,948.390	14.62	72,345
Qualified XVII	13.835	14.82	205
Qualified XXI	1,861.538	14.90	27,737
Qualified XXV	2,255.328	14.94	33,695
Qualified XXVI	739.545	14.89	11,012
Qualified XXVII	138,929.912	13.57	1,885,279
	<u>1,895,920.785</u>		<u>\$ 27,927,039</u>
<b>Oppenheimer Capital Appreciation Fund - Class A</b>			
Contracts in accumulation period:			
ING MAP PLUS NP8	490.831	\$ 11.54	\$ 5,664
ING MAP PLUS NP11	494.789	11.49	5,685
ING MAP PLUS NP12	6,916.210	11.48	79,398
ING MAP PLUS NP14	609.122	11.44	6,968
ING MAP PLUS NP15	2,901.545	11.43	33,165
ING MAP PLUS NP18	18,737.196	11.38	213,229
ING MAP PLUS NP24	5,096.550	11.28	57,489
ING MAP PLUS NP26	1,061.850	11.24	11,935
	<u>36,308.093</u>		<u>\$ 413,533</u>
<b>Oppenheimer Developing Markets Fund - Class A</b>			
Contracts in accumulation period:			
ING Custom Choice 62	1,954.401	\$ 24.79	\$ 48,450
ING Custom Choice 65	19,573.243	17.39	340,379
ING MAP PLUS NP5	19,879.206	22.95	456,228
ING MAP PLUS NP8	3,075.550	22.85	70,276
ING MAP PLUS NP12	15,870.497	22.72	360,578
ING MAP PLUS NP13	9,695.477	22.69	219,990
ING MAP PLUS NP14	3,134.077	22.66	71,018
ING MAP PLUS NP15	1,772.805	22.62	40,101
ING MAP PLUS NP17	1,948.823	22.56	43,965
ING MAP PLUS NP18	4,032.032	22.52	90,801
ING MAP PLUS NP19	27,740.244	22.49	623,878
ING MAP PLUS NP21	17,828.209	22.43	399,887
ING MAP PLUS NP22	9,254.256	22.39	207,203
ING MAP PLUS NP23	836.196	22.36	18,697
ING MAP PLUS NP24	747.419	22.33	16,690
ING MAP PLUS NP25	1,066.294	22.30	23,778
ING MAP PLUS NP26	1,403.542	22.27	31,257
ING MAP PLUS NP28	0.291	22.20	6
ING MAP PLUS NP30	2,826.209	22.14	62,572

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**

**Notes to Financial Statements**

<b>Division/Contract</b>	<b>Units</b>	<b>Unit Value</b>	<b>Extended Value</b>
<b>Oppenheimer Developing Markets</b>			
<b>Fund - Class A (continued)</b>			
ING MAP PLUS NP32	500.539	\$ 22.07	\$ 11,047
Qualified V	163.969	49.15	8,059
Qualified VI	1,259,576.549	49.65	62,537,976
Qualified XII (0.30)	23.371	52.76	1,233
Qualified XII (0.50)	44,018.953	52.09	2,292,947
Qualified XII (0.55)	5,866.692	51.92	304,599
Qualified XII (0.60)	18,906.628	51.76	978,607
Qualified XII (0.65)	6,158.506	51.59	317,717
Qualified XII (0.70)	132,433.977	51.43	6,811,079
Qualified XII (0.75)	40,216.857	51.26	2,061,516
Qualified XII (0.80)	89,018.829	51.10	4,548,862
Qualified XII (0.85)	103,606.628	50.94	5,277,722
Qualified XII (0.90)	13,279.684	50.77	674,210
Qualified XII (0.95)	57,799.573	50.61	2,925,236
Qualified XII (1.00)	441,135.508	50.45	22,255,286
Qualified XII (1.05)	27,689.190	50.29	1,392,489
Qualified XII (1.10)	20,234.002	50.13	1,014,331
Qualified XII (1.15)	53,109.706	49.97	2,653,892
Qualified XII (1.20)	5,761.188	49.81	286,965
Qualified XII (1.25)	29,258.277	49.65	1,452,673
Qualified XII (1.30)	1,797.307	49.49	88,949
Qualified XII (1.35)	553.371	49.34	27,303
Qualified XII (1.40)	5,989.103	49.18	294,544
Qualified XII (1.45)	1,635.168	49.02	80,156
Qualified XII (1.50)	614.460	48.87	30,029
Qualified XV	2,847.993	50.61	144,137
Qualified XVI	24,696.490	48.87	1,206,917
Qualified XVII	6,855.450	49.65	340,373
Qualified XXI	7,493.651	51.10	382,926
Qualified XXV	17,197.677	51.23	881,037
Qualified XXVI	8,878.802	50.75	450,599
Qualified XXVII	1,173,366.633	33.26	39,026,174
Qualified XXXVI	139.620	50.50	7,051
	<u>3,743,463.122</u>		<u>\$ 163,892,395</u>
<b>Oppenheimer Global Fund - Class A</b>			
Contracts in accumulation period:			
Qualified XII (1.00)	6,808.145	\$ 19.08	\$ 129,899
	<u>6,808.145</u>		<u>\$ 129,899</u>

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Notes to Financial Statements**

<b>Division/Contract</b>	<b>Units</b>	<b>Unit Value</b>	<b>Extended Value</b>
<b>Oppenheimer Main Street Fund® - Class A</b>			
Contracts in accumulation period:			
ING MAP PLUS NP6	3,804.299	\$ 12.85	\$ 48,885
ING MAP PLUS NP14	2,395.129	12.70	30,418
ING MAP PLUS NP15	6,180.190	12.68	78,365
ING MAP PLUS NP17	406.017	12.65	5,136
ING MAP PLUS NP19	545.796	12.61	6,882
ING MAP PLUS NP26	395.909	12.48	4,941
ING MAP PLUS NP32	5.746	12.37	71
	<u>13,733.086</u>		<u>\$ 174,698</u>
<b>Oppenheimer Aggressive Growth Fund/VA</b>			
Currently payable annuity contracts:	132.064	\$ 10.42	\$ 1,376
	<u>132.064</u>		<u>\$ 1,376</u>
<b>Oppenheimer Global Securities/VA</b>			
Contracts in accumulation period:			
ING MAP PLUS NP23	124.843	\$ 14.87	\$ 1,856
ING MAP PLUS NP29	0.050	14.74	1
Qualified VI	21,550.193	23.71	510,955
Qualified X (1.25)	1,642.916	23.71	38,954
Qualified XII (0.45)	2.478	25.34	63
Qualified XII (0.50)	96.851	25.31	2,451
Qualified XII (0.60)	5.485	25.02	137
Qualified XII (0.70)	3,371.081	24.80	83,603
Qualified XII (0.75)	110.002	24.70	2,717
Qualified XII (0.80)	643.490	24.66	15,868
Qualified XII (0.85)	368.553	24.55	9,048
Qualified XII (0.90)	120.334	24.44	2,941
Qualified XII (0.95)	25.810	24.34	628
Qualified XII (1.00)	2,467.823	24.23	59,795
Qualified XII (1.05)	18.338	24.13	442
Qualified XII (1.10)	56.435	24.02	1,356
Qualified XII (1.15)	336.170	23.92	8,041
Qualified XII (1.25)	87.175	23.71	2,067
Qualified XII (1.40)	110.668	23.40	2,590
Qualified XVII	918.539	23.71	21,779
	<u>32,057.234</u>		<u>\$ 765,292</u>
<b>Oppenheimer Main Street Fund®/VA</b>			
Currently payable annuity contracts:	12,583.031	\$9.60 to \$10.78	\$ 122,850
	<u>12,583.031</u>		<u>\$ 122,850</u>

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**

**Notes to Financial Statements**

<b>Division/Contract</b>	<b>Units</b>	<b>Unit Value</b>	<b>Extended Value</b>
<b>Oppenheimer Main Street Small Cap Fund®/VA</b>			
Contracts in accumulation period:			
ING Custom Choice 62	28.133	\$ 13.32	\$ 375
ING Custom Choice 65	1,460.450	13.56	19,804
Qualified VI	201,229.789	13.32	2,680,381
Qualified X (1.15)	3,403.135	15.21	51,762
Qualified X (1.25)	17,539.392	15.17	266,073
Qualified XII (0.30)	82.928	13.53	1,122
Qualified XII (0.50)	1,408.516	13.48	18,987
Qualified XII (0.55)	1,951.062	13.47	26,281
Qualified XII (0.60)	3,743.366	13.46	50,386
Qualified XII (0.65)	3,666.759	13.45	49,318
Qualified XII (0.70)	5,910.231	13.44	79,434
Qualified XII (0.75)	2,641.647	13.43	35,477
Qualified XII (0.80)	6,756.907	13.42	90,678
Qualified XII (0.85)	15,401.484	13.40	206,380
Qualified XII (0.90)	1,228.100	13.39	16,444
Qualified XII (0.95)	6,922.874	13.38	92,628
Qualified XII (1.00)	38,101.950	13.37	509,423
Qualified XII (1.05)	3,802.429	13.36	50,800
Qualified XII (1.10)	3,172.987	13.35	42,359
Qualified XII (1.15)	7,787.267	13.34	103,882
Qualified XII (1.20)	369.228	13.33	4,922
Qualified XII (1.25)	3,535.829	13.32	47,097
Qualified XII (1.35)	2,943.991	13.29	39,126
Qualified XII (1.40)	245.802	13.28	3,264
Qualified XII (1.45)	578.706	13.27	7,679
Qualified XII (1.50)	307.314	13.26	4,075
Qualified XV	2,871.706	13.38	38,423
Qualified XVI	5,862.427	13.26	77,736
Qualified XVII	1,715.188	13.32	22,846
Qualified XVIII	1,041.974	15.26	15,901
Qualified XXI	3,818.541	13.42	51,245
Qualified XXV	505.052	13.43	6,783
Qualified XXVI	827.724	13.39	11,083
	<u>350,862.888</u>		<u>\$ 4,722,174</u>

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Notes to Financial Statements**

<b>Division/Contract</b>	<b>Units</b>	<b>Unit Value</b>	<b>Extended Value</b>
<b>Oppenheimer Strategic Bond Fund/VA</b>			
Contracts in accumulation period:			
Qualified VI	3,766.685	\$ 15.07	\$ 56,764
Qualified X (1.25)	308.345	15.07	4,647
Qualified XII (0.55)	8.404	16.02	135
Qualified XII (0.65)	0.303	15.89	5
Qualified XII (0.70)	3,687.977	15.82	58,344
Qualified XII (0.75)	20.912	15.75	329
Qualified XII (0.85)	234.025	15.61	3,653
Qualified XII (1.00)	198.128	15.40	3,051
Qualified XII (1.05)	71.907	15.34	1,103
Qualified XII (1.45)	24.874	14.81	368
	<u>8,321.560</u>		<u>\$ 128,399</u>
<b>Pax World Balanced Fund, Inc.</b>			
Contracts in accumulation period:			
ING Custom Choice 62	2,148.097	\$ 12.86	\$ 27,625
ING Custom Choice 65	350.117	11.99	4,198
ING MAP PLUS NP5	10,216.734	12.90	131,796
ING MAP PLUS NP8	11,482.089	12.85	147,545
ING MAP PLUS NP11	5,564.101	12.79	71,165
ING MAP PLUS NP12	12,039.797	12.77	153,748
ING MAP PLUS NP15	14,447.049	12.72	183,766
ING MAP PLUS NP16	8,660.004	12.70	109,982
ING MAP PLUS NP17	249.152	12.68	3,159
ING MAP PLUS NP18	1,188.643	12.66	15,048
ING MAP PLUS NP19	4.737	12.64	60
ING MAP PLUS NP21	7,743.248	12.61	97,642
ING MAP PLUS NP22	21.276	12.59	268
ING MAP PLUS NP23	1,289.941	12.57	16,215
ING MAP PLUS NP25	506.739	12.53	6,349
ING MAP PLUS NP32	260.450	12.41	3,232
Qualified V	260.097	11.90	3,095
Qualified VI	1,334,311.579	12.02	16,038,425
Qualified XII (0.30)	85.856	12.77	1,096
Qualified XII (0.50)	17,954.597	12.61	226,407
Qualified XII (0.55)	18,193.998	12.57	228,699
Qualified XII (0.60)	2,942.049	12.53	36,864
Qualified XII (0.65)	611.174	12.49	7,634
Qualified XII (0.70)	231,678.155	12.45	2,884,393
Qualified XII (0.75)	49,545.606	12.41	614,861
Qualified XII (0.80)	75,704.917	12.37	936,470
Qualified XII (0.85)	121,693.976	12.33	1,500,487

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Notes to Financial Statements**

<b>Division/Contract</b>	<b>Units</b>	<b>Unit Value</b>	<b>Extended Value</b>
<b>Pax World Balanced Fund, Inc. (continued)</b>			
Qualified XII (0.90)	5,839.657	\$ 12.29	\$ 71,769
Qualified XII (0.95)	27,690.492	12.25	339,209
Qualified XII (1.00)	1,100,688.334	12.21	13,439,405
Qualified XII (1.05)	94,631.638	12.18	1,152,613
Qualified XII (1.10)	11,720.079	12.14	142,282
Qualified XII (1.15)	61,839.640	12.10	748,260
Qualified XII (1.20)	5,752.515	12.06	69,375
Qualified XII (1.25)	41,375.798	12.02	497,337
Qualified XII (1.30)	2,856.824	11.98	34,225
Qualified XII (1.35)	2,257.054	11.94	26,949
Qualified XII (1.40)	9,534.595	11.91	113,557
Qualified XII (1.45)	203.040	11.87	2,410
Qualified XII (1.50)	63.557	11.83	752
Qualified XVI	21,998.933	11.83	260,247
Qualified XVII	2,513.971	12.02	30,218
Qualified XXI	591.828	12.37	7,321
Qualified XXV	253.496	12.40	3,143
Qualified XXVI	2,501.293	12.29	30,741
Qualified XXVII	790,821.419	12.24	9,679,654
	<u>4,112,288.341</u>		<u>\$ 50,099,696</u>
<b>PIMCO Real Return Portfolio - Administrative Class</b>			
Contracts in accumulation period:			
ING Custom Choice 62	1,536.272	\$ 10.61	\$ 16,300
ING Custom Choice 65	24,101.637	10.15	244,632
Qualified VI	763,468.140	10.83	8,268,360
Qualified X (1.15)	12,782.495	10.50	134,216
Qualified X (1.25)	37,102.958	10.48	388,839
Qualified XII (0.00)	5.973	11.19	67
Qualified XII (0.15)	45,274.202	11.15	504,807
Qualified XII (0.35)	73,265.942	11.09	812,519
Qualified XII (0.40)	1,461.189	11.07	16,175
Qualified XII (0.50)	62,665.861	11.04	691,831
Qualified XII (0.55)	2,614.921	11.03	28,843
Qualified XII (0.60)	5,071.277	11.01	55,835
Qualified XII (0.65)	1,834.042	11.00	20,174
Qualified XII (0.70)	116,095.911	10.99	1,275,894
Qualified XII (0.75)	27,157.180	10.97	297,914
Qualified XII (0.80)	92,702.646	10.96	1,016,021
Qualified XII (0.85)	84,571.349	10.94	925,211
Qualified XII (0.90)	10,465.080	10.93	114,383
Qualified XII (0.95)	64,562.447	10.91	704,376



**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Notes to Financial Statements**

<b>Division/Contract</b>	<b>Units</b>	<b>Unit Value</b>	<b>Extended Value</b>
<b>PIMCO Real Return</b>			
<b>Portfolio - Administrative Class (continued)</b>			
Qualified XII (1.00)	772,131.731	\$ 10.90	\$ 8,416,236
Qualified XII (1.05)	22,704.574	10.88	247,026
Qualified XII (1.10)	16,253.005	10.87	176,670
Qualified XII (1.15)	23,309.606	10.85	252,909
Qualified XII (1.20)	6,893.226	10.84	74,723
Qualified XII (1.25)	30,507.957	10.83	330,401
Qualified XII (1.30)	1,489.965	10.81	16,107
Qualified XII (1.35)	3,392.574	10.80	36,640
Qualified XII (1.40)	6,646.914	10.78	71,654
Qualified XII (1.45)	165.073	10.77	1,778
Qualified XII (1.50)	3.688	10.75	40
Qualified XVI	21,793.539	10.75	234,281
Qualified XXI	1,182.573	10.96	12,961
Qualified XXV	1,829.477	10.99	20,106
Qualified XXVI	2,653.799	10.95	29,059
Qualified XXXII	8.096	10.48	85
	<u>2,337,705.319</u>		<u>\$ 25,437,073</u>
<b>Pioneer Fund - Class A</b>			
Contracts in accumulation period:			
Qualified XII (1.00)	2,986.558	\$ 15.26	\$ 45,575
	<u>2,986.558</u>		<u>\$ 45,575</u>
<b>Pioneer High Yield Fund - Class A</b>			
Contracts in accumulation period:			
ING MAP PLUS NP5	25,988.201	\$ 11.78	\$ 306,141
ING MAP PLUS NP6	22,031.593	11.77	259,312
ING MAP PLUS NP8	13,578.584	11.73	159,277
ING MAP PLUS NP9	6,251.892	11.72	73,272
ING MAP PLUS NP10	15,795.891	11.70	184,812
ING MAP PLUS NP11	7,380.927	11.68	86,209
ING MAP PLUS NP12	1,489.118	11.66	17,363
ING MAP PLUS NP13	1,330.933	11.65	15,505
ING MAP PLUS NP14	5,238.392	11.63	60,922
ING MAP PLUS NP15	15,381.757	11.61	178,582
ING MAP PLUS NP16	6.089	11.60	71
ING MAP PLUS NP17	167.400	11.58	1,938
ING MAP PLUS NP18	13,994.272	11.56	161,774
ING MAP PLUS NP19	4,062.716	11.55	46,924
ING MAP PLUS NP20	718.498	11.53	8,284
ING MAP PLUS NP21	15,438.207	11.51	177,694
ING MAP PLUS NP22	723.201	11.50	8,317
ING MAP PLUS NP23	4,672.362	11.48	53,639

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**

**Notes to Financial Statements**

<b>Division/Contract</b>	<b>Units</b>	<b>Unit Value</b>	<b>Extended Value</b>
<b>Pioneer High Yield Fund - Class A (continued)</b>			
ING MAP PLUS NP24	3,316.744	\$ 11.46	\$ 38,010
ING MAP PLUS NP25	324.479	11.45	3,715
ING MAP PLUS NP26	12.465	11.43	142
ING MAP PLUS NP27	1,211.980	11.41	13,829
ING MAP PLUS NP28	56.167	11.40	640
ING MAP PLUS NP30	832.651	11.36	9,459
ING MAP PLUS NP31	132.897	11.35	1,508
ING MAP PLUS NP32	1,137.209	11.33	12,885
	<u>161,274.625</u>		<u>\$ 1,880,224</u>
<b>Pioneer Equity Income VCT Portfolio - Class I</b>			
Currently payable annuity contracts:	197,681.618	\$14.24 to \$15.32	\$ 2,995,133
Contracts in accumulation period:			
ING Custom Choice 62	671.912	14.69	9,870
ING Custom Choice 65	10,875.229	13.06	142,030
ING MAP PLUS NP5	4,961.540	14.62	72,538
ING MAP PLUS NP8	14,814.034	14.55	215,544
ING MAP PLUS NP14	1,753.046	14.43	25,296
ING MAP PLUS NP21	5,484.296	14.28	78,316
ING MAP PLUS NP23	645.367	14.24	9,190
ING MAP PLUS NP25	1,948.106	14.20	27,663
ING MAP PLUS NP26	218.610	14.18	3,100
ING MAP PLUS NP30	37.235	14.10	525
ING MAP PLUS NP32	23.706	14.06	333
Qualified VI	2,548,852.374	14.04	35,785,887
Qualified VIII	4,587.545	14.03	64,363
Qualified X (1.15)	92,522.538	14.12	1,306,418
Qualified X (1.25)	250,032.014	14.04	3,510,449
Qualified XII (0.35)	13,570.493	14.74	200,029
Qualified XII (0.50)	201,842.793	14.62	2,950,942
Qualified XII (0.55)	144,131.914	14.58	2,101,443
Qualified XII (0.60)	31,700.860	14.54	460,931
Qualified XII (0.65)	86,448.989	14.50	1,253,510
Qualified XII (0.70)	167,031.142	14.47	2,416,941
Qualified XII (0.75)	79,539.842	14.43	1,147,760
Qualified XII (0.80)	1,112,500.071	14.39	16,008,876
Qualified XII (0.85)	146,776.808	14.35	2,106,247
Qualified XII (0.90)	23,032.517	14.31	329,595
Qualified XII (0.95)	172,171.338	14.27	2,456,885
Qualified XII (1.00)	1,177,573.266	14.23	16,756,868
Qualified XII (1.05)	88,222.712	14.19	1,251,880
Qualified XII (1.10)	28,728.286	14.15	406,505

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**

**Notes to Financial Statements**

---

<b>Division/Contract</b>	<b>Units</b>	<b>Unit Value</b>	<b>Extended Value</b>
<b>Pioneer Equity Income VCT Portfolio - Class I (continued)</b>			
Qualified XII (1.15)	133,239.550	\$ 14.12	\$ 1,881,342
Qualified XII (1.20)	14,113.454	14.08	198,717
Qualified XII (1.25)	56,134.561	14.04	788,129
Qualified XII (1.30)	3,119.399	14.00	43,672
Qualified XII (1.35)	2,404.511	13.96	33,567
Qualified XII (1.40)	11,084.345	13.92	154,294
Qualified XII (1.45)	3,160.654	13.89	43,901
Qualified XII (1.50)	221.292	13.85	3,065
Qualified XV	1,845.285	14.27	26,332
Qualified XVI	40,055.560	13.85	554,770
Qualified XVII	16,326.566	14.04	229,225
Qualified XVIII	15,776.233	14.04	221,498
Qualified XXI	28,912.752	14.39	416,055
Qualified XXV	32,547.473	14.43	469,660
Qualified XXVI	17,748.721	14.31	253,984
Qualified XXVII	1,068,757.295	17.75	18,970,442
Qualified XXXII	4,199.864	15.05	63,208
Qualified XXXIII (0.65)	58,067.027	14.94	867,521
	<u>8,116,094.743</u>		<u>\$ 119,314,449</u>

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**

**Notes to Financial Statements**

<b>Division/Contract</b>	<b>Units</b>	<b>Unit Value</b>	<b>Extended Value</b>
<b>Pioneer Fund VCT Portfolio - Class I</b>			
Currently payable annuity contracts:	14,346.282	\$ 13.90	\$ 199,413
Contracts in accumulation period:			
ING Custom Choice 65	571.744	12.81	7,324
ING MAP PLUS NP8	20,965.478	13.38	280,518
ING MAP PLUS NP12	8,883.726	13.30	118,154
ING MAP PLUS NP14	2,572.459	13.26	34,111
ING MAP PLUS NP15	4,477.438	13.24	59,281
ING MAP PLUS NP17	938.124	13.20	12,383
ING MAP PLUS NP18	1,719.545	13.19	22,681
ING MAP PLUS NP23	131.471	13.09	1,721
ING MAP PLUS NP28	802.359	13.00	10,431
Qualified VI	174,786.294	12.22	2,135,889
Qualified X (1.15)	21,948.332	12.28	269,526
Qualified X (1.25)	35,640.993	12.22	435,533
Qualified XII (0.15)	125,187.608	12.97	1,623,683
Qualified XII (0.35)	24,759.390	12.83	317,663
Qualified XII (0.50)	33,490.111	12.73	426,329
Qualified XII (0.55)	3,633.292	12.69	46,106
Qualified XII (0.60)	1,612.777	12.66	20,418
Qualified XII (0.65)	69,475.021	12.62	876,775
Qualified XII (0.70)	28,641.564	12.59	360,597
Qualified XII (0.75)	3,733.590	12.55	46,857
Qualified XII (0.80)	37,429.600	12.52	468,619
Qualified XII (0.85)	19,998.367	12.49	249,780
Qualified XII (0.90)	1,953.555	12.45	24,322
Qualified XII (0.95)	39,354.024	12.42	488,777
Qualified XII (1.00)	46,775.603	12.38	579,082
Qualified XII (1.05)	10,780.840	12.35	133,143
Qualified XII (1.10)	3,945.220	12.32	48,605
Qualified XII (1.15)	13,979.974	12.28	171,674
Qualified XII (1.20)	2,214.702	12.25	27,130
Qualified XII (1.25)	6,210.488	12.22	75,892
Qualified XII (1.30)	13.886	12.18	169
Qualified XII (1.35)	55.395	12.15	673
Qualified XII (1.40)	1,077.407	12.12	13,058
Qualified XII (1.45)	215.998	12.08	2,609
Qualified XV	12.839	12.42	159
Qualified XVI	3,550.609	12.05	42,785
Qualified XVII	1,856.213	12.22	22,683
Qualified XVIII	1,214.498	12.22	14,841
Qualified XXI	1,018.105	12.52	12,747
Qualified XXV	1,522.394	12.55	19,106
Qualified XXVI	926.560	12.45	11,536
	<u>772,423.875</u>		<u>\$ 9,712,783</u>

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**

**Notes to Financial Statements**

<b>Division/Contract</b>	<b>Units</b>	<b>Unit Value</b>	<b>Extended Value</b>
<b>Pioneer High Yield VCT Portfolio - Class I</b>			
Contracts in accumulation period:			
ING Custom Choice 65	4,061.732	\$ 11.36	\$ 46,141
Qualified V	130.046	11.43	1,486
Qualified VI	299,696.413	11.48	3,440,515
Qualified X (1.15)	14,528.514	11.57	168,095
Qualified X (1.25)	30,232.471	11.54	348,883
Qualified XII (0.40)	128.740	11.75	1,513
Qualified XII (0.50)	34,940.646	11.72	409,504
Qualified XII (0.55)	1,954.072	11.70	22,863
Qualified XII (0.60)	31,076.188	11.68	362,970
Qualified XII (0.65)	613.416	11.67	7,159
Qualified XII (0.70)	22,875.020	11.65	266,494
Qualified XII (0.75)	4,436.815	11.64	51,645
Qualified XII (0.80)	22,461.471	11.62	261,002
Qualified XII (0.85)	26,195.588	11.61	304,131
Qualified XII (0.90)	4,874.378	11.59	56,494
Qualified XII (0.95)	22,004.844	11.58	254,816
Qualified XII (1.00)	468,954.022	11.56	5,421,108
Qualified XII (1.05)	14,702.975	11.54	169,672
Qualified XII (1.10)	3,706.944	11.53	42,741
Qualified XII (1.15)	18,322.574	11.51	210,893
Qualified XII (1.20)	1,078.162	11.50	12,399
Qualified XII (1.25)	15,110.428	11.48	173,468
Qualified XII (1.30)	61.115	11.47	701
Qualified XII (1.35)	219.139	11.45	2,509
Qualified XII (1.40)	3,343.626	11.44	38,251
Qualified XII (1.45)	777.106	11.42	8,875
Qualified XII (1.50)	1,094.080	11.41	12,483
Qualified XV	116.016	11.58	1,343
Qualified XVI	13,396.483	11.41	152,854
Qualified XVIII	1,794.071	11.61	20,829
Qualified XXI	1,366.817	11.62	15,882
Qualified XXVI	686.639	11.62	7,979
Qualified XXXII	209.514	11.54	2,418
	<u>1,065,150.065</u>		<u>\$ 12,298,116</u>

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**

**Notes to Financial Statements**

---

<b>Division/Contract</b>	<b>Units</b>	<b>Unit Value</b>	<b>Extended Value</b>
<b>Pioneer Mid Cap Value VCT Portfolio - Class I</b>			
Currently payable annuity contracts:	75,590.124	\$ 14.80	\$ 1,118,734
Contracts in accumulation period:			
ING Custom Choice 62	166.010	14.25	2,366
ING Custom Choice 65	1,688.408	12.36	20,869
ING MAP PLUS NP5	5,903.993	14.16	83,601
ING MAP PLUS NP6	1,067.081	14.14	15,089
ING MAP PLUS NP11	10,225.708	14.03	143,467
ING MAP PLUS NP12	3,804.842	14.01	53,306
ING MAP PLUS NP13	5,525.959	13.99	77,308
ING MAP PLUS NP14	2,873.281	13.97	40,140
ING MAP PLUS NP15	6,600.075	13.95	92,071
ING MAP PLUS NP18	301.163	13.89	4,183
ING MAP PLUS NP22	955.500	13.81	13,195
ING MAP PLUS NP23	135.438	13.79	1,868
ING MAP PLUS NP25	228.759	13.75	3,145
ING MAP PLUS NP26	144.892	13.73	1,989
ING MAP PLUS NP27	147.516	13.71	2,022
ING MAP PLUS NP28	807.148	13.69	11,050
ING MAP PLUS NP29	37.450	13.67	512
ING MAP PLUS NP30	81.176	13.65	1,108
Qualified V	189.474	16.80	3,183
Qualified VI	1,524,422.063	16.94	25,823,710
Qualified VIII	951.580	16.94	16,120
Qualified X (1.15)	63,235.272	17.04	1,077,529
Qualified X (1.25)	130,211.989	16.94	2,205,791
Qualified XII (0.15)	12,911.884	17.99	232,285
Qualified XII (0.35)	14,949.690	17.80	266,104
Qualified XII (0.40)	10,979.406	17.75	194,884
Qualified XII (0.50)	51,514.397	17.65	909,229
Qualified XII (0.55)	33,708.734	17.60	593,274
Qualified XII (0.60)	35,529.568	17.55	623,544
Qualified XII (0.65)	122,145.714	17.51	2,138,771
Qualified XII (0.70)	67,738.033	17.46	1,182,706
Qualified XII (0.75)	42,729.192	17.41	743,915
Qualified XII (0.80)	747,923.697	17.36	12,983,955
Qualified XII (0.85)	118,874.779	17.32	2,058,911
Qualified XII (0.90)	13,003.690	17.27	224,574
Qualified XII (0.95)	69,003.646	17.22	1,188,243
Qualified XII (1.00)	802,447.020	17.18	13,786,040
Qualified XII (1.05)	40,197.823	17.13	688,589
Qualified XII (1.10)	22,158.872	17.08	378,474
Qualified XII (1.15)	30,475.640	17.04	519,305

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Notes to Financial Statements**

<u>Division/Contract</u>	<u>Units</u>	<u>Unit Value</u>	<u>Extended Value</u>
<b>Pioneer Mid Cap Value VCT Portfolio - Class I (continued)</b>			
Qualified XII (1.20)	12,366.660	\$ 16.99	\$ 210,110
Qualified XII (1.25)	46,315.907	16.94	784,591
Qualified XII (1.30)	1,322.942	16.90	22,358
Qualified XII (1.35)	1,819.101	16.85	30,652
Qualified XII (1.40)	15,265.935	16.81	256,620
Qualified XII (1.45)	9,328.650	16.76	156,348
Qualified XII (1.50)	6.774	16.71	113
Qualified XV	4,716.737	17.22	81,222
Qualified XVI	56,544.225	16.71	944,854
Qualified XVII	2,489.433	16.94	42,171
Qualified XVIII	2,697.590	16.94	45,697
Qualified XXI	14,004.213	17.36	243,113
Qualified XXV	12,645.287	17.41	220,154
Qualified XXVI	28,072.373	17.27	484,810
Qualified XXVII	407,217.336	19.37	7,887,800
Qualified XXXII	6,103.421	14.67	89,537
Qualified XXXIII (0.65)	16,061.303	17.81	286,052
	<u>4,708,564.573</u>		<u>\$ 81,311,361</u>
<b>T. Rowe Price Mid-Cap Value Fund - R Class</b>			
Contracts in accumulation period:			
ING MAP PLUS NP8	6,793.785	\$ 14.85	\$ 100,888
ING MAP PLUS NP11	7,996.380	14.79	118,266
ING MAP PLUS NP12	259.132	14.77	3,827
ING MAP PLUS NP14	16,917.839	14.72	249,031
ING MAP PLUS NP15	1,706.550	14.70	25,086
ING MAP PLUS NP18	10,314.357	14.64	151,002
ING MAP PLUS NP19	7,212.491	14.62	105,447
ING MAP PLUS NP26	1,026.896	14.47	14,859
ING MAP PLUS NP27	16,477.770	14.45	238,104
ING MAP PLUS NP32	234.661	14.34	3,365
	<u>68,939.861</u>		<u>\$ 1,009,875</u>
<b>T. Rowe Price Value Fund - Advisor Class</b>			
Contracts in accumulation period:			
Qualified XII (1.00)	2,645.661	\$ 11.45	\$ 30,293
	<u>2,645.661</u>		<u>\$ 30,293</u>

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**

**Notes to Financial Statements**

---

<b>Division/Contract</b>	<b>Units</b>	<b>Unit Value</b>	<b>Extended Value</b>
<b>Templeton Foreign Fund - Class A</b>			
Contracts in accumulation period:			
ING MAP PLUS NP8	6,410.892	\$ 15.06	\$ 96,548
ING MAP PLUS NP11	13,973.190	14.99	209,458
ING MAP PLUS NP12	8,309.714	14.97	124,396
ING MAP PLUS NP13	966.367	14.95	14,447
ING MAP PLUS NP18	12,236.910	14.84	181,596
ING MAP PLUS NP20	1,578.618	14.80	23,364
ING MAP PLUS NP22	1,216.190	14.76	17,951
ING MAP PLUS NP24	3,827.441	14.71	56,302
ING MAP PLUS NP26	621.024	14.67	9,110
ING MAP PLUS NP28	8,059.193	14.63	117,906
ING MAP PLUS NP29	10.884	14.61	159
ING MAP PLUS NP30	19.875	14.59	290
ING MAP PLUS NP32	1,697.159	14.54	24,677
	<u>58,927.457</u>		<u>\$ 876,204</u>
<b>Templeton Growth Fund, Inc. - Class A</b>			
Contracts in accumulation period:			
ING MAP PLUS NP14	418.742	\$ 14.66	\$ 6,139
ING MAP PLUS NP15	1,384.796	14.64	20,273
ING MAP PLUS NP17	2,868.062	14.60	41,874
ING MAP PLUS NP18	4,529.799	14.58	66,044
ING MAP PLUS NP19	2,025.589	14.56	29,493
ING MAP PLUS NP20	28,088.664	14.53	408,128
ING MAP PLUS NP21	2,595.162	14.51	37,656
ING MAP PLUS NP22	2,979.871	14.49	43,178
ING MAP PLUS NP24	1,272.032	14.45	18,381
ING MAP PLUS NP26	1,252.153	14.41	18,044
ING MAP PLUS NP28	36.793	14.37	529
ING MAP PLUS NP31	77.312	14.30	1,106
Qualified XII (1.00)	216.506	11.63	2,518
	<u>47,745.481</u>		<u>\$ 693,363</u>



**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**

**Notes to Financial Statements**

<b>Division/Contract</b>	<b>Units</b>	<b>Unit Value</b>	<b>Extended Value</b>
<b>Templeton Global Bond Fund - Class A</b>			
Contracts in accumulation period:			
ING Custom Choice 62	820.206	\$ 12.65	\$ 10,376
ING Custom Choice 65	1,855.314	11.13	20,650
Qualified V	18,329.790	12.40	227,289
Qualified VI	1,078,606.701	12.45	13,428,653
Qualified XII (0.00)	5.178	19.67	102
Qualified XII (0.50)	70,439.404	19.14	1,348,210
Qualified XII (0.55)	2,145.320	19.09	40,954
Qualified XII (0.60)	13,417.795	19.04	255,475
Qualified XII (0.65)	1,620.476	18.99	30,773
Qualified XII (0.70)	66,512.068	18.93	1,259,073
Qualified XII (0.75)	13,061.091	18.88	246,593
Qualified XII (0.80)	62,115.243	18.83	1,169,630
Qualified XII (0.85)	67,124.123	12.58	844,421
Qualified XII (0.90)	10,989.014	18.73	205,824
Qualified XII (0.95)	74,255.333	12.55	931,904
Qualified XII (1.00)	853,274.298	12.53	10,691,527
Qualified XII (1.05)	41,604.538	12.52	520,889
Qualified XII (1.10)	16,265.188	12.50	203,315
Qualified XII (1.15)	53,829.341	12.48	671,790
Qualified XII (1.20)	6,150.226	12.47	76,693
Qualified XII (1.25)	27,114.721	12.45	337,578
Qualified XII (1.30)	916.848	12.43	11,396
Qualified XII (1.35)	212.695	12.42	2,642
Qualified XII (1.40)	3,803.142	12.40	47,159
Qualified XII (1.45)	676.490	12.38	8,375
Qualified XII (1.50)	570.398	12.37	7,056
Qualified XV	13.245	12.55	166
Qualified XVI	23,581.817	12.37	291,707
Qualified XVII	1,513.069	12.53	18,959
Qualified XXI	2,659.584	12.60	33,511
Qualified XXV	3,999.338	12.63	50,512
Qualified XXVI	4,986.949	12.60	62,836
	<u>2,522,468.943</u>		<u>\$ 33,056,038</u>

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**

**Notes to Financial Statements**

<b>Division/Contract</b>	<b>Units</b>	<b>Unit Value</b>	<b>Extended Value</b>
<b>The Growth Fund of America® - Class R-3</b>			
Contracts in accumulation period:			
ING MAP PLUS NP5	17,487.095	\$ 13.63	\$ 238,349
ING MAP PLUS NP6	27,273.323	13.61	371,190
ING MAP PLUS NP7	1,926.120	13.59	26,176
ING MAP PLUS NP8	34,998.110	13.58	475,274
ING MAP PLUS NP9	13,627.530	13.56	184,789
ING MAP PLUS NP11	47,230.922	13.52	638,562
ING MAP PLUS NP12	27,333.767	13.50	369,006
ING MAP PLUS NP13	14,880.125	13.48	200,584
ING MAP PLUS NP14	89,547.635	13.46	1,205,311
ING MAP PLUS NP15	42,715.966	13.44	574,103
ING MAP PLUS NP17	15,143.849	13.40	202,928
ING MAP PLUS NP18	53,059.845	13.38	709,941
ING MAP PLUS NP19	15,725.507	13.36	210,093
ING MAP PLUS NP20	45,614.491	13.34	608,497
ING MAP PLUS NP21	39,886.983	13.32	531,295
ING MAP PLUS NP22	9,185.854	13.30	122,172
ING MAP PLUS NP23	9,181.532	13.28	121,931
ING MAP PLUS NP24	6,643.646	13.26	88,095
ING MAP PLUS NP25	234.290	13.24	3,102
ING MAP PLUS NP26	7,788.476	13.23	103,042
ING MAP PLUS NP27	15,578.985	13.21	205,798
ING MAP PLUS NP28	25,195.569	13.19	332,330
ING MAP PLUS NP29	8,191.208	13.17	107,878
ING MAP PLUS NP30	5,405.468	13.15	71,082
ING MAP PLUS NP31	127.471	13.13	1,674
ING MAP PLUS NP32	1,792.002	13.11	23,493
Qualified XII (1.00)	8,115.963	10.67	86,597
	<u>583,891.732</u>		<u>\$ 7,813,292</u>
<b>The Growth Fund of America® - Class R-4</b>			
Contracts in accumulation period:			
ING Custom Choice 62	5,970.538	\$ 13.73	\$ 81,975
ING Custom Choice 65	1,323.097	13.15	17,399
Qualified V	4,579.494	13.31	60,953
Qualified VI	4,627,282.251	13.37	61,866,764
Qualified XII (0.30)	231.417	13.71	3,173
Qualified XII (0.35)	409.343	13.69	5,604
Qualified XII (0.40)	12,388.344	13.67	169,349
Qualified XII (0.50)	759,533.194	13.64	10,360,033
Qualified XII (0.55)	54,735.716	13.62	745,500
Qualified XII (0.60)	122,429.563	13.60	1,665,042

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Notes to Financial Statements**

<b>Division/Contract</b>	<b>Units</b>	<b>Unit Value</b>	<b>Extended Value</b>
<b>The Growth Fund of America® - Class R-4 (continued)</b>			
Qualified XII (0.65)	25,590.767	\$ 13.58	\$ 347,523
Qualified XII (0.70)	333,927.859	13.56	4,528,062
Qualified XII (0.75)	242,445.634	13.54	3,282,714
Qualified XII (0.80)	2,852,010.684	13.53	38,587,705
Qualified XII (0.85)	426,366.438	13.51	5,760,211
Qualified XII (0.90)	56,290.776	13.49	759,363
Qualified XII (0.95)	180,282.198	13.47	2,428,401
Qualified XII (1.00)	3,009,516.291	13.45	40,477,994
Qualified XII (1.05)	244,820.271	13.44	3,290,384
Qualified XII (1.10)	87,290.212	13.42	1,171,435
Qualified XII (1.15)	154,499.271	13.40	2,070,290
Qualified XII (1.20)	20,425.903	13.38	273,299
Qualified XII (1.25)	158,071.001	13.37	2,113,409
Qualified XII (1.30)	3,476.643	13.35	46,413
Qualified XII (1.35)	2,677.748	13.33	35,694
Qualified XII (1.40)	19,537.883	13.31	260,049
Qualified XII (1.45)	7,390.403	13.29	98,218
Qualified XII (1.50)	1,172.092	13.28	15,565
Qualified XV	10,085.498	13.47	135,852
Qualified XVI	77,637.120	13.28	1,031,021
Qualified XVII	25,787.467	13.45	346,841
Qualified XXI	9,312.926	13.53	126,004
Qualified XXV	21,420.895	13.56	290,467
Qualified XXVI	6,933.548	13.52	93,742
Qualified XXVII	1,088,938.860	12.90	14,047,311
Qualified XXXVI	58.236	13.62	793
	<u>14,654,849.581</u>		<u>\$ 196,594,552</u>

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Notes to Financial Statements**

<b>Division/Contract</b>	<b>Units</b>	<b>Unit Value</b>	<b>Extended Value</b>
<b>The Income Fund of America® - Class R-3</b>			
Contracts in accumulation period:			
ING MAP PLUS NP5	4,936.855	\$ 13.65	\$ 67,388
ING MAP PLUS NP6	2,000.340	13.63	27,265
ING MAP PLUS NP7	938.417	13.61	12,772
ING MAP PLUS NP8	2,145.389	13.59	29,156
ING MAP PLUS NP10	6,223.922	13.55	84,334
ING MAP PLUS NP12	16,742.326	13.51	226,189
ING MAP PLUS NP13	763.457	13.49	10,299
ING MAP PLUS NP15	9,492.726	13.45	127,677
ING MAP PLUS NP17	7,481.075	13.41	100,321
ING MAP PLUS NP19	2,587.881	13.37	34,600
ING MAP PLUS NP20	6,486.354	13.35	86,593
ING MAP PLUS NP22	95.839	13.31	1,276
ING MAP PLUS NP23	34.050	13.29	453
ING MAP PLUS NP25	1,528.315	13.26	20,265
ING MAP PLUS NP26	2,204.622	13.24	29,189
ING MAP PLUS NP27	4,867.736	13.22	64,351
ING MAP PLUS NP28	5,132.489	13.20	67,749
ING MAP PLUS NP30	3,153.229	13.16	41,496
ING MAP PLUS NP32	61.738	13.12	810
	<u>76,876.760</u>		<u>\$ 1,032,183</u>
<b>UBS U.S. Small Cap Growth Fund - Class A</b>			
Contracts in accumulation period:			
ING MAP PLUS NP11	7,693.222	\$ 12.16	\$ 93,550
ING MAP PLUS NP15	7,681.703	12.09	92,872
ING MAP PLUS NP17	363.122	12.06	4,379
ING MAP PLUS NP24	5,693.239	11.94	67,977
ING MAP PLUS NP26	475.675	11.90	5,661
ING MAP PLUS NP27	12.492	11.88	148
	<u>21,919.453</u>		<u>\$ 264,587</u>
<b>Diversified Value Portfolio</b>			
Contracts in accumulation period:			
ING MAP PLUS NP8	6,630.163	\$ 14.49	\$ 96,071
ING MAP PLUS NP29	269.925	14.09	3,803
	<u>6,900.088</u>		<u>\$ 99,874</u>
<b>Equity Income Portfolio</b>			
Contracts in accumulation period:			
ING MAP PLUS NP11	15,938.687	\$ 13.81	\$ 220,113
ING MAP PLUS NP24	576.584	13.57	7,824
ING MAP PLUS NP29	498.504	13.48	6,720
	<u>17,013.775</u>		<u>\$ 234,657</u>

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**

**Notes to Financial Statements**

<b>Division/Contract</b>	<b>Units</b>	<b>Unit Value</b>	<b>Extended Value</b>
<b>Small Company Growth Portfolio</b>			
Contracts in accumulation period:			
ING MAP PLUS NP8	119.499	\$ 12.86	\$ 1,537
ING MAP PLUS NP29	1,322.739	12.51	16,547
	<u>1,442.238</u>		<u>\$ 18,084</u>
<b>Wanger Select</b>			
Contracts in accumulation period:			
ING Custom Choice 62	809.389	\$ 15.18	\$ 12,287
ING Custom Choice 65	2,622.975	14.45	37,902
Qualified VI	625,494.995	14.72	9,207,286
Qualified X (1.15)	6,209.409	15.32	95,128
Qualified X (1.25)	37,415.103	15.28	571,703
Qualified XII (0.15)	106,285.622	15.15	1,610,227
Qualified XII (0.35)	43,101.600	15.07	649,541
Qualified XII (0.50)	102,387.264	15.01	1,536,833
Qualified XII (0.55)	1,620.213	14.99	24,287
Qualified XII (0.60)	12,645.575	14.97	189,304
Qualified XII (0.65)	46,023.858	14.95	688,057
Qualified XII (0.70)	39,537.411	14.93	590,294
Qualified XII (0.75)	13,489.596	14.91	201,130
Qualified XII (0.80)	71,537.567	14.89	1,065,194
Qualified XII (0.85)	54,743.833	14.87	814,041
Qualified XII (0.90)	3,261.352	14.85	48,431
Qualified XII (0.95)	29,181.976	14.83	432,769
Qualified XII (1.00)	429,155.338	14.81	6,355,791
Qualified XII (1.05)	31,001.653	14.79	458,514
Qualified XII (1.10)	8,699.580	14.77	128,493
Qualified XII (1.15)	36,889.556	14.76	544,490
Qualified XII (1.20)	4,581.623	14.74	67,533
Qualified XII (1.25)	17,560.959	14.72	258,497
Qualified XII (1.30)	103.767	14.70	1,525
Qualified XII (1.35)	29.452	14.68	432
Qualified XII (1.40)	1,562.836	14.66	22,911
Qualified XII (1.45)	51.343	14.64	752
Qualified XII (1.50)	717.046	14.62	10,483
Qualified XV	1,765.791	14.83	26,187
Qualified XVI	10,083.778	14.62	147,425
Qualified XVII	2,557.534	14.81	37,877
Qualified XVIII	122.849	15.37	1,888
Qualified XXI	4,148.443	14.89	61,770
Qualified XXV	4,091.558	14.93	61,087
Qualified XXVI	4,079.680	14.89	60,746
Qualified XXXII	2,122.693	15.28	32,435
	<u>1,755,693.217</u>		<u>\$ 26,053,250</u>

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Notes to Financial Statements**

<b>Division/Contract</b>	<b>Units</b>	<b>Unit Value</b>	<b>Extended Value</b>
<b>Wanger U.S. Smaller Companies</b>			
Contracts in accumulation period:			
ING Custom Choice 62	1,762.155	\$ 13.78	\$ 24,282
ING Custom Choice 65	1,124.106	12.52	14,074
Qualified VI	489,041.786	13.55	6,626,516
Qualified X (1.15)	3,776.398	14.22	53,700
Qualified X (1.25)	22,573.189	14.19	320,314
Qualified XII (0.15)	4,630.420	13.95	64,594
Qualified XII (0.35)	30,654.371	13.88	425,483
Qualified XII (0.50)	68,572.426	13.82	947,671
Qualified XII (0.55)	14,278.398	13.80	197,042
Qualified XII (0.60)	12,085.443	13.78	166,537
Qualified XII (0.65)	790.252	13.77	10,882
Qualified XII (0.70)	59,963.114	13.75	824,493
Qualified XII (0.75)	21,032.829	13.73	288,781
Qualified XII (0.80)	18,611.962	13.71	255,170
Qualified XII (0.85)	52,586.857	13.69	719,914
Qualified XII (0.90)	3,181.203	13.67	43,487
Qualified XII (0.95)	18,943.017	13.66	258,762
Qualified XII (1.00)	322,348.279	13.64	4,396,831
Qualified XII (1.05)	8,690.910	13.62	118,370
Qualified XII (1.10)	14,363.434	13.60	195,343
Qualified XII (1.15)	15,593.415	13.58	211,759
Qualified XII (1.20)	5,996.721	13.56	81,316
Qualified XII (1.25)	16,265.736	13.55	220,401
Qualified XII (1.30)	393.424	13.53	5,323
Qualified XII (1.35)	300.420	13.51	4,059
Qualified XII (1.40)	5,426.100	13.49	73,198
Qualified XII (1.45)	3,259.412	13.47	43,904
Qualified XII (1.50)	324.235	13.46	4,364
Qualified XV	1,396.326	13.66	19,074
Qualified XVI	14,851.152	13.46	199,897
Qualified XVII	72.877	13.64	994
Qualified XVIII	63.438	14.27	905
Qualified XXI	2,743.214	13.71	37,609
Qualified XXV	9,566.370	13.75	131,538
Qualified XXVI	7,657.805	13.71	104,989
Qualified XXXII	1,397.436	14.19	19,830
Qualified XXXVI	12.879	13.80	178
	<u>1,254,331.509</u>		<u>\$ 17,111,584</u>

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Notes to Financial Statements**

---

<u>Division/Contract</u>	<u>Units</u>	<u>Unit Value</u>	<u>Extended Value</u>
<b>Washington Mutual Investors Fund<sup>SM</sup>, Inc. - Class R-3</b>			
Contracts in accumulation period:			
ING MAP PLUS NP5	13,910.461	\$ 13.02	\$ 181,114
ING MAP PLUS NP6	11,846.721	13.00	154,007
ING MAP PLUS NP7	1,281.647	12.99	16,649
ING MAP PLUS NP8	4,395.510	12.97	57,010
ING MAP PLUS NP9	2,028.967	12.95	26,275
ING MAP PLUS NP11	25,929.555	12.91	334,751
ING MAP PLUS NP12	18,101.474	12.89	233,328
ING MAP PLUS NP13	10,988.225	12.87	141,418
ING MAP PLUS NP14	72,169.782	12.85	927,382
ING MAP PLUS NP15	17,709.365	12.84	227,388
ING MAP PLUS NP17	8,439.516	12.80	108,026
ING MAP PLUS NP18	8,016.439	12.78	102,450
ING MAP PLUS NP19	9,015.174	12.76	115,034
ING MAP PLUS NP20	28,386.750	12.74	361,647
ING MAP PLUS NP21	15,844.499	12.72	201,542
ING MAP PLUS NP22	1,697.731	12.71	21,578
ING MAP PLUS NP23	1,883.871	12.69	23,906
ING MAP PLUS NP24	6,544.289	12.67	82,916
ING MAP PLUS NP26	1,253.599	12.63	15,833
ING MAP PLUS NP27	25,205.354	12.61	317,840
ING MAP PLUS NP28	4,105.523	12.60	51,730
ING MAP PLUS NP29	5,971.563	12.58	75,122
ING MAP PLUS NP30	4,719.803	12.56	59,281
ING MAP PLUS NP32	1,778.699	12.52	22,269
	<u>301,224.517</u>		<u>\$ 3,858,496</u>

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Notes to Financial Statements**

<b>Division/Contract</b>	<b>Units</b>	<b>Unit Value</b>	<b>Extended Value</b>
<b>Washington Mutual Investors Fund<sup>SM</sup>, Inc. - Class R-4</b>			
Contracts in accumulation period:			
ING Custom Choice 62	1,779.458	\$ 13.15	\$ 23,400
ING Custom Choice 65	6,249.422	12.60	78,743
Qualified V	2,170.363	12.82	27,824
Qualified VI	2,302,633.047	12.88	29,657,914
Qualified XII (0.30)	84.709	13.21	1,119
Qualified XII (0.40)	1,659.381	13.17	21,854
Qualified XII (0.50)	141,425.319	13.14	1,858,329
Qualified XII (0.55)	6,866.079	13.12	90,083
Qualified XII (0.60)	46,364.053	13.10	607,369
Qualified XII (0.65)	1,908.989	13.08	24,970
Qualified XII (0.70)	136,031.381	13.07	1,777,930
Qualified XII (0.75)	145,839.680	13.05	1,903,208
Qualified XII (0.80)	1,490,193.658	13.03	19,417,223
Qualified XII (0.85)	234,783.889	13.01	3,054,538
Qualified XII (0.90)	26,669.896	13.00	346,709
Qualified XII (0.95)	107,251.044	12.98	1,392,119
Qualified XII (1.00)	1,219,006.566	12.96	15,798,325
Qualified XII (1.05)	76,719.745	12.94	992,754
Qualified XII (1.10)	53,141.503	12.93	687,120
Qualified XII (1.15)	73,233.686	12.91	945,447
Qualified XII (1.20)	18,845.719	12.89	242,921
Qualified XII (1.25)	106,492.008	12.88	1,371,617
Qualified XII (1.30)	408.338	12.86	5,251
Qualified XII (1.35)	3,417.030	12.84	43,875
Qualified XII (1.40)	15,301.496	12.82	196,165
Qualified XII (1.45)	3,366.698	12.81	43,127
Qualified XII (1.50)	133.139	12.79	1,703
Qualified XV	926.262	12.98	12,023
Qualified XVI	41,360.657	12.79	529,003
Qualified XVII	32,562.985	12.96	422,016
Qualified XXI	3,288.879	13.03	42,854
Qualified XXV	3,856.700	13.07	50,407
Qualified XXVI	2,825.725	13.03	36,819
Qualified XXVII	521,512.172	12.38	6,456,321
	<u>6,828,309.676</u>		<u>\$ 88,161,080</u>
<b>Wells Fargo Advantage Small Cap Value Fund - Class A</b>			
Contracts in accumulation period:			
Qualified XII (1.00)	1,929.699	\$ 10.70	\$ 20,648
	<u>1,929.699</u>		<u>\$ 20,648</u>



**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Notes to Financial Statements**

---

*ING MAP PLUS*

Group contracts issued in connection with ING MAP Plus NP, shown separately for differing daily asset charges.

*Qualified I*

Individual Contracts issued prior to May 1, 1975 in connection with "Qualified Corporate Retirement Plans" established pursuant to Section 401 of the Internal Revenue Code ("Code"); tax-deferred annuity plans established by the public school systems and tax-exempt organizations pursuant to Section 403(b) of the Code, and certain individual retirement annuity plans established by or on behalf of individuals pursuant to section 408(b) of the Code; individual Contracts issued prior to November 1, 1975 in connection with "H.R. 10 Plans" established by persons entitled to the benefits of the Self-Employed Individuals Tax Retirement Act of 1962, as amended; allocated group Contracts issued prior to May 1, 1975 in connection with qualified corporate retirement plans; and group Contracts issued prior to October 1, 1978 in connection with tax-deferred annuity plans.

*Qualified V*

Certain group AetnaPlus Contracts issued since August 28, 1992 in connection with "Optional Retirement Plans" established pursuant to Section 403(b) or 401(a) of the Internal Revenue Code.

*Qualified VI*

Certain group AetnaPlus Contracts issued in connection with tax-deferred annuity plans, Retirement Plus plans and deferred compensation plans since August 28, 1992.

*Qualified VII*

Certain existing Contracts that were converted to ACES, an administrative system (previously valued under Qualified I).

*Qualified VIII*

Group AetnaPlus Contracts issued in connection with Tax-Deferred Annuity Plans and Deferred Compensation Plans adopted by state and local governments since June 30, 1993.

*Qualified IX*

Certain large group Contracts (Jumbo) that were converted to ACES, an administrative system (previously valued under Qualified VI).

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Notes to Financial Statements**

---

*Qualified X*

Individual retirement annuity and Simplified Employee Pension (“SEP”) plans issued or converted to ACES, an administrative system.

*Qualified XII*

Group Retirement Plus and Voluntary TDA Contracts issued since 1996 in connection with plans established pursuant to Section 403(b) or 401(a) of the Internal Revenue Code, shown separately by applicable daily charge; and Contracts issued since October 1, 1996 in connection with optional retirement plans established pursuant to Section 403(b) or 403(a) of the Internal Revenue Code.

*Qualified XV*

Certain existing Contracts issued in connection with deferred compensation plans issued through product exchange on December 16, 1996 (previously valued under Qualified VI), and new Contracts issued after that date in connection with certain deferred compensation plans.

*Qualified XVI*

Group AetnaPlus Contracts assessing an administrative expense charge effective April 7, 1997 issued in connection with tax-deferred annuity plans, Retirement Plus plans and deferred compensation plans.

*Qualified XVII*

Group AetnaPlus Contracts containing contractual limits on fees issued in connection with tax-deferred annuity plans and deferred compensation plans, which resulted in reduced daily charges for certain funding options effective May 29, 1997.

*Qualified XVIII*

Individual retirement annuity and SEP plan Contracts containing contractual limits on fees, which resulted in reduced daily charges for certain funding options effective May 29, 1997.

*Qualified XIX*

Group Corporate 401 Contracts containing contractual limits on fees, which resulted in reduced daily charges for certain funding options effective May 29, 1997.

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Notes to Financial Statements**

---

*Qualified XX*

Group HR 10 Contracts containing contractual limits on fees, which resulted in reduced daily charges for certain funding options effective May 29, 1997.

*Qualified XXI*

Certain existing Contracts issued in connection with deferred compensation plans having Contract modifications effective May 20, 1999.

*Qualified XXII*

Certain existing Contracts issued in connection with deferred compensation plans having Contract modifications effective May 20, 1999.

*Qualified XXV*

Group Contracts issued in connection with Aetna Government Custom Choice plans having Contract modifications effective October 2000 to lower mortality and expense fee.

*Qualified XXVI*

Group Contracts issued in connection with Aetna Government Custom Choice plans having Contract modifications effective October 2000 to lower mortality and expense fee.

*Qualified XXVII*

Group Contracts issued in connection with tax deferred annuity plans having Contract modifications effective February 2000 to lower mortality and expense fee.

*Qualified XXVIII*

Group Contracts issued in connection with optional retirement plans having Contract modifications effective February 2000 to lower mortality and expense fee.

*Qualified XXIX*

Individual Contracts issued in connection with tax-deferred annuity plans and individual retirement annuity plans since May 1, 1975, H.R. 10 Plans since November 1, 1975, group Contracts issued since October 1, 1978 in connection with tax-deferred annuity plans and group Contracts issued since May 1, 1979 in connection with deferred compensation plans adopted by state and local governments and H.R. 10 Plans.

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Notes to Financial Statements**

---

*Qualified XXX*

Individual Contracts issued in connection with tax-deferred annuity plans and individual retirement annuity plans since May 1, 1975, H.R. 10 Plans since November 1, 1975, group Contracts issued since October 1, 1978 in connection with tax-deferred annuity plans and group Contracts issued since May 1, 1979 in connection with deferred compensation plans adopted by state and local governments and H.R. 10 Plans.

*Qualified XXXI*

Group Contracts issued in connection with the San Bernadino 457(f) Plan at a zero basis point charge, effective in 2004.

*Qualified XXXII*

Individual Contracts issued in connection with the 1992/1994 Pension IRA at 125 basis points, effective in 2004.

*Qualified XXXIII*

Group Contracts issued in connection with Multiple Sponsored Retirement Options product at 0.40 and 0.65 basis points.

*Qualified XXXV*

Group Contracts issued in connection with Multiple Sponsored Retirement Options product at 0.35 basis points.

*Qualified XXXVI*

Group Contracts issued in connection with Multiple Sponsored Retirement Options product at 0.55 and 0.80 basis points.

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Notes to Financial Statements**

**9. Financial Highlights**

A summary of unit values, units outstanding and net assets for variable annuity Contracts, expense ratios, excluding expenses of underlying funds, investment income ratios, and total return for the years ended December 31, 2006, 2005, 2004, 2003 and 2002, follows:

<b>Division</b>	<b>Units* (000's)</b>	<b>Unit Fair Value (lowest to highest)</b>	<b>Net Assets (000's)</b>	<b>Investment Income Ratio<sup>A</sup></b>	<b>Expense Ratio<sup>B</sup> (lowest to highest)</b>	<b>Total Return<sup>C</sup> (lowest to highest)</b>
AIM Mid Cap Core Equity Fund - Class A						
2006	18	\$12.67 to \$14.87	\$ 234	0.76%	0.65% to 1.70%	9.99% to 10.40%
2005	16	\$11.62 to \$13.52	188	-	0.65% to 1.60%	5.73% to 6.77%
2004	18	\$10.99 to \$11.08	196	(c)	0.65% to 1.60%	(c)
2003	(c)	(c)	(c)	(c)	(c)	(c)
2002	(c)	(c)	(c)	(c)	(c)	(c)
AIM Small Cap Growth Fund - Class A						
2006	1	\$13.01	17	0.00%	1.00%	13.23%
2005	1	\$11.49	8	0.25%	1.00%	7.18%
2004	-	\$10.72	-	(c)	1.00%	(c)
2003	(c)	(c)	(c)	(c)	(c)	(c)
2002	(c)	(c)	(c)	(c)	(c)	(c)
AIM Global Health Care Fund - Investor Class						
2006	4	\$31.61 to \$31.99	114	0.00%	0.90% to 1.70%	3.36% to 3.43%
2005	2	\$30.81 to \$30.93	68	(d)	0.90% to 1.65%	(d)
2004	(d)	(d)	(d)	(d)	(d)	(d)
2003	(d)	(d)	(d)	(d)	(d)	(d)
2002	(d)	(d)	(d)	(d)	(d)	(d)
AIM V.I. Capital Appreciation Fund - Series I Shares						
2006	3,257	\$6.42 to \$12.36	32,996	0.07%	0.00% to 1.50%	4.72% to 6.35%
2005	2,001	\$6.22 to \$11.61	19,374	0.06%	0.00% to 1.50%	0.10% to 8.80%
2004	2,282	\$5.77 to \$10.80	20,524	-	0.00% to 1.50%	4.97% to 14.62%
2003	2,409	\$5.47 to \$10.25	20,562	-	0.25% to 1.50%	27.54% to 29.11%
2002	2,288	\$4.26 to \$7.11	15,302	-	0.00% to 1.50%	-25.48% to -24.62%

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Notes to Financial Statements**

<b>Division</b>	<b>Units* (000's)</b>	<b>Unit Fair Value (lowest to highest)</b>	<b>Net Assets (000's)</b>	<b>Investment Income Ratio<sup>A</sup></b>	<b>Expense Ratio<sup>B</sup> (lowest to highest)</b>	<b>Total Return<sup>C</sup> (lowest to highest)</b>
<b>AIM V.I. Core Equity Fund - Series I Shares</b>						
2006	5,005	\$8.01 to \$13.60	\$ 49,719	0.66%	0.00% to 1.50%	15.02% to 16.80%
2005	3,691	\$6.93 to \$11.81	31,783	1.36%	0.00% to 1.50%	3.66% to 5.23%
2004	4,620	\$6.65 to \$11.18	38,313	0.91%	0.00% to 1.50%	7.32% to 38.44%
2003	5,544	\$6.16 to \$10.37	42,522	1.00%	0.25% to 1.50%	22.56% to 24.08%
2002	5,575	\$5.00 to \$6.54	34,728	0.33%	0.00% to 1.50%	-16.84% to -15.71%
<b>AllianceBernstein Growth and Income Fund, Inc. - Class A</b>						
2006	5	\$12.54 to \$12.76	65	1.35%	1.05% to 1.65%	15.48%
2005	4	\$10.98 to \$10.99	42	(f)	1.20% to 1.25%	(f)
2004	2	\$10.75	22	(c)	0.95%	(c)
2003	(c)	(c)	(c)	(c)	(c)	(c)
2002	(c)	(c)	(c)	(c)	(c)	(c)
<b>AllianceBernstein Growth and Income Portfolio - Class A</b>						
2006	41	\$13.48 to \$13.56	557	1.74%	1.00% to 1.25%	15.91% to 15.97%
2005	22	\$11.63 to \$11.65	260	1.29%	1.15% to 1.25%	3.56%
2004	4	\$11.23	50	(c)	1.25%	(c)
2003	(c)	(c)	(c)	(c)	(c)	(c)
2002	(c)	(c)	(c)	(c)	(c)	(c)
<b>Allianz NFJ Small-Cap Value - Class A</b>						
2006	31	\$15.28 to \$15.50	477	1.87%	0.70% to 1.20%	17.18% to 17.59%
2005	30	\$13.04 to \$13.14	398	3.10%	0.80% to 1.20%	9.33%
2004	4	\$12.00	53	(c)	0.90%	(c)
2003	(c)	(c)	(c)	(c)	(c)	(c)
2002	(c)	(c)	(c)	(c)	(c)	(c)
<b>American Balanced Fund® - Class R-3</b>						
2006	422	\$11.66 to \$12.12	5,014	2.18%	0.20% to 1.55%	9.69% to 11.20%
2005	340	\$10.63 to \$10.89	3,656	2.07%	0.25% to 1.55%	1.43% to 2.54%
2004	120	\$10.50 to \$10.61	1,269	(c)	0.30% to 1.45%	(c)
2003	(c)	(c)	(c)	(c)	(c)	(c)
2002	(c)	(c)	(c)	(c)	(c)	(c)

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Notes to Financial Statements**

<b>Division</b>	<b>Units* (000's)</b>	<b>Unit Fair Value (lowest to highest)</b>	<b>Net Assets (000's)</b>	<b>Investment Income Ratio<sup>A</sup></b>	<b>Expense Ratio<sup>B</sup> (lowest to highest)</b>	<b>Total Return<sup>C</sup> (lowest to highest)</b>
American Century Income & Growth Fund - Advisor Class						
2006	495	\$12.01 to \$37.17	\$ 5,990	1.59%	1.00% to 1.10%	15.59% to 15.70%
2005	539	\$10.38 to \$31.95	5,629	1.78%	1.00% to 1.10%	3.36% to 3.49%
2004	433	\$10.03 to \$30.91	4,389	1.83%	1.00% to 1.10%	11.51% to 11.57%
2003	272	\$8.99 to \$27.72	2,491	1.48%	1.00% to 1.10%	27.92% to 28.06%
2002	159	\$7.02 to \$21.67	1,152	1.30%	1.00% to 1.10%	-20.84% to -20.40%
Ariel Appreciation Fund						
2006	52	\$11.91 to \$12.24	629	0.05%	0.95% to 1.90%	8.87% to 9.87%
2005	35	\$10.94 to \$11.16	394	0.34%	0.85% to 1.90%	1.47% to 2.01%
2004	18	\$10.88 to \$10.94	192	(c)	0.85% to 1.40%	(c)
2003	(c)	(c)	(c)	(c)	(c)	(c)
2002	(c)	(c)	(c)	(c)	(c)	(c)
Ariel Fund						
2006	52	\$12.51 to \$12.91	660	0.00%	0.70% to 1.80%	8.48% to 9.22%
2005	46	\$11.56 to \$11.73	537	0.58%	0.95% to 1.70%	-0.43% to -0.34%
2004	13	\$11.66 to \$11.70	154	(c)	1.25% to 1.60%	(c)
2003	(c)	(c)	(c)	(c)	(c)	(c)
2002	(c)	(c)	(c)	(c)	(c)	(c)
Baron Asset Fund						
2006	67	\$15.03 to \$15.58	1,029	0.00%	0.45% to 1.70%	12.86% to 14.06%
2005	30	\$13.37 to \$13.66	403	-	0.45% to 1.55%	11.29% to 11.52%
2004	11	\$12.11 to \$12.18	135	(c)	0.60% to 1.25%	(c)
2003	(c)	(c)	(c)	(c)	(c)	(c)
2002	(c)	(c)	(c)	(c)	(c)	(c)
Baron Growth Fund						
2006	99	\$14.23 to \$14.65	1,434	0.00%	0.50% to 1.50%	13.75% to 14.90%
2005	82	\$12.49 to \$12.75	1,034	-	0.50% to 1.60%	4.16% to 5.20%
2004	32	\$12.01 to \$12.12	392	-	0.50% to 1.50%	0.00%
2003	-	\$12.91	-	(b)	0.00%	(b)
2002	(b)	(b)	(b)	(b)	(b)	(b)

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Notes to Financial Statements**

<b>Division</b>	<b>Units* (000's)</b>	<b>Unit Fair Value (lowest to highest)</b>	<b>Net Assets (000's)</b>	<b>Investment Income Ratio<sup>A</sup></b>	<b>Expense Ratio<sup>B</sup> (lowest to highest)</b>	<b>Total Return<sup>C</sup> (lowest to highest)</b>
<b>Calvert Social Balanced Portfolio</b>						
2006	2,925	\$11.75 to \$32.97	\$ 65,397	2.25%	0.00% to 1.50%	7.14% to 8.80%
2005	3,274	\$11.39 to \$30.61	66,533	1.77%	0.00% to 1.50%	4.07% to 5.61%
2004	3,412	\$10.91 to \$29.27	66,170	1.71%	0.00% to 1.50%	6.63% to 8.01%
2003	3,259	\$10.21 to \$27.31	60,576	1.94%	0.25% to 1.50%	17.49% to 18.96%
2002	3,111	\$8.88 to \$23.11	49,766	2.70%	0.00% to 1.50%	-13.46% to -12.46%
<b>Capital One Mid Cap Equity Fund - Class A</b>						
2006	7	\$13.46 to \$13.51	96	0.02%	0.70% to 0.85%	9.52% to 9.59%
2005	10	\$12.29 to \$12.30	125	(d)	0.80% to 0.85%	(d)
2004	(d)	(d)	(d)	(d)	(d)	(d)
2003	(d)	(d)	(d)	(d)	(d)	(d)
2002	(d)	(d)	(d)	(d)	(d)	(d)
<b>DWS Equity 500 Index Fund - Class S</b>						
2006	11	\$14.64	167	1.85%	1.00%	14.46%
2005	5	\$12.79	66	-	1.00%	3.65%
2004	-	\$12.34	2	(c)	1.00%	(c)
2003	(c)	(c)	(c)	(c)	(c)	(c)
2002	(c)	(c)	(c)	(c)	(c)	(c)
<b>EuroPacific Growth Fund® - Class R-3</b>						
2006	225	\$16.29 to \$16.91	3,767	1.95%	0.25% to 1.55%	19.60% to 21.13%
2005	87	\$13.62 to \$13.96	1,208	1.93%	0.25% to 1.55%	19.09% to 20.14%
2004	48	\$11.47 to \$11.58	553	(c)	0.40% to 1.40%	(c)
2003	(c)	(c)	(c)	(c)	(c)	(c)
2002	(c)	(c)	(c)	(c)	(c)	(c)
<b>EuroPacific Growth Fund® - Class R-4</b>						
2006	8,654	\$14.58 to \$17.16	141,230	2.13%	0.00% to 1.50%	20.03% to 21.40%
2005	4,523	\$12.09 to \$14.26	61,647	2.63%	0.40% to 1.50%	19.25% to 20.43%
2004	1,426	\$11.43 to \$11.96	16,360	(c)	0.55% to 1.50%	(c)
2003	(c)	(c)	(c)	(c)	(c)	(c)
2002	(c)	(c)	(c)	(c)	(c)	(c)



**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Notes to Financial Statements**

<b>Division</b>	<b>Units* (000's)</b>	<b>Unit Fair Value (lowest to highest)</b>	<b>Net Assets (000's)</b>	<b>Investment Income Ratio<sup>A</sup></b>	<b>Expense Ratio<sup>B</sup> (lowest to highest)</b>	<b>Total Return<sup>C</sup> (lowest to highest)</b>
<b>Evergreen Special Values Fund - Class A</b>						
2006	4,425	\$15.03 to \$24.96	\$ 105,934	0.42%	0.50% to 1.55%	19.54% to 20.78%
2005	3,781	\$12.57 to \$20.60	75,301	0.93%	0.55% to 1.55%	8.74% to 9.85%
2004	2,610	\$11.56 to \$18.76	47,554	0.96%	0.55% to 1.55%	18.85% to 18.90%
2003	1,118	\$15.33 to \$15.50	17,138	-	0.95% to 1.00%	34.00% to 34.08%
2002	819	\$11.44 to \$11.56	9,367	-	0.95% to 1.00%	-7.97% to -7.92%
<b>Fidelity® Advisor Mid Cap Fund - Class T</b>						
2006	51	\$13.38 to \$13.88	694	0.00%	0.35% to 1.60%	11.50% to 12.66%
2005	48	\$12.06 to \$12.32	591	-	0.35% to 1.50%	6.63% to 7.79%
2004	37	\$11.31 to \$11.43	423	(c)	0.35% to 1.50%	(c)
2003	(c)	(c)	(c)	(c)	(c)	(c)
2002	(c)	(c)	(c)	(c)	(c)	(c)
<b>Fidelity® VIP Equity-Income Portfolio - Initial Class</b>						
2006	18,954	\$13.23 to \$33.70	455,731	3.30%	0.00% to 1.95%	17.81% to 20.16%
2005	19,555	\$11.23 to \$28.36	401,206	1.61%	0.00% to 1.95%	4.15% to 5.90%
2004	21,024	\$10.84 to \$27.10	405,088	1.43%	0.00% to 1.95%	9.88% to 11.29%
2003	18,499	\$10.50 to \$24.58	327,820	1.56%	0.25% to 1.50%	28.39% to 30.03%
2002	16,267	\$8.79 to \$19.07	226,895	1.66%	0.00% to 1.50%	-18.19% to -17.24%
<b>Fidelity® VIP Growth Portfolio - Initial Class</b>						
2006	16,905	\$10.60 to \$26.69	295,822	0.40%	0.00% to 1.65%	5.20% to 6.89%
2005	19,931	\$9.98 to \$25.27	329,184	0.51%	0.00% to 1.80%	3.98% to 5.79%
2004	24,025	\$9.50 to \$24.16	377,338	0.26%	0.00% to 1.65%	1.80% to 3.11%
2003	24,544	\$9.27 to \$23.64	380,196	0.24%	0.25% to 1.50%	30.83% to 32.47%
2002	23,257	\$8.30 to \$18.00	277,744	0.25%	0.00% to 1.50%	-31.15% to -30.35%
<b>Fidelity® VIP High Income Portfolio - Initial Class</b>						
2006	767	\$10.04 to \$11.11	7,752	8.35%	1.00% to 1.50%	9.57% to 10.12%
2005	647	\$9.12 to \$9.19	6,022	14.48%	1.00% to 1.10%	1.56% to 1.77%
2004	568	\$8.98 to \$9.03	5,210	9.10%	1.00% to 1.50%	8.40% to 8.45%
2003	866	\$8.28 to \$8.33	7,292	5.36%	1.00% to 1.50%	25.84% to 26.02%
2002	529	\$6.58 to \$6.61	3,569	8.54%	1.00% to 1.50%	2.31% to 2.41%

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Notes to Financial Statements**

<b>Division</b>	<b>Units* (000's)</b>	<b>Unit Fair Value (lowest to highest)</b>	<b>Net Assets (000's)</b>	<b>Investment Income Ratio<sup>A</sup></b>	<b>Expense Ratio<sup>B</sup> (lowest to highest)</b>	<b>Total Return<sup>C</sup> (lowest to highest)</b>
<b>Fidelity® VIP Overseas Portfolio - Initial Class</b>						
2006	2,821	\$11.47 to \$22.00	\$ 51,710	0.89%	0.00% to 1.50%	16.32% to 18.09%
2005	2,828	\$9.82 to \$18.63	44,759	0.65%	0.00% to 1.50%	5.21% to 19.04%
2004	3,036	\$8.33 to \$15.65	41,057	1.10%	0.00% to 1.50%	11.91% to 27.00%
2003	2,508	\$7.40 to \$13.88	30,341	0.50%	0.25% to 1.50%	41.20% to 43.00%
2002	1,719	\$5.21 to \$9.79	14,076	0.74%	0.00% to 1.50%	-21.47% to -20.56%
<b>Fidelity® VIP Asset Manager<sup>SM</sup> Portfolio - Initial Class</b>						
2006	921	\$19.79 to \$19.95	18,360	2.71%	1.00% to 1.10%	6.17% to 6.29%
2005	994	\$18.64 to \$18.77	18,646	2.68%	1.00% to 1.10%	2.93% to 2.96%
2004	1,116	\$18.11 to \$18.23	20,327	2.80%	1.00% to 1.10%	4.32% to 4.47%
2003	1,246	\$17.36 to \$17.45	21,727	3.47%	1.00% to 1.10%	16.67% to 16.80%
2002	1,221	\$14.88 to \$14.94	18,235	3.97%	1.00% to 1.10%	-9.73% to -9.64%
<b>Fidelity® VIP Contrafund® Portfolio - Initial Class</b>						
2006	40,979	\$12.07 to \$36.46	1,176,582	1.31%	0.00% to 1.95%	9.57% to 11.73%
2005	37,845	\$12.96 to \$32.97	1,008,057	0.26%	0.00% to 1.95%	14.84% to 16.95%
2004	32,399	\$11.31 to \$28.47	743,262	0.31%	0.00% to 1.85%	13.73% to 15.24%
2003	27,815	\$10.35 to \$24.91	564,372	0.40%	0.25% to 1.50%	26.56% to 28.10%
2002	23,810	\$10.26 to \$19.58	382,356	0.79%	0.00% to 1.50%	-10.70% to -9.48%
<b>Fidelity® VIP Index 500 Portfolio - Initial Class</b>						
2006	4,609	\$27.75 to \$27.98	128,845	1.65%	1.00% to 1.10%	14.43% to 14.58%
2005	4,779	\$24.25 to \$24.42	116,615	1.72%	1.00% to 1.10%	3.72% to 3.78%
2004	4,966	\$23.38 to \$23.53	116,763	1.24%	1.00% to 1.10%	9.41% to 9.49%
2003	4,705	\$21.37 to \$21.49	101,046	1.34%	1.00% to 1.10%	26.98% to 27.16%
2002	4,302	\$16.83 to \$16.90	72,668	1.32%	1.00% to 1.10%	-23.10% to -23.32%
<b>Fidelity® VIP Mid Cap Portfolio - Initial Class</b>						
2006	446	\$12.22	5,451	(e)	0.00%	(e)
2005	(e)	(e)	(e)	(e)	(e)	(e)
2004	(e)	(e)	(e)	(e)	(e)	(e)
2003	(e)	(e)	(e)	(e)	(e)	(e)
2002	(e)	(e)	(e)	(e)	(e)	(e)

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Notes to Financial Statements**

<b>Division</b>	<b>Units* (000's)</b>	<b>Unit Fair Value (lowest to highest)</b>	<b>Net Assets (000's)</b>	<b>Investment Income Ratio<sup>A</sup></b>	<b>Expense Ratio<sup>B</sup> (lowest to highest)</b>	<b>Total Return<sup>C</sup> (lowest to highest)</b>
<b>Mutual Discovery Fund - Class R</b>						
2006	89	\$15.75 to \$16.30	\$ 1,438	2.06%	0.35% to 1.55%	20.97% to 22.16%
2005	51	\$13.02 to \$13.27	667	1.41%	0.55% to 1.55%	13.95%
2004	16	\$11.54 to \$11.60	186	(c)	0.45% to 1.05%	(c)
2003	(c)	(c)	(c)	(c)	(c)	(c)
2002	(c)	(c)	(c)	(c)	(c)	(c)
<b>Franklin Small-Mid Cap Growth Fund - Class A</b>						
2006	44	\$12.43 to \$12.83	556	0.00%	0.65% to 1.75%	5.76% to 6.60%
2005	27	\$11.80 to \$11.98	318	-	0.80% to 1.60%	8.86%
2004	6	\$10.84 to \$10.91	70	(c)	0.90% to 1.60%	(c)
2003	(c)	(c)	(c)	(c)	(c)	(c)
2002	(c)	(c)	(c)	(c)	(c)	(c)
<b>Franklin Small Cap Value Securities Fund - Class 2</b>						
2006	4,814	\$13.16 to \$20.37	88,521	0.64%	0.15% to 1.75%	15.05% to 16.53%
2005	4,489	\$12.96 to \$17.59	72,308	0.78%	0.35% to 1.65%	7.02% to 8.16%
2004	3,359	\$12.11 to \$16.33	50,132	0.13%	0.00% to 1.65%	21.91% to 23.12%
2003	1,312	\$10.35 to \$13.33	15,883	0.19%	0.55% to 1.50%	30.14% to 31.36%
2002	860	\$9.19 to \$9.32	7,951	0.55%	0.55% to 1.50%	-10.62% to -10.12%
<b>ING Financial Services Fund - Class A</b>						
2006	6	\$13.23 to \$13.56	84	1.20%	0.60% to 1.45%	16.42%
2005	4	\$11.63 to \$11.66	51	-	0.50% to 0.65%	7.27%
2004	1	\$10.87	9	(c)	0.50%	(c)
2003	(c)	(c)	(c)	(c)	(c)	(c)
2002	(c)	(c)	(c)	(c)	(c)	(c)
<b>ING Real Estate Fund - Class A</b>						
2006	124	\$18.70 to \$19.45	2,373	2.49%	0.20% to 1.55%	34.10% to 35.71%
2005	67	\$13.99 to \$14.31	954	4.05%	0.25% to 1.45%	10.59% to 11.47%
2004	22	\$12.65 to \$12.76	282	(c)	0.45% to 1.45%	(c)
2003	(c)	(c)	(c)	(c)	(c)	(c)
2002	(c)	(c)	(c)	(c)	(c)	(c)

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Notes to Financial Statements**

<b>Division</b>	<b>Units* (000's)</b>	<b>Unit Fair Value (lowest to highest)</b>	<b>Net Assets (000's)</b>	<b>Investment Income Ratio<sup>A</sup></b>	<b>Expense Ratio<sup>B</sup> (lowest to highest)</b>	<b>Total Return<sup>C</sup> (lowest to highest)</b>
ING GNMA Income Fund - Class A						
2006	91	\$10.44 to \$10.87	\$ 973	5.45%	0.20% to 1.55%	2.75% to 3.93%
2005	69	\$10.11 to \$10.44	712	4.48%	0.25% to 1.55%	0.99% to 2.25%
2004	40	\$10.10 to \$10.20	404	(c)	0.30% to 1.45%	(c)
2003	(c)	(c)	(c)	(c)	(c)	(c)
2002	(c)	(c)	(c)	(c)	(c)	(c)
ING Intermediate Bond Fund - Class A						
2006	151	\$10.53 to \$10.95	1,633	4.65%	0.20% to 1.55%	2.13% to 3.33%
2005	79	\$10.31 to \$10.52	829	3.96%	0.45% to 1.55%	1.66% to 2.24%
2004	52	\$10.20 to \$10.29	535	(c)	0.40% to 1.40%	(c)
2003	(c)	(c)	(c)	(c)	(c)	(c)
2002	(c)	(c)	(c)	(c)	(c)	(c)
ING GET Fund - Series Q						
2006	263	\$11.05	2,909	3.88%	1.25%	4.25%
2005	303	\$10.60	3,208	3.83%	1.25%	0.28%
2004	364	\$10.57	3,849	3.64%	1.25%	0.67%
2003	418	\$10.50	4,385	-	1.25%	3.86%
2002	498	\$10.11	5,031	2.28%	1.25%	(b)
ING GET Fund - Series S						
2006	904	\$10.74 to \$11.91	10,253	3.13%	0.25% to 1.75%	5.40% to 7.01%
2005	1,359	\$10.19 to \$11.13	14,566	2.62%	0.25% to 1.75%	0.09% to 1.38%
2004	2,247	\$10.18 to \$10.89	23,958	2.65%	0.50% to 1.75%	0.86% to 2.16%
2003	3,106	\$10.09 to \$10.69	32,661	0.10%	0.50% to 1.75%	4.08% to 5.34%
2002	4,624	\$10.04 to \$10.11	46,558	(a)	0.25% to 1.75%	(a)
ING AllianceBernstein Mid Cap Growth Portfolio - Service Class						
2006	262	\$12.48 to \$12.69	3,286	0.00%	0.50% to 1.50%	0.24% to 1.20%
2005	88	\$12.45 to \$12.54	1,096	(d)	0.50% to 1.50%	(d)
2004	(d)	(d)	(d)	(d)	(d)	(d)
2003	(d)	(d)	(d)	(d)	(d)	(d)
2002	(d)	(d)	(d)	(d)	(d)	(d)

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Notes to Financial Statements**

<b>Division</b>	<b>Units* (000's)</b>	<b>Unit Fair Value (lowest to highest)</b>	<b>Net Assets (000's)</b>	<b>Investment Income Ratio<sup>A</sup></b>	<b>Expense Ratio<sup>B</sup> (lowest to highest)</b>	<b>Total Return<sup>C</sup> (lowest to highest)</b>
ING BlackRock Large Cap Growth Portfolio - Service Class						
2006	-	\$11.40	\$ -	(e)	0.00%	(e)
2005	(e)	(e)	(e)	(e)	(e)	(e)
2004	(e)	(e)	(e)	(e)	(e)	(e)
2003	(e)	(e)	(e)	(e)	(e)	(e)
2002	(e)	(e)	(e)	(e)	(e)	(e)
ING Evergreen Health Sciences Portfolio - Service Class						
2006	351	\$12.55 to \$12.87	4,440	0.00%	0.00% to 1.50%	12.15% to 13.32%
2005	129	\$11.19 to \$11.29	1,446	(d)	0.50% to 1.50%	(d)
2004	(d)	(d)	(d)	(d)	(d)	(d)
2003	(d)	(d)	(d)	(d)	(d)	(d)
2002	(d)	(d)	(d)	(d)	(d)	(d)
ING FMR <sup>SM</sup> Diversified Mid Cap Portfolio - Service Class						
2006	1,115	\$13.00 to \$13.31	14,604	0.00%	0.35% to 1.55%	10.25% to 11.36%
2005	390	\$11.80 to \$11.88	4,611	(d)	0.50% to 1.50%	(d)
2004	(d)	(d)	(d)	(d)	(d)	(d)
2003	(d)	(d)	(d)	(d)	(d)	(d)
2002	(d)	(d)	(d)	(d)	(d)	(d)
ING FMR <sup>SM</sup> Large Cap Growth Portfolio - Institutional Class						
2006	16	\$9.85 to \$9.93	162	(e)	0.50% to 1.50%	(e)
2005	(e)	(e)	(e)	(e)	(e)	(e)
2004	(e)	(e)	(e)	(e)	(e)	(e)
2003	(e)	(e)	(e)	(e)	(e)	(e)
2002	(e)	(e)	(e)	(e)	(e)	(e)
ING JPMorgan Emerging Markets Equity Portfolio - Adviser Class						
2006	4	\$14.67	57	(e)	0.35%	(e)
2005	(e)	(e)	(e)	(e)	(e)	(e)
2004	(e)	(e)	(e)	(e)	(e)	(e)
2003	(e)	(e)	(e)	(e)	(e)	(e)
2002	(e)	(e)	(e)	(e)	(e)	(e)

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Notes to Financial Statements**

<b>Division</b>	<b>Units* (000's)</b>	<b>Unit Fair Value (lowest to highest)</b>	<b>Net Assets (000's)</b>	<b>Investment Income Ratio<sup>A</sup></b>	<b>Expense Ratio<sup>B</sup> (lowest to highest)</b>	<b>Total Return<sup>C</sup> (lowest to highest)</b>
ING JPMorgan Emerging Markets Equity Portfolio - Institutional Class						
2006	1,901	\$15.35	\$ 29,171	0.67%	1.00%	34.77%
2005	1,396	\$11.39	15,902	(d)	1.00%	(d)
2004	(d)	(d)	(d)	(d)	(d)	(d)
2003	(d)	(d)	(d)	(d)	(d)	(d)
2002	(d)	(d)	(d)	(d)	(d)	(d)
ING JPMorgan Emerging Markets Equity Portfolio - Service Class						
2006	1,200	\$11.43 to \$18.30	21,610	0.43%	0.40% to 1.50%	33.78% to 35.12%
2005	512	\$13.38 to \$13.50	6,873	(d)	0.50% to 1.50%	(d)
2004	(d)	(d)	(d)	(d)	(d)	(d)
2003	(d)	(d)	(d)	(d)	(d)	(d)
2002	(d)	(d)	(d)	(d)	(d)	(d)
ING JPMorgan Small Cap Core Equity Portfolio - Service Class						
2006	126	\$12.96 to \$13.25	1,643	0.00%	0.40% to 1.50%	15.07% to 16.04%
2005	25	\$11.28 to \$11.38	282	(d)	0.50% to 1.40%	(d)
2004	(d)	(d)	(d)	(d)	(d)	(d)
2003	(d)	(d)	(d)	(d)	(d)	(d)
2002	(d)	(d)	(d)	(d)	(d)	(d)
ING JPMorgan Value Opportunities Portfolio - Institutional Class						
2006	2	\$11.29 to \$11.30	26	(e)	1.15% to 1.25%	(e)
2005	(e)	(e)	(e)	(e)	(e)	(e)
2004	(e)	(e)	(e)	(e)	(e)	(e)
2003	(e)	(e)	(e)	(e)	(e)	(e)
2002	(e)	(e)	(e)	(e)	(e)	(e)
ING JPMorgan Value Opportunities Portfolio - Service Class						
2006	73	\$11.24 to \$11.32	824	(e)	0.50% to 1.50%	(e)
2005	(e)	(e)	(e)	(e)	(e)	(e)
2004	(e)	(e)	(e)	(e)	(e)	(e)
2003	(e)	(e)	(e)	(e)	(e)	(e)
2002	(e)	(e)	(e)	(e)	(e)	(e)

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Notes to Financial Statements**

<b>Division</b>	<b>Units* (000's)</b>	<b>Unit Fair Value (lowest to highest)</b>	<b>Net Assets (000's)</b>	<b>Investment Income Ratio<sup>A</sup></b>	<b>Expense Ratio<sup>B</sup> (lowest to highest)</b>	<b>Total Return<sup>C</sup> (lowest to highest)</b>
ING Julius Baer Foreign Portfolio - Service Class						
2006	1,766	\$15.30 to \$17.79	\$ 30,166	0.00%	0.00% to 1.50%	27.32% to 28.85%
2005	658	\$13.25 to \$13.95	8,790	0.06%	0.30% to 1.50%	13.64% to 14.49%
2004	122	\$11.66 to \$12.27	1,428	(c)	0.70% to 1.50%	(c)
2003	(c)	(c)	(c)	(c)	(c)	(c)
2002	(c)	(c)	(c)	(c)	(c)	(c)
ING Legg Mason Partners All Cap Portfolio - Service Class						
2006	3	\$11.35	35	(e)	0.50%	(e)
2005	(e)	(e)	(e)	(e)	(e)	(e)
2004	(e)	(e)	(e)	(e)	(e)	(e)
2003	(e)	(e)	(e)	(e)	(e)	(e)
2002	(e)	(e)	(e)	(e)	(e)	(e)
ING Legg Mason Value Portfolio - Service Class						
2006	282	\$12.02 to \$12.30	3,415	0.00%	0.30% to 1.55%	4.97% to 5.98%
2005	148	\$11.46 to \$11.57	1,700	(d)	0.50% to 1.50%	(d)
2004	(d)	(d)	(d)	(d)	(d)	(d)
2003	(d)	(d)	(d)	(d)	(d)	(d)
2002	(d)	(d)	(d)	(d)	(d)	(d)
ING Lord Abbett Affiliated Portfolio - Institutional Class						
2006	99	\$10.77 to \$10.85	1,068	(e)	0.50% to 1.50%	(e)
2005	(e)	(e)	(e)	(e)	(e)	(e)
2004	(e)	(e)	(e)	(e)	(e)	(e)
2003	(e)	(e)	(e)	(e)	(e)	(e)
2002	(e)	(e)	(e)	(e)	(e)	(e)
ING Marsico Growth Portfolio - Service Class						
2006	233	\$10.11 to \$12.05	2,747	0.00%	0.00% to 1.50%	3.34% to 4.46%
2005	102	\$11.37 to \$11.47	1,159	(d)	0.50% to 1.50%	(d)
2004	(d)	(d)	(d)	(d)	(d)	(d)
2003	(d)	(d)	(d)	(d)	(d)	(d)
2002	(d)	(d)	(d)	(d)	(d)	(d)

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Notes to Financial Statements**

<b>Division</b>	<b>Units* (000's)</b>	<b>Unit Fair Value (lowest to highest)</b>	<b>Net Assets (000's)</b>	<b>Investment Income Ratio<sup>A</sup></b>	<b>Expense Ratio<sup>B</sup> (lowest to highest)</b>	<b>Total Return<sup>C</sup> (lowest to highest)</b>
ING Marsico International Opportunities Portfolio - Service Class						
2006	478	\$15.16 to \$15.50	\$ 7,306	0.03%	0.40% to 1.50%	22.16% to 23.16%
2005	108	\$12.41 to \$12.48	1,348	(d)	0.70% to 1.50%	(d)
2004	(d)	(d)	(d)	(d)	(d)	(d)
2003	(d)	(d)	(d)	(d)	(d)	(d)
2002	(d)	(d)	(d)	(d)	(d)	(d)
ING MFS Total Return Portfolio - Adviser Class						
2006	4	\$11.30	45	(e)	0.35%	(e)
2005	(e)	(e)	(e)	(e)	(e)	(e)
2004	(e)	(e)	(e)	(e)	(e)	(e)
2003	(e)	(e)	(e)	(e)	(e)	(e)
2002	(e)	(e)	(e)	(e)	(e)	(e)
ING MFS Total Return Portfolio - Institutional Class						
2006	25	\$10.78	269	(e)	1.00%	(e)
2005	(e)	(e)	(e)	(e)	(e)	(e)
2004	(e)	(e)	(e)	(e)	(e)	(e)
2003	(e)	(e)	(e)	(e)	(e)	(e)
2002	(e)	(e)	(e)	(e)	(e)	(e)
ING MFS Total Return Portfolio - Service Class						
2006	2,514	\$11.69 to \$15.23	36,559	2.23%	0.30% to 1.65%	10.26% to 11.49%
2005	3,132	\$10.95 to \$13.66	41,280	2.59%	0.40% to 1.50%	1.38% to 2.33%
2004	2,236	\$10.84 to \$13.30	29,119	2.74%	0.55% to 1.50%	9.45% to 10.56%
2003	701	\$11.28 to \$12.03	8,289	(b)	0.55% to 1.50%	(b)
2002	(b)	(b)	(b)	(b)	(b)	(b)
ING MFS Utilities Portfolio - Service Class						
2006	881	\$14.68 to \$15.01	13,022	0.04%	0.40% to 1.50%	28.88% to 30.08%
2005	104	\$11.39 to \$11.47	1,191	(d)	0.50% to 1.50%	(d)
2004	(d)	(d)	(d)	(d)	(d)	(d)
2003	(d)	(d)	(d)	(d)	(d)	(d)
2002	(d)	(d)	(d)	(d)	(d)	(d)



**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Notes to Financial Statements**

<b>Division</b>	<b>Units* (000's)</b>	<b>Unit Fair Value (lowest to highest)</b>	<b>Net Assets (000's)</b>	<b>Investment Income Ratio<sup>A</sup></b>	<b>Expense Ratio<sup>B</sup> (lowest to highest)</b>	<b>Total Return<sup>C</sup> (lowest to highest)</b>
ING Oppenheimer Main Street Portfolio® - Service Class						
2006	66	\$10.73 to \$12.62	\$ 825	0.82%	0.50% to 1.50%	13.23% to 14.16%
2005	19	\$10.96 to \$11.02	214	(d)	0.70% to 1.50%	(d)
2004	(d)	(d)	(d)	(d)	(d)	(d)
2003	(d)	(d)	(d)	(d)	(d)	(d)
2002	(d)	(d)	(d)	(d)	(d)	(d)
ING PIMCO High Yield Portfolio - Institutional Class						
2006	23	\$10.58	247	(e)	1.00%	(e)
2005	(e)	(e)	(e)	(e)	(e)	(e)
2004	(e)	(e)	(e)	(e)	(e)	(e)
2003	(e)	(e)	(e)	(e)	(e)	(e)
2002	(e)	(e)	(e)	(e)	(e)	(e)
ING PIMCO High Yield Portfolio - Service Class						
2006	448	\$10.56 to \$11.52	5,070	6.48%	0.00% to 1.50%	7.36% to 8.35%
2005	135	\$10.46 to \$10.56	1,418	(d)	0.50% to 1.50%	(d)
2004	(d)	(d)	(d)	(d)	(d)	(d)
2003	(d)	(d)	(d)	(d)	(d)	(d)
2002	(d)	(d)	(d)	(d)	(d)	(d)
ING Pioneer Fund Portfolio - Institutional Class						
2006	232	\$10.78 to \$11.98	2,509	(e)	0.00% to 1.50%	(e)
2005	(e)	(e)	(e)	(e)	(e)	(e)
2004	(e)	(e)	(e)	(e)	(e)	(e)
2003	(e)	(e)	(e)	(e)	(e)	(e)
2002	(e)	(e)	(e)	(e)	(e)	(e)
ING Pioneer Fund Portfolio - Service Class						
2006	2	\$10.80	25	(e)	1.00%	(e)
2005	(e)	(e)	(e)	(e)	(e)	(e)
2004	(e)	(e)	(e)	(e)	(e)	(e)
2003	(e)	(e)	(e)	(e)	(e)	(e)
2002	(e)	(e)	(e)	(e)	(e)	(e)

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**

**Notes to Financial Statements**

<b>Division</b>	<b>Units* (000's)</b>	<b>Unit Fair Value (lowest to highest)</b>	<b>Net Assets (000's)</b>	<b>Investment Income Ratio<sup>A</sup></b>	<b>Expense Ratio<sup>B</sup> (lowest to highest)</b>	<b>Total Return<sup>C</sup> (lowest to highest)</b>
ING Pioneer Mid Cap Value Portfolio - Institutional Class						
2006	74	\$10.54 to \$10.65	\$ 783	(e)	0.50% to 1.50%	(e)
2005	(e)	(e)	(e)	(e)	(e)	(e)
2004	(e)	(e)	(e)	(e)	(e)	(e)
2003	(e)	(e)	(e)	(e)	(e)	(e)
2002	(e)	(e)	(e)	(e)	(e)	(e)
ING Pioneer Mid Cap Value Portfolio - Service Class						
2006	1	\$10.61	6	(e)	0.80%	(e)
2005	(e)	(e)	(e)	(e)	(e)	(e)
2004	(e)	(e)	(e)	(e)	(e)	(e)
2003	(e)	(e)	(e)	(e)	(e)	(e)
2002	(e)	(e)	(e)	(e)	(e)	(e)
ING Stock Index Portfolio - Institutional Class						
2006	273	\$13.00 to \$13.30	3,625	3.36%	0.15% to 1.25%	14.55%
2005	2,166	\$11.41 to \$11.56	25,037	(d)	0.00% to 0.80%	(d)
2004	(d)	(d)	(d)	(d)	(d)	(d)
2003	(d)	(d)	(d)	(d)	(d)	(d)
2002	(d)	(d)	(d)	(d)	(d)	(d)
ING T. Rowe Price Capital Appreciation Portfolio - Service Class						
2006	7,004	\$12.32 to \$12.60	86,924	1.22%	0.30% to 1.55%	13.00% to 14.01%
2005	1,752	\$10.91 to \$11.01	19,163	(d)	0.50% to 1.50%	(d)
2004	(d)	(d)	(d)	(d)	(d)	(d)
2003	(d)	(d)	(d)	(d)	(d)	(d)
2002	(d)	(d)	(d)	(d)	(d)	(d)
ING T. Rowe Price Equity Income Portfolio - Adviser Class						
2006	18	\$12.09	215	(e)	0.35%	(e)
2005	(e)	(e)	(e)	(e)	(e)	(e)
2004	(e)	(e)	(e)	(e)	(e)	(e)
2003	(e)	(e)	(e)	(e)	(e)	(e)
2002	(e)	(e)	(e)	(e)	(e)	(e)

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Notes to Financial Statements**

<b>Division</b>	<b>Units* (000's)</b>	<b>Unit Fair Value (lowest to highest)</b>	<b>Net Assets (000's)</b>	<b>Investment Income Ratio<sup>A</sup></b>	<b>Expense Ratio<sup>B</sup> (lowest to highest)</b>	<b>Total Return<sup>C</sup> (lowest to highest)</b>
ING T. Rowe Price Equity Income Portfolio - Service Class						
2006	4,956	\$12.72 to \$18.46	\$ 87,796	1.34%	0.15% to 1.65%	17.21% to 18.68%
2005	3,660	\$11.39 to \$15.47	54,938	1.28%	0.30% to 1.55%	2.34% to 3.36%
2004	2,052	\$11.13 to \$14.87	30,123	1.48%	0.50% to 1.55%	13.15% to 14.30%
2003	166	\$12.20 to \$13.01	2,143	(b)	0.55% to 1.50%	(b)
2002	(b)	(b)	(b)	(b)	(b)	(b)
ING Templeton Global Growth Portfolio - Institutional Class						
2006	-	\$16.50	-	(e)	1.00%	(e)
2005	(e)	(e)	(e)	(e)	(e)	(e)
2004	(e)	(e)	(e)	(e)	(e)	(e)
2003	(e)	(e)	(e)	(e)	(e)	(e)
2002	(e)	(e)	(e)	(e)	(e)	(e)
ING Templeton Global Growth Portfolio - Service Class						
2006	128	\$11.04 to \$11.11	1,421	(e)	0.50% to 1.50%	(e)
2005	(e)	(e)	(e)	(e)	(e)	(e)
2004	(e)	(e)	(e)	(e)	(e)	(e)
2003	(e)	(e)	(e)	(e)	(e)	(e)
2002	(e)	(e)	(e)	(e)	(e)	(e)
ING Van Kampen Equity Growth Portfolio - Service Class						
2006	1	\$11.32	14	(e)	0.50%	(e)
2005	(e)	(e)	(e)	(e)	(e)	(e)
2004	(e)	(e)	(e)	(e)	(e)	(e)
2003	(e)	(e)	(e)	(e)	(e)	(e)
2002	(e)	(e)	(e)	(e)	(e)	(e)
ING Van Kampen Growth and Income Portfolio - Service Class						
2006	1,237	\$12.60 to \$12.88	15,704	1.19%	0.40% to 1.50%	14.34% to 15.41%
2005	759	\$11.02 to \$11.12	8,388	(d)	0.50% to 1.50%	(d)
2004	(d)	(d)	(d)	(d)	(d)	(d)
2003	(d)	(d)	(d)	(d)	(d)	(d)
2002	(d)	(d)	(d)	(d)	(d)	(d)

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Notes to Financial Statements**

<b>Division</b>	<b>Units* (000's)</b>	<b>Unit Fair Value (lowest to highest)</b>	<b>Net Assets (000's)</b>	<b>Investment Income Ratio<sup>A</sup></b>	<b>Expense Ratio<sup>B</sup> (lowest to highest)</b>	<b>Total Return<sup>C</sup> (lowest to highest)</b>
ING Van Kampen Real Estate Portfolio - Institutional Class						
2006	61	\$12.34	\$ 754	(e)	0.95%	(e)
2005	(e)	(e)	(e)	(e)	(e)	(e)
2004	(e)	(e)	(e)	(e)	(e)	(e)
2003	(e)	(e)	(e)	(e)	(e)	(e)
2002	(e)	(e)	(e)	(e)	(e)	(e)
ING Van Kampen Real Estate Portfolio - Service Class						
2006	1,372	\$12.28 to \$12.39	16,905	(e)	0.35% to 1.50%	(e)
2005	(e)	(e)	(e)	(e)	(e)	(e)
2004	(e)	(e)	(e)	(e)	(e)	(e)
2003	(e)	(e)	(e)	(e)	(e)	(e)
2002	(e)	(e)	(e)	(e)	(e)	(e)
ING VP Index Plus International Equity Portfolio - Service Class						
2006	232	\$10.85 to \$11.10	2,537	(e)	0.40% to 1.50%	(e)
2005	(e)	(e)	(e)	(e)	(e)	(e)
2004	(e)	(e)	(e)	(e)	(e)	(e)
2003	(e)	(e)	(e)	(e)	(e)	(e)
2002	(e)	(e)	(e)	(e)	(e)	(e)
ING Wells Fargo Mid Cap Disciplined Portfolio - Service Class						
2006	71	\$10.74 to \$10.81	767	(e)	0.50% to 1.50%	(e)
2005	(e)	(e)	(e)	(e)	(e)	(e)
2004	(e)	(e)	(e)	(e)	(e)	(e)
2003	(e)	(e)	(e)	(e)	(e)	(e)
2002	(e)	(e)	(e)	(e)	(e)	(e)
ING Wells Fargo Small Cap Disciplined Portfolio - Service Class						
2006	109	\$10.42 to \$10.56	1,141	(e)	0.50% to 1.50%	(e)
2005	(e)	(e)	(e)	(e)	(e)	(e)
2004	(e)	(e)	(e)	(e)	(e)	(e)
2003	(e)	(e)	(e)	(e)	(e)	(e)
2002	(e)	(e)	(e)	(e)	(e)	(e)

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Notes to Financial Statements**

<b>Division</b>	<b>Units* (000's)</b>	<b>Unit Fair Value (lowest to highest)</b>	<b>Net Assets (000's)</b>	<b>Investment Income Ratio<sup>A</sup></b>	<b>Expense Ratio<sup>B</sup> (lowest to highest)</b>	<b>Total Return<sup>C</sup> (lowest to highest)</b>
ING International Fund - Class Q						
2006	-	\$14.81 to \$14.88	\$ 7	1.16%	1.25% to 1.40%	18.47%
2005	-	\$12.56	2	(d)	1.25%	(d)
2004	(d)	(d)	(d)	(d)	(d)	(d)
2003	(d)	(d)	(d)	(d)	(d)	(d)
2002	(d)	(d)	(d)	(d)	(d)	(d)
ING International SmallCap Fund - Class A						
2006	46	\$17.77 to \$18.40	837	0.79%	0.25% to 1.45%	24.53%
2005	20	\$14.35 to \$14.52	283	(d)	0.60% to 1.25%	(d)
2004	(d)	(d)	(d)	(d)	(d)	(d)
2003	(d)	(d)	(d)	(d)	(d)	(d)
2002	(d)	(d)	(d)	(d)	(d)	(d)
ING American Century Large Company Value Portfolio - Adviser Class						
2006	1	\$12.06	9	(e)	0.35%	(e)
2005	(e)	(e)	(e)	(e)	(e)	(e)
2004	(e)	(e)	(e)	(e)	(e)	(e)
2003	(e)	(e)	(e)	(e)	(e)	(e)
2002	(e)	(e)	(e)	(e)	(e)	(e)
ING American Century Large Company Value Portfolio - Service Class						
2006	338	\$12.66 to \$16.94	5,290	0.25%	0.40% to 1.50%	17.53% to 18.71%
2005	330	\$10.74 to \$14.47	4,395	0.98%	0.50% to 1.50%	-0.22% to 0.71%
2004	427	\$10.74 to \$14.14	5,760	0.92%	0.55% to 1.50%	8.37% to 9.44%
2003	321	\$9.88 to \$12.92	4,019	0.69%	0.55% to 1.50%	29.49% to 30.54%
2002	67	\$7.62 to \$9.89	635	(a)	0.60% to 1.40%	(a)
ING American Century Select Portfolio - Initial Class						
2006	13,199	\$9.82 to \$10.72	131,557	1.23%	0.00% to 1.50%	-3.16% to -1.56%
2005	15,428	\$10.14 to \$10.49	158,146	(d)	0.00% to 1.50%	(d)
2004	(d)	(d)	(d)	(d)	(d)	(d)
2003	(d)	(d)	(d)	(d)	(d)	(d)
2002	(d)	(d)	(d)	(d)	(d)	(d)

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Notes to Financial Statements**

<b>Division</b>	<b>Units* (000's)</b>	<b>Unit Fair Value (lowest to highest)</b>	<b>Net Assets (000's)</b>	<b>Investment Income Ratio<sup>A</sup></b>	<b>Expense Ratio<sup>B</sup> (lowest to highest)</b>	<b>Total Return<sup>C</sup> (lowest to highest)</b>
ING American Century Select Portfolio - Service Class						
2006	-	\$8.60	\$ -	1.04%	1.25%	-2.93%
2005	2	\$8.86 to \$9.21	20	-	0.40% to 1.25%	-0.56% to 0.22%
2004	230	\$8.84 to \$9.95	2,070	-	0.40% to 1.50%	3.15% to 4.31%
2003	253	\$8.57 to \$10.38	2,194	-	0.40% to 1.50%	32.25% to 33.38%
2002	39	\$6.48 to \$6.85	255	(a)	0.75% to 1.50%	(a)
ING American Century Small-Mid Cap Value Portfolio - Adviser Class						
2006	2	\$11.74	22	(e)	0.35%	(e)
2005	(e)	(e)	(e)	(e)	(e)	(e)
2004	(e)	(e)	(e)	(e)	(e)	(e)
2003	(e)	(e)	(e)	(e)	(e)	(e)
2002	(e)	(e)	(e)	(e)	(e)	(e)
ING American Century Small-Mid Cap Value Portfolio - Service Class						
2006	2,128	\$13.07 to \$16.49	33,826	0.02%	0.00% to 1.50%	13.67% to 15.48%
2005	2,244	\$12.37 to \$14.45	31,597	0.19%	0.00% to 1.50%	6.27% to 7.85%
2004	1,961	\$11.64 to \$13.29	25,577	0.04%	0.00% to 1.50%	19.50% to 20.75%
2003	582	\$10.77 to \$10.94	6,307	0.17%	0.55% to 1.50%	33.46% to 34.73%
2002	227	\$8.07 to \$8.12	1,834	(a)	0.55% to 1.50%	(a)
ING Baron Asset Portfolio - Service Class						
2006	30	\$10.07 to \$10.14	306	(e)	0.50% to 1.50%	(e)
2005	(e)	(e)	(e)	(e)	(e)	(e)
2004	(e)	(e)	(e)	(e)	(e)	(e)
2003	(e)	(e)	(e)	(e)	(e)	(e)
2002	(e)	(e)	(e)	(e)	(e)	(e)
ING Baron Small Cap Growth Portfolio - Adviser Class						
2006	5	\$11.77	63	(e)	0.35%	(e)
2005	(e)	(e)	(e)	(e)	(e)	(e)
2004	(e)	(e)	(e)	(e)	(e)	(e)
2003	(e)	(e)	(e)	(e)	(e)	(e)
2002	(e)	(e)	(e)	(e)	(e)	(e)

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Notes to Financial Statements**

<b>Division</b>	<b>Units* (000's)</b>	<b>Unit Fair Value (lowest to highest)</b>	<b>Net Assets (000's)</b>	<b>Investment Income Ratio<sup>A</sup></b>	<b>Expense Ratio<sup>B</sup> (lowest to highest)</b>	<b>Total Return<sup>C</sup> (lowest to highest)</b>
ING Baron Small Cap Growth Portfolio - Service Class						
2006	5,135	\$12.61 to \$20.02	\$ 91,451	0.00%	0.00% to 1.55%	13.49% to 15.25%
2005	5,042	\$12.81 to \$17.55	79,169	-	0.00% to 1.50%	5.78% to 7.37%
2004	3,951	\$12.10 to \$16.51	58,317	-	0.00% to 1.50%	26.05% to 27.38%
2003	1,313	\$10.23 to \$13.03	15,257	-	0.40% to 1.50%	31.49% to 32.65%
2002	372	\$8.67 to \$8.73	3,239	(a)	0.55% to 1.50%	(a)
ING Columbia Small Cap Value II Portfolio - Service Class						
2006	4	\$10.05 to \$10.11	39	(e)	0.55% to 1.50%	(e)
2005	(e)	(e)	(e)	(e)	(e)	(e)
2004	(e)	(e)	(e)	(e)	(e)	(e)
2003	(e)	(e)	(e)	(e)	(e)	(e)
2002	(e)	(e)	(e)	(e)	(e)	(e)
ING Davis Venture Value Portfolio - Service Class						
2006	485	\$11.91 to \$21.23	9,468	0.01%	0.40% to 1.50%	12.12% to 13.29%
2005	418	\$10.64 to \$19.00	7,330	-	0.50% to 1.50%	2.39% to 3.31%
2004	602	\$11.12 to \$18.10	10,359	-	0.55% to 1.50%	6.81% to 7.87%
2003	578	\$10.39 to \$16.78	9,414	1.39%	0.55% to 1.50%	38.62% to 39.78%
2002	23	\$7.48 to \$11.99	244	(a)	0.60% to 1.50%	(a)
ING Fidelity® VIP Mid Cap Portfolio - Service Class						
2006	10	\$10.74	110	(e)	0.50%	(e)
2005	(e)	(e)	(e)	(e)	(e)	(e)
2004	(e)	(e)	(e)	(e)	(e)	(e)
2003	(e)	(e)	(e)	(e)	(e)	(e)
2002	(e)	(e)	(e)	(e)	(e)	(e)
ING Fundamental Research Portfolio - Adviser Class						
2006	-	\$11.49	5	(e)	0.35%	(e)
2005	(e)	(e)	(e)	(e)	(e)	(e)
2004	(e)	(e)	(e)	(e)	(e)	(e)
2003	(e)	(e)	(e)	(e)	(e)	(e)
2002	(e)	(e)	(e)	(e)	(e)	(e)

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Notes to Financial Statements**

<b>Division</b>	<b>Units* (000's)</b>	<b>Unit Fair Value (lowest to highest)</b>	<b>Net Assets (000's)</b>	<b>Investment Income Ratio<sup>A</sup></b>	<b>Expense Ratio<sup>B</sup> (lowest to highest)</b>	<b>Total Return<sup>C</sup> (lowest to highest)</b>
ING Fundamental Research Portfolio - Service Class						
2006	151	\$9.67 to \$12.76	\$ 1,510	0.10%	0.40% to 1.50%	10.51% to 11.62%
2005	170	\$8.75 to \$11.51	1,536	1.04%	0.50% to 1.50%	4.04% to 5.10%
2004	179	\$8.41 to \$11.01	1,536	0.68%	0.60% to 1.50%	8.35% to 9.36%
2003	101	\$7.76 to \$10.13	800	0.65%	0.60% to 1.50%	25.57% to 26.56%
2002	19	\$6.18 to \$8.04	126	(a)	0.60% to 1.50%	(a)
ING Goldman Sachs® Capital Growth Portfolio - Service Class						
2006	185	\$10.75 to \$12.18	2,157	0.00%	0.40% to 1.50%	6.95% to 8.00%
2005	178	\$10.02 to \$11.41	2,001	0.29%	0.50% to 1.50%	0.37% to 1.27%
2004	138	\$9.96 to \$11.06	1,490	0.09%	0.60% to 1.50%	7.17% to 8.11%
2003	83	\$9.27 to \$10.37	827	-	0.60% to 1.50%	21.72% to 22.96%
2002	43	\$7.59 to \$8.32	347	(a)	0.60% to 1.50%	(a)
ING Goldman Sachs® Structured Equity Portfolio - Adviser Class						
2006	-	\$11.50	2	(e)	0.35%	(e)
2005	(e)	(e)	(e)	(e)	(e)	(e)
2004	(e)	(e)	(e)	(e)	(e)	(e)
2003	(e)	(e)	(e)	(e)	(e)	(e)
2002	(e)	(e)	(e)	(e)	(e)	(e)
ING JPMorgan International Portfolio - Adviser Class						
2006	2	\$12.52	20	(e)	0.35%	(e)
2005	(e)	(e)	(e)	(e)	(e)	(e)
2004	(e)	(e)	(e)	(e)	(e)	(e)
2003	(e)	(e)	(e)	(e)	(e)	(e)
2002	(e)	(e)	(e)	(e)	(e)	(e)
ING JPMorgan International Portfolio - Initial Class						
2006	6,311	\$10.25 to \$30.57	150,203	0.94%	0.00% to 1.50%	20.36% to 22.23%
2005	7,123	\$11.98 to \$25.01	139,805	0.72%	0.00% to 1.50%	8.35% to 10.03%
2004	7,709	\$10.97 to \$22.92	138,552	1.10%	0.00% to 1.50%	17.11% to 18.98%
2003	8,116	\$9.30 to \$19.47	126,504	0.98%	0.25% to 1.50%	27.52% to 29.04%
2002	8,676	\$7.24 to \$15.19	107,839	0.62%	0.00% to 1.50%	-19.30% to -18.37%



**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Notes to Financial Statements**

<b>Division</b>	<b>Units* (000's)</b>	<b>Unit Fair Value (lowest to highest)</b>	<b>Net Assets (000's)</b>	<b>Investment Income Ratio<sup>A</sup></b>	<b>Expense Ratio<sup>B</sup> (lowest to highest)</b>	<b>Total Return<sup>C</sup> (lowest to highest)</b>
ING JPMorgan International Portfolio - Service Class						
2006	1	\$14.98 to \$15.38	\$ 16	0.19%	0.20% to 1.10%	20.61%
2005	-	\$12.42	3	(d)	1.10%	(d)
2004	(d)	(d)	(d)	(d)	(d)	(d)
2003	(d)	(d)	(d)	(d)	(d)	(d)
2002	(d)	(d)	(d)	(d)	(d)	(d)
ING JPMorgan Mid Cap Value Portfolio - Adviser Class						
2006	8	\$11.93	91	(e)	0.35%	(e)
2005	(e)	(e)	(e)	(e)	(e)	(e)
2004	(e)	(e)	(e)	(e)	(e)	(e)
2003	(e)	(e)	(e)	(e)	(e)	(e)
2002	(e)	(e)	(e)	(e)	(e)	(e)
ING JPMorgan Mid Cap Value Portfolio - Service Class						
2006	1,892	\$12.72 to \$18.11	32,578	0.01%	0.00% to 1.55%	14.78% to 16.46%
2005	1,597	\$12.54 to \$15.64	24,333	0.34%	0.00% to 1.50%	6.89% to 8.51%
2004	1,022	\$11.71 to \$14.33	14,426	0.22%	0.00% to 1.50%	18.76% to 20.12%
2003	339	\$10.24 to \$11.93	3,999	0.44%	0.45% to 1.50%	28.20% to 29.21%
2002	113	\$9.15 to \$9.21	1,038	(a)	0.60% to 1.50%	(a)
ING Legg Mason Partners Aggressive Growth Portfolio - Adviser Class						
2006	2	\$11.18	17	(e)	0.35%	(e)
2005	(e)	(e)	(e)	(e)	(e)	(e)
2004	(e)	(e)	(e)	(e)	(e)	(e)
2003	(e)	(e)	(e)	(e)	(e)	(e)
2002	(e)	(e)	(e)	(e)	(e)	(e)
ING Legg Mason Partners Aggressive Growth Portfolio - Initial Class						
2006	14,531	\$10.02 to \$17.96	203,807	0.00%	0.00% to 1.50%	8.64% to 10.32%
2005	16,715	\$9.15 to \$16.28	213,925	-	0.00% to 1.50%	9.77% to 11.43%
2004	19,676	\$8.28 to \$14.64	228,353	-	0.00% to 1.50%	7.99% to 26.50%
2003	22,307	\$7.60 to \$13.51	239,784	-	0.25% to 1.50%	36.05% to 37.92%
2002	21,979	\$5.54 to \$9.90	175,927	-	0.00% to 1.50%	-36.27% to -35.53%

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Notes to Financial Statements**

<b>Division</b>	<b>Units* (000's)</b>	<b>Unit Fair Value (lowest to highest)</b>	<b>Net Assets (000's)</b>	<b>Investment Income Ratio<sup>A</sup></b>	<b>Expense Ratio<sup>B</sup> (lowest to highest)</b>	<b>Total Return<sup>C</sup> (lowest to highest)</b>
ING Legg Mason Partners Aggressive Growth Portfolio - Service Class						
2006	7	\$12.25 to \$12.63	\$ 82	0.00%	0.20% to 1.25%	8.70% to 9.15%
2005	3	\$11.27 to \$11.37	36	(f)	0.80% to 1.25%	(f)
2004	2	\$10.32	16	(c)	0.70%	(c)
2003	(c)	(c)	(c)	(c)	(c)	(c)
2002	(c)	(c)	(c)	(c)	(c)	(c)
ING Legg Mason Partners Large Cap Growth Portfolio - Adviser Class						
2006	3	\$10.55	33	(e)	0.35%	(e)
2005	(e)	(e)	(e)	(e)	(e)	(e)
2004	(e)	(e)	(e)	(e)	(e)	(e)
2003	(e)	(e)	(e)	(e)	(e)	(e)
2002	(e)	(e)	(e)	(e)	(e)	(e)
ING Legg Mason Partners Large Cap Growth Portfolio - Initial Class						
2006	337	\$11.05 to \$11.61	3,850	0.00%	0.80% to 1.25%	2.89% to 3.25%
2005	371	\$10.74 to \$11.25	4,113	(d)	0.95% to 1.25%	(d)
2004	(d)	(d)	(d)	(d)	(d)	(d)
2003	(d)	(d)	(d)	(d)	(d)	(d)
2002	(d)	(d)	(d)	(d)	(d)	(d)
ING Neuberger Berman Partners Portfolio - Service Class						
2006	22	\$10.47 to \$10.53	232	(e)	0.50% to 1.30%	(e)
2005	(e)	(e)	(e)	(e)	(e)	(e)
2004	(e)	(e)	(e)	(e)	(e)	(e)
2003	(e)	(e)	(e)	(e)	(e)	(e)
2002	(e)	(e)	(e)	(e)	(e)	(e)
ING Neuberger Berman Regency Portfolio - Service Class						
2006	-	\$11.22	1	(e)	0.50%	(e)
2005	(e)	(e)	(e)	(e)	(e)	(e)
2004	(e)	(e)	(e)	(e)	(e)	(e)
2003	(e)	(e)	(e)	(e)	(e)	(e)
2002	(e)	(e)	(e)	(e)	(e)	(e)

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Notes to Financial Statements**

<b>Division</b>	<b>Units* (000's)</b>	<b>Unit Fair Value (lowest to highest)</b>	<b>Net Assets (000's)</b>	<b>Investment Income Ratio<sup>A</sup></b>	<b>Expense Ratio<sup>B</sup> (lowest to highest)</b>	<b>Total Return<sup>C</sup> (lowest to highest)</b>
ING OpCap Balanced Value Portfolio - Service Class						
2006	920	\$11.82 to \$15.52	\$ 13,497	0.86%	0.50% to 1.95%	8.24% to 9.92%
2005	1,209	\$11.14 to \$14.33	16,573	0.38%	0.50% to 1.50%	1.19% to 2.17%
2004	1,519	\$11.21 to \$13.80	20,474	1.09%	0.55% to 1.50%	8.60% to 9.70%
2003	752	\$10.29 to \$12.58	9,183	1.63%	0.55% to 1.50%	28.44% to 29.44%
2002	59	\$8.00 to \$9.69	515	(a)	0.70% to 1.50%	(a)
ING Oppenheimer Global Portfolio - Adviser Class						
2006	8	\$12.26	96	(e)	0.35%	(e)
2005	(e)	(e)	(e)	(e)	(e)	(e)
2004	(e)	(e)	(e)	(e)	(e)	(e)
2003	(e)	(e)	(e)	(e)	(e)	(e)
2002	(e)	(e)	(e)	(e)	(e)	(e)
ING Oppenheimer Global Portfolio - Initial Class						
2006	67,277	\$13.46 to \$14.50	921,330	0.07%	0.00% to 1.80%	10.53% to 17.98%
2005	74,501	\$11.62 to \$12.29	881,737	(d)	0.00% to 1.80%	(d)
2004	(d)	(d)	(d)	(d)	(d)	(d)
2003	(d)	(d)	(d)	(d)	(d)	(d)
2002	(d)	(d)	(d)	(d)	(d)	(d)
ING Oppenheimer Global Portfolio - Service Class						
2006	11	\$15.98 to \$16.17	180	0.09%	1.00% to 1.25%	16.13%
2005	1	\$13.76	20	-	1.25%	11.87%
2004	182	\$12.22 to \$12.52	2,264	-	0.60% to 1.50%	13.36% to 14.26%
2003	119	\$10.78 to \$10.94	1,294	-	0.65% to 1.50%	29.96% to 30.90%
2002	24	\$8.30 to \$8.35	202	(a)	0.70% to 1.50%	(a)
ING Oppenheimer Strategic Income Portfolio - Adviser Class						
2006	12	\$10.88	127	(e)	0.35%	(e)
2005	(e)	(e)	(e)	(e)	(e)	(e)
2004	(e)	(e)	(e)	(e)	(e)	(e)
2003	(e)	(e)	(e)	(e)	(e)	(e)
2002	(e)	(e)	(e)	(e)	(e)	(e)

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Notes to Financial Statements**

<b>Division</b>	<b>Units* (000's)</b>	<b>Unit Fair Value (lowest to highest)</b>	<b>Net Assets (000's)</b>	<b>Investment Income Ratio<sup>A</sup></b>	<b>Expense Ratio<sup>B</sup> (lowest to highest)</b>	<b>Total Return<sup>C</sup> (lowest to highest)</b>
ING Oppenheimer Strategic Income Portfolio - Initial Class						
2006	10,430	\$10.67 to \$11.11	\$ 112,893	0.39%	0.00% to 1.95%	6.22% to 8.39%
2005	11,390	\$9.99 to \$10.25	116,350	(d)	0.00% to 1.50%	(d)
2004	(d)	(d)	(d)	(d)	(d)	(d)
2003	(d)	(d)	(d)	(d)	(d)	(d)
2002	(d)	(d)	(d)	(d)	(d)	(d)
ING PIMCO Total Return Portfolio - Adviser Class						
2006	26	\$10.51	269	(e)	0.35%	(e)
2005	(e)	(e)	(e)	(e)	(e)	(e)
2004	(e)	(e)	(e)	(e)	(e)	(e)
2003	(e)	(e)	(e)	(e)	(e)	(e)
2002	(e)	(e)	(e)	(e)	(e)	(e)
ING PIMCO Total Return Portfolio - Service Class						
2006	5,395	\$10.50 to \$12.26	62,923	1.70%	0.20% to 1.55%	2.47% to 3.64%
2005	4,813	\$10.27 to \$11.91	54,953	1.68%	0.35% to 1.50%	0.53% to 1.72%
2004	3,872	\$10.21 to \$11.64	43,692	-	0.40% to 1.50%	2.73% to 3.93%
2003	2,845	\$10.02 to \$11.20	31,227	3.56%	0.40% to 1.50%	2.52% to 3.44%
2002	1,518	\$10.70 to \$10.77	16,279	(a)	0.55% to 1.50%	(a)
ING Pioneer High Yield Portfolio - Initial Class						
2006	94	\$10.56 to \$10.66	1,000	(e)	0.00% to 1.50%	(e)
2005	(e)	(e)	(e)	(e)	(e)	(e)
2004	(e)	(e)	(e)	(e)	(e)	(e)
2003	(e)	(e)	(e)	(e)	(e)	(e)
2002	(e)	(e)	(e)	(e)	(e)	(e)
ING Pioneer High Yield Portfolio - Service Class						
2006	1	\$10.56 to \$10.60	6	(e)	0.70% to 1.20%	(e)
2005	(e)	(e)	(e)	(e)	(e)	(e)
2004	(e)	(e)	(e)	(e)	(e)	(e)
2003	(e)	(e)	(e)	(e)	(e)	(e)
2002	(e)	(e)	(e)	(e)	(e)	(e)

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Notes to Financial Statements**

<b>Division</b>	<b>Units* (000's)</b>	<b>Unit Fair Value (lowest to highest)</b>	<b>Net Assets (000's)</b>	<b>Investment Income Ratio<sup>A</sup></b>	<b>Expense Ratio<sup>B</sup> (lowest to highest)</b>	<b>Total Return<sup>C</sup> (lowest to highest)</b>
ING Solution 2015 Portfolio - Adviser Class						
2006	243	\$11.27 to \$11.83	\$ 2,850	0.17%	0.20% to 1.55%	9.47% to 10.26%
2005	41	\$10.66 to \$10.72	440	(d)	0.25% to 1.05%	(d)
2004	(d)	(d)	(d)	(d)	(d)	(d)
2003	(d)	(d)	(d)	(d)	(d)	(d)
2002	(d)	(d)	(d)	(d)	(d)	(d)
ING Solution 2015 Portfolio - Service Class						
2006	1,294	\$11.64 to \$11.93	15,208	0.16%	0.00% to 1.50%	9.18% to 10.25%
2005	185	\$10.66 to \$10.76	1,980	(d)	0.50% to 1.50%	(d)
2004	(d)	(d)	(d)	(d)	(d)	(d)
2003	(d)	(d)	(d)	(d)	(d)	(d)
2002	(d)	(d)	(d)	(d)	(d)	(d)
ING Solution 2025 Portfolio - Adviser Class						
2006	360	\$12.01 to \$12.29	4,390	0.22%	0.20% to 1.55%	11.19% to 12.15%
2005	24	\$10.89 to \$10.95	266	(d)	0.25% to 1.05%	(d)
2004	(d)	(d)	(d)	(d)	(d)	(d)
2003	(d)	(d)	(d)	(d)	(d)	(d)
2002	(d)	(d)	(d)	(d)	(d)	(d)
ING Solution 2025 Portfolio - Service Class						
2006	1,488	\$12.08 to \$12.38	18,183	0.24%	0.00% to 1.50%	10.93% to 12.04%
2005	176	\$10.89 to \$10.99	1,918	(d)	0.50% to 1.50%	(d)
2004	(d)	(d)	(d)	(d)	(d)	(d)
2003	(d)	(d)	(d)	(d)	(d)	(d)
2002	(d)	(d)	(d)	(d)	(d)	(d)
ING Solution 2035 Portfolio - Adviser Class						
2006	307	\$11.69 to \$12.64	3,854	0.11%	0.20% to 1.55%	12.75% to 13.68%
2005	40	\$11.05 to \$11.11	440	(d)	0.25% to 1.05%	(d)
2004	(d)	(d)	(d)	(d)	(d)	(d)
2003	(d)	(d)	(d)	(d)	(d)	(d)
2002	(d)	(d)	(d)	(d)	(d)	(d)

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Notes to Financial Statements**

<b>Division</b>	<b>Units* (000's)</b>	<b>Unit Fair Value (lowest to highest)</b>	<b>Net Assets (000's)</b>	<b>Investment Income Ratio<sup>A</sup></b>	<b>Expense Ratio<sup>B</sup> (lowest to highest)</b>	<b>Total Return<sup>C</sup> (lowest to highest)</b>
ING Solution 2035 Portfolio - Service Class						
2006	956	\$12.42 to \$12.74	\$ 12,006	0.11%	0.00% to 1.50%	12.40% to 13.58%
2005	106	\$11.05 to \$11.15	1,176	(d)	0.50% to 1.50%	(d)
2004	(d)	(d)	(d)	(d)	(d)	(d)
2003	(d)	(d)	(d)	(d)	(d)	(d)
2002	(d)	(d)	(d)	(d)	(d)	(d)
ING Solution 2045 Portfolio - Adviser Class						
2006	174	\$12.70 to \$12.99	2,250	0.03%	0.20% to 1.55%	13.66% to 14.56%
2005	23	\$11.27 to \$11.33	256	(d)	0.25% to 1.05%	(d)
2004	(d)	(d)	(d)	(d)	(d)	(d)
2003	(d)	(d)	(d)	(d)	(d)	(d)
2002	(d)	(d)	(d)	(d)	(d)	(d)
ING Solution 2045 Portfolio - Service Class						
2006	589	\$12.76 to \$13.08	7,586	0.03%	0.00% to 1.50%	13.32% to 14.47%
2005	52	\$11.26 to \$11.36	586	(d)	0.50% to 1.50%	(d)
2004	(d)	(d)	(d)	(d)	(d)	(d)
2003	(d)	(d)	(d)	(d)	(d)	(d)
2002	(d)	(d)	(d)	(d)	(d)	(d)
ING Solution Income Portfolio - Adviser Class						
2006	150	\$10.85 to \$11.07	1,657	0.10%	0.20% to 1.40%	6.12% to 6.50%
2005	4	\$10.29 to \$10.31	40	(d)	0.70% to 1.00%	(d)
2004	(d)	(d)	(d)	(d)	(d)	(d)
2003	(d)	(d)	(d)	(d)	(d)	(d)
2002	(d)	(d)	(d)	(d)	(d)	(d)
ING Solution Income Portfolio - Service Class						
2006	250	\$10.88 to \$11.13	2,746	0.16%	0.15% to 1.50%	5.73% to 6.76%
2005	33	\$10.29 to \$10.36	341	(d)	0.50% to 1.50%	(d)
2004	(d)	(d)	(d)	(d)	(d)	(d)
2003	(d)	(d)	(d)	(d)	(d)	(d)
2002	(d)	(d)	(d)	(d)	(d)	(d)

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Notes to Financial Statements**

<b>Division</b>	<b>Units* (000's)</b>	<b>Unit Fair Value (lowest to highest)</b>	<b>Net Assets (000's)</b>	<b>Investment Income Ratio<sup>A</sup></b>	<b>Expense Ratio<sup>B</sup> (lowest to highest)</b>	<b>Total Return<sup>C</sup> (lowest to highest)</b>
ING T. Rowe Price Diversified Mid Cap Growth Portfolio - Adviser Class						
2006	3	\$11.31	\$ 39	(e)	0.35%	(e)
2005	(e)	(e)	(e)	(e)	(e)	(e)
2004	(e)	(e)	(e)	(e)	(e)	(e)
2003	(e)	(e)	(e)	(e)	(e)	(e)
2002	(e)	(e)	(e)	(e)	(e)	(e)
ING T. Rowe Price Diversified Mid Cap Growth Portfolio - Initial Class						
2006	33,002	\$10.59 to \$12.72	397,287	0.00%	0.00% to 1.50%	3.11% to 9.05%
2005	38,267	\$11.07 to \$11.60	429,422	(d)	0.00% to 1.50%	(d)
2004	(d)	(d)	(d)	(d)	(d)	(d)
2003	(d)	(d)	(d)	(d)	(d)	(d)
2002	(d)	(d)	(d)	(d)	(d)	(d)
ING T. Rowe Price Diversified Mid Cap Growth Portfolio - Service Class						
2006	35	\$8.90 to \$12.27	425	0.00%	0.20% to 1.25%	7.62% to 8.39%
2005	22	\$8.27 to \$11.20	230	-	0.55% to 1.25%	7.59% to 7.88%
2004	1,207	\$7.62 to \$11.27	9,594	-	0.45% to 1.50%	6.87% to 8.09%
2003	1,287	\$7.13 to \$10.49	9,420	-	0.45% to 1.50%	42.51% to 43.68%
2002	166	\$5.00 to \$7.32	902	(a)	0.60% to 1.50%	(a)
ING T. Rowe Price Growth Equity Portfolio - Adviser Class						
2006	12	\$11.53	143	(e)	0.35%	(e)
2005	(e)	(e)	(e)	(e)	(e)	(e)
2004	(e)	(e)	(e)	(e)	(e)	(e)
2003	(e)	(e)	(e)	(e)	(e)	(e)
2002	(e)	(e)	(e)	(e)	(e)	(e)
ING T. Rowe Price Growth Equity Portfolio - Initial Class						
2006	12,312	\$9.60 to \$28.07	281,531	0.24%	0.00% to 1.50%	11.63% to 13.33%
2005	13,745	\$11.71 to \$25.03	282,041	0.48%	0.00% to 1.50%	4.59% to 6.15%
2004	14,985	\$11.28 to \$23.81	291,385	0.16%	0.00% to 1.50%	8.36% to 10.00%
2003	13,740	\$10.37 to \$21.86	246,603	0.15%	0.00% to 1.50%	28.96% to 30.55%
2002	12,185	\$9.02 to \$16.86	169,889	0.19%	0.00% to 1.50%	-24.44% to -23.64%

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Notes to Financial Statements**

<b>Division</b>	<b>Units* (000's)</b>	<b>Unit Fair Value (lowest to highest)</b>	<b>Net Assets (000's)</b>	<b>Investment Income Ratio<sup>A</sup></b>	<b>Expense Ratio<sup>B</sup> (lowest to highest)</b>	<b>Total Return<sup>C</sup> (lowest to highest)</b>
ING T. Rowe Price Growth Equity Portfolio - Service Class						
2006	67	\$12.33 to \$14.27	\$ 867	0.00%	0.20% to 1.55%	11.59% to 12.56%
2005	39	\$11.13 to \$12.75	446	0.60%	0.45% to 1.30%	4.60% to 5.23%
2004	20	\$10.64 to \$12.16	219	(c)	0.40% to 1.30%	(c)
2003	(c)	(c)	(c)	(c)	(c)	(c)
2002	(c)	(c)	(c)	(c)	(c)	(c)
ING Templeton Foreign Equity Portfolio - Service Class						
2006	27	\$11.16 to \$11.23	302	(e)	0.50% to 1.50%	(e)
2005	(e)	(e)	(e)	(e)	(e)	(e)
2004	(e)	(e)	(e)	(e)	(e)	(e)
2003	(e)	(e)	(e)	(e)	(e)	(e)
2002	(e)	(e)	(e)	(e)	(e)	(e)
ING Thornburg Value Portfolio - Adviser Class						
2006	5	\$11.85	54	(e)	0.35%	(e)
2005	(e)	(e)	(e)	(e)	(e)	(e)
2004	(e)	(e)	(e)	(e)	(e)	(e)
2003	(e)	(e)	(e)	(e)	(e)	(e)
2002	(e)	(e)	(e)	(e)	(e)	(e)
ING Thornburg Value Portfolio - Initial Class						
2006	5,003	\$7.15 to \$34.10	117,356	0.47%	0.00% to 1.50%	15.11% to 16.85%
2005	5,863	\$9.90 to \$29.48	118,725	0.78%	0.00% to 1.50%	0.00% to 1.56%
2004	7,187	\$9.80 to \$29.32	143,585	0.44%	0.00% to 1.50%	11.16% to 12.65%
2003	8,274	\$8.73 to \$26.23	151,497	0.19%	0.25% to 1.50%	26.12% to 27.71%
2002	8,811	\$7.36 to \$20.69	129,150	-	0.00% to 1.50%	-31.20% to -30.41%
ING UBS U.S. Large Cap Equity Portfolio - Initial Class						
2006	8,239	\$11.75 to \$20.55	135,280	0.80%	0.00% to 1.95%	12.23% to 14.55%
2005	9,161	\$10.42 to \$17.94	134,490	0.87%	0.00% to 1.50%	7.49% to 9.39%
2004	10,068	\$9.67 to \$16.40	135,468	0.78%	0.00% to 1.50%	13.00% to 15.41%
2003	10,747	\$8.55 to \$14.33	128,075	0.58%	0.25% to 1.50%	23.02% to 24.66%
2002	11,666	\$6.95 to \$11.58	114,492	0.20%	0.00% to 1.50%	-26.01% to -25.15%



**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Notes to Financial Statements**

<b>Division</b>	<b>Units* (000's)</b>	<b>Unit Fair Value (lowest to highest)</b>	<b>Net Assets (000's)</b>	<b>Investment Income Ratio<sup>A</sup></b>	<b>Expense Ratio<sup>B</sup> (lowest to highest)</b>	<b>Total Return<sup>C</sup> (lowest to highest)</b>
ING UBS U.S. Large Cap Equity Portfolio - Service Class						
2006	-	\$11.05	\$ 3	(e)	1.00%	(e)
2005	(e)	(e)	(e)	(e)	(e)	(e)
2004	(e)	(e)	(e)	(e)	(e)	(e)
2003	(e)	(e)	(e)	(e)	(e)	(e)
2002	(e)	(e)	(e)	(e)	(e)	(e)
ING UBS U.S. Small Cap Growth Portfolio - Service Class						
2006	2	\$9.70 to \$9.76	24	(e)	0.40% to 1.25%	(e)
2005	(e)	(e)	(e)	(e)	(e)	(e)
2004	(e)	(e)	(e)	(e)	(e)	(e)
2003	(e)	(e)	(e)	(e)	(e)	(e)
2002	(e)	(e)	(e)	(e)	(e)	(e)
ING Van Kampen Comstock Portfolio - Adviser Class						
2006	13	\$11.98	151	(e)	0.35%	(e)
2005	(e)	(e)	(e)	(e)	(e)	(e)
2004	(e)	(e)	(e)	(e)	(e)	(e)
2003	(e)	(e)	(e)	(e)	(e)	(e)
2002	(e)	(e)	(e)	(e)	(e)	(e)
ING Van Kampen Comstock Portfolio - Service Class						
2006	6,763	\$12.38 to \$16.94	100,241	0.74%	0.30% to 1.95%	13.56% to 15.52%
2005	7,429	\$11.46 to \$14.77	98,136	0.60%	0.00% to 1.50%	1.97% to 3.10%
2004	5,605	\$11.21 to \$14.42	71,730	-	0.40% to 1.95%	15.01% to 16.27%
2003	2,951	\$10.46 to \$12.47	32,018	0.89%	0.40% to 1.50%	27.74% to 28.90%
2002	983	\$8.29 to \$8.35	8,175	(a)	0.55% to 1.50%	(a)
ING Van Kampen Equity and Income Portfolio - Adviser Class						
2006	2	\$11.38	21	(e)	0.35%	(e)
2005	(e)	(e)	(e)	(e)	(e)	(e)
2004	(e)	(e)	(e)	(e)	(e)	(e)
2003	(e)	(e)	(e)	(e)	(e)	(e)
2002	(e)	(e)	(e)	(e)	(e)	(e)

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Notes to Financial Statements**

<b>Division</b>	<b>Units* (000's)</b>	<b>Unit Fair Value (lowest to highest)</b>	<b>Net Assets (000's)</b>	<b>Investment Income Ratio<sup>A</sup></b>	<b>Expense Ratio<sup>B</sup> (lowest to highest)</b>	<b>Total Return<sup>C</sup> (lowest to highest)</b>
ING Van Kampen Equity and Income Portfolio - Initial Class						
2006	31,545	\$11.77 to \$12.63	\$ 378,557	1.93%	0.00% to 1.95%	6.18% to 12.67%
2005	31,676	\$10.66 to \$11.21	344,729	(d)	0.00% to 1.50%	(d)
2004	(d)	(d)	(d)	(d)	(d)	(d)
2003	(d)	(d)	(d)	(d)	(d)	(d)
2002	(d)	(d)	(d)	(d)	(d)	(d)
ING Van Kampen Equity and Income Portfolio - Service Class						
2006	3	\$12.33 to \$39.49	90	2.00%	0.60% to 1.25%	10.98% to 11.31%
2005	-	\$11.11 to \$34.76	13	-	1.00% to 1.25%	6.42% to 6.69%
2004	105	\$10.44 to \$33.04	2,372	0.37%	0.55% to 1.50%	8.97% to 9.99%
2003	50	\$9.55 to \$30.04	911	0.14%	0.55% to 1.50%	25.13% to 26.26%
2002	42	\$7.61 to \$23.76	474	(a)	0.60% to 1.50%	(a)
ING VP Strategic Allocation Conservative Portfolio - Class I						
2006	2,335	\$11.41 to \$20.00	39,520	2.61%	0.00% to 1.95%	6.22% to 8.40%
2005	4,513	\$10.97 to \$18.82	73,683	1.50%	0.00% to 1.70%	3.09% to 4.67%
2004	4,481	\$10.67 to \$18.08	70,666	1.25%	0.00% to 1.55%	8.56% to 9.97%
2003	4,016	\$10.24 to \$16.55	58,446	1.48%	0.25% to 1.50%	17.67% to 19.12%
2002	3,907	\$8.84 to \$13.98	47,846	2.59%	0.00% to 1.50%	-10.89% to -9.85%
ING VP Strategic Allocation Growth Portfolio - Class I						
2006	4,732	\$11.07 to \$22.35	88,592	1.35%	0.00% to 1.95%	11.01% to 13.22%
2005	4,786	\$11.29 to \$19.77	81,185	1.18%	0.00% to 1.70%	2.45% to 6.19%
2004	5,143	\$10.83 to \$18.78	81,653	1.05%	0.00% to 1.55%	10.31% to 14.79%
2003	4,838	\$9.86 to \$16.92	69,833	0.88%	0.25% to 1.50%	22.46% to 23.96%
2002	4,739	\$7.99 to \$13.73	56,046	1.75%	0.00% to 1.50%	-15.04% to -14.06%
ING VP Strategic Allocation Moderate Portfolio - Class I						
2006	4,726	\$11.34 to \$20.93	82,807	1.80%	0.00% to 1.60%	9.37% to 11.21%
2005	2,405	\$10.68 to \$18.45	39,166	2.10%	0.00% to 1.70%	2.19% to 3.83%
2004	2,282	\$10.48 to \$17.77	36,460	1.81%	0.00% to 1.55%	6.38% to 7.76%
2003	2,238	\$10.18 to \$16.50	33,837	2.30%	0.25% to 1.50%	11.92% to 13.28%
2002	2,347	\$10.23 to \$14.66	31,610	3.44%	0.00% to 1.50%	-5.77% to -4.68%

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Notes to Financial Statements**

<b>Division</b>	<b>Units* (000's)</b>	<b>Unit Fair Value (lowest to highest)</b>	<b>Net Assets (000's)</b>	<b>Investment Income Ratio<sup>A</sup></b>	<b>Expense Ratio<sup>B</sup> (lowest to highest)</b>	<b>Total Return<sup>C</sup> (lowest to highest)</b>
ING VP Growth and Income Portfolio - Class I						
2006	80,060	\$10.30 to \$325.50	\$ 1,940,188	1.15%	0.00% to 1.95%	12.51% to 14.17%
2005	91,075	\$9.09 to \$287.09	1,975,255	1.00%	0.00% to 1.50%	6.51% to 8.13%
2004	108,588	\$8.47 to \$267.99	2,182,323	2.32%	0.00% to 1.50%	6.78% to 21.16%
2003	121,775	\$7.87 to \$249.58	2,310,967	-	0.25% to 1.50%	24.14% to 25.78%
2002	139,292	\$6.29 to \$199.83	2,141,418	0.84%	0.00% to 1.50%	-26.11% to -25.25%
ING GET U.S. Core Portfolio - Series 1						
2006	89	\$11.21	995	2.42%	1.25%	6.36%
2005	136	\$10.54	1,438	2.18%	1.25%	0.29%
2004	212	\$10.51	2,224	0.70%	1.25%	2.24%
2003	231	\$10.28	2,378	(b)	1.25%	(b)
2002	(b)	(b)	(b)	(b)	(b)	(b)
ING GET U.S. Core Portfolio - Series 2						
2006	704	\$10.71 to \$10.86	7,605	2.96%	1.00% to 1.50%	5.00% to 5.54%
2005	1,090	\$10.15 to \$10.29	11,168	2.66%	1.00% to 1.65%	-0.78% to -0.10%
2004	1,821	\$10.23 to \$10.31	18,726	0.11%	1.00% to 1.65%	1.99% to 2.59%
2003	2,055	\$10.03 to \$10.05	20,639	(b)	1.05% to 1.65%	(b)
2002	(b)	(b)	(b)	(b)	(b)	(b)
ING GET U.S. Core Portfolio - Series 3						
2006	2,678	\$10.30 to \$10.52	27,885	2.54%	1.00% to 1.75%	4.46% to 5.31%
2005	3,740	\$9.86 to \$9.99	37,121	2.01%	1.00% to 1.75%	-1.00% to -0.20%
2004	5,300	\$9.95 to \$10.02	52,924	-	1.00% to 1.75%	-0.40% to 0.20%
2003	21	\$9.99 to \$10.00	207	(b)	0.80% to 1.25%	(b)
2002	(b)	(b)	(b)	(b)	(b)	(b)
ING GET U.S. Core Portfolio - Series 5						
2006	59	\$11.55	685	1.94%	1.75%	9.27%
2005	61	\$10.57	645	0.89%	1.75%	0.96%
2004	66	\$10.47	696	(c)	1.75%	(c)
2003	(c)	(c)	(c)	(c)	(c)	(c)
2002	(c)	(c)	(c)	(c)	(c)	(c)

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**

**Notes to Financial Statements**

<b>Division</b>	<b>Units* (000's)</b>	<b>Unit Fair Value (lowest to highest)</b>	<b>Net Assets (000's)</b>	<b>Investment Income Ratio<sup>A</sup></b>	<b>Expense Ratio<sup>B</sup> (lowest to highest)</b>	<b>Total Return<sup>C</sup> (lowest to highest)</b>
ING GET U.S. Core Portfolio - Series 6						
2006	356	\$11.04 to \$11.05	\$ 3,931	2.33%	1.75%	8.55% to 8.65%
2005	454	\$10.17	4,616	0.39%	1.75%	0.89%
2004	556	\$10.08	5,605	(c)	1.75%	(c)
2003	(c)	(c)	(c)	(c)	(c)	(c)
2002	(c)	(c)	(c)	(c)	(c)	(c)
ING GET U.S. Core Portfolio - Series 7						
2006	325	\$10.90 to \$11.05	3,556	2.41%	1.00% to 1.75%	8.35% to 9.19%
2005	391	\$10.06 to \$10.12	3,939	0.05%	1.00% to 1.75%	0.60% to 1.10%
2004	402	\$10.00	4,017	(c)	1.00% to 1.25%	(c)
2003	(c)	(c)	(c)	(c)	(c)	(c)
2002	(c)	(c)	(c)	(c)	(c)	(c)
ING GET U.S. Core Portfolio - Series 8						
2006	137	\$10.98 to \$10.99	1,507	1.77%	1.75%	8.71% to 8.81%
2005	154	\$10.10	1,556	(d)	1.75%	(d)
2004	(d)	(d)	(d)	(d)	(d)	(d)
2003	(d)	(d)	(d)	(d)	(d)	(d)
2002	(d)	(d)	(d)	(d)	(d)	(d)
ING GET U.S. Core Portfolio - Series 9						
2006	16	\$10.79 to \$10.80	168	1.48%	1.75%	8.22%
2005	22	\$9.97 to \$9.98	220	(d)	1.75%	(d)
2004	(d)	(d)	(d)	(d)	(d)	(d)
2003	(d)	(d)	(d)	(d)	(d)	(d)
2002	(d)	(d)	(d)	(d)	(d)	(d)
ING GET U.S. Core Portfolio - Series 10						
2006	7	\$10.76	76	0.84%	1.75%	7.82%
2005	11	\$9.98	107	(d)	1.75%	(d)
2004	(d)	(d)	(d)	(d)	(d)	(d)
2003	(d)	(d)	(d)	(d)	(d)	(d)
2002	(d)	(d)	(d)	(d)	(d)	(d)

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Notes to Financial Statements**

<b>Division</b>	<b>Units* (000's)</b>	<b>Unit Fair Value (lowest to highest)</b>	<b>Net Assets (000's)</b>	<b>Investment Income Ratio<sup>A</sup></b>	<b>Expense Ratio<sup>B</sup> (lowest to highest)</b>	<b>Total Return<sup>C</sup> (lowest to highest)</b>
ING GET U.S. Core Portfolio - Series 11						
2006	4	\$10.62	\$ 47	0.08%	1.75%	5.99% to 6.09%
2005	8	\$10.01 to \$10.02	80	(d)	1.15% to 1.25%	(d)
2004	(d)	(d)	(d)	(d)	(d)	(d)
2003	(d)	(d)	(d)	(d)	(d)	(d)
2002	(d)	(d)	(d)	(d)	(d)	(d)
ING VP Global Science and Technology Portfolio - Class I						
2006	8,763	\$4.14 to \$13.50	37,594	0.00%	0.00% to 1.60%	5.60% to 7.21%
2005	10,034	\$3.92 to \$11.04	40,552	-	0.00% to 1.50%	10.06% to 11.83%
2004	11,027	\$3.56 to \$10.00	40,737	-	0.00% to 1.50%	-2.73% to 132.01%
2003	12,668	\$3.64 to \$10.26	47,295	-	0.25% to 1.50%	43.36% to 45.25%
2002	8,904	\$2.53 to \$2.64	23,001	-	0.00% to 1.50%	-42.16% to -41.49%
ING VP Growth Portfolio - Class I						
2006	4,698	\$5.88 to \$16.86	67,837	0.06%	0.00% to 1.50%	1.12% to 2.69%
2005	5,519	\$5.81 to \$16.49	78,900	0.68%	0.00% to 1.50%	7.77% to 9.38%
2004	6,937	\$5.37 to \$15.14	89,883	0.12%	0.00% to 1.50%	5.63% to 6.92%
2003	7,779	\$5.06 to \$14.18	95,972	-	0.25% to 1.50%	28.43% to 30.14%
2002	7,963	\$3.92 to \$10.79	76,539	-	0.00% to 1.50%	-30.00% to -29.19%
ING VP Index Plus LargeCap Portfolio - Class I						
2006	26,449	\$9.36 to \$23.55	539,452	1.08%	0.00% to 1.95%	12.29% to 14.59%
2005	29,222	\$11.05 to \$20.64	532,133	1.22%	0.00% to 1.85%	3.46% to 5.37%
2004	32,461	\$10.67 to \$19.66	562,520	0.99%	0.00% to 1.95%	8.92% to 10.32%
2003	31,590	\$9.74 to \$17.85	503,421	1.04%	0.25% to 1.50%	24.22% to 25.85%
2002	29,577	\$8.36 to \$14.03	378,460	0.24%	0.00% to 1.50%	-22.70% to -21.80%
ING VP Index Plus LargeCap Portfolio - Class S						
2006	1	\$11.63	7	(e)	0.35%	(e)
2005	(e)	(e)	(e)	(e)	(e)	(e)
2004	(e)	(e)	(e)	(e)	(e)	(e)
2003	(e)	(e)	(e)	(e)	(e)	(e)
2002	(e)	(e)	(e)	(e)	(e)	(e)

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Notes to Financial Statements**

<b>Division</b>	<b>Units* (000's)</b>	<b>Unit Fair Value (lowest to highest)</b>	<b>Net Assets (000's)</b>	<b>Investment Income Ratio<sup>A</sup></b>	<b>Expense Ratio<sup>B</sup> (lowest to highest)</b>	<b>Total Return<sup>C</sup> (lowest to highest)</b>
ING VP Index Plus MidCap Portfolio - Class I						
2006	18,518	\$12.68 to \$25.09	\$ 421,728	0.62%	0.00% to 1.95%	7.28% to 9.43%
2005	19,654	\$12.22 to \$23.22	416,465	0.44%	0.00% to 1.95%	9.08% to 11.15%
2004	18,764	\$11.22 to \$20.56	361,470	0.40%	0.00% to 1.85%	14.85% to 16.29%
2003	14,056	\$10.18 to \$17.68	233,761	0.39%	0.25% to 1.50%	30.49% to 32.14%
2002	11,364	\$12.33 to \$13.38	144,261	0.45%	0.00% to 1.50%	-13.40% to -12.40%
ING VP Index Plus MidCap Portfolio - Class S						
2006	4	\$11.19	43	(e)	0.35%	(e)
2005	(e)	(e)	(e)	(e)	(e)	(e)
2004	(e)	(e)	(e)	(e)	(e)	(e)
2003	(e)	(e)	(e)	(e)	(e)	(e)
2002	(e)	(e)	(e)	(e)	(e)	(e)
ING VP Index Plus SmallCap Portfolio - Class I						
2006	10,525	\$13.03 to \$20.09	189,877	0.41%	0.00% to 1.95%	11.75% to 13.78%
2005	11,258	\$12.34 to \$17.88	182,246	0.30%	0.00% to 1.85%	5.65% to 7.65%
2004	10,466	\$11.68 to \$16.34	158,486	0.15%	0.00% to 1.85%	20.22% to 21.76%
2003	7,540	\$10.20 to \$13.42	93,931	17.00%	0.25% to 1.50%	34.15% to 35.83%
2002	5,909	\$8.96 to \$9.88	54,579	0.17%	0.00% to 1.50%	-14.50% to -13.51%
ING VP Index Plus SmallCap Portfolio - Class S						
2006	5	\$11.44	52	(e)	0.35%	(e)
2005	(e)	(e)	(e)	(e)	(e)	(e)
2004	(e)	(e)	(e)	(e)	(e)	(e)
2003	(e)	(e)	(e)	(e)	(e)	(e)
2002	(e)	(e)	(e)	(e)	(e)	(e)
ING VP International Equity Portfolio - Class I						
2006	1,702	\$9.49 to \$17.15	22,626	1.57%	0.00% to 1.50%	21.63% to 23.43%
2005	1,504	\$7.77 to \$14.05	16,979	0.92%	0.00% to 1.50%	1.92% to 16.90%
2004	1,509	\$6.71 to \$12.18	14,340	1.20%	0.00% to 1.50%	15.42% to 32.77%
2003	1,451	\$5.79 to \$10.52	11,933	1.01%	0.25% to 1.50%	30.10% to 31.82%
2002	1,316	\$4.43 to \$6.40	8,248	0.22%	0.00% to 1.50%	-27.77% to -26.93%

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Notes to Financial Statements**

<b>Division</b>	<b>Units* (000's)</b>	<b>Unit Fair Value (lowest to highest)</b>	<b>Net Assets (000's)</b>	<b>Investment Income Ratio<sup>A</sup></b>	<b>Expense Ratio<sup>B</sup> (lowest to highest)</b>	<b>Total Return<sup>C</sup> (lowest to highest)</b>
ING VP International Equity Portfolio - Class S						
2006	1	\$12.96	\$ 18	(e)	0.35%	(e)
2005	(e)	(e)	(e)	(e)	(e)	(e)
2004	(e)	(e)	(e)	(e)	(e)	(e)
2003	(e)	(e)	(e)	(e)	(e)	(e)
2002	(e)	(e)	(e)	(e)	(e)	(e)
ING VP Small Company Portfolio - Class I						
2006	6,886	\$13.75 to \$29.99	169,087	0.39%	0.00% to 1.50%	15.06% to 16.80%
2005	7,440	\$12.03 to \$25.78	158,729	0.14%	0.00% to 1.50%	8.64% to 10.28%
2004	9,070	\$11.02 to \$23.47	175,779	0.28%	0.00% to 1.50%	12.69% to 14.09%
2003	9,733	\$9.73 to \$20.60	167,432	0.25%	0.25% to 1.50%	35.44% to 37.18%
2002	9,115	\$7.15 to \$14.86	115,085	0.48%	0.00% to 1.50%	-24.37% to -23.50%
ING VP Small Company Portfolio - Class S						
2006	1	\$11.80	11	(e)	0.35%	(e)
2005	(e)	(e)	(e)	(e)	(e)	(e)
2004	(e)	(e)	(e)	(e)	(e)	(e)
2003	(e)	(e)	(e)	(e)	(e)	(e)
2002	(e)	(e)	(e)	(e)	(e)	(e)
ING VP Value Opportunity Portfolio - Class I						
2006	4,980	\$11.84 to \$23.34	96,810	1.43%	0.00% to 1.60%	14.29% to 16.06%
2005	5,822	\$10.27 to \$20.11	97,980	1.77%	0.00% to 1.50%	5.44% to 7.03%
2004	6,985	\$9.66 to \$18.79	110,369	0.80%	0.00% to 1.50%	8.48% to 9.86%
2003	8,963	\$8.85 to \$17.11	133,176	0.77%	0.25% to 1.50%	22.79% to 24.30%
2002	9,633	\$9.09 to \$13.82	115,345	0.46%	0.00% to 1.50%	-27.07% to -26.22%
ING VP Financial Services Portfolio - Class I						
2006	263	\$13.63 to \$14.20	3,621	1.26%	0.40% to 1.50%	15.70% to 16.81%
2005	66	\$11.78 to \$12.17	790	1.22%	0.60% to 1.50%	6.38% to 6.90%
2004	17	\$11.12 to \$11.44	194	(c)	0.75% to 1.25%	(c)
2003	(c)	(c)	(c)	(c)	(c)	(c)
2002	(c)	(c)	(c)	(c)	(c)	(c)

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Notes to Financial Statements**

<b>Division</b>	<b>Units* (000's)</b>	<b>Unit Fair Value (lowest to highest)</b>	<b>Net Assets (000's)</b>	<b>Investment Income Ratio<sup>A</sup></b>	<b>Expense Ratio<sup>B</sup> (lowest to highest)</b>	<b>Total Return<sup>C</sup> (lowest to highest)</b>
ING VP International Value Portfolio - Class I						
2006	7,376	\$14.78 to \$18.51	\$ 123,753	2.42%	0.30% to 1.55%	27.45% to 29.01%
2005	5,941	\$12.35 to \$14.45	78,444	2.43%	0.00% to 1.55%	7.82% to 9.15%
2004	4,834	\$11.49 to \$13.33	58,379	1.23%	0.30% to 1.50%	15.63% to 16.94%
2003	3,157	\$10.17 to \$11.47	32,591	1.19%	0.40% to 1.50%	27.92% to 29.37%
2002	1,603	\$7.95 to \$8.07	12,825	0.86%	0.45% to 1.50%	-16.56% to -16.17%
ING VP International Value Portfolio - Class S						
2006	5	\$13.36	60	(e)	0.35%	(e)
2005	(e)	(e)	(e)	(e)	(e)	(e)
2004	(e)	(e)	(e)	(e)	(e)	(e)
2003	(e)	(e)	(e)	(e)	(e)	(e)
2002	(e)	(e)	(e)	(e)	(e)	(e)
ING VP MidCap Opportunities Portfolio - Class I						
2006	509	\$11.77 to \$12.55	6,141	0.00%	0.40% to 1.50%	6.21% to 7.25%
2005	467	\$11.08 to \$12.83	5,277	-	0.50% to 1.50%	0.87% to 9.78%
2004	536	\$10.19 to \$11.43	5,546	-	0.55% to 1.50%	9.81% to 20.57%
2003	447	\$9.28 to \$9.50	4,191	-	0.55% to 1.50%	34.69% to 35.91%
2002	66	\$6.89 to \$6.99	457	-	0.55% to 1.50%	-26.79% to -26.57%
ING VP MidCap Opportunities Portfolio - Class S						
2006	-	\$11.20	3	(e)	0.35%	(e)
2005	(e)	(e)	(e)	(e)	(e)	(e)
2004	(e)	(e)	(e)	(e)	(e)	(e)
2003	(e)	(e)	(e)	(e)	(e)	(e)
2002	(e)	(e)	(e)	(e)	(e)	(e)
ING VP Real Estate Portfolio - Class I						
2006	4,158	\$16.05 to \$21.28	86,706	2.35%	0.30% to 1.50%	34.18% to 35.59%
2005	3,048	\$15.04 to \$15.75	47,193	2.69%	0.00% to 1.50%	10.81% to 11.90%
2004	1,960	\$13.58 to \$13.95	27,225	(c)	0.55% to 1.50%	(c)
2003	(c)	(c)	(c)	(c)	(c)	(c)
2002	(c)	(c)	(c)	(c)	(c)	(c)



**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Notes to Financial Statements**

<b>Division</b>	<b>Units* (000's)</b>	<b>Unit Fair Value (lowest to highest)</b>	<b>Net Assets (000's)</b>	<b>Investment Income Ratio<sup>A</sup></b>	<b>Expense Ratio<sup>B</sup> (lowest to highest)</b>	<b>Total Return<sup>C</sup> (lowest to highest)</b>
ING VP SmallCap Opportunities Portfolio - Class I						
2006	1,122	\$8.77 to \$13.46	\$ 10,191	0.00%	0.40% to 1.50%	10.87% to 12.17%
2005	1,146	\$7.91 to \$8.97	9,331	-	0.40% to 1.50%	1.86% to 8.64%
2004	1,087	\$7.36 to \$8.08	8,178	-	0.40% to 1.50%	8.53% to 16.59%
2003	1,170	\$6.78 to \$6.96	8,045	-	0.40% to 1.50%	36.69% to 38.10%
2002	446	\$4.96 to \$5.04	2,239	-	0.45% to 1.50%	-44.29% to -44.13%
ING VP SmallCap Opportunities Portfolio - Class S						
2006	1	\$11.50	10	(e)	0.35%	(e)
2005	(e)	(e)	(e)	(e)	(e)	(e)
2004	(e)	(e)	(e)	(e)	(e)	(e)
2003	(e)	(e)	(e)	(e)	(e)	(e)
2002	(e)	(e)	(e)	(e)	(e)	(e)
ING VP Balanced Portfolio - Class I						
2006	24,020	\$11.74 to \$38.67	588,364	2.43%	0.00% to 1.95%	7.84% to 9.99%
2005	27,567	\$11.37 to \$35.49	637,454	2.34%	0.00% to 1.50%	2.69% to 4.25%
2004	30,971	\$11.05 to \$34.36	692,148	1.99%	0.00% to 1.50%	7.78% to 9.12%
2003	31,363	\$10.22 to \$31.70	659,370	1.96%	0.25% to 1.50%	17.10% to 18.62%
2002	32,476	\$10.03 to \$26.92	597,925	1.06%	0.00% to 1.50%	-11.64% to -10.62%
ING VP Intermediate Bond Portfolio - Class I						
2006	19,472	\$10.56 to \$87.81	400,146	3.99%	0.00% to 1.95%	2.02% to 4.12%
2005	19,951	\$10.32 to \$76.25	405,018	3.79%	0.00% to 1.90%	1.37% to 3.16%
2004	20,579	\$10.21 to \$74.70	407,745	1.50%	0.00% to 1.95%	3.31% to 4.59%
2003	20,885	\$10.04 to \$71.97	408,185	1.72%	0.25% to 1.50%	4.71% to 6.06%
2002	24,208	\$13.07 to \$68.41	458,178	3.22%	0.00% to 1.50%	6.72% to 7.96%
ING VP Intermediate Bond Portfolio - Class S						
2006	1	\$10.05	12	(e)	0.35%	(e)
2005	(e)	(e)	(e)	(e)	(e)	(e)
2004	(e)	(e)	(e)	(e)	(e)	(e)
2003	(e)	(e)	(e)	(e)	(e)	(e)
2002	(e)	(e)	(e)	(e)	(e)	(e)

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Notes to Financial Statements**

<b>Division</b>	<b>Units* (000's)</b>	<b>Unit Fair Value (lowest to highest)</b>	<b>Net Assets (000's)</b>	<b>Investment Income Ratio<sup>A</sup></b>	<b>Expense Ratio<sup>B</sup> (lowest to highest)</b>	<b>Total Return<sup>C</sup> (lowest to highest)</b>
ING VP Money Market Portfolio - Class I						
2006	19,298	\$10.51 to \$53.71	\$ 362,772	2.23%	0.00% to 1.50%	3.32% to 4.92%
2005	14,234	\$10.15 to \$51.39	210,711	1.20%	0.00% to 1.50%	1.47% to 3.03%
2004	14,934	\$9.98 to \$50.07	216,952	1.09%	0.00% to 1.50%	-0.49% to 0.76%
2003	17,666	\$10.00 to \$49.72	257,477	1.79%	0.25% to 1.50%	-0.61% to .66%
2002	23,887	\$11.78 to \$49.45	368,846	3.78%	0.00% to 1.50%	0.11% to 1.27%
ING VP Natural Resources Trust						
2006	2,618	\$16.33 to \$34.00	72,981	0.00%	0.00% to 1.50%	19.95% to 21.73%
2005	2,489	\$17.05 to \$27.93	57,780	0.04%	0.00% to 1.50%	21.91% to 42.86%
2004	1,267	\$12.03 to \$19.55	20,790	0.82%	0.00% to 1.50%	11.01% to 30.41%
2003	940	\$10.76 to \$17.40	13,971	-	0.25% to 1.50%	28.54% to 30.12%
2002	1,022	\$8.30 to \$13.46	11,897	0.18%	0.00% to 1.50%	-3.56% to -2.54%
Janus Adviser Balanced Fund - Class S						
2006	-	\$13.28	1	1.49%	1.00%	9.30%
2005	-	\$12.15	1	-	1.00%	6.58%
2004	-	\$11.40	-	(c)	1.00%	(c)
2003	(c)	(c)	(c)	(c)	(c)	(c)
2002	(c)	(c)	(c)	(c)	(c)	(c)
Janus Aspen Series Balanced Portfolio - Institutional Shares						
2006	14	\$12.22 to \$29.45	394	1.90%	0.40% to 1.45%	9.10% to 10.17%
2005	20	\$12.45 to \$26.93	508	0.01%	0.50% to 1.50%	6.38% to 7.28%
2004	16,735	\$10.06 to \$26.46	356,943	2.17%	0.00% to 1.95%	6.91% to 8.29%
2003	19,201	\$9.36 to \$24.66	385,094	2.22%	0.25% to 1.50%	12.34% to 13.76%
2002	19,717	\$8.29 to \$21.87	353,540	2.57%	0.00% to 1.50%	-7.84% to -6.77%
Janus Aspen Series Flexible Bond Portfolio - Institutional Shares						
2006	6	\$14.25 to \$21.18	114	4.37%	0.50% to 1.25%	2.97% to 3.71%
2005	7	\$14.34 to \$20.57	146	0.02%	0.55% to 1.25%	0.73% to 1.39%
2004	4,497	\$10.30 to \$21.35	78,169	5.55%	0.00% to 1.50%	2.39% to 3.69%
2003	5,268	\$10.03 to \$20.59	89,994	4.83%	0.25% to 1.50%	4.82% to 6.09%
2002	5,626	\$12.74 to \$19.53	92,271	4.52%	0.00% to 1.50%	8.83% to 10.09%

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Notes to Financial Statements**

<b>Division</b>	<b>Units* (000's)</b>	<b>Unit Fair Value (lowest to highest)</b>	<b>Net Assets (000's)</b>	<b>Investment Income Ratio<sup>A</sup></b>	<b>Expense Ratio<sup>B</sup> (lowest to highest)</b>	<b>Total Return<sup>C</sup> (lowest to highest)</b>
Janus Aspen Series Large Cap Growth Portfolio - Institutional Shares						
2006	8	\$11.96 to \$22.00	\$ 148	0.43%	0.50% to 1.40%	9.82% to 10.86%
2005	11	\$9.95 to \$18.49	185	-	0.30% to 1.40%	2.84% to 3.90%
2004	12,324	\$9.60 to \$19.79	199,501	0.13%	0.00% to 1.50%	2.98% to 4.25%
2003	15,153	\$9.27 to \$19.13	239,988	0.09%	0.25% to 1.50%	29.72% to 31.47%
2002	16,346	\$7.70 to \$14.67	199,166	-	0.00% to 1.50%	-27.61% to -26.77%
Janus Aspen Series Mid Cap Growth Portfolio - Institutional Shares						
2006	19	\$15.92 to \$26.46	466	0.00%	0.25% to 1.45%	11.97% to 13.37%
2005	22	\$14.12 to \$23.58	489	-	0.25% to 1.50%	10.59% to 11.99%
2004	25,472	\$10.94 to \$24.72	458,336	-	0.00% to 1.50%	18.99% to 20.42%
2003	30,177	\$9.11 to \$20.68	459,241	-	0.25% to 1.50%	33.11% to 34.86%
2002	31,862	\$7.88 to \$15.46	369,184	-	0.00% to 1.50%	-29.01% to -28.04%
Janus Aspen Series Worldwide Growth Portfolio - Institutional Shares						
2006	15	\$12.54 to \$28.51	353	1.61%	0.45% to 1.25%	16.74% to 17.68%
2005	19	\$10.68 to \$21.50	381	-	0.30% to 1.25%	4.57% to 5.53%
2004	24,107	\$9.48 to \$23.32	425,591	0.95%	0.00% to 1.50%	3.20% to 4.47%
2003	31,018	\$9.09 to \$22.51	536,188	1.06%	0.25% to 1.50%	22.11% to 23.74%
2002	36,207	\$7.94 to \$18.36	513,443	0.87%	0.00% to 1.50%	-26.61% to -25.61%
Legg Mason Value Trust, Inc. - Primary Class						
2006	125	\$12.08	1,514	0.00%	1.05%	4.77%
2005	115	\$11.53	1,329	(d)	1.05%	(d)
2004	(d)	(d)	(d)	(d)	(d)	(d)
2003	(d)	(d)	(d)	(d)	(d)	(d)
2002	(d)	(d)	(d)	(d)	(d)	(d)
LKCM Aquinas Growth Fund						
2006	17	\$10.87	183	(e)	0.90%	(e)
2005	(e)	(e)	(e)	(e)	(e)	(e)
2004	(e)	(e)	(e)	(e)	(e)	(e)
2003	(e)	(e)	(e)	(e)	(e)	(e)
2002	(e)	(e)	(e)	(e)	(e)	(e)

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Notes to Financial Statements**

<b>Division</b>	<b>Units* (000's)</b>	<b>Unit Fair Value (lowest to highest)</b>	<b>Net Assets (000's)</b>	<b>Investment Income Ratio<sup>A</sup></b>	<b>Expense Ratio<sup>B</sup> (lowest to highest)</b>	<b>Total Return<sup>C</sup> (lowest to highest)</b>
Lord Abbett Affiliated Fund - Class A						
2006	95	\$12.89 to \$13.39	\$ 1,244	1.35%	0.45% to 1.75%	15.73% to 16.71%
2005	66	\$11.19 to \$11.37	747	1.86%	0.75% to 1.60%	1.81% to 2.44%
2004	20	\$11.02 to \$11.10	222	(c)	0.65% to 1.45%	(c)
2003	(c)	(c)	(c)	(c)	(c)	(c)
2002	(c)	(c)	(c)	(c)	(c)	(c)
Lord Abbett Mid-Cap Value Fund, Inc. - Class A						
2006	75	\$13.96 to \$16.97	1,081	0.56%	0.50% to 1.75%	10.36% to 11.81%
2005	63	\$12.65 to \$15.26	818	0.54%	0.50% to 1.75%	6.47% to 7.65%
2004	24	\$11.91 to \$14.25	290	(c)	0.50% to 1.60%	(c)
2003	(c)	(c)	(c)	(c)	(c)	(c)
2002	(c)	(c)	(c)	(c)	(c)	(c)
Lord Abbett Small-Cap Value Fund - Class A						
2006	88	\$15.44 to \$15.91	1,379	0.00%	0.70% to 1.75%	18.40% to 19.56%
2005	74	\$13.04 to \$13.31	980	-	0.70% to 1.75%	11.41% to 12.42%
2004	45	\$11.74 to \$11.84	530	(c)	0.65% to 1.60%	(c)
2003	(c)	(c)	(c)	(c)	(c)	(c)
2002	(c)	(c)	(c)	(c)	(c)	(c)
Lord Abbett Series Fund - Growth and Income Portfolio - Class VC						
2006	10,542	\$12.67 to \$13.95	142,215	1.27%	0.40% to 1.95%	14.99% to 16.74%
2005	10,457	\$11.40 to \$12.44	122,782	1.01%	0.45% to 1.50%	0.17% to 2.84%
2004	9,581	\$11.21 to \$11.85	109,667	1.07%	0.45% to 1.95%	10.99% to 14.71%
2003	4,951	\$10.10 to \$10.44	50,532	0.93%	0.45% to 1.50%	28.99% to 30.39%
2002	1,545	\$7.83 to \$7.93	12,172	1.05%	0.55% to 1.50%	-19.17% to -18.81%
Lord Abbett Series Fund - Mid-Cap Value Portfolio - Class VC						
2006	10,067	\$12.72 to \$18.67	156,234	0.50%	0.25% to 1.50%	10.54% to 11.88%
2005	10,499	\$12.93 to \$16.80	147,309	0.51%	0.30% to 1.50%	6.67% to 7.94%
2004	7,424	\$12.45 to \$15.68	96,241	0.40%	0.00% to 1.50%	22.18% to 36.28%
2003	2,735	\$10.19 to \$12.77	28,509	0.67%	0.45% to 1.50%	22.92% to 24.05%
2002	1,213	\$8.29 to \$8.41	10,124	1.08%	0.55% to 1.50%	-10.91% to -10.64%

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Notes to Financial Statements**

<b>Division</b>	<b>Units* (000's)</b>	<b>Unit Fair Value (lowest to highest)</b>	<b>Net Assets (000's)</b>	<b>Investment Income Ratio<sup>A</sup></b>	<b>Expense Ratio<sup>B</sup> (lowest to highest)</b>	<b>Total Return<sup>C</sup> (lowest to highest)</b>
<b>Massachusetts Investors Growth Stock Fund - Class A</b>						
2006	52	\$11.38 to \$11.61	\$ 596	0.00%	0.80% to 1.50%	6.37% to 6.61%
2005	39	\$10.79 to \$10.89	421	(f)	0.80% to 1.30%	(f)
2004	17	\$10.55 to \$10.58	180	(c)	0.70% to 0.95%	(c)
2003	(c)	(c)	(c)	(c)	(c)	(c)
2002	(c)	(c)	(c)	(c)	(c)	(c)
<b>MFS® Total Return Series - Initial Class</b>						
2006	4,962	\$16.26 to \$16.40	81,020	2.29%	1.00% to 1.10%	10.69% to 10.81%
2005	5,612	\$14.69 to \$14.80	82,747	1.99%	1.00% to 1.10%	1.66% to 1.79%
2004	5,159	\$14.45 to \$14.54	74,758	1.56%	1.00% to 1.10%	10.14% to 10.24%
2003	4,414	\$13.12 to \$13.19	58,033	1.66%	1.00% to 1.10%	14.99% to 15.20%
2002	3,443	\$11.41 to \$11.45	39,338	1.50%	1.00% to 1.10%	-6.21% to -6.11%
<b>Moderate Allocation Portfolio</b>						
2006	2	\$12.71	25	(e)	0.00%	(e)
2005	(e)	(e)	(e)	(e)	(e)	(e)
2004	(e)	(e)	(e)	(e)	(e)	(e)
2003	(e)	(e)	(e)	(e)	(e)	(e)
2002	(e)	(e)	(e)	(e)	(e)	(e)
<b>Neuberger Berman Socially Responsive Fund® - Trust Class</b>						
2006	48	\$10.68 to \$10.77	519	(e)	0.40% to 1.50%	(e)
2005	(e)	(e)	(e)	(e)	(e)	(e)
2004	(e)	(e)	(e)	(e)	(e)	(e)
2003	(e)	(e)	(e)	(e)	(e)	(e)
2002	(e)	(e)	(e)	(e)	(e)	(e)
<b>New Perspective Fund®, Inc. - Class R-3</b>						
2006	83	\$14.18 to \$14.75	1,204	1.64%	0.20% to 1.55%	18.17% to 19.17%
2005	40	\$12.16 to \$12.36	486	1.45%	0.25% to 1.10%	9.98% to 10.56%
2004	18	\$11.12 to \$11.17	204	(c)	0.30% to 0.80%	(c)
2003	(c)	(c)	(c)	(c)	(c)	(c)
2002	(c)	(c)	(c)	(c)	(c)	(c)

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Notes to Financial Statements**

<b>Division</b>	<b>Units* (000's)</b>	<b>Unit Fair Value (lowest to highest)</b>	<b>Net Assets (000's)</b>	<b>Investment Income Ratio<sup>A</sup></b>	<b>Expense Ratio<sup>B</sup> (lowest to highest)</b>	<b>Total Return<sup>C</sup> (lowest to highest)</b>
<b>New Perspective Fund®, Inc. - Class R-4</b>						
2006	1,896	\$13.57 to \$15.13	\$ 27,925	1.55%	0.30% to 1.50%	18.09% to 19.46%
2005	1,760	\$11.44 to \$12.78	22,033	1.87%	0.00% to 1.50%	9.56% to 10.64%
2004	762	\$11.30 to \$11.66	8,638	(c)	0.55% to 1.50%	(c)
2003	(c)	(c)	(c)	(c)	(c)	(c)
2002	(c)	(c)	(c)	(c)	(c)	(c)
<b>Oppenheimer Capital Appreciation Fund - Class A</b>						
2006	36	\$11.24 to \$11.54	414	0.00%	0.55% to 1.45%	6.62% to 6.79%
2005	30	\$10.65 to \$10.76	316	0.75%	0.70% to 1.25%	3.40% to 3.96%
2004	21	\$10.27 to \$10.36	217	(c)	0.65% to 1.60%	(c)
2003	(c)	(c)	(c)	(c)	(c)	(c)
2002	(c)	(c)	(c)	(c)	(c)	(c)
<b>Oppenheimer Developing Markets Fund - Class A</b>						
2006	3,743	\$17.39 to \$52.76	163,882	1.30%	0.30% to 1.75%	23.14% to 24.56%
2005	3,268	\$17.98 to \$41.82	115,468	1.74%	0.50% to 1.65%	38.95% to 40.45%
2004	1,557	\$12.94 to \$29.69	37,377	2.10%	0.55% to 1.65%	31.71%
2003	429	\$14.57	6,248	4.56%	1.00%	63.52%
2002	145	\$8.91	1,294	2.50%	1.00%	-2.58%
<b>Oppenheimer Global Fund - Class A</b>						
2006	7	\$19.08	130	0.95%	1.00%	16.20%
2005	3	\$16.42	50	-	1.00%	12.70%
2004	-	\$14.57	4	(c)	1.00%	(c)
2003	(c)	(c)	(c)	(c)	(c)	(c)
2002	(c)	(c)	(c)	(c)	(c)	(c)
<b>Oppenheimer Main Street Fund® - Class A</b>						
2006	14	\$12.37 to \$12.85	175	1.53%	0.45% to 1.75%	13.25% to 13.86%
2005	2	\$11.02 to \$11.14	22	-	0.90% to 1.45%	4.80%
2004	1	\$10.56 to \$10.63	13	(c)	0.90% to 1.60%	(c)
2003	(c)	(c)	(c)	(c)	(c)	(c)
2002	(c)	(c)	(c)	(c)	(c)	(c)

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Notes to Financial Statements**

<b>Division</b>	<b>Units* (000's)</b>	<b>Unit Fair Value (lowest to highest)</b>	<b>Net Assets (000's)</b>	<b>Investment Income Ratio<sup>A</sup></b>	<b>Expense Ratio<sup>B</sup> (lowest to highest)</b>	<b>Total Return<sup>C</sup> (lowest to highest)</b>
Oppenheimer Aggressive Growth Fund/VA						
2006	-	\$10.42	\$ 1	0.00%	1.25%	1.66%
2005	-	-	3	-	-	-
2004	-	-	3	-	1.25%	-
2003	-	-	4	-	1.25%	-
2002	-	-	3	(a)	1.25%	(a)
Oppenheimer Global Securities/VA						
2006	32	\$14.74 to \$25.34	765	1.02%	0.45% to 1.80%	16.01% to 17.15%
2005	35	\$12.74 to \$21.63	711	2.11%	0.45% to 1.85%	12.61% to 13.78%
2004	22,250	\$11.36 to \$19.26	410,368	1.10%	0.00% to 1.80%	17.37% to 18.89%
2003	16,092	\$10.51 to \$16.20	251,043	0.55%	0.25% to 1.50%	40.97% to 43.00%
2002	10,640	\$10.74 to \$11.36	117,400	0.51%	0.00% to 1.50%	-23.30% to -22.41%
Oppenheimer Main Street Fund®/VA						
2006	13	\$9.60 to \$10.78	123	1.67%	1.25% to 1.50%	13.34% to 13.59%
2005	-	-	41	-	-	-
2004	-	-	43	-	1.25% to 1.50%	-
2003	-	-	32	-	1.25% to 1.50%	-
2002	-	-	28	(a)	1.25% to 1.50%	(a)
Oppenheimer Main Street Small Cap Fund®/VA						
2006	351	\$13.26 to \$15.26	4,722	0.10%	0.30% to 1.50%	13.33% to 14.43%
2005	89	\$11.70 to \$13.40	1,052	2.38%	0.50% to 1.50%	8.62%
2004	-	\$12.30	5	(c)	1.25%	(c)
2003	(c)	(c)	(c)	(c)	(c)	(c)
2002	(c)	(c)	(c)	(c)	(c)	(c)
Oppenheimer Strategic Bond Fund/VA						
2006	8	\$14.81 to \$16.02	128	3.91%	0.55% to 1.45%	5.94% to 6.87%
2005	11	\$13.98 to \$15.10	154	9.58%	0.45% to 1.45%	1.16% to 2.17%
2004	3,306	\$10.88 to \$14.98	47,078	4.44%	0.00% to 1.95%	7.08% to 8.47%
2003	2,470	\$10.31 to \$13.81	32,607	5.57%	0.25% to 1.50%	16.27% to 17.73%
2002	1,474	\$11.06 to \$11.73	16,662	6.58%	0.00% to 1.50%	5.84% to 7.07%

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Notes to Financial Statements**

<b>Division</b>	<b>Units* (000's)</b>	<b>Unit Fair Value (lowest to highest)</b>	<b>Net Assets (000's)</b>	<b>Investment Income Ratio<sup>A</sup></b>	<b>Expense Ratio<sup>B</sup> (lowest to highest)</b>	<b>Total Return<sup>C</sup> (lowest to highest)</b>
Pax World Balanced Fund, Inc.						
2006	4,112	\$11.83 to \$12.90	\$ 50,097	1.66%	0.30% to 1.75%	9.03% to 10.07%
2005	4,818	\$10.85 to \$11.76	54,353	1.65%	0.00% to 1.65%	3.72% to 4.87%
2004	1,550	\$10.45 to \$11.12	16,523	0.96%	0.55% to 1.65%	11.98% to 12.45%
2003	378	\$9.43 to \$9.56	3,605	1.04%	0.85% to 1.25%	15.85% to 16.30%
2002	195	\$8.14 to \$8.22	1,605	1.68%	0.85% to 1.25%	-9.77%
PIMCO Real Return Portfolio - Administrative Class						
2006	2,338	\$10.15 to \$11.19	25,436	4.36%	0.00% to 1.50%	-0.74% to 0.36%
2005	2,096	\$10.52 to \$11.10	22,843	3.20%	0.40% to 1.50%	0.56% to 1.48%
2004	882	\$10.43 to \$10.83	9,519	(c)	0.60% to 1.50%	(c)
2003	(c)	(c)	(c)	(c)	(c)	(c)
2002	(c)	(c)	(c)	(c)	(c)	(c)
Pioneer Fund - Class A						
2006	3	\$15.26	46	1.12%	1.00%	15.26%
2005	2	\$13.24	25	-	1.00%	5.33%
2004	-	\$12.57	1	(c)	1.00%	(c)
2003	(c)	(c)	(c)	(c)	(c)	(c)
2002	(c)	(c)	(c)	(c)	(c)	(c)
Pioneer High Yield Fund - Class A						
2006	161	\$11.33 to \$11.78	1,880	4.89%	0.40% to 1.75%	8.63% to 10.10%
2005	70	\$10.43 to \$10.69	742	4.75%	0.45% to 1.75%	0.67% to 1.72%
2004	42	\$10.38 to \$10.48	437	(c)	0.60% to 1.65%	(c)
2003	(c)	(c)	(c)	(c)	(c)	(c)
2002	(c)	(c)	(c)	(c)	(c)	(c)
Pioneer Equity Income VCT Portfolio - Class I						
2006	8,116	\$13.06 to \$17.75	119,307	2.59%	0.35% to 1.95%	20.07% to 22.02%
2005	5,640	\$11.48 to \$14.64	69,926	2.66%	0.30% to 1.60%	3.28% to 5.40%
2004	2,471	\$11.02 to \$13.99	28,279	2.17%	0.00% to 1.95%	14.64% to 17.70%
2003	1,096	\$9.61 to \$12.14	10,691	2.39%	0.45% to 1.50%	20.73% to 21.93%
2002	472	\$7.96 to \$8.07	3,782	2.54%	0.55% to 1.50%	-16.99% to -16.62%



**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Notes to Financial Statements**

<b>Division</b>	<b>Units* (000's)</b>	<b>Unit Fair Value (lowest to highest)</b>	<b>Net Assets (000's)</b>	<b>Investment Income Ratio<sup>A</sup></b>	<b>Expense Ratio<sup>B</sup> (lowest to highest)</b>	<b>Total Return<sup>C</sup> (lowest to highest)</b>
Pioneer Fund VCT Portfolio - Class I						
2006	772	\$12.05 to \$13.90	\$ 9,713	1.36%	0.15% to 1.70%	14.87% to 16.00%
2005	409	\$10.49 to \$11.52	4,548	1.37%	0.50% to 1.50%	4.59% to 5.60%
2004	256	\$10.03 to \$10.94	2,601	1.16%	0.55% to 1.50%	9.62% to 10.60%
2003	165	\$9.15 to \$9.37	1,522	1.13%	0.55% to 1.50%	21.84% to 23.13%
2002	57	\$7.51 to \$7.61	432	1.24%	0.55% to 1.50%	-20.16% to -19.80%
Pioneer High Yield VCT Portfolio - Class I						
2006	1,065	\$11.36 to \$11.75	12,297	5.72%	0.40% to 1.50%	6.92% to 8.10%
2005	646	\$10.67 to \$10.94	6,949	5.69%	0.00% to 1.50%	0.38% to 1.31%
2004	419	\$10.63 to \$11.03	4,468	(c)	0.65% to 1.50%	(c)
2003	(c)	(c)	(c)	(c)	(c)	(c)
2002	(c)	(c)	(c)	(c)	(c)	(c)
Pioneer Mid Cap Value VCT Portfolio - Class I						
2006	4,709	\$12.36 to \$19.37	81,306	1.03%	0.15% to 1.80%	10.82% to 12.13%
2005	4,927	\$12.39 to \$17.38	77,468	0.33%	0.00% to 1.60%	6.17% to 7.30%
2004	3,402	\$11.67 to \$16.27	49,664	0.27%	0.00% to 1.60%	20.27% to 21.91%
2003	983	\$10.27 to \$13.46	11,735	0.16%	0.55% to 1.50%	35.44% to 36.73%
2002	245	\$8.70 to \$8.82	2,143	0.33%	0.55% to 1.50%	-12.53% to -12.05%
T. Rowe Price Mid-Cap Value Fund - R Class						
2006	69	\$14.34 to \$14.85	1,010	0.61%	0.35% to 1.55%	18.15% to 19.08%
2005	63	\$12.20 to \$12.42	775	0.29%	0.50% to 1.45%	5.72% to 6.70%
2004	53	\$11.54 to \$11.64	619	(c)	0.50% to 1.45%	(c)
2003	(c)	(c)	(c)	(c)	(c)	(c)
2002	(c)	(c)	(c)	(c)	(c)	(c)
T. Rowe Price Value Fund - Advisor Class						
2006	3	\$11.45	30	(e)	1.00%	(e)
2005	(e)	(e)	(e)	(e)	(e)	(e)
2004	(e)	(e)	(e)	(e)	(e)	(e)
2003	(e)	(e)	(e)	(e)	(e)	(e)
2002	(e)	(e)	(e)	(e)	(e)	(e)

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Notes to Financial Statements**

<b>Division</b>	<b>Units* (000's)</b>	<b>Unit Fair Value (lowest to highest)</b>	<b>Net Assets (000's)</b>	<b>Investment Income Ratio<sup>A</sup></b>	<b>Expense Ratio<sup>B</sup> (lowest to highest)</b>	<b>Total Return<sup>C</sup> (lowest to highest)</b>
Templeton Foreign Fund - Class A						
2006	59	\$14.54 to \$15.06	\$ 876	2.28%	0.55% to 1.75%	18.01% to 19.06%
2005	51	\$12.36 to \$12.59	637	1.84%	0.70% to 1.65%	8.80% to 9.86%
2004	39	\$11.36 to \$11.46	450	(c)	0.65% to 1.65%	(c)
2003	(c)	(c)	(c)	(c)	(c)	(c)
2002	(c)	(c)	(c)	(c)	(c)	(c)
Templeton Growth Fund, Inc. - Class A						
2006	48	\$11.63 to \$14.66	693	2.24%	0.85% to 1.70%	19.95% to 20.69%
2005	31	\$11.98 to \$12.15	371	2.78%	0.80% to 1.55%	6.83% to 7.00%
2004	5	\$11.26 to \$11.31	61	(c)	0.95% to 1.45%	(c)
2003	(c)	(c)	(c)	(c)	(c)	(c)
2002	(c)	(c)	(c)	(c)	(c)	(c)
Templeton Global Bond Fund - Class A						
2006	2,522	\$11.13 to \$19.67	33,054	5.57%	0.00% to 1.50%	11.73% to 12.85%
2005	1,327	\$11.07 to \$16.96	15,341	5.36%	0.50% to 1.50%	-3.59% to -4.49%
2004	572	\$11.59 to \$17.55	6,775	(c)	0.55% to 1.50%	(c)
2003	(c)	(c)	(c)	(c)	(c)	(c)
2002	(c)	(c)	(c)	(c)	(c)	(c)
The Growth Fund of America® - Class R-3						
2006	584	\$10.67 to \$13.63	7,813	0.76%	0.20% to 1.55%	8.89% to 10.29%
2005	319	\$12.04 to \$12.34	3,894	0.65%	0.25% to 1.55%	12.28% to 13.54%
2004	122	\$10.74 to \$10.86	1,320	(c)	0.30% to 1.45%	(c)
2003	(c)	(c)	(c)	(c)	(c)	(c)
2002	(c)	(c)	(c)	(c)	(c)	(c)
The Growth Fund of America® - Class R-4						
2006	14,655	\$12.90 to \$13.73	196,584	0.91%	0.30% to 1.50%	9.29% to 10.56%
2005	11,850	\$11.74 to \$12.54	145,130	0.93%	0.00% to 1.50%	12.50% to 13.63%
2004	4,738	\$10.80 to \$11.14	51,341	(c)	0.45% to 1.50%	(c)
2003	(c)	(c)	(c)	(c)	(c)	(c)
2002	(c)	(c)	(c)	(c)	(c)	(c)

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Notes to Financial Statements**

<b>Division</b>	<b>Units* (000's)</b>	<b>Unit Fair Value (lowest to highest)</b>	<b>Net Assets (000's)</b>	<b>Investment Income Ratio<sup>A</sup></b>	<b>Expense Ratio<sup>B</sup> (lowest to highest)</b>	<b>Total Return<sup>C</sup> (lowest to highest)</b>
The Income Fund of America® - Class R-3						
2006	77	\$13.12 to \$13.65	\$ 1,032	3.12%	0.20% to 1.55%	18.13% to 19.60%
2005	26	\$11.14 to \$11.38	295	3.46%	0.30% to 1.45%	1.73% to 2.71%
2004	10	\$10.97 to \$11.08	110	(c)	0.30% to 1.40%	(c)
2003	(c)	(c)	(c)	(c)	(c)	(c)
2002	(c)	(c)	(c)	(c)	(c)	(c)
UBS U.S. Small Cap Growth Fund - Class A						
2006	22	\$11.88 to \$12.16	265	0.00%	0.70% to 1.50%	7.30% to 7.61%
2005	6	\$11.20 to \$11.30	73	-	0.70% to 1.20%	5.51%
2004	4	\$10.71	48	(c)	0.70%	(c)
2003	(c)	(c)	(c)	(c)	(c)	(c)
2002	(c)	(c)	(c)	(c)	(c)	(c)
Diversified Value Portfolio						
2006	7	\$14.09 to \$14.49	100	(g)	0.95% to 2.00%	(g)
2005	5	\$12.09 to \$12.25	63	(d)	1.25% to 2.05%	(d)
2004	(d)	(d)	(d)	(d)	(d)	(d)
2003	(d)	(d)	(d)	(d)	(d)	(d)
2002	(d)	(d)	(d)	(d)	(d)	(d)
Equity Income Portfolio						
2006	17	\$13.48 to \$13.81	235	1.93%	1.10% to 2.00%	19.36%
2005	21	\$11.39 to \$11.57	240	2.23%	1.10% to 2.05%	2.41% to 3.03%
2004	18	\$11.19 to \$11.23	208	(c)	1.10% to 1.65%	(c)
2003	(c)	(c)	(c)	(c)	(c)	(c)
2002	(c)	(c)	(c)	(c)	(c)	(c)
Small Company Growth Portfolio						
2006	1	\$12.51 to \$12.86	18	(g)	0.95% to 2.00%	(g)
2005	-	\$11.57 to \$11.72	-	(d)	1.25% to 2.05%	(d)
2004	(d)	(d)	(d)	(d)	(d)	(d)
2003	(d)	(d)	(d)	(d)	(d)	(d)
2002	(d)	(d)	(d)	(d)	(d)	(d)

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Notes to Financial Statements**

<b>Division</b>	<b>Units* (000's)</b>	<b>Unit Fair Value (lowest to highest)</b>	<b>Net Assets (000's)</b>	<b>Investment Income Ratio<sup>A</sup></b>	<b>Expense Ratio<sup>B</sup> (lowest to highest)</b>	<b>Total Return<sup>C</sup> (lowest to highest)</b>
Wanger Select						
2006	1,756	\$14.45 to \$15.37	\$ 26,052	0.25%	0.15% to 1.50%	17.90% to 19.00%
2005	559	\$12.40 to \$12.94	6,985	-	0.60% to 1.50%	8.87% to 9.69%
2004	195	\$11.39 to \$11.85	2,227	(c)	0.70% to 1.50%	(c)
2003	(c)	(c)	(c)	(c)	(c)	(c)
2002	(c)	(c)	(c)	(c)	(c)	(c)
Wanger U.S. Smaller Companies						
2006	1,254	\$12.52 to \$14.27	17,111	0.22%	0.15% to 1.50%	6.31% to 7.30%
2005	725	\$12.66 to \$13.34	9,257	-	0.00% to 1.50%	9.61% to 10.66%
2004	186	\$11.55 to \$12.12	2,155	(c)	0.55% to 1.50%	(c)
2003	(c)	(c)	(c)	(c)	(c)	(c)
2002	(c)	(c)	(c)	(c)	(c)	(c)
Washington Mutual Investors Fund <sup>SM</sup> , Inc. - Class R-3						
2006	301	\$12.52 to \$13.02	3,858	1.62%	0.20% to 1.55%	15.82% to 17.24%
2005	198	\$10.81 to \$11.09	2,177	1.64%	0.25% to 1.55%	1.78% to 2.88%
2004	115	\$10.66 to \$10.77	1,232	(c)	0.30% to 1.40%	(c)
2003	(c)	(c)	(c)	(c)	(c)	(c)
2002	(c)	(c)	(c)	(c)	(c)	(c)
Washington Mutual Investors Fund <sup>SM</sup> , Inc. - Class R-4						
2006	6,828	\$12.38 to \$13.21	88,156	1.90%	0.30% to 1.50%	16.17% to 17.48%
2005	5,985	\$10.60 to \$11.29	66,271	2.09%	0.40% to 1.50%	1.94% to 2.95%
2004	3,309	\$10.80 to \$11.08	35,859	(c)	0.55% to 1.50%	(c)
2003	(c)	(c)	(c)	(c)	(c)	(c)
2002	(c)	(c)	(c)	(c)	(c)	(c)
Wells Fargo Advantage Small Cap Value Fund - Class A						
2006	2	\$10.70	21	(e)	1.00%	(e)
2005	(e)	(e)	(e)	(e)	(e)	(e)
2004	(e)	(e)	(e)	(e)	(e)	(e)
2003	(e)	(e)	(e)	(e)	(e)	(e)
2002	(e)	(e)	(e)	(e)	(e)	(e)

**VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY**  
**Notes to Financial Statements**

---

- (a) As this investment Division was not available until 2002, this data is not meaningful and therefore is not presented.
  - (b) As this investment Division was not available until 2003, this data is not meaningful and therefore is not presented.
  - (c) As this investment Division was not available until 2004, this data is not meaningful and therefore is not presented.
  - (d) As this investment Division was not available until 2005, this data is not meaningful and therefore is not presented.
  - (e) As this investment Division was not available until 2006, this data is not meaningful and therefore is not presented.
  - (f) As this investment Division is wholly comprised of new contract bonds at December 31, 2005, this data is not meaningful and therefore is not presented.
  - (g) As this investment Division is wholly comprised of new contract bonds at December 31, 2006, this data is not meaningful and therefore is not presented.
- A** The Investment Income Ratio represents dividends received by the Division, excluding capital gains distributions, divided by the average net assets. The recognition of investment income is determined by the timing of the declaration of dividends by the underlying fund in which the Division invests.
- B** The Expense Ratio considers only the expenses borne directly by the Account and is equal to the mortality and expense charge, plus the annual administrative charge and other contract charges, as defined in Note 3. Certain items in this table are presented as a range of minimum and maximum values; however, such information is calculated independently for each column in the table.
- C** Total Return is calculated as the change in unit value for each Contract presented in the Statements of Assets and Liabilities. Certain items in this table are presented as a range of minimum and maximum values; however, such information is calculated independently for each column in the table.
- \* Includes units for annuity contracts in payout beginning in 2006.

**ING Life Insurance and Annuity Company and Subsidiary**  
**(A wholly-owned subsidiary of Lion Connecticut Holdings Inc.)**

**Index to Consolidated Financial Statements**

	<b><u>Page</u></b>
Report of Independent Registered Public Accounting Firm	C-2
Consolidated Financial Statements:	
Consolidated Statements of Operations for the years ended December 31, 2006, 2005, and 2004	C-3
Consolidated Balance Sheets as of December 31, 2006 and 2005	C-4
Consolidated Statements of Changes in Shareholder's Equity for the years ended December 31, 2006, 2005, and 2004	C-6
Consolidated Statements of Cash Flows for the years ended December 31, 2006, 2005, and 2004	C-7
Notes to Consolidated Financial Statements	C-9

## Report of Independent Registered Public Accounting Firm

The Board of Directors  
ING Life Insurance and Annuity Company

We have audited the accompanying consolidated balance sheets of ING Life Insurance and Annuity Company and subsidiaries as of December 31, 2006 and 2005, and the related consolidated statements of operations, changes in shareholder's equity, and cash flows for each of the three years in the period ended December 31, 2006. 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 audits.

We conducted our audits 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. We were not engaged to perform an audit of the Company's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also 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 audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of ING Life Insurance and Annuity Company and subsidiaries as of December 31, 2006 and 2005, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2006, in conformity with U.S. generally accepted accounting principles.

/s/ Ernst & Young LLP

Atlanta, Georgia  
March 23, 2007

**ING Life Insurance and Annuity Company and Subsidiaries**  
**(A wholly-owned subsidiary of Lion Connecticut Holdings Inc.)**

**Consolidated Statements of Operations**  
(In millions)

	Year Ended December 31,		
	2006	2005	2004
<b>Revenue:</b>			
Net investment income	\$ 1,029.7	\$ 1,037.1	\$ 998.6
Fee income	714.8	609.6	554.3
Premiums	37.5	43.2	38.5
Broker-dealer commission revenue	429.2	378.1	375.0
Net realized capital gains	3.0	22.0	10.8
Other income	15.7	7.7	1.9
Total revenue	2,229.9	2,097.7	1,979.1
<b>Benefits and expenses:</b>			
Interest credited and other benefits to contractowners	783.7	739.6	739.4
Operating expenses	568.3	524.3	459.2
Broker-dealer commission expense	429.2	378.1	375.0
Amortization of deferred policy acquisition cost and value of business acquired	21.3	159.9	127.4
Interest expense	2.9	1.6	0.6
Total benefits and expenses	1,805.4	1,803.5	1,701.6
Income before income taxes	424.5	294.2	277.5
Income tax expense	122.7	21.5	57.0
Net income	\$ 301.8	\$ 272.7	\$ 220.5

*The accompanying notes are an integral part of these consolidated financial statements.*



**ING Life Insurance and Annuity Company and Subsidiaries**  
**(A wholly-owned subsidiary of Lion Connecticut Holdings Inc.)**

**Consolidated Balance Sheets**  
(In millions, except share data)

	<b>As of December 31,</b>	
	<b>2006</b>	<b>2005</b>
<b>Assets</b>		
Investments:		
Fixed maturities, available-for-sale, at fair value (amortized cost of \$15,150.1 at 2006 and \$16,745.3 at 2005)	\$ 15,112.2	\$ 16,740.5
Equity securities, available-for-sale, at fair value (cost of \$233.6 at 2006 and \$166.9 at 2005)	251.7	170.1
Mortgage loans on real estate	1,879.3	1,396.0
Policy loans	268.9	262.4
Other investments	398.9	144.6
Securities pledged (amortized cost of \$1,106.2 at 2006 and \$1,260.8 at 2005)	1,099.5	1,247.6
<b>Total investments</b>	<b>19,010.5</b>	<b>19,961.2</b>
Cash and cash equivalents	311.2	257.7
Short-term investments under securities loan agreement	283.1	318.1
Accrued investment income	180.4	203.6
Receivables for securities sold	90.1	4.7
Reinsurance recoverable	2,715.4	2,796.7
Deferred policy acquisition costs	623.6	512.4
Value of business acquired	1,342.9	1,294.4
Notes receivable from affiliate	175.0	175.0
Short-term loan to affiliate	45.0	131.0
Due from affiliates	9.1	18.6
Property and equipment	75.1	33.2
Other assets	73.8	49.5
Assets held in separate accounts	43,550.8	35,899.8
<b>Total assets</b>	<b>\$ 68,486.0</b>	<b>\$ 61,655.9</b>

*The accompanying notes are an integral part of these consolidated financial statements.*

**ING Life Insurance and Annuity Company and Subsidiaries**  
**(A wholly-owned subsidiary of Lion Connecticut Holdings Inc.)**

**Consolidated Balance Sheets**  
(In millions, except share data)

	<b>As of December 31,</b>	
	<b>2006</b>	<b>2005</b>
<b>Liabilities and Shareholder's Equity</b>		
Future policy benefits and claims reserves	\$ 19,995.8	\$ 20,932.8
Payables for securities purchased	42.6	3.1
Payables under securities loan agreement	283.1	318.1
Borrowed money	833.2	941.1
Due to affiliates	82.8	71.9
Current income taxes	59.8	51.1
Deferred income taxes	246.0	183.1
Other liabilities	406.2	312.2
Liabilities related to separate accounts	43,550.8	35,899.8
Total liabilities	<u>65,500.3</u>	<u>58,713.2</u>
Shareholder's equity		
Common stock (100,000 shares authorized; 55,000 issued and outstanding; \$50 per share value)	2.8	2.8
Additional paid-in capital	4,299.5	4,549.6
Accumulated other comprehensive loss	(14.0)	(5.3)
Retained earnings (deficit)	(1,302.6)	(1,604.4)
Total shareholder's equity	<u>2,985.7</u>	<u>2,942.7</u>
Total liabilities and shareholder's equity	<u>\$ 68,486.0</u>	<u>\$ 61,655.9</u>

*The accompanying notes are an integral part of these consolidated financial statements.*

**ING Life Insurance and Annuity Company and Subsidiaries**  
**(A wholly-owned subsidiary of Lion Connecticut Holdings Inc.)**

**Consolidated Statements of Changes in Shareholder's Equity**  
(In millions)

	Common Stock	Additional Paid-In Capital	Accumulated Other Comprehensive Income (Loss)	Retained Earnings (Deficit)	Total Shareholder's Equity
Balance at December 31, 2003					
Excluding impact of merger	\$ 2.8	\$ 4,646.5	\$ 116.0	\$ (2,119.4)	\$ 2,645.9
Impact of merger with affiliate	-	3.8	-	23.9	27.7
Balance at December 31, 2003					
Including impact of merger	2.8	4,650.3	116.0	(2,095.5)	2,673.6
Comprehensive income:					
Net income	-	-	-	220.5	220.5
Other comprehensive loss, net of tax:					
Change in net unrealized capital gains (losses) on securities (\$53.8) pretax	-	-	(32.2)	-	(32.2)
Minimum pension liability	-	-	(16.7)	-	(16.7)
Total comprehensive income					171.6
Dividends paid	-	(83.5)	-	-	(83.5)
Other	-	-	-	(2.1)	(2.1)
Balance at December 31, 2004	2.8	4,566.8	67.1	(1,877.1)	2,759.6
Comprehensive income:					
Net income	-	-	-	272.7	272.7
Other comprehensive loss, net of tax:					
Change in net unrealized capital gains (losses) on securities (\$108.4) pretax	-	-	(77.5)	-	(77.5)
Minimum pension liability (\$1.1) pretax	-	-	5.1	-	5.1
Total comprehensive income					200.3
Dividends paid	-	(20.5)	-	-	(20.5)
Employee share-based payments	-	3.3	-	-	3.3
Balance at December 31, 2005	2.8	4,549.6	(5.3)	(1,604.4)	2,942.7
Comprehensive income:					
Net income	-	-	-	301.8	301.8
Other comprehensive loss, net of tax:					
Change in net unrealized capital gains (losses) on securities (\$23.4) pretax	-	-	(10.7)	-	(10.7)
Pension liability and FAS No. 158 transition adjustment (\$3.9 pretax)	-	-	2.5	-	2.5
Total comprehensive income					293.6
Cumulative effect of change in accounting principle (\$0.8) pretax)			(0.5)		(0.5)
Dividends paid	-	(256.0)	-	-	(256.0)
Employee share-based payments	-	5.9	-	-	5.9
Balance at December 31, 2006	\$ 2.8	\$ 4,299.5	\$ (14.0)	\$ (1,302.6)	\$ 2,985.7

*The accompanying notes are an integral part of these consolidated financial statements.*

**ING Life Insurance and Annuity Company and Subsidiaries**  
**(A wholly-owned subsidiary of Lion Connecticut Holdings Inc.)**

**Consolidated Statements of Cash Flows**  
(In millions)

	Year Ended December 31,		
	2006	2005	2004
<b>Cash Flows from Operating Activities:</b>			
Net income	\$ 301.8	\$ 272.7	\$ 220.5
Adjustments to reconcile net income to net cash provided by operating activities:			
Capitalization of deferred policy acquisition costs, value of business acquired, and sales inducements	(191.0)	(174.0)	(168.0)
Amortization of deferred policy acquisition costs, value of business acquired, and sales inducements	25.9	165.8	134.3
Net accretion/decretion of discount/premium	83.8	115.5	155.9
Future policy benefits, claims reserves, and interest credited	662.5	634.2	621.7
Provision for deferred income taxes	75.6	11.0	46.1
Net realized capital gains	(3.0)	(22.0)	(10.8)
Depreciation	12.6	12.0	12.4
Change in:			
Accrued investment income	23.2	(21.6)	(3.1)
Reinsurance recoverable	81.3	104.6	51.0
Other receivable and assets accruals	(20.1)	2.6	26.8
Due to/from affiliates	20.4	4.6	(52.0)
Other payables and accruals	86.3	(49.8)	(2.1)
Other	5.9	3.3	(12.4)
Net cash provided by operating activities	1,165.2	1,058.9	1,020.3
<b>Cash Flows from Investing Activities:</b>			
Proceeds from the sale, maturity, or redemption of:			
Fixed maturities, available-for-sale	10,355.2	19,232.3	26,791.6
Equity securities, available-for-sale	91.7	119.8	85.7
Mortgage loans on real estate	197.0	179.0	71.0
Acquisition of:			
Fixed maturities, available-for-sale	(8,802.1)	(19,435.9)	(26,789.3)
Equity securities, available-for-sale	(149.1)	(120.4)	(81.6)
Mortgage loans on real estate	(680.3)	(484.8)	(406.7)
Policy loans	(6.5)	0.3	7.6
Other investments	(240.2)	(43.6)	(28.9)
Loans to affiliates	-	-	(175.0)
Purchases of property and equipment, net	(54.5)	(14.2)	(11.7)
Net cash provided by (used in) investing activities	711.2	(567.5)	(537.3)

*The accompanying notes are an integral part of these consolidated financial statements.*

**ING Life Insurance and Annuity Company and Subsidiaries**  
**(A wholly-owned subsidiary of Lion Connecticut Holdings Inc.)**

**Consolidated Statements of Cash Flows**  
(In millions)

	Year Ended December 31,		
	2006	2005	2004
<b>Cash Flows from Financing Activities:</b>			
Deposits received for investment contracts	1,875.7	2,024.2	2,089.9
Maturities and withdrawals from investment contracts	(3,420.7)	(2,237.5)	(1,910.4)
Short-term loans to affiliates	86.0	(106.0)	16.4
Short-term borrowings	(107.9)	(116.3)	(458.5)
Dividends to Parent	(256.0)	(20.5)	(83.5)
Net cash used in financing activities	(1,822.9)	(456.1)	(346.1)
Net increase in cash and cash equivalents	53.5	35.3	136.9
Cash and cash equivalents, beginning of year	257.7	222.4	85.5
Cash and cash equivalents, end of year	\$ 311.2	\$ 257.7	\$ 222.4
Supplemental cash flow information:			
Income taxes paid, net	\$ 37.6	\$ 47.1	\$ 17.3
Interest paid	\$ 40.8	\$ 32.0	\$ 22.8

*The accompanying notes are an integral part of these consolidated financial statements.*

**ING Life Insurance and Annuity Company and Subsidiaries**  
**(A wholly-owned subsidiary of Lion Connecticut Holdings Inc.)**  
**Notes to Consolidated Financial Statements**  
(Dollar amount in millions, unless otherwise stated)

---

**1. Organization and Significant Accounting Policies**

***Basis of Presentation***

ING Life Insurance and Annuity Company (“ILIAC”) is a stock life insurance company domiciled in the state of Connecticut. ILIAC and its wholly-owned subsidiaries (collectively, the “Company”) are providers of financial products and services in the United States. ILIAC is authorized to conduct its insurance business in all states and in the District of Columbia.

The consolidated financial statements include ILIAC and its wholly-owned subsidiaries, ING Financial Advisers, LLC (“IFA”), Directed Services LLC (“DSL”), and Northfield Windsor LLC (“NWL”). ILIAC is a direct, wholly-owned subsidiary of Lion Connecticut Holdings Inc. (“Lion” or “Parent”), which is an indirect, wholly-owned subsidiary of ING Groep N.V. (“ING”). ING is a global financial services holding company based in The Netherlands, with American Depositary Shares listed on the New York Stock Exchange under the symbol “ING.”

On December 1, 2006, Lion contributed to ILIAC, Directed Services, Inc. (“DSI”), a New York corporation registered as a broker-dealer under the Securities Exchange Act of 1934 and as an investment advisor under the Investment Advisors Act of 1940, whose primary functions are the distribution of variable insurance products and investment advisory services for open-end mutual funds. Additionally, on December 12, 2006, ILIAC organized DSL as a wholly-owned Delaware limited liability company. On December 31, 2006, DSI merged with and into DSL and ceased to exist. Upon merger, the operations and broker-dealer and investment advisor registrations of DSI were consolidated into DSL, the surviving company. Effective January 1, 2007, ILIAC’s investment advisory agreement with certain variable funds offered in Company products was assigned to DSL.

Statement of Financial Accounting Standards (“FAS”) No. 141, “Business Combinations”, excludes transfers of net assets or exchanges of shares between entities under common control, and notes that certain provisions under Accounting Principles Board (“APB”) Opinion No. 16, “Business Combinations”, provide a source of guidance for such transactions. In accordance with APB Opinion No. 16, financial information of the combined entity is presented as if the entities had been combined for the full year, and all comparative financial statements are restated and presented as if the entities had previously been combined, in a manner similar to a pooling-of-interests. The Consolidated Balance Sheets and Consolidated Statements of Operations give effect to the DSL consolidation transactions as if they had occurred on January 1, 2004 and include the following:

**ING Life Insurance and Annuity Company and Subsidiaries**  
**(A wholly-owned subsidiary of Lion Connecticut Holdings Inc.)**

**Notes to Consolidated Financial Statements**

(Dollar amount in millions, unless otherwise stated)

---

	2006	2005	2004
Total revenue	\$ 594.9	\$ 507.7	\$ 476.0
Net income	35.8	28.2	21.2
Additional paid-in capital:			
Dividends paid	25.0	20.5	13.5
Employee share-based payments	0.1	0.2	-

On May 11, 2006, ILIAC organized NWL as a wholly-owned subsidiary for the purpose of purchasing, constructing, developing, leasing, and managing a new corporate office facility to be located at 200 Northfield Drive, Windsor, Connecticut that will serve as the principal executive offices of the Company and as corporate offices for other Hartford based operations of the Company and its affiliates (the “Windsor Property”).

On December 31, 2005, ILIAC’s subsidiary, ING Insurance Company of America (“IICA”), merged with and into ILIAC. As of the merger date, IICA ceased to exist and ILIAC became the surviving corporation. The merger did not have an impact on ILIAC, as IICA was a wholly-owned subsidiary and already included in the consolidated financial statements for all periods presented.

***Description of Business***

The Company offers qualified and nonqualified annuity contracts that include a variety of funding and payout options for individuals and employer-sponsored retirement plans qualified under Internal Revenue Code Sections 401, 403, 408, and 457, as well as nonqualified deferred compensation plans. The Company’s products are offered primarily to individuals, pension plans, small businesses, and employer-sponsored groups in the health care, government, and education markets (collectively “not-for-profit” organizations) and corporate markets. The Company’s products are generally distributed through pension professionals, independent agents and brokers, third party administrators, banks, dedicated career agents, and financial planners.

Products offered by the Company include deferred and immediate (payout annuities) annuity contracts. These products include programs offered to qualified plans and nonqualified deferred compensation plans that package administrative and record-keeping services along with a variety of investment options, including affiliated and nonaffiliated mutual funds and variable and fixed investment options. In addition, the Company offers wrapper agreements entered into with retirement plans, which contain certain benefit responsive guarantees (i.e. liquidity guarantees of principal and previously accrued interest for benefits paid under the terms of the plan) with respect to portfolios of plan-owned assets not invested with the Company. The Company also offers investment advisory services and pension plan administrative services.

The Company has one operating segment.

**ING Life Insurance and Annuity Company and Subsidiaries**  
**(A wholly-owned subsidiary of Lion Connecticut Holdings Inc.)**  
**Notes to Consolidated Financial Statements**  
(Dollar amount in millions, unless otherwise stated)

---

***Recently Adopted Accounting Standards***

*Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans*

In September 2006, the Financial Accounting Standards Board (“FASB”) issued FAS No. 158, “Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans - An Amendment of FASB Statements No. 87, 88, 106, and 132R” (“FAS No. 158”). FAS No. 158 requires an employer to:

- Recognize in the statement of financial position, an asset for a plan’s overfunded status or a liability for a plan’s underfunded status;
- Measure a plan’s assets and obligations that determine its funded status as of the end of the fiscal year; and
- Recognize changes in the funded status of a defined benefit postretirement plan in the year in which the changes occur, reporting such changes in comprehensive income.

On December 31, 2006, the Company adopted the recognition and disclosure provisions of FAS No. 158. The effect of adopting FAS No. 158 on the Company’s financial condition at December 31, 2006 is included in the accompanying consolidated financial statements. FAS No. 158 did not have a significant effect on the Company’s financial condition at December 31, 2005 or 2004. The provisions regarding the change in the measurement date of postretirement benefit plans are not applicable, as the Company already uses a measurement date of December 31 for its pension plans.

The incremental effects of adopting the provisions of FAS No. 158 on the Company’s Consolidated Balance Sheet at December 31, 2006, are as follows:

	<b>Prior to Adopting FAS No. 158</b>	<b>Effects of Adopting FAS No. 158</b>	<b>As Reported at December 31, 2006</b>
Other assets	\$ 74.0	\$ (0.2)	\$ 73.8
Deferred income taxes	246.3	(0.3)	246.0
Other liabilities	405.6	0.6	406.2
Accumulated other comprehensive loss	(13.5)	(0.5)	(14.0)

*Considering the Effects of Prior Year Misstatements*

In September 2006, the Securities and Exchange Commission (“SEC”) staff issued SEC Staff Accounting Bulletin (“SAB”) Topic 1N, “Financial Statements - Considering the Effects of Prior Year Misstatements When Quantifying Misstatements in Current Year Financial Statements” (“SAB 108”). SAB 108 states that a registrant should quantify the effect of an error on the financial statements using a dual approach. Specifically, the amount should be computed using both the “rollover” (current year income statement perspective) and “iron curtain” (year-end balance sheet perspective) methods.



# **ING Life Insurance and Annuity Company and Subsidiaries**

**(A wholly-owned subsidiary of Lion Connecticut Holdings Inc.)**

## **Notes to Consolidated Financial Statements**

**(Dollar amount in millions, unless otherwise stated)**

---

SAB 108 was effective for fiscal years ending after November 15, 2006. The adoption of SAB 108 did not have a material impact on the Company's financial position.

### *The Meaning of Other-Than-Temporary Impairment and Its Application to Certain Investments*

On November 3, 2005, the FASB issued FASB Staff Position ("FSP") FAS No. 115-1, "The Meaning of Other-Than-Temporary Impairment and Its Application to Certain Investments" ("FSP FAS No. 115-1"). FSP FAS No. 115-1 replaces the impairment evaluation guidance of the Emerging Issues Task Force ("EITF") Issue No. 03-1, "The Meaning of Other-Than-Temporary Impairment and Its Application to Certain Investments" ("EITF 03-1").

FSP FAS No. 115-1 addresses the determination of when an investment is considered impaired, whether that impairment is other-than-temporary, and the measurement of an impairment loss. In addition, it includes considerations for accounting subsequent to the recognition of an other-than-temporary impairment and requires certain disclosures about unrealized losses that have not been recognized as other-than-temporarily impaired. FSP FAS No. 115-1 further clarifies that an impairment loss should be recognized no later than when the impairment is deemed other-than-temporary, even if a decision to sell an impaired security has not been made. FSP FAS No. 115-1 references existing guidance on other-than-temporary impairments.

FSP FAS No. 115-1 was effective for reporting periods beginning after December 15, 2005, and was implemented by the Company during the fourth quarter of 2005. As a result of adopting FSP FAS No. 115-1, the Company recognized impairment losses of \$42.6 and \$5.7 for the years ended December 31, 2006 and 2005, respectively, related to investments that the Company does not have the intent and ability to retain for a period of time sufficient to allow for recovery in fair value. The required disclosures are included in the Investments footnote.

### *Investor's Accounting for an Investment in a Limited Partnership When the Investor is the Sole General Partner and the Limited Partners Have Certain Rights*

In June 2005, the EITF reached a consensus on EITF Issue 04-5, "Investor's Accounting for an Investment in a Limited Partnership When the Investor is the Sole General Partner and the Limited Partners Have Certain Rights" ("EITF 04-5"), which states that the general partner in a limited partnership should presume that it controls and, thus, should consolidate the limited partnership, unless the limited partners have either (a) substantive ability to dissolve the limited partnership or otherwise remove the general partner without cause or (b) substantive participating rights. EITF 04-5 applies to limited partnerships that are not variable interest entities under FASB Interpretation No. 46(R): "Consolidation of Variable Interest Entities" ("FIN 46(R)"). EITF 04-5 was effective immediately for all new limited partnerships formed and for existing limited partnerships for which partnership agreements are modified after June 29, 2005, and is effective for all

# **ING Life Insurance and Annuity Company and Subsidiaries**

**(A wholly-owned subsidiary of Lion Connecticut Holdings Inc.)**

## **Notes to Consolidated Financial Statements**

**(Dollar amount in millions, unless otherwise stated)**

---

other limited partnerships at the commencement of the first reporting period beginning after December 15, 2006.

EITF 04-5 had no impact on ILIAC as of December 31, 2006, as the Company's investments in limited partnerships are generally considered variable interest entities under FIN 46(R), and are accounted for using the cost or equity method of accounting since the Company is not the primary beneficiary. Investments in limited partnerships are included in Other investments on the Consolidated Balance Sheets.

### *Share-Based Payment*

In December 2004, the FASB issued FAS No. 123 (revised 2004), "Share-Based Payment" ("FAS No. 123R"), which requires all share-based payments to employees be recognized in the financial statements based upon the fair value. FAS No. 123R was effective at the beginning of the first annual period beginning after June 15, 2005. FAS No. 123R provides two transition methods, modified-prospective and modified-retrospective.

The modified-prospective method recognizes the grant-date fair value of compensation for new awards granted after the effective date and unvested awards beginning in the fiscal period in which the recognition provision are first applied. Prior periods are not restated. The modified-retrospective method permits entities to restate prior periods by recognizing the compensation cost based on amounts previously reported in the pro forma footnote disclosure as required under FAS No. 123, "Accounting for Stock-Based Compensation" ("FAS No. 123").

The Company early adopted the provisions of FAS No. 123R on January 1, 2005, using the modified-prospective method. Under the modified-prospective method, compensation cost recognized include: (a) compensation cost for all share-based payments granted prior to, but not yet vested as of January 1, 2005, based on the grant date fair value estimated in accordance with the original provisions of FAS No. 123, and (b) compensation cost for all share-based payments granted subsequent to January 1, 2005, based on the grant-date fair value in accordance with the provisions of FAS No. 123R. Results for prior periods are not restated.

Prior to January 1, 2005, the Company applied the intrinsic value-based provisions set forth in Accounting Principles Board ("APB") Opinion No. 25, "Accounting for Stock Issued to Employees" ("APB 25"), and related Interpretations, as permitted by FAS No.123. No stock based employee compensation cost was recognized in the Consolidated Statement of Operations during 2004, as all options granted during the year had an exercise price equal to the market value of the underlying common stock on the date of grant. All shares granted during 2006 and 2005 were those of ING, the Company's ultimate parent.

# **ING Life Insurance and Annuity Company and Subsidiaries**

**(A wholly-owned subsidiary of Lion Connecticut Holdings Inc.)**

## **Notes to Consolidated Financial Statements**

**(Dollar amount in millions, unless otherwise stated)**

---

As a result of adopting FAS No. 123R, the Company's Net income for the years ended December 31, 2006 and 2005, was \$7.1 and \$5.0, respectively, lower than if it had continued to account for share-based payments under APB 25. The fair value of shares granted during 2006 and 2005 was \$7.6 and \$11.1, respectively, as of December 31, 2006 and 2005, and will be expensed over a vesting period of 3 years. Prior to the adoption of FAS No. 123R, no modifications were made to outstanding options, and there were no significant changes of valuation methodologies as a result of the adoption of FAS No. 123R.

### ***New Accounting Pronouncements***

#### ***The Fair Value Option for Financial Assets and Financial Liabilities***

In February 2007, the FASB issued FASB Statement No. 159, "The Fair Value Option for Financial Assets and Financial Liabilities" ("FAS No. 159"), which allows a company to make an irrevocable election, on specific election dates, to measure eligible items at fair value. The election to measure an item at fair value may be determined on an instrument by instrument basis, with certain exceptions. If the fair value option is elected, unrealized gains and losses will be recognized in earnings at each subsequent reporting date, and any upfront costs and fees related to the item will be recognized in earnings as incurred. Items eligible for the fair value option include:

- Certain recognized financial assets and liabilities;
- Rights and obligations under certain insurance contracts that are not financial instruments;
- Host financial instruments resulting from the separation of an embedded nonfinancial derivative instrument from a nonfinancial hybrid instrument; and
- Certain commitments.

FAS No. 159 is effective for fiscal years beginning after November 15, 2007, although early adoption is permitted under certain conditions. As of the effective date, the fair value option may be elected for eligible items that exist on that date. The effect of the first remeasurement to fair value shall be reported as a cumulative effect adjustment to the opening balance of retained earnings. As application of the standard is optional, any impact is limited to those financial assets and liabilities to which FAS No. 159 is applied. The Company is currently evaluating the items to which the fair value option may be applied.

#### ***Fair Value Measurements***

In September 2006, the FASB issued FASB Statement No. 157, "Fair Value Measurements" ("FAS No. 157"). FAS No. 157 provides guidance for using fair value to measure assets and liabilities whenever other standards require (or permit) assets or liabilities to be measured at fair value. FAS No. 157 does not expand the use of fair value in any new circumstances.

# **ING Life Insurance and Annuity Company and Subsidiaries**

**(A wholly-owned subsidiary of Lion Connecticut Holdings Inc.)**

## **Notes to Consolidated Financial Statements**

**(Dollar amount in millions, unless otherwise stated)**

---

Under FAS No. 157, the FASB clarifies the principle that fair value should be based on the assumptions market participants would use when pricing the asset or liability. In support of this principle, FAS No. 157 establishes a fair value hierarchy that prioritizes the information used to develop such assumptions. The fair value hierarchy gives the highest priority to quoted prices in active markets and the lowest priority to unobservable data. FAS No. 157 also requires separate disclosure of fair value measurements by level within the hierarchy and expanded disclosure of the effect on earnings for items measured using unobservable data.

The provisions of FAS No. 157 are effective for financial statements issued for fiscal years beginning after November 15, 2007. The Company is in the process of determining the impact of adoption of FAS No. 157.

### *Accounting for Uncertainty in Income Taxes*

In June 2006, the FASB issued FIN 48, "Accounting for Uncertainty in Income Taxes" ("FIN 48"), which creates a single model to address the accounting for the uncertainty in income tax positions recognized in a company's financial statements in accordance with FAS No. 109, "Accounting for Income Taxes."

FIN 48 prescribes a two-step process for determining the minimum recognition threshold a tax position is required to meet before being recognized in the financial statements. The first step is recognition: A company first determines whether a tax position is more likely than not to be sustained upon examination, based on the technical merits of the position. The second is measurement: A tax position that meets the more-likely-than-not recognition threshold is measured to determine the amount of benefit recognized in the financial statements. The benefit under step two is measured as the largest amount of benefit that is greater than 50% likely of being realized upon ultimate settlement. No benefit will be recognized on tax positions that do not meet the more-likely-than-not recognition standard. In addition, FIN 48 provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition.

FIN 48 is effective for fiscal years beginning after December 15, 2006, and was adopted by the Company on January 1, 2007. As a result of implementing FIN 48, the Company expects to recognize a cumulative effect of change in accounting principle between \$2.5 and \$5.0 as a reduction to January 1, 2007 Retained earnings.

# **ING Life Insurance and Annuity Company and Subsidiaries**

**(A wholly-owned subsidiary of Lion Connecticut Holdings Inc.)**

## **Notes to Consolidated Financial Statements**

**(Dollar amount in millions, unless otherwise stated)**

---

### *Accounting for Servicing of Financial Assets*

In March 2006, the FASB issued FAS No. 156, “Accounting for Servicing of Financial Assets – an amendment of FASB Statement No. 140” (“FAS No. 156”). FAS No. 156 requires the separate recognition of servicing assets and servicing liabilities each time an obligation to service a financial asset is undertaken by entering into a servicing contract and permits the fair value measurement of servicing assets and servicing liabilities. In addition, FAS No. 156 does the following:

- Clarifies when a servicer should separately recognize servicing assets and liabilities;
- Requires all separately recognized servicing assets and servicing liabilities to be initially measured at fair value, if practicable;
- Permits a one-time reclassification of available-for-sale securities to trading securities by entities with recognized servicing rights, provided that the available-for-sale securities are identified in some manner as offsetting the exposure to changes in fair value of servicing assets and servicing liabilities that are subsequently measured at fair value; and
- Requires additional disclosures for all separately recognized servicing assets and servicing liabilities.

FAS No. 156 requirements for recognition and initial measurement of servicing assets and servicing liabilities should be applied prospectively to all transactions entered into after the beginning of the first fiscal year that commences after September 15, 2006. The Company has determined that the adoption of FAS No. 156 will not have a material effect on the financial position, results of operations, or cash flows.

### *Accounting for Certain Hybrid Financial Instruments*

In February 2006, the FASB issued FAS No. 155, “Accounting for Certain Hybrid Financial Instruments - an amendment of FASB Statements No. 133 and 140” (“FAS No. 155”), which permits the application of fair value accounting to certain hybrid financial instruments in their entirety if they contain embedded derivatives that would otherwise require bifurcation under FAS No. 133, “Accounting for Derivative Instruments and Hedging Activities” (“FAS No. 133”). Under this approach, changes in fair value would be recognized currently in earnings. In addition, FAS No. 155 does the following:

- Clarifies which interest-only strips and principal-only strips are not subject to derivative accounting under FAS No. 133;
- Requires that interests in securitized financial assets be analyzed to identify interests that are freestanding derivatives or that are hybrid instruments that contain embedded derivatives requiring bifurcation;
- Clarifies that concentrations of credit risk in the form of subordination are not embedded derivatives; and

# **ING Life Insurance and Annuity Company and Subsidiaries**

**(A wholly-owned subsidiary of Lion Connecticut Holdings Inc.)**

## **Notes to Consolidated Financial Statements**

**(Dollar amount in millions, unless otherwise stated)**

---

- Allows a qualifying special-purpose entity to hold derivative financial instruments that pertain to beneficial interests, other than another derivative financial instrument.

FAS No. 155 is effective for all instruments acquired, issued, or subject to a remeasurement event, occurring after the beginning of the first fiscal year that commences after September 15, 2006, and was adopted by the Company on January 1, 2007. The Company does not expect FAS No. 155 to have a significant impact on the Company's financial position, results of operations, or cash flows.

### *Accounting by Insurance Enterprises for Deferred Acquisition Costs in Connection with Modifications or Exchanges of Insurance Contracts*

In September 2005, the American Institute of Certified Public Accountants issued Statement of Position 05-1, "Accounting by Insurance Enterprises for Deferred Acquisition Costs in Connection With Modifications or Exchanges of Insurance Contracts" ("SOP 05-1"), which states that when an internal replacement transaction results in a substantially changed contract, the unamortized deferred acquisition costs, unearned revenue liabilities, and deferred sales inducement assets, related to the replaced contract should not be deferred in connection with the new contract. Contract modifications that meet various conditions defined by SOP 05-1 and result in a new contract that is substantially unchanged from the replaced contract, however, should be accounted for as a continuation of the replaced contract.

SOP 05-1 defines an internal replacement as a modification in product benefits, features, rights, or coverages, that occurs by the exchange of a contract for a new contract, by amendment, endorsement, or rider, to a contract, or by the election of a feature or coverage within a contract. SOP 05-1 applies to internal replacements made primarily to contracts defined by FAS No. 60, "Accounting and Reporting by Insurance Enterprises" ("FAS No. 60"), as short-duration and long-duration insurance contracts, and by FAS No. 97, "Accounting and Reporting by Insurance Enterprises for Certain Long-Duration Contracts and for Realized Gains and Losses from the Sale of Investments" ("FAS No. 97"), as investment contracts.

SOP 05-1 is effective for internal replacements occurring in fiscal years beginning after December 15, 2006, with earlier adoption encouraged, and was adopted by the Company on January 1, 2007. As a result of implementing SOP 05-1, the Company expects to recognize a cumulative effect of a change in accounting principle of \$43.4, before tax, or \$28.2, net of \$15.2 of income taxes, as a reduction to January 1, 2007 Retained earnings.

# **ING Life Insurance and Annuity Company and Subsidiaries**

**(A wholly-owned subsidiary of Lion Connecticut Holdings Inc.)**

## **Notes to Consolidated Financial Statements**

**(Dollar amount in millions, unless otherwise stated)**

---

### ***Use of Estimates***

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from reported results using those estimates.

### ***Reclassifications***

Certain reclassifications have been made to prior year financial information to conform to the current year classifications.

### ***Cash and Cash Equivalents***

Cash and cash equivalents include cash on hand, money market instruments, and other debt issues with a maturity of 90 days or less when purchased.

### ***Investments***

All of the Company's fixed maturities and equity securities are currently designated as available-for-sale. Available-for-sale securities are reported at fair value and unrealized capital gains (losses) on these securities are recorded directly in Shareholder's equity, after adjustment for related changes in experience-rated contract allocations, deferred policy acquisition costs ("DAC"), value of business acquired ("VOBA"), and deferred income taxes.

### ***Other-Than-Temporary Impairments***

The Company analyzes the general account investments to determine whether there has been an other-than-temporary decline in fair value below the amortized cost basis. Management considers the length of time and the extent to which fair value has been less than amortized cost, the issuer's financial condition and near-term prospects, future economic conditions and market forecasts, and the Company's intent and ability to retain the investment for a period of time sufficient to allow for recovery in fair value. If it is probable that all amounts due according to the contractual terms of a debt security will not be collected, an other-than-temporary impairment is considered to have occurred.

# **ING Life Insurance and Annuity Company and Subsidiaries**

**(A wholly-owned subsidiary of Lion Connecticut Holdings Inc.)**

## **Notes to Consolidated Financial Statements**

**(Dollar amount in millions, unless otherwise stated)**

---

In addition, the Company invests in structured securities that meet the criteria of EITF Issue No. 99-20 “Recognition of Interest Income and Impairment on Purchased and Retained Beneficial Interests in Securitized Financial Assets” (“EITF 99-20”). Under EITF 99-20, a further determination of the required impairment is based on credit risk and the possibility of significant prepayment risk that restricts the Company’s ability to recover the investment. An impairment is recognized if the fair value of the security is less than amortized cost and there has been adverse change in cash flow since the remeasurement date.

When a decline in fair value is determined to be other-than-temporary, the individual security is written down to fair value, and the loss is accounted for as a change in Net realized capital gains (losses).

### *Experience-Rated Products*

Included in available-for-sale securities are investments that support experience-rated products. Experience-rated products are products where the customer, not the Company, assumes investment (including realized capital gains and losses) and other risks, subject to, among other things, minimum principal and interest guarantees. Unamortized realized capital gains (losses) on the sale of and unrealized capital gains (losses) on investments supporting these products are included in Future policy benefits and claims reserves on the Consolidated Balance Sheets. Net realized capital gains (losses) on all other investments are reflected in the Consolidated Statements of Operations. Unrealized capital gains (losses) on all other investments are reflected in Accumulated other comprehensive income (loss) in Shareholder’s equity, net of DAC and VOBA adjustments for unrealized capital gains (losses), and related income taxes.

### *Purchases and Sales*

Purchases and sales of fixed maturities and equity securities, excluding private placements, are recorded on the trade date. Purchases and sales of private placements and mortgage loans are recorded on the closing date.

### *Valuation*

The fair value for fixed maturities is largely determined by one of two pricing methods: published price quotations or valuation techniques with market inputs. Security pricing is applied using a hierarchy or “waterfall” approach, whereby prices are first sought from published price quotations, including independent pricing services or broker-dealer quotations. Published price quotations may be unavailable or deemed unreliable, due to a limited market, for securities that are rarely traded or are traded only in privately negotiated transactions. As such, fair values for the remaining securities, consisting primarily of privately placed bonds, are then determined using risk-free interest rates, current corporate spreads, the credit quality of the issuer, and cash flow characteristics of the security.



# **ING Life Insurance and Annuity Company and Subsidiaries**

**(A wholly-owned subsidiary of Lion Connecticut Holdings Inc.)**

## **Notes to Consolidated Financial Statements**

**(Dollar amount in millions, unless otherwise stated)**

---

The fair values for actively traded equity securities are based on quoted market prices. For equity securities not actively traded, estimated fair values are based upon values of issues of comparable yield and quality or conversion value, where applicable.

Mortgage loans on real estate are reported at amortized cost, less impairment write-downs. If the value of any mortgage loan is determined to be impaired (i.e., when it is probable the Company will be unable to collect all amounts due according to the contractual terms of the loan agreement), the carrying value of the mortgage loan is reduced to the present value of expected cash flows from the loan, discounted at the loan's effective interest rate, or fair value of the collateral. If the loan is in foreclosure, the carrying value is reduced to the fair value of the underlying collateral, net of estimated costs to obtain and sell. The carrying value of the impaired loans is reduced by establishing a permanent write-down recorded in Net realized capital gains (losses). At December 31, 2006 and 2005, the Company had no allowance for mortgage loan credit losses. The properties collateralizing mortgage loans are geographically dispersed throughout the United States, with the largest concentration of 17.7% and 22.0% of properties in California at December 31, 2006 and 2005, respectively.

Policy loans are carried at unpaid principal balances.

Short-term investments, consisting primarily of money market instruments and other fixed maturity issues purchased with an original maturity of 91 days to one year, are considered available-for-sale and are carried at fair value.

Derivative instruments are reported at fair value using the Company's derivative accounting system. The system uses key financial data, such as yield curves, exchange rates, Standard & Poor's ("S&P") 500 Index prices, and London Inter Bank Offered Rates, which are obtained from third party sources and uploaded into the system. Embedded derivative instruments are reported at fair value based upon internally established valuations that are consistent with external valuation models or market quotations.

### *Repurchase Agreements*

The Company engages in dollar repurchase agreements ("dollar rolls") and repurchase agreements to increase the return on investments and improve liquidity. These transactions involve a sale of securities and an agreement to repurchase substantially the same securities as those sold. Company policies require a minimum of 95% of the fair value of securities pledged under dollar rolls and repurchase agreement transactions to be maintained as collateral. Cash collateral received is invested in fixed maturities, and the carrying value of the securities pledged in dollar rolls and repurchase agreement transactions is included in Securities pledged on the Consolidated Balance Sheets. The repurchase obligation related to dollar rolls and repurchase agreements is included in Borrowed money on the Consolidated Balance Sheets.

# **ING Life Insurance and Annuity Company and Subsidiaries**

**(A wholly-owned subsidiary of Lion Connecticut Holdings Inc.)**

## **Notes to Consolidated Financial Statements**

**(Dollar amount in millions, unless otherwise stated)**

---

The Company also enters into reverse repurchase agreements. These transactions involve a purchase of securities and an agreement to sell substantially the same securities as those purchased. Company policies require a minimum of 102% of the fair value of securities pledged under reverse repurchase agreements to be pledged as collateral. Reverse repurchase agreements are included in Cash and cash equivalents on the Consolidated Balance Sheets.

### *Securities Lending*

The Company engages in securities lending whereby certain securities from its portfolio are loaned to other institutions for short periods of time. Initial collateral, primarily cash, is required at a rate of 102% of the market value of the loaned domestic securities. The collateral is deposited by the borrower with a lending agent, and retained and invested by the lending agent according to the Company's guidelines to generate additional income. The market value of the loaned securities is monitored on a daily basis with additional collateral obtained or refunded as the market value of the loaned securities fluctuates.

### *Derivatives*

The Company's use of derivatives is limited mainly to hedging purposes to reduce the Company's exposure to cash flow variability of assets and liabilities, interest rate risk, credit risk, and market risk. Generally, derivatives are not accounted for using hedge accounting treatment under FAS No. 133, as the Company has not historically sought hedge accounting treatment.

The Company enters into interest rate, equity market, credit default, and currency contracts, including swaps, caps, floors, and options, to reduce and manage risks associated with changes in value, yield, price, cash flow, or exchange rates of assets or liabilities held or intended to be held, or to assume or reduce credit exposure associated with a referenced asset, index, or pool. The Company also purchases options and futures on equity indices to reduce and manage risks associated with its annuity products. Open derivative contracts are reported as either Other investments or Other liabilities, as appropriate, on the Consolidated Balance Sheets. Changes in the fair value of such derivatives are recorded in Net realized capital gains (losses) in the Consolidated Statements of Operations.

The Company also has investments in certain fixed maturity instruments, and has issued certain retail annuity products, that contain embedded derivatives whose market value is at least partially determined by, among other things, levels of or changes in domestic and/or foreign interest rates (short- or long-term), exchange rates, prepayment rates, equity markets, or credit ratings/spreads.

# **ING Life Insurance and Annuity Company and Subsidiaries**

**(A wholly-owned subsidiary of Lion Connecticut Holdings Inc.)**

## **Notes to Consolidated Financial Statements**

**(Dollar amount in millions, unless otherwise stated)**

---

Embedded derivatives within fixed maturity instruments are included in Fixed maturities, available-for-sale, on the Consolidated Balance Sheets, and changes in fair value are recorded in Net realized capital gains (losses) in the Consolidated Statements of Operations.

Embedded derivatives within retail annuity products are included in Future policy benefits and claims reserves on the Consolidated Balance Sheets, and changes in the fair value are recorded in Interest credited and benefits to contractowners in the Consolidated Statements of Operations.

### ***Deferred Policy Acquisition Costs and Value of Business Acquired***

DAC represents policy acquisition costs that have been capitalized and are subject to amortization. Such costs consist principally of certain commissions, underwriting, contract issuance, and certain agency expenses, related to the production of new and renewal business.

VOBA represents the outstanding value of in force business capitalized in purchase accounting when the Company was acquired and is subject to amortization. The value is based on the present value of estimated net cash flows embedded in the Company's contracts.

FAS No. 97 applies to universal life and investment-type products, such as fixed and variable deferred annuities. Under FAS No. 97, DAC and VOBA are amortized, with interest, over the life of the related contracts in relation to the present value of estimated future gross profits from investment, mortality, and expense margins, plus surrender charges.

Changes in assumptions can have a significant impact on DAC and VOBA balances and amortization rates. Several assumptions are considered significant in the estimation of future gross profits associated with variable deferred annuity products. One of the most significant assumptions involved in the estimation of future gross profits is the assumed return associated with the variable account performance. To reflect the volatility in the equity markets, this assumption involves a combination of near-term expectations and long-term assumptions regarding market performance. The overall return on the variable account is dependent on multiple factors, including the relative mix of the underlying sub-accounts among bond funds and equity funds, as well as equity sector weightings. Other significant assumptions include surrender and lapse rates, estimated interest spread, and estimated mortality.

Due to the relative size and sensitivity to minor changes in underlying assumptions of DAC and VOBA balances, the Company performs quarterly and annual analyses of DAC and VOBA. The DAC and VOBA balances are evaluated for recoverability.

# **ING Life Insurance and Annuity Company and Subsidiaries**

**(A wholly-owned subsidiary of Lion Connecticut Holdings Inc.)**

## **Notes to Consolidated Financial Statements**

**(Dollar amount in millions, unless otherwise stated)**

---

At each evaluation date, actual historical gross profits are reflected, and estimated future gross profits and related assumptions are evaluated for continued reasonableness. Any adjustment in estimated profit requires that the amortization rate be revised (“unlocking”), retroactively to the date of the policy or contract issuance. The cumulative unlocking adjustment is recognized as a component of current period amortization. In general, sustained increases in investment, mortality, and expense margins, and thus estimated future profits, lower the rate of amortization. Sustained decreases in investment, mortality, and expense margins, and thus estimated future profits, however, increase the rate of amortization.

### ***Reserves***

The Company records as liabilities reserves to meet the Company’s future obligations under its variable annuity and fixed annuity products.

Future policy benefits and claims reserves include reserves for deferred annuities and immediate annuities with and without life contingent payouts.

Reserves for individual and group deferred annuity investment contracts and individual immediate annuities without life contingent payouts are equal to cumulative deposits, less charges and withdrawals, plus credited interest thereon, net of adjustments for investment experience that the Company is entitled to reflect in future credited interest. Reserves interest rates vary by product and ranged from 1.5% to 7.8% for the years 2006, 2005, and 2004. Certain reserves also include unrealized gains and losses related to investments and unamortized realized gains and losses on investments for experience-rated contracts. Reserves on experienced-rated contracts reflect the rights of contractowners, plan participants, and the Company. Reserves for group immediate annuities without life contingent payouts are equal to the discount value of the payment at the implied break-even rate.

Reserves for individual immediate annuities with life contingent payout benefits are computed on the basis of assumed interest discount rates, mortality, and expenses, including a margin for adverse deviations. Such assumptions generally vary by annuity type plan, year of issue, and policy duration. For the years 2006, 2005, and 2004, reserve interest rates ranged from 4.9% to 5.9%.

The Company has a significant concentration of reinsurance arising from the disposition of its individual life insurance business. In 1998, the Company entered into an indemnity reinsurance arrangement with certain subsidiaries of Lincoln National Corporation (“Lincoln”). Effective March 1, 2007, the reinsurance agreements were assigned to a single subsidiary of Lincoln, and that subsidiary established a trust to secure its obligations to the Company under the reinsurance transaction. The Company includes an amount in Reinsurance recoverable on the Consolidated Balance Sheets, which equals the Company’s total individual life reserves. Individual life reserves are included in Future policy benefits and claims reserves on the Consolidated Balance Sheets.

**ING Life Insurance and Annuity Company and Subsidiaries**  
**(A wholly-owned subsidiary of Lion Connecticut Holdings Inc.)**  
**Notes to Consolidated Financial Statements**  
(Dollar amount in millions, unless otherwise stated)

---

Unpaid claims and claim expenses for all lines of insurance include benefits for reported losses and estimates of benefits for losses incurred but not reported.

Certain variable annuities offer guaranteed minimum death benefits (“GMDB”). The GMDB is accrued in the event the contractowner account value at death is below the guaranteed value and is included in reserves.

***Revenue Recognition***

For most annuity contracts, charges assessed against contractowner funds for the cost of insurance, surrenders, expenses, and other fees are recorded as revenue as charges are assessed. Other amounts received for these contracts are reflected as deposits and are not recorded as premiums or revenue. When annuity payments with life contingencies begin under contracts that were initially investment contracts, the accumulated balance in the account is treated as a single premium for the purchase of an annuity and reflected in both Premiums and Interest credited and other benefits to contractowners in the Consolidated Statements of Operations.

Premiums on the Consolidated Statements of Operations primarily represent amounts received for immediate annuities with life contingent payouts.

***Separate Accounts***

Separate account assets and liabilities generally represent funds maintained to meet specific investment objectives of contractowners who bear the investment risk, subject, in limited cases, to certain minimum guarantees. Investment income and investment gains and losses generally accrue directly to such contractowners. The assets of each account are legally segregated and are not subject to claims that arise out of any other business of the Company or its affiliates.

Separate account assets supporting variable options under variable annuity contracts are invested, as designated by the contractowner or participant (who bears the investment risk subject, in limited cases, to minimum guaranteed rates) under a contract, in shares of mutual funds that are managed by the Company or its affiliates, or in other selected mutual funds not managed by the Company or its affiliates.

Separate account assets and liabilities are carried at fair value and shown as separate captions in the Consolidated Balance Sheets. Deposits, investment income, and net realized and unrealized capital gains (losses) of the separate accounts, however, are not reflected in the Consolidated Statements of Operations (with the exception of realized and unrealized capital gains (losses) on the assets supporting the guaranteed interest option). The Consolidated Statements of Cash Flows do not reflect investment activity of the separate accounts.

# **ING Life Insurance and Annuity Company and Subsidiaries**

**(A wholly-owned subsidiary of Lion Connecticut Holdings Inc.)**

## **Notes to Consolidated Financial Statements**

(Dollar amount in millions, unless otherwise stated)

---

Assets and liabilities of separate account arrangements that do not meet the criteria for separate presentation in the Consolidated Balance Sheets (primarily the guaranteed interest option), and revenue and expenses related to such arrangements, are consolidated in the financial statements with the general account. At December 31, 2006 and 2005, unrealized capital losses of \$7.3 and \$8.3, respectively, after taxes, on assets supporting a guaranteed interest option are reflected in Shareholder's equity.

### ***Reinsurance***

The Company utilizes indemnity reinsurance agreements to reduce its exposure to losses from GMDBs in its annuity insurance business. Reinsurance permits recovery of a portion of losses from reinsurers, although it does not discharge the Company's primary liability as the direct insurer of the risks. The Company evaluates the financial strength of potential reinsurers and continually monitors the financial strength and credit ratings of its reinsurers. Only those reinsurance recoverable balances deemed probable of recovery are reflected as assets on the Company's Consolidated Balance Sheets.

Of the Reinsurance recoverable on the Consolidated Balance Sheets, \$2.7 billion and \$2.8 billion at December 31, 2006 and 2005, respectively, is related to the reinsurance recoverable from certain subsidiaries of Lincoln arising from the disposal of the Company's individual life insurance business in 1998 (see the Reinsurance footnote). Effective March 1, 2007, the reinsurance agreements were assigned to a single subsidiary of Lincoln, and that subsidiary established a trust to secure its obligations to the Company under the reinsurance transaction.

### ***Income Taxes***

The Company is taxed at regular corporate rates after adjusting income reported for financial statement purposes for certain items. Deferred income tax expenses/benefits result from changes during the year in cumulative temporary differences between the tax basis and book basis of assets and liabilities.

**ING Life Insurance and Annuity Company and Subsidiaries**  
**(A wholly-owned subsidiary of Lion Connecticut Holdings Inc.)**  
**Notes to Consolidated Financial Statements**  
(Dollar amount in millions, unless otherwise stated)

**2. Investments**

***Fixed Maturities and Equity Securities***

Fixed maturities and equity securities, available-for-sale, were as follows as of December 31, 2006.

	Amortized Cost	Gross Unrealized Capital Gains	Gross Unrealized Capital Losses	Fair Value
Fixed maturities:				
U.S. Treasuries	\$ 25.5	\$ 0.1	\$ -	\$ 25.6
U.S. government agencies and authorities	276.6	3.6	3.3	276.9
State, municipalities, and political subdivisions	45.4	1.1	0.1	46.4
U.S. corporate securities:				
Public utilities	1,111.4	9.1	15.7	1,104.8
Other corporate securities	4,281.8	47.6	62.3	4,267.1
Total U.S. corporate securities	5,393.2	56.7	78.0	5,371.9
Foreign securities <sup>(1)</sup> :				
Government	466.0	31.8	3.5	494.3
Other	2,000.4	28.3	33.3	1,995.4
Total foreign securities	2,466.4	60.1	36.8	2,489.7
Residential mortgage-backed securities	4,529.8	52.4	82.2	4,500.0
Commercial mortgage-backed securities	2,261.3	14.0	28.6	2,246.7
Other asset-backed securities	1,258.1	6.5	10.1	1,254.5
Total fixed maturities, including securities pledged	16,256.3	194.5	239.1	16,211.7
Less: securities pledged	1,106.2	6.4	13.1	1,099.5
Total fixed maturities	15,150.1	188.1	226.0	15,112.2
Equity securities	233.6	20.4	2.3	251.7
Total investments, available-for-sale	\$ 15,383.7	\$ 208.5	\$ 228.3	\$ 15,363.9

<sup>(1)</sup> Primarily U.S. dollar denominated.

**ING Life Insurance and Annuity Company and Subsidiaries**  
**(A wholly-owned subsidiary of Lion Connecticut Holdings Inc.)**  
**Notes to Consolidated Financial Statements**  
(Dollar amount in millions, unless otherwise stated)

Fixed maturities and equity securities, available-for-sale, were as follows as of December 31, 2005.

	<u>Amortized Cost</u>	<u>Gross Unrealized Capital Gains</u>	<u>Gross Unrealized Capital Losses</u>	<u>Fair Value</u>
Fixed maturities:				
U.S. Treasuries	\$ 35.7	\$ 0.1	\$ -	\$ 35.8
U.S. government agencies and authorities	468.4	0.5	8.4	460.5
State, municipalities, and political subdivisions	40.0	0.5	0.9	39.6
U.S. corporate securities:				
Public utilities	1,260.3	24.1	16.8	1,267.6
Other corporate securities	5,981.9	109.8	89.7	6,002.0
Total U.S. corporate securities	7,242.2	133.9	106.5	7,269.6
Foreign securities <sup>(1)</sup> :				
Government	704.4	30.0	7.7	726.7
Other	1,815.5	41.8	28.8	1,828.5
Total foreign securities	2,519.9	71.8	36.5	2,555.2
Residential mortgage-backed securities	4,449.5	32.9	94.0	4,388.4
Commercial mortgage-backed securities	2,099.1	29.7	27.0	2,101.8
Other asset-backed securities	1,151.3	5.8	19.9	1,137.2
Total fixed maturities, including securities pledged	18,006.1	275.2	293.2	17,988.1
Less: securities pledged	1,260.8	5.2	18.4	1,247.6
Total fixed maturities	16,745.3	270.0	274.8	16,740.5
Equity securities	166.9	4.4	1.2	170.1
Total investments, available-for-sale	\$ 16,912.2	\$ 274.4	\$ 276.0	\$ 16,910.6

<sup>(1)</sup> Primarily U.S. dollar denominated.

At December 31, 2006 and 2005, net unrealized depreciation was \$26.5 and \$14.8, respectively, on total fixed maturities, including securities pledged to creditors, and equity securities. At December 31, 2006 and 2005, \$52.4 and \$48.6, respectively, of net unrealized capital gains (losses) was related to experience-rated contracts and was not reflected in Shareholder's equity but in Future policy benefits and claim reserves.



**ING Life Insurance and Annuity Company and Subsidiaries**  
**(A wholly-owned subsidiary of Lion Connecticut Holdings Inc.)**

**Notes to Consolidated Financial Statements**

(Dollar amount in millions, unless otherwise stated)

The amortized cost and fair value of total fixed maturities as of December 31, 2006, are shown below by contractual maturity. Actual maturities may differ from contractual maturities as securities may be restructured, called, or prepaid.

	<u>Amortized Cost</u>	<u>Fair Value</u>
Due to mature:		
One year or less	\$ 303.3	\$ 302.5
After one year through five years	2,961.0	2,935.7
After five years through ten years	3,569.0	3,550.6
After ten years	1,373.8	1,421.7
Mortgage-backed securities	6,791.1	6,746.7
Other asset-backed securities	1,258.1	1,254.5
Less: securities pledged	1,106.2	1,099.5
Fixed maturities, excluding securities pledged	<u>\$ 15,150.1</u>	<u>\$ 15,112.2</u>

The Company did not have any investments in a single issuer, other than obligations of the U.S. government and government agencies, with a carrying value in excess of 10% of the Company's Shareholder's equity at December 31, 2006 or 2005.

The Company does not have any significant exposure to subprime mortgage loans. The only exposure, if any, would arise from the Company's investment in mortgage-backed securities. These securities are primarily agency-backed and are highly rated. The average rating was AAA at December 31, 2006.

At December 31, 2006 and 2005, fixed maturities with fair values of \$11.2 and \$11.0, respectively, were on deposit as required by regulatory authorities.

The Company has various categories of collateralized mortgage obligations ("CMOs") that are subject to different degrees of risk from changes in interest rates and, for CMOs that are not agency-backed, defaults. The principal risks inherent in holding CMOs are prepayment and extension risks related to dramatic decreases and increases in interest rates resulting in the prepayment of principal from the underlying mortgages, either earlier or later than originally anticipated. At December 31, 2006 and 2005, approximately 2.3% and 1.2%, respectively, of the Company's CMO holdings were invested in types of CMOs which are subject to more prepayment and extension risk than traditional CMOs, such as interest-only or principal-only strips.

***Equity Securities***

Equity securities, available-for-sale, included investments with fair values of \$49.8 and \$49.5 in ING proprietary funds as of December 31, 2006 and 2005, respectively.

# **ING Life Insurance and Annuity Company and Subsidiaries**

**(A wholly-owned subsidiary of Lion Connecticut Holdings Inc.)**

## **Notes to Consolidated Financial Statements**

**(Dollar amount in millions, unless otherwise stated)**

---

### ***Repurchase Agreements***

The Company engages in dollar repurchase agreements (“dollar rolls”) and repurchase agreements. At December 31, 2006 and 2005, the carrying value of the securities pledged in dollar rolls and repurchase agreement transactions was \$832.4 and \$942.9, respectively. The repurchase obligation related to dollar rolls and repurchase agreements totaled \$833.2 and \$941.1 at December 31, 2006 and 2005, respectively.

The Company also engages in reverse repurchase agreements. At December 31, 2006, the Company did not have any reverse repurchase agreements. At December 31, 2005, the carrying value of the securities in reverse repurchase agreements was \$32.8.

The primary risk associated with short-term collateralized borrowings is that the counterparty will be unable to perform under the terms of the contract. The Company’s exposure is limited to the excess of the net replacement cost of the securities over the value of the short-term investments, an amount that was immaterial at December 31, 2006 and 2005. The Company believes the counterparties to the dollar rolls, repurchase, and reverse repurchase agreements are financially responsible and that the counterparty risk is immaterial.

### ***Unrealized Capital Losses***

Unrealized capital losses in fixed maturities at December 31, 2006 and 2005, were primarily related to interest rate movement, or spread widening, and to mortgage and other asset-backed securities. Mortgage and other asset-backed securities include U.S. government-backed securities, principal protected securities, and structured securities, which did not have an adverse change in cash flows. The following table summarizes the unrealized capital losses by duration and reason, along with the fair value of fixed maturities, including securities pledged, in unrealized capital loss positions at December 31, 2006 and 2005.

**ING Life Insurance and Annuity Company and Subsidiaries**  
**(A wholly-owned subsidiary of Lion Connecticut Holdings Inc.)**

**Notes to Consolidated Financial Statements**

(Dollar amount in millions, unless otherwise stated)

	Less than Six Months Below Amortized Cost	More than Six Months and less than Twelve Months Below Amortized Cost	More than Twelve Months Below Amortized Costs	Total Unrealized Capital Loss
<b>2006</b>				
Interest rate or spread widening	\$ 10.8	\$ 4.8	\$ 102.6	\$ 118.2
Mortgage and other asset-backed securities	11.0	2.5	107.4	120.9
Total unrealized capital losses	\$ 21.8	\$ 7.3	\$ 210.0	\$ 239.1
Fair value	\$ 2,447.4	\$ 501.5	\$ 6,726.2	\$ 9,675.1
<b>2005</b>				
Interest rate or spread widening	\$ 55.7	\$ 33.9	\$ 62.7	\$ 152.3
Mortgage and other asset-backed securities	41.8	43.1	56.0	140.9
Total unrealized capital losses	\$ 97.5	\$ 77.0	\$ 118.7	\$ 293.2
Fair value	\$ 5,941.1	\$ 2,790.7	\$ 2,643.6	\$ 11,375.4

Of the unrealized capital losses aged more than twelve months, the average market value of the related fixed maturities is 97.0% of the average book value. In addition, this category includes 1,193 securities, which have an average quality rating of AA-. No other-than-temporary impairment loss was considered necessary for these fixed maturities as of December 31, 2006.

***Other-Than-Temporary Impairments***

The following table identifies the Company's other-than-temporary impairments by type for the years ended December 31, 2006, 2005, and 2004.

	2006		2005		2004	
	Impairment	No. of Securities	Impairment	No. of Securities	Impairment	No. of Securities
U.S. Treasuries	\$ 6.4	4	\$ 0.1	2	\$ -	-
U.S. corporate	24.4	67	3.9	15	-	-
Foreign	4.2	10	0.3	1	-	-
Residential mortgage- backed	16.6	76	44.7	82	13.5	53
Other asset-backed	7.0	1	-	-	-	-
Equity securities	0.1	3	-	-	-	-
Total	\$ 58.7	161	\$ 49.0	100	\$ 13.5	53

The above schedule includes \$16.1, \$43.3, and \$13.5, for the years ended December 31, 2006, 2005, and 2004, respectively, in other-than-temporary write-downs related to the analysis of credit-risk and the possibility of significant prepayment risk. The remaining \$42.6 and \$5.7 in write-downs for the years ended December 31, 2006 and 2005,

# ING Life Insurance and Annuity Company and Subsidiaries

(A wholly-owned subsidiary of Lion Connecticut Holdings Inc.)

## Notes to Consolidated Financial Statements

(Dollar amount in millions, unless otherwise stated)

respectively, related to investments that the Company does not have the intent to retain for a period of time sufficient to allow for recovery in fair value, based upon the requirements of FSP FAS No. 115-1. The following table summarizes these write-downs recognized by type for the years ended December 31, 2006 and 2005.

	2006		2005	
	Impairment	No. of Securities	Impairment	No. of Securities
U.S. Treasuries	\$ 6.4	4	\$ 0.1	2
U.S. corporate	24.4	67	2.3	13
Foreign	4.2	10	-	-
Residential mortgage-backed	0.6	1	3.3	2
Other asset-backed	7.0	1	-	-
Total	\$ 42.6	83	\$ 5.7	17

The remaining fair value of the fixed maturities with other-than-temporary impairments at December 31, 2006 and 2005 was \$687.7 and \$470.8, respectively.

The Company may sell securities during the period in which fair value has declined below amortized cost for fixed maturities or cost for equity securities. In certain situations new factors, including changes in the business environment, can change the Company's previous intent to continue holding a security.

### Net Investment Income

Sources of Net investment income were as follows for the years ended December 31, 2006, 2005, and 2004.

	2006	2005	2004
Fixed maturities, available-for-sale	\$ 969.0	\$ 978.9	\$ 999.4
Equity securities, available-for-sale	10.5	9.7	7.1
Mortgage loans on real estate	93.6	73.0	56.0
Policy loans	13.2	30.0	8.1
Short-term investments and cash equivalents	2.4	2.7	2.4
Other	44.5	38.7	10.0
Gross investment income	1,133.2	1,133.0	1,083.0
Less: investment expenses	103.5	95.9	84.4
Net investment income	\$ 1,029.7	\$ 1,037.1	\$ 998.6

**ING Life Insurance and Annuity Company and Subsidiaries**  
**(A wholly-owned subsidiary of Lion Connecticut Holdings Inc.)**  
**Notes to Consolidated Financial Statements**  
(Dollar amount in millions, unless otherwise stated)

---

***Net Realized Capital Gains (Losses)***

Net realized capital gains (losses) are comprised of the difference between the amortized cost of investments and proceeds from sale and redemption, as well as losses incurred due to other-than-temporary impairment of investments and changes in fair value of derivatives. The cost of the investments on disposal is determined based on specific identification of securities using the first-in, first-out method. Net realized capital gains (losses) on investments were as follows for the years ended December 31, 2006, 2005, and 2004.

	2006	2005	2004
Fixed maturities, available-for-sale	\$ (67.0)	\$ 1.0	\$ 51.8
Equity securities, available-for-sale	9.3	12.4	9.9
Derivatives	(3.9)	17.9	(10.2)
Other	-	(0.3)	1.3
Less: allocation to experience-rated contracts	(64.6)	9.0	42.0
Net realized capital gains	\$ 3.0	\$ 22.0	\$ 10.8
After-tax net realized capital gains	\$ 2.0	\$ 14.3	\$ 7.0

During the year ended December 31, 2006, Net realized capital gains decreased due to the higher other-than-temporary impairments recognized in 2006 and higher losses on derivatives.

Net realized capital gains allocated to experience-rated contracts were deducted from Net realized capital gains (losses) and an offsetting amount was reflected in Future policy benefits and claim reserves on the Consolidated Balance Sheets. Net unamortized realized capital gains allocated to experienced-rated contractowners were \$164.5, \$240.3, and \$233.4, at December 31, 2006, 2005, and 2004, respectively.

Proceeds from the sale of fixed maturities and equity securities, available-for-sale, and the related gross gains and losses, excluding those related to experience-related contracts, were as follows for the years ended December 31, 2006, 2005, and 2004.

	2006	2005	2004
Proceeds on sales	\$ 6,481.2	\$ 10,062.3	\$ 10,236.3
Gross gains	109.0	161.1	146.9
Gross losses	110.9	93.9	70.9

**3. Financial Instruments**

***Estimated Fair Value***

The following disclosures are made in accordance with the requirements of FAS No. 107, "Disclosures about Fair Value of Financial Instruments" ("FAS No. 107"). FAS No. 107 requires disclosure of fair value information about financial instruments, whether or not recognized in the balance sheet, for which it is practicable to estimate that value. In cases

# ING Life Insurance and Annuity Company and Subsidiaries

(A wholly-owned subsidiary of Lion Connecticut Holdings Inc.)

## Notes to Consolidated Financial Statements

(Dollar amount in millions, unless otherwise stated)

---

where quoted market prices are not available, fair values are based on estimates using present value or other valuation techniques. Those techniques are significantly affected by the assumptions used, including the discount rate and estimates of future cash flows. In that regard, the derived fair value estimates, in many cases, could not be realized in immediate settlement of the instrument.

FAS No. 107 excludes certain financial instruments, including insurance contracts, and all nonfinancial instruments from its disclosure requirements. Accordingly, the aggregate fair value amounts presented do not represent the underlying value of the Company.

The following valuation methods and assumptions were used by the Company in estimating the fair value of the following financial instruments:

*Fixed maturities, available-for-sale:* The fair values for the actively traded marketable bonds are determined based upon the quoted market prices or dealer quotes. The fair values for marketable bonds without an active market are obtained through several commercial pricing services which provide the estimated fair values. Fair values of privately placed bonds are determined using a matrix-based pricing model. The model considers the current level of risk-free interest rates, current corporate spreads, the credit quality of the issuer, and cash flow characteristics of the security. Also considered are factors such as the net worth of the borrower, the value of collateral, the capital structure of the borrower, the presence of guarantees, and the Company's evaluation of the borrower's ability to compete in their relevant market. Using this data, the model generates estimated market values which the Company considers reflective of the fair value of each privately placed bond.

*Equity securities, available-for-sale:* Fair values of these securities are based upon quoted market price. For equity securities not actively traded, estimated fair values are based upon values of issues of comparable yield and quality or conversion price, where applicable.

*Mortgage loans on real estate:* The fair values for mortgage loans on real estate are estimated using discounted cash flow analyses and rates currently being offered in the marketplace for similar loans to borrowers with similar credit ratings. Loans with similar characteristics are aggregated for purposes of the calculations.

*Cash and cash equivalents, Short-term investments under securities loan agreement, and Policy loans:* The carrying amounts for these assets approximate the assets' fair values.

*Assets held in separate accounts:* Assets held in separate accounts are reported at the quoted fair values of the individual securities in the separate accounts.

*Investment contract liabilities (included in Future policy benefits and claim reserves):*

*With a fixed maturity:* Fair value is estimated by discounting cash flows at interest rates currently being offered by, or available to, the Company for similar contracts.

**ING Life Insurance and Annuity Company and Subsidiaries**  
**(A wholly-owned subsidiary of Lion Connecticut Holdings Inc.)**

**Notes to Consolidated Financial Statements**

(Dollar amount in millions, unless otherwise stated)

*Without a fixed maturity:* Fair value is estimated as the amount payable to the contractowner upon demand. However, the Company has the right under such contracts to delay payment of withdrawals, which may ultimately result in paying an amount different than that determined to be payable on demand.

*Liabilities related to separate accounts:* Liabilities related to separate accounts are reported at full account value in the Company's Consolidated Balance Sheets. Estimated fair values of separate account liabilities are equal to their carrying amount.

*Other financial instruments reported as assets and liabilities:* The carrying amounts for these financial instruments (primarily derivatives and limited partnerships) approximate the fair values of the assets and liabilities. Derivatives are carried at fair value on the Consolidated Balance Sheets.

The carrying values and estimated fair values of certain of the Company's financial instruments were as follows at December 31, 2006 and 2005.

	2006		2005	
	Carrying Value	Fair Value	Carrying Value	Fair Value
<b>Assets:</b>				
Fixed maturities, available-for-sale, including securities pledged	\$ 16,211.7	\$ 16,211.7	\$ 17,988.1	\$ 17,988.1
Equity securities, available-for-sale	251.7	251.7	170.1	170.1
Mortgage loans on real estate	1,879.3	1,852.6	1,396.0	1,386.2
Policy loans	268.9	268.9	262.4	262.4
Cash, cash equivalents, and short-term investments under securities loan agreement	594.3	594.3	575.8	575.8
Other investments	398.9	398.9	144.6	144.6
Assets held in separate accounts	43,550.8	43,550.8	35,899.8	35,899.8
<b>Liabilities:</b>				
<b>Investment contract liabilities:</b>				
With a fixed maturity	1,475.1	1,529.2	1,772.7	1,886.3
Without a fixed maturity	14,407.2	14,367.8	14,936.4	14,896.0
Derivatives	45.1	45.1	26.7	26.7
Liabilities related to separate accounts	43,550.8	43,550.8	35,899.8	35,899.8

Fair value estimates are made at a specific point in time, based on available market information and judgments about various financial instruments, such as estimates of timing and amounts of future cash flows. Such estimates do not reflect any premium or discount that could result from offering for sale at one time the Company's entire holdings of a particular financial instrument, nor do they consider the tax impact of the realization of unrealized capital gains (losses). In many cases, the fair value estimates cannot be substantiated by comparison to independent markets, nor can the disclosed

# **ING Life Insurance and Annuity Company and Subsidiaries**

**(A wholly-owned subsidiary of Lion Connecticut Holdings Inc.)**

## **Notes to Consolidated Financial Statements**

**(Dollar amount in millions, unless otherwise stated)**

---

value be realized in immediate settlement of the instruments. In evaluating the Company's management of interest rate, price, and liquidity risks, the fair values of all assets and liabilities should be taken into consideration, not only those presented above.



**ING Life Insurance and Annuity Company and Subsidiaries**  
**(A wholly-owned subsidiary of Lion Connecticut Holdings Inc.)**  
**Notes to Consolidated Financial Statements**  
(Dollar amount in millions, unless otherwise stated)

---

***Derivative Financial Instruments***

	Notional Amount		Fair Value	
	2006	2005	2006	2005
<b><i>Interest Rate Caps</i></b>				
Interest rate caps are used to manage the interest rate risk in the Company's fixed maturities portfolio. Interest rate caps are purchased contracts that provide the Company with an annuity in an increasing interest rate environment.	\$ -	\$ 519.6	\$ -	\$ 6.2
<b><i>Interest Rate Swaps</i></b>				
Interest rate swaps are used to manage the interest rate risk in the Company's fixed maturities portfolio, as well as the Company's liabilities. Interest rate swaps represent contracts that require the exchange of cash flows at regular interim periods, typically monthly or quarterly.	3,277.8	2,060.0	16.4	10.3
<b><i>Foreign Exchange Swaps</i></b>				
Foreign exchange swaps are used to reduce the risk of a change in the value, yield, or cash flow with respect to invested assets. Foreign exchange swaps represent contracts that require the exchange of foreign currency cash flows for U.S. dollar cash flows at regular interim periods, typically quarterly or semi-annually.	204.4	126.5	(30.9)	(23.7)
<b><i>Credit Default Swaps</i></b>				
Credit default swaps are used to reduce the credit loss exposure with respect to certain assets that the Company owns, or to assume credit exposure to certain assets that the Company does not own. Payments are made to or received from the counterparty at specified intervals and amounts for the purchase or sale of credit protection. In the event of a default on the underlying credit exposure, the Company will either receive an additional payment (purchased credit protection) or will be required to make an additional payment (sold credit protection) equal to the notional value of the swap contract.	756.8	70.5	(2.5)	(1.0)

**ING Life Insurance and Annuity Company and Subsidiaries**  
**(A wholly-owned subsidiary of Lion Connecticut Holdings Inc.)**  
**Notes to Consolidated Financial Statements**  
(Dollar amount in millions, unless otherwise stated)

---

	Notional Amount		Fair Value	
	2006	2005	2006	2005
<b>Total Return Swaps</b>				
Total return swaps are used to assume credit exposure to a referenced index or asset pool. The difference between different floating-rate interest amounts calculated by reference to an agreed upon notional principal amount is exchanged with other parties at specified intervals.	\$ 139.0	\$ 36.0	\$ 0.3	\$ 0.1
<b>Swaptions</b>				
Swaptions are used to manage interest rate risk in the Company's CMOB portfolio. Swaptions are contracts that give the Company the option to enter into an interest rate swap at a specific future date.	1,112.0	175.0	5.2	-
<b>Embedded Derivatives</b>				
The Company also has investments in certain fixed maturity instruments that contain embedded derivatives whose market value is at least partially determined by, among other things, levels of or changes in domestic and/or foreign interest rates (short- or long-term), exchange rates, prepayment rates, equity rates, or credit ratings/spreads.	N/A*	N/A*	(2.7)	(4.2)

\* N/A - not applicable.

**Credit Default Swaps**

As of December 31, 2006, the maximum potential future exposure to the Company on the sale of credit protection under credit default swaps was \$344.3.

**ING Life Insurance and Annuity Company and Subsidiaries**  
**(A wholly-owned subsidiary of Lion Connecticut Holdings Inc.)**  
**Notes to Consolidated Financial Statements**  
(Dollar amount in millions, unless otherwise stated)

---

**4. Deferred Policy Acquisition Costs and Value of Business Acquired**

Activity within DAC was as follows for the years ended December 31, 2006, 2005, and 2004.

Balance at January 1, 2004	\$	308.0
Deferrals of commissions and expenses		123.5
Amortization:		
Amortization		(43.5)
Interest accrued at 5% to 7%		24.3
Net amortization included in the Consolidated Statements of Operations		(19.2)
Change in unrealized capital gains (losses) on available-for-sale securities		2.2
Balance at December 31, 2004		414.5
Deferrals of commissions and expenses		123.1
Amortization:		
Amortization		(59.6)
Interest accrued at 5% to 7%		30.7
Net amortization included in the Consolidated Statements of Operations		(28.9)
Change in unrealized capital gains (losses) on available-for-sale securities		3.7
Balance at December 31, 2005		512.4
Deferrals of commissions and expenses		136.0
Amortization:		
Amortization		(62.1)
Interest accrued at 6% to 7%		37.5
Net amortization included in the Consolidated Statements of Operations		(24.6)
Change in unrealized capital gains (losses) on available-for-sale securities		(0.2)
Balance at December 31, 2006	\$	623.6

The estimated amount of DAC to be amortized, net of interest, is \$35.7, \$38.7, \$43.7, \$38.7, and \$36.1, for the years 2007, 2008, 2009, 2010, and 2011, respectively. Actual amortization incurred during these years may vary as assumptions are modified to incorporate actual results.

**ING Life Insurance and Annuity Company and Subsidiaries**  
**(A wholly-owned subsidiary of Lion Connecticut Holdings Inc.)**  
**Notes to Consolidated Financial Statements**  
(Dollar amount in millions, unless otherwise stated)

---

Activity within VOBA was as follows for the years ended December 31, 2006, 2005, and 2004.

Balance at January 1, 2004	\$ 1,415.4
Deferrals of commissions and expenses	50.1
Amortization:	
Amortization	(200.5)
Interest accrued at 5% to 7%	92.3
Net amortization included in the Consolidated Statements of Operations	(108.2)
Change in unrealized capital gains (losses) on available-for-sale securities	7.9
Balance at December 31, 2004	1,365.2
Deferrals of commissions and expenses	49.3
Amortization:	
Amortization	(219.4)
Interest accrued at 5% to 7%	88.4
Net amortization included in the Consolidated Statements of Operations	(131.0)
Change in unrealized capital gains (losses) on available-for-sale securities	10.9
Balance at December 31, 2005	1,294.4
Deferrals of commissions and expenses	46.2
Amortization:	
Amortization	(82.4)
Interest accrued at 5% to 7%	85.7
Net amortization included in the Consolidated Statements of Operations	3.3
Change in unrealized capital gains (losses) on available-for-sale securities	(1.0)
Balance at December 31, 2006	\$ 1,342.9

The estimated amount of VOBA to be amortized, net of interest, is \$95.3, \$96.6, \$105.9, \$93.5, and \$84.0, for the years 2007, 2008, 2009, 2010, and 2011, respectively. Actual amortization incurred during these years may vary as assumptions are modified to incorporate actual results.

*Analysis of DAC and VOBA*

The decrease in Amortization of DAC and VOBA in 2006 is primarily driven by favorable unlocking of \$83.3, resulting from the refinements of the Company's estimates of persistency, expenses and other assumptions. In addition, the decrease in amortization reflects lower actual gross profits, primarily due to a legal settlement incurred in 2006.

Amortization of DAC and VOBA increased in 2005 primarily due to increased gross profits, which were driven by higher fixed margins and variable fees because of higher average assets under management ("AUM"), partially offset by higher expenses. The Company revised long-term separate account return and certain contractowner withdrawal behavior assumptions, as well as reflected current experience during 2005, resulting in a deceleration of amortization of DAC and VOBA of \$11.7.

# **ING Life Insurance and Annuity Company and Subsidiaries**

**(A wholly-owned subsidiary of Lion Connecticut Holdings Inc.)**

## **Notes to Consolidated Financial Statements**

**(Dollar amount in millions, unless otherwise stated)**

---

During 2004, DAC and VOBA amortization increased principally due to higher actual gross profits, as a result of the fixed margins and fees earned on higher average fixed and variable AUM and fewer other-than-temporary impairments. The Company revised certain contractowner withdrawal behavior assumptions for its products during 2004, resulting in a deceleration of amortization of DAC and VOBA of \$5.7.

### **5. Dividend Restrictions and Shareholder's Equity**

The Company's ability to pay dividends to its parent is subject to the prior approval of insurance regulatory authorities of the State of Connecticut for payment of any dividend, which, when combined with other dividends paid within the preceding 12 months, exceeds the greater of (1) ten percent (10%) of ILIAC's statutory surplus at the prior year end or (2) ILIAC's prior year statutory net gain from operations.

During 2006, 2005, and 2004, the Company paid \$256.0, \$20.5, and \$83.5, respectively, in dividends on its common stock to its parent.

During 2006, Lion contributed to ILIAC DSI, which had \$50.5 in equity on the date of contribution and was accounted for in a manner similar to a pooling-of-interests. During 2006, 2005, and 2004, the Company did not receive any cash capital contributions from its parent.

The Insurance Department of the State of Connecticut (the "Department") recognizes as net income and capital and surplus those amounts determined in conformity with statutory accounting practices prescribed or permitted by the Department, which differ in certain respects from accounting principles generally accepted in the United States. Statutory net income was \$125.7, \$228.5, and \$217.2, for the years ended December 31, 2006, 2005, and 2004, respectively. Statutory capital and surplus was \$1,434.9 and \$1,539.1 as of December 31, 2006 and 2005, respectively.

As of December 31, 2006, the Company did not utilize any statutory accounting practices that are not prescribed by state regulatory authorities that, individually or in the aggregate, materially affect statutory capital and surplus.

### **6. Additional Insurance Benefits and Minimum Guarantees**

The Company calculates an additional liability for certain GMDBs in order to recognize the expected value of death benefits in excess of the projected account balance over the accumulation period based on total expected assessments.

The Company regularly evaluates estimates used to adjust the additional liability balance, with a related charge or credit to benefit expense, if actual experience or other evidence suggests that earlier assumptions should be revised.

# **ING Life Insurance and Annuity Company and Subsidiaries**

**(A wholly-owned subsidiary of Lion Connecticut Holdings Inc.)**

## **Notes to Consolidated Financial Statements**

(Dollar amount in millions, unless otherwise stated)

---

As of December 31, 2006, the separate account liability for guaranteed minimum benefits and the additional liability recognized related to minimum guarantees were \$3.3 billion and \$0.7, respectively. As of December 31, 2005, the separate account liability for guaranteed minimum benefits and the additional liability recognized related to minimum guarantees were \$3.7 billion and \$0.8, respectively.

The aggregate fair value of equity securities, including mutual funds, supporting separate accounts with additional insurance benefits and minimum investment return guarantees as of December 31, 2006 and 2005 was \$3.3 billion and \$3.7 billion, respectively.

### **7. Income Taxes**

Effective January 1, 2006, ILIAC files a consolidated federal income tax return with ING America Insurance Holdings, Inc. ("ING AIH"), an affiliate, and certain other subsidiaries of ING AIH that are eligible corporations qualified to file consolidated federal income tax returns as part of the ING AIH affiliated group. Effective January 1, 2006, ILIAC is party to a federal tax allocation agreement with ING AIH and its subsidiaries that are part of the group, whereby ING AIH charges its subsidiaries for federal taxes each subsidiary would have incurred were it not a member of the consolidated group and credits each subsidiary for losses at the statutory federal tax rate.

For the years ended December 31, 2006, 2005, and 2004, DSI, which merged with and into DSL on December 31, 2006, filed a consolidated federal income tax return as part of the ING AIH affiliated group and was party to the ING AIH federal tax allocation agreement, as described above. Income from DSL, a single member limited liability company, is taxed at the member level (ILIAC).

ILIAC's consolidated group filings with IICA for taxable year 2005, and prior taxable periods, were governed by a federal tax allocation agreement with IICA, whereby ILIAC charged its subsidiary for federal taxes it would have incurred were it not a member of the consolidated group and credited IICA for losses at the statutory federal tax rate.

Income tax expense (benefit) consisted of the following for the years ended December 31, 2006, 2005, and 2004.

**ING Life Insurance and Annuity Company and Subsidiaries**  
**(A wholly-owned subsidiary of Lion Connecticut Holdings Inc.)**

**Notes to Consolidated Financial Statements**

(Dollar amount in millions, unless otherwise stated)

	2006	2005	2004
Current tax (benefit) expense:			
Federal	\$ 23.3	\$ 4.9	\$ 7.7
State	20.0	4.9	3.2
Total current tax expense	43.3	9.8	10.9
Deferred tax expense:			
Federal	79.4	11.7	46.1
Total deferred tax expense	79.4	11.7	46.1
Total income tax expense	\$ 122.7	\$ 21.5	\$ 57.0

Income taxes were different from the amount computed by applying the federal income tax rate to income before income taxes for the following reasons for the years ended December 31, 2006, 2005, and 2004.

	2006	2005	2004
Income before income taxes	\$ 424.5	\$ 294.2	\$ 277.5
Tax rate	35.0%	35.0%	35%
Income tax at federal statutory rate	148.6	103.0	97.1
Tax effect of:			
Dividend received deduction	(36.5)	(25.8)	(9.6)
IRS audit settlement	-	(58.2)	(33.0)
State tax expense	13.0	3.2	2.1
Other	(2.4)	(0.7)	0.4
Income tax expense	\$ 122.7	\$ 21.5	\$ 57.0

The tax effects of temporary differences that give rise to Deferred tax assets and Deferred tax liabilities at December 31, 2006 and 2005, are presented below.

	2006	2005
Deferred tax assets:		
Insurance reserves	\$ 262.0	\$ 275.5
Unrealized gains allocable to experience-rated contracts	18.3	17.0
Investments	3.5	18.8
Postemployment benefits	74.7	57.7
Compensation	25.1	37.6
Other	19.9	14.2
Total gross assets	403.5	420.8
Deferred tax liabilities:		
Value of business acquired	(469.1)	(453.0)
Net unrealized capital gains	(15.9)	(27.3)
Deferred policy acquisition costs	(164.5)	(123.6)
Total gross liabilities	(649.5)	(603.9)
Net deferred income tax liability	\$ (246.0)	\$ (183.1)

# **ING Life Insurance and Annuity Company and Subsidiaries**

**(A wholly-owned subsidiary of Lion Connecticut Holdings Inc.)**

## **Notes to Consolidated Financial Statements**

**(Dollar amount in millions, unless otherwise stated)**

---

Net unrealized capital gains (losses) are presented as a component of Other comprehensive income (loss) in Shareholder's equity, net of deferred taxes.

Valuation allowances are provided when it is considered unlikely that deferred tax assets will be realized. No valuation allowance was established at December 31, 2006 and 2005, as management believed the above conditions did not exist.

The Company had a payable of \$28.5 to ING AIH under the intercompany tax sharing agreement at December 31, 2006 and a payable of \$30.3 to the Internal Revenue Service ("IRS") at December 31, 2005 for federal income taxes.

Under prior law, life insurance companies were allowed to defer from taxation a portion of income. Prior to 2006, deferred income of \$17.2 was accumulated in the Policyholders' Surplus Account and would only become taxable under certain conditions, which management believed to be remote. In 2004, Congress passed the American Jobs Creation Act of 2004, allowing certain tax-free distributions from the Policyholders' Surplus Account during 2005 and 2006. During 2006, the Company made a dividend distribution of \$256.0, which eliminated the \$17.2 balance in the Policyholders' Surplus Account and, therefore, any potential tax on the accumulated balance.

The Company establishes reserves for possible proposed adjustments by various taxing authorities. Management believes there are sufficient reserves provided for, or adequate defenses against, any such adjustments.

In 2005, the IRS completed its examination of the Company's returns through tax year 2001. The provision for the year ended December 31, 2005 reflected non-recurring favorable adjustments, resulting from a reduction in the tax liability that was no longer deemed necessary based on the results of the IRS examination, monitoring the activities of the IRS with respect to certain issues with other taxpayers, and the merits of the Company's positions.

The IRS is examining the Company's income tax returns for tax years 2002 and 2003, with expected completion in early 2007. Management is not aware of any adjustments as a result of this examination that would have a material impact on the Company's financial statements. There are also various state tax audits in progress.



**8. Benefit Plans**

***Defined Benefit Plan***

ING North America Insurance Corporation (“ING North America”) sponsors the ING Americas Retirement Plan (the “Retirement Plan”), effective as of December 31, 2001. Substantially all employees of ING North America and its subsidiaries and affiliates (excluding certain employees) are eligible to participate, including the Company’s employees other than Company agents. The Retirement Plan is a tax-qualified defined benefit plan, the benefits of which are guaranteed (within certain specified legal limits) by the Pension Benefit Guaranty Corporation (“PBGC”). As of January 1, 2002, each participant in the Retirement Plan (except for certain specified employees) earns a benefit under a final average compensation formula. Subsequent to December 31, 2001, ING North America is responsible for all Retirement Plan liabilities. The costs allocated to the Company for its employees’ participation in the Retirement Plan were \$23.8, \$22.5, and \$18.8, for 2006, 2005, and 2004, respectively, and are included in Operating expenses in the Consolidated Statements of Operations.

***Defined Contribution Plan***

ING North America sponsors the ING Americas Savings Plan and ESOP (the “Savings Plan”). Substantially all employees of ING North America and its subsidiaries and affiliates (excluding certain employees, including but not limited to Career Agents) are eligible to participate, including the Company’s employees other than Company agents. Career Agents are certain, full-time insurance salesmen who have entered into a career agent agreement with the Company and certain other individuals who meet specified eligibility criteria. The Savings Plan is a tax-qualified profit sharing and stock bonus plan, which includes an employee stock ownership plan (“ESOP”) component. Savings Plan benefits are not guaranteed by the PBGC. The Savings Plan allows eligible participants to defer into the Savings Plan a specified percentage of eligible compensation on a pre-tax basis. ING North America matches such pre-tax contributions, up to a maximum of 6% of eligible compensation. All matching contributions are subject to a 4-year graded vesting schedule (although certain specified participants are subject to a 5-year graded vesting schedule). All contributions made to the Savings Plan are subject to certain limits imposed by applicable law. Pre-tax charges to operations of the Company for the Savings Plan were \$9.7, \$8.9, and \$8.0, in 2006, 2005, and 2004, respectively, and are included in Operating expenses in the Statements of Operations.

**ING Life Insurance and Annuity Company and Subsidiaries**  
**(A wholly-owned subsidiary of Lion Connecticut Holdings Inc.)**

**Notes to Consolidated Financial Statements**

(Dollar amount in millions, unless otherwise stated)

---

***Non-Qualified Retirement Plans***

Through December 31, 2001, the Company, in conjunction with ING North America, offered certain eligible employees (other than Career Agents) a Supplemental Executive Retirement Plan and an Excess Plan (collectively, the “SERPs”). Benefit accruals under the SERPs ceased, effective as of December 31, 2001. Benefits under the SERPs are determined based on an eligible employee’s years of service and average annual compensation for the highest five years during the last ten years of employment.

The Company, in conjunction with ING North America, sponsors the Pension Plan for Certain Producers of ING Life Insurance and Annuity Company (formerly the Pension Plan for Certain Producers of Aetna Life Insurance and Annuity Company) (the “Agents Non-Qualified Plan”). This plan covers certain full-time insurance salesmen who have entered into a career agent agreement with the Company and certain other individuals who meet the eligibility criteria specified in the plan (“Career Agents”). The Agents Non-Qualified Plan was terminated effective January 1, 2002. In connection with the termination, all benefit accruals ceased and all accrued benefits were frozen.

The SERPs and Agents Non-Qualified Plan, are non-qualified defined benefit pension plans, which means all the SERPs benefits are payable from the general assets of the Company and Agents Non-Qualified Plan benefits are payable from the general assets of the Company and ING North America. These non-qualified defined benefit pension plans are not guaranteed by the PBGC.

***Obligations and Funded Status***

The following tables summarize the benefit obligations, fair value of plan assets, and funded status, for the SERPs and Agents Non-Qualified Plan, for the years ended December 31, 2006 and 2005.

	2006	2005
Change in Benefit Obligation:		
Defined benefit obligation, January 1	\$ 106.8	\$ 104.1
Interest cost	5.5	6.0
Benefits paid	(8.3)	(9.7)
Actuarial loss on obligation	(6.3)	6.4
Defined benefit obligation, December 31	<u>\$ 97.7</u>	<u>\$ 106.8</u>
Fair Value of Plan Assets:		
Fair value of plan assets, December 31	<u>\$ -</u>	<u>\$ -</u>

**ING Life Insurance and Annuity Company and Subsidiaries**  
**(A wholly-owned subsidiary of Lion Connecticut Holdings Inc.)**

**Notes to Consolidated Financial Statements**

(Dollar amount in millions, unless otherwise stated)

Amounts recognized in the Consolidated Balance Sheets consist of:

	2006	2005
Accrued benefit cost	\$ (97.7)	\$ (101.8)
Intangible assets	-	0.4
Accumulated other comprehensive income	14.1	17.8
Net amount recognized	<u>\$ (83.6)</u>	<u>\$ (83.6)</u>

At December 31, 2006 and 2005, the accumulated benefit obligation was \$97.7 and \$106.8, respectively.

*Assumptions*

The weighted-average assumptions used in the measurement of the December 31, 2006 and 2005 benefit obligation for the SERPs and Agents Non-Qualified Plan, were as follows:

	2006	2005
Discount rate at beginning of period	5.50%	6.00%
Rate of compensation increase	4.00%	4.00%

In determining the discount rate assumption, the Company utilizes current market information provided by its plan actuaries (particularly the Citigroup Pension Discount Curve), including a discounted cash flow analysis of the Company's pension obligation and general movements in the current market environment. The discount rate modeling process involves selecting a portfolio of high quality, noncallable bonds that will match the cash flows of ING Americas' Retirement Plan. Based upon all available information, it was determined that 5.9% was the appropriate discount rate as of December 31, 2006, to calculate the Company's accrued benefit liability. Accordingly, as prescribed by SFAS No. 87, "Employers' Accounting for Pensions", the 5.9% discount rate will also be used to determine the Company's 2007 pension expense. December 31 is the measurement date for the SERP's and Agents Non-Qualified Plan.

The weighted-average assumptions used in calculating the net pension cost were as follows:

	2006	2005	2004
Discount rate	5.90%	6.00%	6.25%
Rate of increase in compensation levels	4.00%	4.00%	3.75%

The weighted average assumptions used in calculating the net pension cost for 2006 were as indicated above (5.9% discount rate, 4.0% rate of compensation increase). Since the benefit plans of the Company are unfunded, an assumption for return on plan assets is not required.

**ING Life Insurance and Annuity Company and Subsidiaries**  
**(A wholly-owned subsidiary of Lion Connecticut Holdings Inc.)**

**Notes to Consolidated Financial Statements**

(Dollar amount in millions, unless otherwise stated)

---

*Net Periodic Benefit Costs*

Net periodic benefit costs for the SERPs and Agents Non-Qualified Plan, for the years ended December 31, 2006, 2005, and 2004, were as follows:

	2006	2005	2004
Interest cost	\$ 5.5	\$ 6.0	\$ 5.9
Net actuarial loss recognized in the year	2.0	1.3	-
Unrecognized past service cost			
recognized in the year	0.2	0.2	0.2
The effect of any curtailment or settlement	0.4	0.3	0.1
Net periodic benefit cost	\$ 8.1	\$ 7.8	\$ 6.2

*Cashflows*

In 2007, the employer is expected to contribute \$13.5 to the SERPs and Agents Non-Qualified Plan. Future expected benefit payments related to the SERPs, and Agents Non-Qualified Plan, for the years ended December 31, 2007 through 2011, and thereafter through 2016, are estimated to be \$13.5, \$13.1, \$9.8, \$9.4, \$8.2, and \$25.4, respectively.

*Other*

On October 4, 2004, the President signed into law The Jobs Creation Act ("Jobs Act"). The Jobs Act affects nonqualified deferred compensation plans, such as the Agents Nonqualified Plan. ING North America will make changes to impacted nonqualified deferred compensation plans, as necessary to comply with the requirements of the Jobs Act.

***Other Benefit Plans***

In addition, the Company, in conjunction with ING North America, sponsors the following benefit plans:

- The ING 401(k) Plan for ILIAC Agents, which allows participants to defer a specified percentage of eligible compensation on a pre-tax basis. Effective January 1, 2006, the Company match equals 60% of a participant's pre-tax deferral contribution, with a maximum of 6% of the participant's eligible pay.
- The Producers' Incentive Savings Plan, which allows participants to defer up to a specified portion of their eligible compensation on a pre-tax basis. The Company matches such pre-tax contributions at specified amounts.
- The Producers' Deferred Compensation Plan, which allows participants to defer up to a specified portion of their eligible compensation on a pre-tax basis.

# **ING Life Insurance and Annuity Company and Subsidiaries**

**(A wholly-owned subsidiary of Lion Connecticut Holdings Inc.)**

## **Notes to Consolidated Financial Statements**

(Dollar amount in millions, unless otherwise stated)

---

- Certain health care and life insurance benefits for retired employees and their eligible dependents. The post retirement health care plan is contributory, with retiree contribution levels adjusted annually. The life insurance plan provides a flat amount of noncontributory coverage and optional contributory coverage.

The benefit charges allocated to the Company related to these plans for the years ended December 31, 2006, 2005, and 2004, were \$1.5, \$1.4, and \$2.5, respectively.

### **9. Related Party Transactions**

#### ***Operating Agreements***

ILIAC has certain agreements whereby it generates revenues and expenses with affiliated entities, as follows:

- Investment Advisory agreement with ING Investment Management LLC (“IIM”), an affiliate, in which IIM provides asset management, administrative, and accounting services for ILIAC’s general account. ILIAC incurs a fee, which is paid quarterly, based on the value of the assets under management. For the years ended December 31, 2006, 2005, and 2004, expenses were incurred in the amounts of \$62.2, \$61.7, and \$58.8, respectively.
- Services agreement with ING North America for administrative, management, financial, and information technology services, dated January 1, 2001 and amended effective January 1, 2002. For the years ended December 31, 2006, 2005, and 2004, expenses were incurred in the amounts of \$175.3, \$138.5, and \$132.9, respectively.
- Services agreement between ILIAC and its U.S. insurance company affiliates dated January 1, 2001, and amended effective January 1, 2002. For the years ended December 31, 2006, 2005, and 2004, net expenses related to the agreement were incurred in the amount of \$12.4, \$17.8, and \$8.6, respectively.

DSL has certain agreements whereby it generates revenues and expenses with affiliated entities, as follows:

- Underwriting and distribution agreements with ING USA Annuity and Life Insurance Company (“ING USA”) and ReliaStar Life Insurance Company of New York (“RLNY”), affiliated companies, whereby DSL acts as the principal underwriter for variable insurance products. In addition, DSL is authorized to enter into agreements with broker-dealers to distribute the variable insurance products and appoint representatives of the broker-dealers as agents. For the years ended December 31, 2006, 2005, and 2004, commissions were collected in the amount of \$429.2, \$378.1, and \$375.0. Such commissions are, in turn, paid to broker-dealers.

# **ING Life Insurance and Annuity Company and Subsidiaries**

**(A wholly-owned subsidiary of Lion Connecticut Holdings Inc.)**

## **Notes to Consolidated Financial Statements**

**(Dollar amount in millions, unless otherwise stated)**

---

- Services agreements with Lion, ING USA, and RLNY, whereby DSL receives managerial and supervisory services and incurs a fee that is calculated as a percentage of average assets in the variable separate accounts. For the years ended December 31, 2006, 2005, and 2004, expenses were incurred in the amount of \$70.8, \$46.3, and \$37.6, respectively.
- Administrative and advisory services agreements with ING Investment LLC and IIM, affiliated companies, in which DSL receives certain services for a fee. The fee for these services is calculated as a percentage of average assets. For the years ended December 31, 2006, 2005, and 2004, expenses were incurred in the amounts of \$8.8, \$6.4, and \$5.3, respectively.

Management and service contracts and all cost sharing arrangements with other affiliated companies are allocated in accordance with the Company's expense and cost allocation methods.

### ***Investment Advisory and Other Fees***

During 2006, 2005, and 2004, ILIAC served as investment advisor to certain variable funds offered in Company products (collectively, the "Company Funds"). The Company Funds paid ILIAC, as investment advisor, daily fees that, on an annual basis, ranged, depending on the Fund, from 0.5% to 1.0% of their average daily net assets. Each of the Company Funds managed by ILIAC were subadvised by investment advisors, in which case ILIAC paid a subadvisory fee to the investment advisors, which included affiliates. ILIAC is also compensated by the separate accounts for bearing mortality and expense risks pertaining to variable life and annuity contracts. Under the insurance and annuity contracts, the separate accounts pay ILIAC daily fees that, on an annual basis are, depending on the product, up to 3.4% of their average daily net assets. The amount of compensation and fees received from affiliated mutual funds and separate accounts amounted to \$289.9, \$263.0, and \$209.2 (excludes fees paid to ING Investment Management Co.) in 2006, 2005, and 2004, respectively. Effective January 1, 2007, ILIAC's investment advisory agreement with the Company Funds was assigned to DSL.

DSL serves as the investment advisor, transfer agent, and administrator, to ING Investors Trust (the "Trust"), an affiliate. Under a unified fee agreement, DSL provides all services necessary for the ordinary operations of the Trust. DSL earns a monthly fee based on a percentage of average daily net assets. For the years ended December 31, 2006, 2005, and 2004, revenue for these services was \$233.9, \$174.6, and \$138.2, respectively. At December 31, 2006 and 2005, DSL had \$22.1 and \$17.2, respectively, receivable from the Trust under the unified fee agreement.

# **ING Life Insurance and Annuity Company and Subsidiaries**

**(A wholly-owned subsidiary of Lion Connecticut Holdings Inc.)**

## **Notes to Consolidated Financial Statements**

**(Dollar amount in millions, unless otherwise stated)**

---

### ***Financing Agreements***

ILIAC maintains a reciprocal loan agreement with ING America Insurance Holdings, Inc. ("ING AIH"), an affiliate, to facilitate the handling of unanticipated short-term cash requirements that arise in the ordinary course of business. Under this agreement, which became effective in June 2001 and expires on April 1, 2011, either party can borrow from the other up to 3% of ILIAC's statutory admitted assets as of the preceding December 31. Interest on any ILIAC borrowing is charged at the rate of ING AIH's cost of funds for the interest period, plus 0.15%. Interest on any ING AIH borrowings is charged at a rate based on the prevailing interest rate of U.S. commercial paper available for purchase with a similar duration.

Under this agreement, ILIAC incurred interest expense of \$1.8, \$0.7, and \$0.2, for the years ended December 31, 2006, 2005, and 2004, respectively, and earned interest income of \$3.3, \$1.1, and \$1.3, for the years ended December 31, 2006, 2005, and 2004, respectively. Interest expense and income are included in Interest expense and Net investment income, respectively, on the Consolidated Statements of Operations. At December 31, 2006 and 2005, ILIAC had \$45.0 and \$131.0, respectively, receivable from ING AIH under the reciprocal loan agreement.

### ***Note with Affiliate***

On December 29, 2004, ING USA issued a surplus note in the principal amount of \$175.0 (the "Notes") scheduled to mature on December 29, 2034, to ILIAC, in an offering that was exempt from the registration requirements of the Securities Act of 1933. ILIAC's \$175.0 notes receivable from ING USA bears interest at a rate of 6.26% per year. Any payment of principal and/or interest is subject to the prior approval of the Iowa Insurance Commissioner. Interest is scheduled to be paid semi-annually in arrears on June 29 and December 29 of each year, commencing on June 29, 2005. Interest income for the years ended December 31, 2006 and 2005 was \$11.1.

### ***Tax Sharing Agreements***

Effective January 1, 2006, the Company is a party to a federal tax allocation agreement with ING AIH and its subsidiaries that are part of the ING AIH consolidated group. Under the federal tax allocation agreement, ING AIH charges its subsidiaries for federal taxes each subsidiary would have incurred were it not a member of the consolidated group and credits each subsidiary for losses at the statutory federal tax rate.

For the years ended December 31, 2006, 2005, and 2004, DSI, which merged with and into DSL on December 31, 2006, was party to the ING AIH federal tax allocation agreement, as described above. Income from DSL, a single member limited liability company, is taxed at the member level (ILIAC).

# **ING Life Insurance and Annuity Company and Subsidiaries**

**(A wholly-owned subsidiary of Lion Connecticut Holdings Inc.)**

## **Notes to Consolidated Financial Statements**

**(Dollar amount in millions, unless otherwise stated)**

---

ILIAC has also entered into a state tax sharing agreement with ING AIH and each of the specific subsidiaries that are parties to the agreement. The state tax agreement applies to situations in which ING AIH and all or some of the subsidiaries join in the filing of a state or local franchise, income tax, or other tax return on a consolidated, combined, or unitary basis.

### **10. Financing Agreements**

ILIAC maintains a \$100.0 uncommitted, perpetual revolving note facility with the Bank of New York ("BONY"). Interest on any of ILIAC's borrowing accrues at an annual rate equal to a rate quoted by BONY to ILIAC for the borrowing. Under this agreement, ILIAC incurred minimal interest expense for the years ended December 31, 2006, 2005, and 2004. At December 31, 2006 and 2005, ILIAC had no amounts outstanding under the revolving note facility.

ILIAC also maintains a \$75.0 uncommitted line-of-credit agreement with PNC Bank ("PNC"), effective December 19, 2005. Borrowings are guaranteed by ING AIH, with maximum aggregate borrowings outstanding at anytime to ING AIH and its affiliates of \$75.0. Interest on any of ILIAC's borrowing accrues at an annual rate equal to a rate quoted by PNC to ILIAC for the borrowing. Under this agreement, ILIAC incurred minimal interest expense for the year ended December 31, 2006 and no interest expense for the year ended December 31, 2005. At December 31, 2006 and 2005, ILIAC had no amounts outstanding under the line-of-credit agreement.

ILIAC also maintains \$100.0 uncommitted line-of-credit agreement with Svenska Handelsbanken AB (Publ.), effective June 2, 2006. Borrowings are guaranteed by ING AIH, with maximum aggregate borrowings outstanding at anytime to ING AIH and its affiliates of \$100.0. Interest on any of the Company's borrowing accrues at an annual rate equal to the rate quoted by Svenska to the Company for the borrowing. Under this agreement, the Company incurred minimal interest expense for the year ended December 31, 2006. At December 31, 2006, ILIAC had no amounts outstanding under the line-of-credit agreement.

Also see Financing Agreements in the Related Party Transactions footnote.

### **11. Reinsurance**

At December 31, 2006, the Company had reinsurance treaties with eight unaffiliated reinsurers covering a significant portion of the mortality risks and guaranteed death benefits under its variable contracts. At December 31, 2006, the Company did not have reinsurance treaties with affiliated reinsurers. The Company remains liable to the extent its reinsurers do not meet their obligations under the reinsurance agreements.



# ING Life Insurance and Annuity Company and Subsidiaries

(A wholly-owned subsidiary of Lion Connecticut Holdings Inc.)

## Notes to Consolidated Financial Statements

(Dollar amount in millions, unless otherwise stated)

On, October 1, 1998, the Company disposed of its individual life insurance business under an indemnity reinsurance arrangement with certain subsidiaries of Lincoln for \$1.0 billion in cash. Under the agreement, Lincoln contractually assumed from the Company certain policyholder liabilities and obligations, although the Company remains obligated to contractowners. Effective March 1, 2007, the reinsurance agreements were assigned to a single subsidiary of Lincoln, and that subsidiary established a trust to secure its obligations to the Company under the reinsurance transaction.

The Company has assumed \$25.0 of premium revenue from Aetna Life, for the purchase and administration of a life contingent single premium variable payout annuity contract. In addition, the Company is also responsible for administering fixed annuity payments that are made to annuitants receiving variable payments. Reserves of \$17.4 and \$17.8 were maintained for this contract as of December 31, 2006 and 2005, respectively.

Reinsurance ceded in force for life mortality risks were \$22.4 and \$24.2 at December 31, 2006 and 2005, respectively. At December 31, 2006 and 2005, net receivables were comprised of the following:

	2006	2005
Claims recoverable from reinsurers	\$ 2,727.1	\$ 2,806.6
Payable for reinsurance premiums	(1.2)	(1.7)
Reinsured amounts due to reinsurer	(0.5)	(0.3)
Reserve credits	0.8	1.1
Other	(10.8)	(9.0)
Total	<u>\$ 2,715.4</u>	<u>\$ 2,796.7</u>

Premiums and Interest credited and other benefits to contractowners were reduced by the following amounts for reinsurance ceded for the years ended December 31, 2006, 2005, and 2004.

	2006	2005	2004
Deposits ceded under reinsurance	\$ 199.0	\$ 215.5	\$ 244.9
Premiums ceded under reinsurance	0.5	0.4	0.5
Reinsurance recoveries	359.0	363.7	395.2

## 12. Commitments and Contingent Liabilities

### *Leases*

The Company leases its office space and certain other equipment under various operating leases, the longest term of which expires in 2014.

# **ING Life Insurance and Annuity Company and Subsidiaries**

**(A wholly-owned subsidiary of Lion Connecticut Holdings Inc.)**

## **Notes to Consolidated Financial Statements**

**(Dollar amount in millions, unless otherwise stated)**

---

For the years ended December 31, 2006, 2005, and 2004, rent expense for leases was \$17.8, \$17.4, and \$17.2, respectively. The future net minimum payments under noncancelable leases for the years ended December 31, 2007 through 2011 are estimated to be \$16.9, \$3.6, \$2.6, \$1.6, and \$0.9, respectively, and \$0.8 thereafter. The Company pays substantially all expenses associated with its leased and subleased office properties. Expenses not paid directly by the Company are paid for by an affiliate and allocated back to the Company.

### ***Commitments***

Through the normal course of investment operations, the Company commits to either purchase or sell securities, commercial mortgage loans, or money market instruments, at a specified future date and at a specified price or yield. The inability of counterparties to honor these commitments may result in either a higher or lower replacement cost. Also, there is likely to be a change in the value of the securities underlying the commitments.

At December 31, 2006, the Company had off-balance sheet commitments to purchase investments equal to their fair value of \$706.8, \$322.3 of which was with related parties. At December 31, 2005, the Company had off-balance sheet commitments to purchase investments equal to their fair value of \$516.7, \$398.0 of which was with related parties. During 2006 and 2005, \$79.4 and \$42.4, respectively, was funded to related parties under off-balance sheet commitments.

### ***Financial Guarantees***

The Company owns a 3-year credit-linked note arrangement, whereby the Company will reimburse the guaranteed party upon payment default of the referenced obligation. Upon such default, the Company reimburses the guaranteed party for the loss under the reference obligation, and the Company receives that reference obligation in settlement. The Company can then seek recovery of any losses under the agreement by sale or collection of the received reference obligation. As of December 31, 2006, the maximum liability to the Company under the guarantee was \$30.0.

### ***New Construction***

During the second half of 2006, NWL entered into agreements for site development and facility construction at the Windsor Property (collectively, the "Construction Agreements"), with a maximum estimated cost of \$81.5 under the Construction Agreements. Costs incurred under the Construction Agreements and other agreements associated with the construction, acquisition and development of the corporate office facility totaled \$27.6 for the year ended December 31, 2006. These costs were capitalized in Property and equipment on the Consolidated Balance Sheet.

# **ING Life Insurance and Annuity Company and Subsidiaries**

**(A wholly-owned subsidiary of Lion Connecticut Holdings Inc.)**

## **Notes to Consolidated Financial Statements**

**(Dollar amount in millions, unless otherwise stated)**

---

### ***Litigation***

The Company is involved in threatened or pending lawsuits/arbitrations arising from the normal conduct of business. Due to the climate in insurance and business litigation/arbitrations, suits against the Company sometimes include claims for substantial compensatory, consequential, or punitive damages, and other types of relief. Moreover, certain claims are asserted as class actions, purporting to represent a group of similarly situated individuals. While it is not possible to forecast the outcome of such lawsuits/arbitrations, in light of existing insurance, reinsurance, and established reserves, it is the opinion of management that the disposition of such lawsuits/arbitrations will not have a materially adverse effect on the Company's operations or financial position.

### ***Other Regulatory Matters***

#### ***Regulatory Matters***

As with many financial services companies, the Company and its affiliates have received informal and formal requests for information from various state and federal governmental agencies and self-regulatory organizations in connection with inquiries and investigations of the products and practices of the financial services industry. In each case, the Company and its affiliates have been and are providing full cooperation.

**ING Life Insurance and Annuity Company and Subsidiaries**  
**(A wholly-owned subsidiary of Lion Connecticut Holdings Inc.)**  
**Notes to Consolidated Financial Statements**  
(Dollar amount in millions, unless otherwise stated)

---

*Insurance and Retirement Plan Products and Other Regulatory Matters*

The New York Attorney General, other federal and state regulators, and self-regulatory agencies, are conducting broad inquiries and investigations involving the insurance and retirement industries. These initiatives currently focus on, among other things, compensation, revenue sharing, and other sales incentives; potential conflicts of interest; potential anti-competitive activity; reinsurance; marketing practices; specific product types (including group annuities and indexed annuities); and disclosure. It is likely that the scope of these industry investigations will further broaden before they conclude. The Company and certain of its U.S. affiliates have received formal and informal requests in connection with such investigations, and are cooperating fully with each request for information. Some of these matters could result in regulatory action involving the Company. These initiatives also may result in new legislation and regulation that could significantly affect the financial services industry, including businesses in which the Company is engaged. In light of these and other developments, U.S. affiliates of ING, including the Company, periodically review whether modifications to their business practices are appropriate.

*Investment Product Regulatory Issues*

Since 2002, there has been increased governmental and regulatory activity relating to mutual funds and variable insurance products. This activity has primarily focused on inappropriate trading of fund shares; directed brokerage; compensation; sales practices, suitability, and supervision; arrangements with service providers; pricing; compliance and controls; adequacy of disclosure; and document retention.

In addition to responding to governmental and regulatory requests on fund trading issues, ING management, on its own initiative, conducted, through special counsel and a national accounting firm, an extensive internal review of mutual fund trading in ING insurance, retirement, and mutual fund products. The goal of this review was to identify any instances of inappropriate trading in those products by third parties or by ING investment professionals and other ING personnel.

The internal review identified several isolated arrangements allowing third parties to engage in frequent trading of mutual funds within the variable insurance and mutual fund products of certain affiliates of the Company, and identified other circumstances where frequent trading occurred despite measures taken by ING intended to combat market timing. Each of the arrangements has been terminated and disclosed to regulators, to the independent trustees of ING Funds (U.S.) and in Company reports previously filed with the Securities and Exchange Commission ("SEC") pursuant to the Securities Exchange Act of 1934, as amended.

**ING Life Insurance and Annuity Company and Subsidiaries**  
**(A wholly-owned subsidiary of Lion Connecticut Holdings Inc.)**

**Notes to Consolidated Financial Statements**

(Dollar amount in millions, unless otherwise stated)

Action may be taken with respect to certain ING affiliates before investigations relating to fund trading are completed. The potential outcome of such action is difficult to predict but could subject certain affiliates to adverse consequences, including, but not limited to, settlement payments, penalties, and other financial liability. It is not currently anticipated, however, that the actual outcome of any such action will have a material adverse effect on ING or ING's U.S.-based operations, including the Company.

ING has agreed to indemnify and hold harmless the ING Funds from all damages resulting from wrongful conduct by ING or its employees or from ING's internal investigation, any investigations conducted by any governmental or self-regulatory agencies, litigation or other formal proceedings, including any proceedings by the SEC. Management reported to the ING Funds Board that ING management believes that the total amount of any indemnification obligations will not be material to ING or ING's U.S.-based operations, including the Company.

**13. Accumulated Other Comprehensive Income (Loss)**

Shareholder's equity included the following components of Accumulated other comprehensive income (loss) as of December 31, 2006, 2005, and 2004.

	2006	2005	2004
Net unrealized capital gains (losses):			
Fixed maturities, available-for-sale	\$ (44.6)	\$ (18.0)	\$ 482.1
Equity securities, available-for-sale	18.1	3.2	8.7
DAC/VOBA adjustment on available-for-sale securities	3.9	5.1	(9.5)
Sales inducements adjustment on available-for-sale securities	0.1	0.1	(0.1)
Premium deficiency reserve adjustment	(37.5)	(23.6)	-
Other investments	0.8	1.2	1.3
Less: allocation to experience-rated contracts	(52.4)	(48.6)	357.5
Unrealized capital (losses) gains, before tax	(6.8)	16.6	125.0
Deferred income tax asset (liability)	2.4	(10.3)	(41.2)
Net unrealized capital (losses) gains	(4.4)	6.3	83.8
Pension liability, net of tax	(9.6)	(11.6)	(16.7)
Accumulated other comprehensive (loss) income	\$ (14.0)	\$ (5.3)	\$ 67.1

Net unrealized capital (losses) gains allocated to experience-rated contracts of \$(52.4) and \$(48.6) at December 31, 2006 and 2005, respectively, are reflected on the Consolidated Balance Sheets in Future policy benefits and claims reserves and are not included in Shareholder's equity.

# ING Life Insurance and Annuity Company and Subsidiaries

(A wholly-owned subsidiary of Lion Connecticut Holdings Inc.)

## Notes to Consolidated Financial Statements

(Dollar amount in millions, unless otherwise stated)

Changes in Accumulated other comprehensive income (loss), net of DAC, VOBA, and tax, related to changes in unrealized capital gains (losses) on securities, including securities pledged and excluding those related to experience-rated contracts, were as follows for the years ended December 31, 2006, 2005, and 2004.

	2006	2005	2004
Fixed maturities, available-for-sale	\$ (26.6)	\$ (500.1)	\$ (133.0)
Equity securities, available-for-sale	14.9	(5.5)	(5.1)
DAC/VOBA adjustment on available-for-sale securities	(1.2)	14.6	10.1
Sales inducements adjustment on available-for-sale securities	-	0.2	(0.1)
Premium deficiency reserve adjustment	(13.9)	(23.6)	-
Other investments	(0.4)	(0.1)	(59.7)
Less: allocation to experience-rated contracts	(3.8)	(406.1)	(134.0)
Unrealized capital gains (losses), before tax	(23.4)	(108.4)	(53.8)
Deferred income tax asset (liability)	12.7	30.9	21.6
Net change in unrealized capital gains (losses)	<u>\$ (10.7)</u>	<u>\$ (77.5)</u>	<u>\$ (32.2)</u>

	2006	2005	2004
Net unrealized capital holding gains (losses) arising during the year <sup>(1)</sup>	\$ (43.6)	\$ (38.2)	\$ (1.8)
Less: reclassification adjustment for gains (losses) and other items included in Net income <sup>(2)</sup>	(32.9)	39.3	30.4
Net change in unrealized capital gains (losses)	<u>\$ (10.7)</u>	<u>\$ (77.5)</u>	<u>\$ (32.2)</u>

<sup>(1)</sup> Pretax unrealized holding gains (losses) arising during the year were \$(95.4), \$(53.4), and \$(3.0), for the years ended December 31, 2006, 2005, and 2004, respectively.

<sup>(2)</sup> Pretax reclassification adjustments for gains (losses) and other items included in Net income were \$(72.0), \$55.0, and \$50.8, for the years ended December 31, 2006, 2005, and 2004, respectively.

**QUARTERLY DATA (UNAUDITED)**

(Dollar amounts in millions, unless otherwise stated)

<b>2006</b>	<b>First*</b>	<b>Second*</b>	<b>Third*</b>	<b>Fourth</b>
Total revenue	\$ 532.5	\$ 551.2	\$ 548.5	\$ 597.7
Income before income taxes	80.4	116.9	84.3	142.9
Income tax expense	21.6	34.2	16.6	50.3
Net income	<u>\$ 58.8</u>	<u>\$ 82.7</u>	<u>\$ 67.7</u>	<u>\$ 92.6</u>
<b>2005</b>	<b>First*</b>	<b>Second*</b>	<b>Third*</b>	<b>Fourth*</b>
Total revenue	\$ 511.7	\$ 536.5	\$ 529.7	\$ 519.8
Income before income taxes	55.0	76.0	87.3	75.9
Income tax expense (benefit)	17.0	23.9	(40.9)	21.5
Net income	<u>\$ 38.0</u>	<u>\$ 52.1</u>	<u>\$ 128.2</u>	<u>\$ 54.4</u>

\*Amounts have been restated to reflect the contribution of Directed Services, Inc. on December 1, 2006. See the "Organization and Significant Accounting Policies" footnote for further information regarding the contribution.

**VARIABLE ANNUITY ACCOUNT C**  
**PART C - OTHER INFORMATION**

**Item 24. Financial Statements and Exhibits**

(a) Financial Statements:

- (1) Included in Part A:  
Condensed Financial Information
- (2) Included in Part B:  
Financial Statements of Variable Annuity Account C:
  - Report of Independent Registered Public Accounting Firm
  - Statements of Assets and Liabilities as of December 31, 2006
  - Statements of Operations for the year ended December 31, 2006
  - Statements of Changes in Net Assets for the years ended December 31, 2006 and 2005
  - Notes to Financial StatementsConsolidated Financial Statements of ING Life Insurance and Annuity Company:
  - Report of Independent Registered Public Accounting Firm
  - Consolidated Statements of Operations for the years ended December 31, 2006, 2005 and 2004
  - Consolidated Balance Sheets as of December 31, 2006 and 2005
  - Consolidated Statements of Changes in Shareholder's Equity for the years ended December 31, 2006, 2005 and 2004
  - Consolidated Statements of Cash Flows for the years ended December 31, 2006, 2005 and 2004
  - Notes to Consolidated Financial Statements

(b) Exhibits

- (1) Resolution establishing Variable Annuity Account C • Incorporated by reference to Post-Effective Amendment No. 6 to Registration Statement on Form N-4 (File No. 33-75986), as filed on April 22, 1996.
- (2) Not Applicable
- (3.1) Standard Form of Broker-Dealer Agreement • Incorporated by reference to Post-Effective Amendment No. 32 to Registration Statement on Form N-4 (File No. 33-81216), as filed on April 11, 2006.
- (3.2) Underwriting Agreement dated November 17, 2006 between ING Life Insurance and Annuity Company and ING Financial Advisers, LLC • Incorporated by reference to Post-Effective Amendment No. 34 to Registration Statement on Form N-4 (File No. 033-75996), as filed on December 20, 2006.
- (4.1) Variable Annuity Contract (G-TDA-HH(XC/M)) • Incorporated by reference to Post-Effective Amendment No. 6 to Registration Statement on Form N-4 (File No. 33-75962), as filed on April 17, 1996.
- (4.2) Variable Annuity Contract (G-TDA-HH(XC/S)) • Incorporated by reference to Post-Effective Amendment No. 6 to Registration Statement on Form N-4 (File No. 33-75962), as filed on April 17, 1996.



- (4.3) Variable Annuity Certification (GTCC-HH(XC/M)) • Incorporated by reference to Post-Effective Amendment No. 14 to Registration Statement on Form N-4 (File No. 33-75962), as filed on April 17, 1998.
- (4.4) Variable Annuity Certificate (GTCC-HH(XC/S)) • Incorporated by reference to Post-Effective Amendment No. 14 to Registration Statement on Form N-4 (File No. 33-75962), as filed on April 17, 1998.
- (4.5) Variable Annuity Contract GAGOV-98(NY) • Incorporated by reference to Post-Effective Amendment No. 39 to Registration Statement on Form N-4 (File No. 33-75962), as filed on December 17, 2004.
- (4.6) Endorsement (EGET-IC(R)NY) to Contracts G-TDA-HH(XC/M) and G-TDA-HH(XC/S) • Incorporated by reference to Post-Effective Amendment No. 5 to Registration Statement on Form N-4 (File No. 33-75986), as filed on April 12, 1996.
- (4.7) Endorsement (ENYSUTMF97) to Contract G-TDA-HH(XC/M) • Incorporated by reference to Post-Effective Amendment No. 11 to Registration Statement on Form N-4 (File No. 33-75962), as filed on April 14, 1997.
- (4.8) Endorsement (ENYSUTMF97(S)) to Contract G-TDA-HH(XC/S) • Incorporated by reference to Post-Effective Amendment No. 11 to Registration Statement on Form N-4 (File No. 33-75962), as filed on April 14, 1997.
- (4.9) Endorsement (EGAA(5/98) NY) to Contracts G-TDA-HH(XC/M) and G-TDA-HH(XC/S) and Certificates GTCC-HH(XC/M) and GTCC-HH(XC/S) • Incorporated by reference to Post-Effective Amendment No. 14 to Registration Statement on Form N-4 (File No. 33-75962), as filed on April 17, 1998.
- (4.10) Endorsement (EG403-GIE-98)-XC to Contract G-TDA-HH(XC/M) and Certificate GTCC-HH(XC/M) • Incorporated by reference to Post-Effective Amendment No. 11 to Registration Statement on Form N-4 (File No. 333-01107), as filed on September 10, 1998.
- (4.11) Endorsement (EG403-GI-98) to Contract G-TDA-HH(XC/M) and Certificate GTCC-HH(XC/M) • Incorporated by reference to Post-Effective Amendment No. 15 to Registration Statement on Form N-4 (File No. 33-75962), as filed on September 15, 1998.
- (4.12) Endorsement (EGET-99) to Contracts G-TDA-HH(XC/M) and G-TDA-HH(XC/S) • Incorporated by reference to Post-Effective Amendment No. 13 to Registration Statement on Form N-4 (File No. 333-01107), as filed on April 7, 1999.
- (4.13) Endorsement (ENYS-XC/M-00) to Contract G-TDA-HH(XC/M) and Certificate G-TDA-HH(XC/M) • Incorporated by reference to Post-Effective Amendment No. 22 to Registration Statement on Form S-1 (File No. 33-75962), as filed on April 13, 2000.
- (4.14) Endorsement (ENYS-XC/S-00) to Contract G-TDA-HH(XC/S) and Certificate G-TDA-HH(XC/S) • Incorporated by reference to Post-Effective Amendment No. 22 to Registration Statement on Form S-1 (File No. 33-75962), as filed on April 13, 2000.

- (4.15) Endorsement (EGSF-IB(XC/M)) to Contract G-TDA-HH(XC/M) and Certificate GTCC-HH(XC/M) • Incorporated by reference to Post-Effective Amendment No. 25 to Registration Statement on Form N-4 (File No. 33-75962), as filed on December 6, 2000.
- (4.16) Endorsement (EGAA-ID(XC)) to Contract G-TDA-HH(XC/S) and Certificate GTCC-HH(XC/S) • Incorporated by reference to Post-Effective Amendment No. 25 to Registration Statement on Form N-4 (File No. 33-75962), as filed on December 6, 2000.
- (4.17) Endorsement EDSC-94(XC/M) to Contract G-TDA-HH(XC/M) and Certificate GTCC-HH(XC/M) • Incorporated by reference to Post-Effective Amendment No. 26 to Registration Statement on Form N-4 (File No. 33-75962), as filed on December 13, 2000.
- (4.18) Endorsement (ENYS-AR-01) to Contracts G-TDA-HH(XC/M) and G-TDA-HH(XC/S) and Certificates GTCC-HH(XC/M) and GTCC-HH(XC/S) • Incorporated by reference to Post-Effective Amendment No. 30 to Registration Statement on Form N-4 (File No. 33-75962), as filed on April 8, 2002.
- (4.19) Endorsement EEGTRRA-HEG(01) to Contracts G-TDA-HH(XC/M) and G-TDA-HH(XC/S) and Contract Certificates GTCC-HH(XC/M) and GTCC-HH(XC/S) • Incorporated by reference to Post-Effective Amendment No. 30 to Registration Statement on Form N-4 (File No. 33-75962), as filed on April 8, 2002.
- (4.20) Endorsement E-LOANSBA(1/02) to Contracts G-TDA-HH(XC/M) and G-TDA-HH(XC/S) and Contract Certificates GTCC-HH(XC/M) and GTCC-HH(XC/S) • Incorporated by reference to Post-Effective Amendment No. 39 to Registration Statement on Form N-4 (File No. 33-75962), as filed on December 17, 2004.
- (4.21) Contract Certificates GTCC-HH(XC/M) and GTCC-HH(XC/S) • Incorporated by reference to Post-Effective Amendment No. 39 to Registration Statement on Form N-4 (File No. 33-75962), as filed on December 17, 2004.
- (4.22) Endorsements ENMCHG(05/02) and ENMCHG1(05/02) for name change • Incorporated by reference to Post-Effective Amendment No. 30 to Registration Statement on Form N-4 (File No. 33-75962), as filed on April 8, 2002.
- (4.23) Variable Annuity Contract Certificate GAGOV-98(NY) • Incorporated by reference to Post-Effective Amendment No. 39 to Registration Statement on Form N-4 (File No. 33-75962), as filed on December 17, 2004.
- (4.24) Endorsement EGOVCC-NYS-03 to Contract GAGOV-98(NY) and Contract Certificate GAGOV-98(NY) • Incorporated by reference to Post-Effective Amendment No. 39 to Registration Statement on Form N-4 (File No. 33-75962), as filed on December 17, 2004.
- (4.25) Roth 403(b) Endorsement - E-ROTH403B-M-05 to Contract G-TDA-HH(XC/M) and Certificate GTCC-HH(XC/M) • Incorporated by reference to Post-Effective Amendment No. 43 to Registration Statement on Form N-4 (File No. 33-75962), as filed on April 11, 2006.

- (4.26) Roth 403(b) Endorsement - E-ROTH403B-S-05 to Contract G-TDA-HH(XC/S) and Certificate GTCC-HH(XC/S) • Incorporated by reference to Post-Effective Amendment No. 43 to Registration Statement on Form N-4 (File No. 33-75962), as filed on April 11, 2006.
- (4.27) Endorsement E-NYSUTDB-06 • Incorporated by reference to Post-Effective Amendment No. 46 to Registration Statement on Form N-4 (File No. 33-75962), as filed on September 27, 2006.
- (4.28) Endorsement E-LNDFLT (1/04) to Contracts G-TDA-HH(XC/M) and G-TDA-HH(XC/S) and Contract Certificates GTCC-HH(XC/M) and GTCC-HH(XC/S)
- (4.29) Endorsement ENYSTINTM (9/04) to Contract G-TDA-HH(XC/M) and Contract Certificate GTCC-HH(XC/M)
- (4.30) Endorsement ENYSTINTS (9/04) to Contract G-TDA-HH(XC/S) and Contract Certificate GTCC-HH(XC/S)
- (4.31) Endorsement ENYSUTBEN 97 to Contracts G-TDA-HH(XC/M) and G-TDA-HH(XC/S) and Contract Certificate GTCC-HH(XC/S)
- (5.1) Variable Annuity Contract Application (300-GTD-NY(5/98)) • Incorporated by reference to Post-Effective Amendment No. 15 to Registration Statement on Form N-4 (File No. 33-75962), as filed on September 15, 1998.
- (5.2) Variable Annuity Contract Application (300-AD457-98(X)) to Contract GAGOV-98(NY) and Contract Certificate GAGOV-98(NY) • Incorporated by reference to Post-Effective Amendment No. 39 to Registration Statement on Form N-4 (File No. 33-75962), as filed on December 17, 2004.
- (6.1) Restated Certificate of Incorporation (amended and restated as of January 1, 2002) of ING Life Insurance and Annuity Company • Incorporated by reference to ING Life Insurance and Annuity Company Annual Report on Form 10-K (File No. 33-23376), as filed on March 28, 2002.
- (6.2) Amended and Restated By-Laws of ING Life Insurance and Annuity Company, effective January 1, 2005 • Incorporated by reference to the ILIAC 10-Q, as filed on May 13, 2005 (File No. 033-23376, Accession No. 0001047469-05-014783).
- (7) Not Applicable
- (8.1) Fund Participation Agreement dated June 30, 1998 by and among AIM Variable Insurance Funds, Inc., A I M Distributors, Inc. and Aetna Life Insurance and Annuity Company • Incorporated by reference to Pre-Effective Amendment No. 1 to Registration Statement on Form N-4 (File No. 333-56297), as filed on August 4, 1998.
- (8.2) Amendment No. 1 dated October 1, 2000 to Participation Agreement dated June 30, 1998 by and among AIM Variable Insurance Funds (formerly AIM Variable Insurance Funds, Inc.), A I M Distributors, Inc. and Aetna Life Insurance and Annuity Company • Incorporated by reference to Post-Effective Amendment No. 24 to Registration Statement on Form N-4 (File No. 333-01107), as filed on April 13, 2001.

- (8.3) First Amendment dated November 17, 2000 to Participation Agreement dated June 30, 1998 by and among AIM Variable Insurance Funds, (formerly AIM Variable Insurance Funds, Inc.), A I M Distributors, Inc. and Aetna Life Insurance and Annuity Company • Incorporated by reference to Post-Effective Amendment No. 24 to Registration Statement on Form N-4 (File No. 333-01107), as filed on April 13, 2001.
- (8.4) Amendment dated as of July 12, 2002 to Participation Agreement dated as of June 30, 1998, as amended on October 1, 2000 and November 17, 2000 by and among AIM Variable Insurance Funds, A I M Distributors, Inc., Aetna Life Insurance and Annuity Company and Aetna Investment Services, LLC • Incorporated by reference to Post-Effective Amendment No. 32 to Registration Statement on Form N-4 (File No. 33-75988), as filed on April 13, 2004.
- (8.5) Service Agreement effective June 30, 1998 between Aetna Life Insurance and Annuity Company and AIM Advisors, Inc. • Incorporated by reference to Pre-Effective Amendment No. 1 to Registration Statement on Form N-4 (File No. 333-56297), as filed on August 4, 1998.
- (8.6) First Amendment dated October 1, 2000 to the Service Agreement dated June 30, 1998 between Aetna Life Insurance and Annuity Company and AIM Advisors, Inc. • Incorporated by reference to Pre-Effective Amendment No. 1 to Registration Statement on Form N-4 (File No. 333-49176), as filed on November 30, 2000.
- (8.7) Fund Participation Agreement dated as of May 1, 1998 by and among Aetna Life Insurance and Annuity Company and Aetna Variable Fund, Aetna Variable Encore Fund, Aetna Income Shares, Aetna Balanced VP, Inc., Aetna GET Fund on behalf of each of its series, Aetna Generation Portfolios, Inc. on behalf of each of its series, Aetna Variable Portfolios, Inc. on behalf of each of its series and Aeltus Investment Management, Inc. • Incorporated by reference to Registration Statement on Form N-4 (File No. 333-56297), as filed on June 8, 1998.
- (8.8) Amendment dated November 9, 1998 to Fund Participation Agreement dated as of May 1, 1998 by and among Aetna Life Insurance and Annuity Company and Aetna Variable Fund, Aetna Variable Encore Fund, Aetna Income Shares, Aetna Balanced VP, Inc., Aetna GET Fund on behalf of each of its series, Aetna Generation Portfolios, Inc. on behalf of each of its series, Aetna Variable Portfolios, Inc. on behalf of each of its series, and Aeltus Investment Management, Inc. • Incorporated by reference to Post-Effective Amendment No. 2 to Registration Statement on Form N-4 (File No. 333-56297), as filed on December 14, 1998.

- (8.9) Second Amendment dated December 31, 1999 to Fund Participation Agreement dated as of May 1, 1998 and amended on November 9, 1998 by and among Aetna Life Insurance and Annuity Company and Aetna Variable Fund, Aetna Variable Encore Fund, Aetna Income Shares, Aetna Balanced VP, Inc., Aetna GET Fund on behalf of each of its series, Aetna Generation Portfolios, Inc. on behalf of each of its series, Aetna Variable Portfolios, Inc. on behalf of each of its series and Aeltus Investment Management, Inc. • Incorporated by reference to Post-Effective Amendment No. 19 to Registration Statement on Form N-4 (File No. 333-01107), as filed on February 16, 2000.
- (8.10) Third Amendment dated February 11, 2000 to Fund Participation Agreement dated as of May 1, 1998 and amended on November 9, 1998 and December 31, 1999 by and among Aetna Life Insurance and Annuity Company and Aetna Variable Fund, Aetna Variable Encore Fund, Aetna Income Shares, Aetna Balanced VP, Inc., Aetna GET Fund on behalf of each of its series, Aetna Generation Portfolios, Inc. on behalf of each of its series, Aetna Variable Portfolios, Inc. on behalf of each of its series, and Aeltus Investment Management, Inc. • Incorporated by reference to Post-Effective Amendment No. 20 to Registration Statement on Form N-4 (File No. 333-01107), as filed on April 4, 2000.
- (8.11) Fourth Amendment dated May 1, 2000 to Fund Participation Agreement dated as of May 1, 1998 and amended on November 9, 1998, December 31, 1999 and February 11, 2000 by and among Aetna Life Insurance and Annuity Company and Aetna Variable Fund, Aetna Variable Encore Fund, Aetna Income Shares, Aetna Balanced VP, Inc., Aetna GET Fund on behalf of each of its series, Aetna Generation Portfolios, Inc. on behalf of each of its series, Aetna Variable Portfolios, Inc. on behalf of each of its series, and Aeltus Investment Management, Inc. • Incorporated by reference to Post-Effective Amendment No. 20 to Registration Statement on Form N-4 (File No. 333-01107), as filed on April 4, 2000.
- (8.12) Fifth Amendment dated February 27, 2001 to Fund Participation Agreement dated as of May 1, 1998 and amended on November 9, 1998, December 31, 1999, February 11, 2000 and May 1, 2000 by and among Aetna Life Insurance and Annuity Company and Aetna Variable Fund, Aetna Variable Encore Fund, Aetna Income Shares, Aetna Balanced VP, Inc., Aetna GET Fund on behalf of each of its series, Aetna Generation Portfolios, Inc. on behalf of each of its series, Aetna Variable Portfolios, Inc. on behalf of each of its series, and Aeltus Investment Management, Inc. • Incorporated by reference to Post-Effective Amendment No. 24 to Registration Statement on Form N-4 (File No. 333-01107), as filed on April 13, 2001.

- (8.13) Sixth Amendment dated June 19, 2001 to Fund Participation Agreement dated as of May 1, 1998 and amended on November 9, 1998, December 31, 1999, February 11, 2000, May 1, 2000 and February 27, 2001 among Aetna Life Insurance and Annuity Company, Aeltus Investment Management, Inc. and Aetna Variable Fund, Aetna Variable Encore Fund, Aetna Income Shares, Aetna Balanced VP, Inc., Aetna GET Fund on behalf of each of its series, Aetna Generation Portfolios, Inc. on behalf of each of its series, and Aetna Variable Portfolios, Inc. on behalf of each of its series • Incorporated by reference to Post-Effective Amendment No. 32 to Registration Statement on Form N-4 (File No. 33-75988), as filed on April 13, 2004.
- (8.14) Service Agreement effective as of May 1, 1998 between Aeltus Investment Management, Inc. and Aetna Life Insurance and Annuity Company in connection with the sale of shares of Aetna Variable Fund, Aetna Variable Encore Fund, Aetna Income Shares, Aetna Balanced VP, Inc., Aetna GET Fund on behalf of each of its series, Aetna Generation Portfolios, Inc. on behalf of each of its series, and Aetna Variable Portfolios, Inc. on behalf of each of its series • Incorporated by reference to Registration Statement on Form N-4 (File No. 333-56297), as filed on June 8, 1998.
- (8.15) Amendment dated November 4, 1998 and effective as of October 15, 1998 to Service Agreement effective as of May 1, 1998 between Aeltus Investment Management, Inc. and Aetna Life Insurance and Annuity Company in connection with the sale of shares of Aetna Variable Fund, Aetna Variable Encore Fund, Aetna Income Shares, Aetna Balanced VP, Inc., Aetna GET Fund on behalf of each of its series, Aetna Generation Portfolios, Inc. on behalf of each of its series, and Aetna Variable Portfolios, Inc. on behalf of each of its series • Incorporated by reference to Post-Effective Amendment No. 2 to Registration Statement on Form N-4 (File No. 333-56297), as filed on December 14, 1998.
- (8.16) Second Amendment dated February 11, 2000 to Service Agreement effective as of May 1, 1998 and amended on November 4, 1998 between Aeltus Investment Management, Inc. and Aetna Life Insurance and Annuity Company in connection with the sale of shares of Aetna Variable Fund, Aetna Variable Encore Fund, Aetna Income Shares, Aetna Balanced VP, Inc., Aetna GET Fund on behalf of each of its series, Aetna Generation Portfolios, Inc. on behalf of each of its series and Aetna Variable Portfolios, Inc. on behalf of each of its series • Incorporated by reference to Post-Effective Amendment No. 20 to Registration Statement on Form N-4 (File No. 333-01107), as filed on April 4, 2000.

- (8.17) Third Amendment dated May 1, 2000 to Service Agreement effective as of May 1, 1998 and amended on November 4, 1998 and February 11, 2000 between Aeltus Investment Management, Inc. and Aetna Life Insurance and Annuity Company in connection with the sale of shares of Aetna Variable Fund, Aetna Variable Encore Fund, Aetna Income Shares, Aetna Balanced VP, Inc., Aetna GET Fund on behalf of each of its series, Aetna Generation Portfolios, Inc. on behalf of each of its series and Aetna Variable Portfolios, Inc. on behalf of each of its series • Incorporated by reference to Post-Effective Amendment No. 20 to Registration Statement on Form N-4 (File No. 333-01107), as filed on April 4, 2000.
- (8.18) Fourth Amendment dated as of June 26, 2001 to Service Agreement with Investment Advisor effective as of May 1, 1998, as amended on November 4, 1998, February 11, 2000 and May 1, 2000 between Aeltus Investment Management, Inc. and Aetna Life Insurance and Annuity Company in connection with the sale of shares of Aetna Variable Fund, Aetna Variable Encore Fund, Aetna Income Shares, Aetna Balanced VP, Inc., Aetna GET Fund on behalf of each of its series, Aetna Generation Portfolios, Inc. on behalf of each of its series and Aetna Variable Portfolios, Inc. on behalf of each of its series • Incorporated by reference to Post-Effective Amendment No. 32 to Registration Statement on Form N-4 (File No. 33-75988), as filed on April 13, 2004.
- (8.19) Fund Participation Agreement dated December 1, 1997 among Calvert Responsibly Invested Balanced Portfolio, Calvert Asset Management Company, Inc. and Aetna Life Insurance and Annuity Company • Incorporated by reference to Post-Effective Amendment No. 8 to Registration Statement on Form N-4 (File No. 333-01107), as filed on February 19, 1998.
- (8.20) Service Agreement dated December 1, 1997 between Calvert Asset Management Company, Inc. and Aetna Life Insurance and Annuity Company • Incorporated by reference to Post-Effective Amendment No. 8 to Registration Statement on Form N-4 (File No. 333-01107), as filed on February 19, 1998.
- (8.21) Fund Participation Agreement dated February 1, 1994 and amended on December 15, 1994, February 1, 1995, May 1, 1995, January 1, 1996 and March 1, 1996 between Aetna Life Insurance and Annuity Company, Variable Insurance Products Fund and Fidelity Distributors Corporation • Incorporated by reference to Post-Effective Amendment No. 12 to Registration Statement on Form N-4 (File No. 33-75964), as filed on February 11, 1997.
- (8.22) Fifth Amendment dated as of May 1, 1997 to the Fund Participation Agreement dated February 1, 1994 and amended on December 15, 1994, February 1, 1995, May 1, 1995, January 1, 1996 and March 1, 1996 between Aetna Life Insurance and Annuity Company, Variable Insurance Products Fund and Fidelity Distributors Corporation • Incorporated by reference to Post-Effective Amendment No. 30 to Registration Statement on Form N-4 (File No. 33-34370), as filed on September 29, 1997.

- (8.23) Sixth Amendment dated as of November 6, 1997 to the Fund Participation Agreement dated February 1, 1994 and amended on December 15, 1994, February 1, 1995, May 1, 1995, January 1, 1996, March 1, 1996 and May 1, 1997 between Aetna Life Insurance and Annuity Company, Variable Insurance Products Fund and Fidelity Distributors Corporation • Incorporated by reference to Post-Effective Amendment No. 16 to Registration Statement on Form N-4 (File No. 33-75964), as filed on February 9, 1998.
- (8.24) Seventh Amendment dated as of May 1, 1998 to the Fund Participation Agreement dated February 1, 1994 and amended on December 15, 1994, February 1, 1995, May 1, 1995, January 1, 1996, March 1, 1996, May 1, 1997 and November 6, 1997 between Aetna Life Insurance and Annuity Company, Variable Insurance Products Fund and Fidelity Distributors Corporation • Incorporated by reference to Registration Statement on Form N-4 (File No. 333-56297), as filed on June 8, 1998.
- (8.25) Eighth Amendment dated as of December 1, 1999 to the Fund Participation Agreement dated February 1, 1994 and amended on December 15, 1994, February 1, 1995, May 1, 1995, January 1, 1996, March 1, 1996, May 1, 1997, November 6, 1997 and May 1, 1998 between Aetna Life Insurance and Annuity Company, Variable Insurance Products Fund and Fidelity Distributors Corporation • Incorporated by reference to Post-Effective Amendment No. 19 to Registration Statement on Form N-4 (File No. 333-01107), as filed on February 16, 2000.
- (8.26) Fund Participation Agreement dated February 1, 1994 and amended on December 15, 1994, February 1, 1995, May 1, 1995, January 1, 1996 and March 1, 1996 between Aetna Life Insurance and Annuity Company, Variable Insurance Products Fund II and Fidelity Distributors Corporation • Incorporated by reference to Post-Effective Amendment No. 12 to Registration Statement on Form N-4 (File No. 33-75964), as filed on February 11, 1997.
- (8.27) Fifth Amendment dated as of May 1, 1997 to the Fund Participation Agreement dated February 1, 1994 and amended on December 15, 1994, February 1, 1995, May 1, 1995, January 1, 1996 and March 1, 1996 between Aetna Life Insurance and Annuity Company, Variable Insurance Products Fund II and Fidelity Distributors Corporation • Incorporated by reference to Post-Effective Amendment No. 30 to Registration Statement on Form N-4 (File No. 33-34370), as filed on September 29, 1997.
- (8.28) Sixth Amendment dated as of January 20, 1998 to the Fund Participation Agreement dated February 1, 1994 and amended on December 15, 1994, February 1, 1995, May 1, 1995, January 1, 1996, March 1, 1996 and May 1, 1997 between Aetna Life Insurance and Annuity Company, Variable Insurance Products Fund II and Fidelity Distributors Corporation • Incorporated by reference to Post-Effective Amendment No. 7 to Registration Statement on Form S-6 (File No. 33-75248), as filed on February 24, 1998.



- (8.29) Seventh Amendment dated as of May 1, 1998 to the Fund Participation Agreement dated February 1, 1994 and amended on December 15, 1994, February 1, 1995, May 1, 1995, January 1, 1996, March 1, 1996, May 1, 1997 and January 20, 1998 between Aetna Life Insurance and Annuity Company, Variable Insurance Products Fund II and Fidelity Distributors Corporation • Incorporated by reference to Registration Statement on Form N-4 (File No. 333-56297), as filed on June 8, 1998.
- (8.30) Eighth Amendment dated December 1, 1999 to Fund Participation Agreement dated February 1, 1994 and amended on December 15, 1994, February 1, 1995, May 1, 1995, January 1, 1996, March 1, 1996, May 1, 1997, January 20, 1998 and May 1, 1998 between Aetna Life Insurance and Annuity Company, Variable Insurance Products Fund II and Fidelity Distributors Corporation • Incorporated by reference to Post-Effective Amendment No. 19 to Registration Statement on Form N-4 (File No. 333-01107), as filed on February 16, 2000.
- (8.31) Service Agreement effective as of June 1, 2002 by and between Fidelity Investments Institutional Operations Company, Inc. and ING Financial Advisers, LLC • Incorporated by reference to Post-Effective Amendment No. 33 to Registration Statement on Form N-4 (File No. 33-75988), as filed on August 5, 2004.
- (8.32) Service Contract effective as of June 1, 2002 and amended on June 20, 2003 by and between Directed Services, Inc., ING Financial Advisers, LLC, and Fidelity Distributors Corporation • Incorporated by reference to Post-Effective Amendment No. 33 to Registration Statement on Form N-4 (File No. 33-75988), as filed on August 5, 2004.
- (8.33) First Amendment effective April 1, 2005 to Service Contract between Fidelity Distributors Corporation and ING Financial Advisers, Inc. dated June 1, 2002 and amended on June 20, 2003 • Incorporated by reference to Post-Effective Amendment No. 47 to Registration Statement on Form N-4 (File No. 33-75962), as filed on November 21, 2006.
- (8.34) Second Amendment effective April 1, 2006 to Service Contract between Fidelity Distributors Corporation and ING Financial Advisers, Inc. dated June 1, 2002 and amended on June 20, 2003 and April 1, 2005 • Incorporated by reference to Post-Effective Amendment No. 47 to Registration Statement on Form N-4 (File No. 33-75962), as filed on November 21, 2006.
- (8.35) Participation Agreement dated as of July 20, 2001 by and among Franklin Templeton Variable Insurance Products Trust, Franklin Templeton Distributors, Inc. and Aetna Life Insurance and Annuity Company • Incorporated by reference to Post-Effective Amendment No. 27 to Registration Statement on Form N-4 (File No. 333-01107), as filed on October 26, 2001.
- (8.36) Amendment dated as of January 2, 2002 to Participation Agreement dated as of July 20, 2001 by and among Franklin Templeton Variable Insurance Products Trust, Franklin Templeton Distributors, Inc., Aetna Life Insurance and Annuity Company, Aetna Insurance Company of America, Golden American Life Insurance Company and Direct Services, Inc. • Incorporated by reference to Post-Effective Amendment No. 30 to Registration Statement on Form N-4 (File No. 333-01107), as filed on April 10, 2002.

- (8.37) Second Amendment dated as of December 10, 2003 to Participation Agreement dated as of July 20, 2001 and as amended on January 2, 2002 by and among Franklin Templeton Variable Insurance Products Trust, Franklin Templeton Distributors, Inc., ING Life Insurance and Annuity Company, ING Insurance Company of America, Golden American Life Insurance Company and Direct Services, Inc. • Incorporated by reference to Post-Effective Amendment No. 32 to Registration Statement on Form N-4 (File No. 33-75988), as filed on April 13, 2004.
- (8.38) Third Amendment dated May 3, 2004 to Participation Agreement dated as of July 20, 2001 and as amended on January 2, 2002 and December 10, 2003 by and among Franklin Templeton Variable Insurance Products Trust, Franklin Templeton Distributors, Inc., ING Life Insurance and Annuity Company, ING Insurance Company of America, Golden American Life Insurance Company and Direct Services, Inc. and Reliastar Life Insurance Company • Incorporated by reference to Post-Effective Amendment No. 30 to Registration Statement on Form N-4 (File No. 33-81216), as filed on April 12, 2005.
- (8.39) Amended and Restated Administrative Services Agreement executed as of October 3, 2005, between Franklin Templeton Services, LLC, ING Life Insurance and Annuity Company, ING Insurance Company of America, ING USA Annuity and Life Insurance Company and ReliaStar Life Insurance Company • Incorporated by reference to Post-Effective Amendment No. 32 to Registration Statement on Form N-4 (File No. 33-81216), as filed on April 11, 2006.
- (8.40) Participation Agreement dated April 30, 2003 among ING Life Insurance and Annuity Company, The GCG Trust (renamed effective May 1, 2003, ING Investors Trust) and Directed Services, Inc. • Incorporated by reference to Post-Effective Amendment No. 54 to Registration Statement on Form N-1A (File No. 33-23512), as filed on August 1, 2003.
- (8.41) Amendment dated October 9, 2006 to the Participation Agreement dated April 30, 2003 among ING Life Insurance and Annuity Company, ING Investors Trust and Directed Services, Inc. • Incorporated by reference to Post-Effective Amendment No. 47 to Registration Statement on Form N-4 (File No. 33-75962), as filed on November 21, 2006.
- (8.42) Fund Participation Agreement dated as of July 20, 2001 between Lord Abbett Series Fund, Inc. and Aetna Life Insurance and Annuity Company • Incorporated by reference to Post-Effective Amendment No. 27 to Registration Statement on Form N-4 (File No. 333-01107), as filed on October 26, 2001.
- (8.43) Service Agreement dated as of July 20, 2001 between Lord Abbett & Co. and Aetna Life Insurance and Annuity Company • Incorporated by reference to Post-Effective Amendment No. 27 to Registration Statement on Form N-4 (File No. 333-01107), as filed on October 26, 2001.

- (8.44) Fund Participation Agreement made and entered into as of April 30, 1996, and amended on September 3, 1996, March 14, 1997 and November 28, 1997 by and among MFS Variable Insurance Trust, Aetna Life Insurance and Annuity Company and Massachusetts Financial Services Company • Incorporated by reference to Registration Statement on Form N-4 (File No. 333-56297), as filed on June 8, 1998.
- (8.45) Fourth Amendment dated May 1, 1998 to the Fund Participation Agreement dated April 30, 1996 and amended on September 3, 1996, March 14, 1997 and November 28, 1997 by and among MFS Variable Insurance Trust, Aetna Life Insurance and Annuity Company and Massachusetts Financial Services Company • Incorporated by reference to Pre-Effective Amendment No. 1 to Registration Statement on Form N-4 (File No. 333-56297), as filed on August 4, 1998.
- (8.46) Fifth Amendment dated May 1, 1998 to the Fund Participation Agreement dated April 30, 1996 and amended on September 3, 1996, March 14, 1997 and November 28, 1997 by and among MFS Variable Insurance Trust, Aetna Life Insurance and Annuity Company and Massachusetts Financial Services Company • Incorporated by reference to Post-Effective Amendment No. 4 to Registration Statement on Form N-4 (File No. 333-56297), as filed on February 16, 1999.
- (8.47) Fifth Amendment dated July 1, 1999 to the Fund Participation Agreement dated April 30, 1996 and amended on September 3, 1996, March 14, 1997, November 28, 1997 and May 1, 1998 by and among MFS Variable Insurance Trust, Aetna Life Insurance and Annuity Company and Massachusetts Financial Services Company • Incorporated by reference to Post-Effective Amendment No. 11 to Registration Statement on Form N-4 (File No. 333-56297), as filed on November 23, 1999.
- (8.48) Sixth Amendment dated November 17, 2000 to the Fund Participation Agreement dated April 30, 1996 and amended on September 3, 1996, March 14, 1997, November 28, 1997, May 1, 1998 and July 1, 1999 by and among MFS Variable Insurance Trust, Aetna Life Insurance and Annuity Company and Massachusetts Financial Services Company • Incorporated by reference to Pre-Effective Amendment No. 1 to Registration Statement on Form N-4 (File No. 333-49176), as filed on November 30, 2000.
- (8.49) Fund Participation Agreement dated as of May 1, 2001 among Pilgrim Variable Products Trust, Aetna Life Insurance and Annuity Company and ING Pilgrim Securities, Inc. • Incorporated by reference to Post-Effective Amendment No. 26 to Registration Statement on Form N-4 (File No. 333-01107), as filed on July 13, 2001.
- (8.50) Amendment dated August 30, 2002 between ING Life Insurance and Annuity Company, ING Variable Products Trust (formerly known as Pilgrim Variable Products Trust) and ING Funds Distributor to Fund Participation Agreement dated May 1, 2001 • Incorporated by reference to Post-Effective Amendment No. 28 to Registration Statement on Form N-4 (File No. 33-75988), as filed on April 10, 2003.

- (8.51) Administrative and Shareholder Services Agreement dated April 1, 2001 between ING Funds Services, LLC and ING Life Insurance and Annuity Company (Administrator for ING Variable Products Trust) • Incorporated by reference to Post-Effective Amendment No. 28 to Registration Statement on Form N-4 (File No. 33-75988), as filed on April 10, 2003.
- (8.52) Fund Participation Agreement dated as of July 1, 2001 between Pioneer Variable Contracts Trust and Aetna Life Insurance and Annuity Company • Incorporated by reference to Post-Effective Amendment No. 27 to Registration Statement on Form N-4 (File No. 333-01107), as filed on October 26, 2001.
- (8.53) Amendment dated May 1, 2004 to Fund Participation Agreement dated as of July 1, 2001 between Pioneer Variable Contracts Trust and Aetna Life Insurance and Annuity Company • Incorporated by reference to Post-Effective Amendment No. 40 to Registration Statement on Form N-4 (File No. 33-75962), as filed on April 13, 2005.
- (8.54) Participation Agreement dated as of November 28, 2001 among Portfolio Partners, Inc., Aetna Life Insurance and Annuity Company and Aetna Investment Services, LLC • Incorporated by reference to Post-Effective Amendment No. 30 to Registration Statement on Form N-4 (File No. 33-75962), as filed on April 8, 2002.
- (8.55) Amendment dated March 5, 2002 between Portfolio Partners, Inc. (to be renamed ING Partners, Inc. effective May 1, 2002), Aetna Life Insurance and Annuity Company (to be renamed ING Life Insurance and Annuity Company effective May 1, 2002) and Aetna Investment Services, LLC (to be renamed ING Financial Advisers, LLC) to Participation Agreement dated November 28, 2001 • Incorporated by reference to Post-Effective Amendment No. 30 to Registration Statement on Form N-4 (File No. 33-75962), as filed on April 8, 2002.
- (8.56) Amendment dated May 1, 2003 between ING Partners, Inc., ING Life Insurance and Annuity Company and ING Financial Advisers, LLC to the Participation Agreement dated as of November 28, 2001 and subsequently amended on March 5, 2002 • Incorporated by reference to Post-Effective Amendment No. 28 to Registration Statement on Form N-4 (File No. 33-75988), as filed on April 10, 2003.
- (8.57) Amendment dated November 1, 2004 to the Participation Agreement between ING Partners, Inc., ING Life Insurance and Annuity Company and ING Financial Advisers, LLC dated as of November 28, 2001 and subsequently amended on March 5, 2002 and May 1, 2003 • Incorporated by reference to Post-Effective Amendment No. 20 to Registration Statement on Form N-1A (File No. 333-32575), as filed on April 1, 2005.
- (8.58) Amendment dated April 29, 2005 to the Participation Agreement between ING Partners, Inc., ING Life Insurance and Annuity Company and ING Financial Advisers, LLC dated as of November 28, 2001 and subsequently amended on March 5, 2002, May 1, 2003 and November 1, 2004 • Incorporated by reference to Post-Effective Amendment No. 32 to Registration Statement on Form N-4 (File No. 33-81216), as filed on April 11, 2006.

- (8.59) Amendment dated August 31, 2005 to the Participation Agreement between ING Partners, Inc., ING Life Insurance and Annuity Company and ING Financial Advisers, LLC dated November 28, 2001 and subsequently amended on March 5, 2002, May 1, 2003, November 1, 2004 and April 29, 2005 • Incorporated by reference to Post-Effective Amendment No. 32 to Registration Statement on Form N-4 (File No. 33-81216), as filed on April 11, 2006.
- (8.60) Amendment dated December 7, 2005 to the Participation Agreement between ING Partners, Inc., ING Life Insurance and Annuity Company and ING Financial Advisers, LLC dated as of November 28, 2001 and subsequently amended on March 5, 2002, May 1, 2003, November 1, 2004, April 29, 2005, and August 31, 2005 • Incorporated by reference to Post-Effective Amendment No. 32 to Registration Statement on Form N-4 (File No. 33-81216), as filed on April 11, 2006.
- (8.61) Amendment dated April 28, 2006 to the Participation Agreement between ING Partners, Inc., ING Life Insurance and Annuity Company and ING Financial Advisers, LLC dated as of November 28, 2001 and subsequently amended on March 5, 2002, May 1, 2003, November 1, 2004, April 29, 2005, August 31, 2005 and December 7, 2005 • Incorporated by reference to Registration Statement on Form N-4 (File No. 333-134760), as filed on June 6, 2006.
- (8.62) Shareholder Servicing Agreement (Service Class Shares) dated as of November 27, 2001 between Portfolio Partners, Inc. and Aetna Life Insurance and Annuity Company • Incorporated by reference to Post-Effective Amendment No. 30 to Registration Statement on Form N-4 (File No. 33-75962), as filed on April 8, 2002.
- (8.63) Amendment dated March 5, 2002 between Portfolio Partners, Inc. (to be renamed ING Partners, Inc. effective May 1, 2002) and Aetna Life Insurance and Annuity Company (to be renamed ING Life Insurance and Annuity Company effective May 1, 2002) to the Shareholder Servicing Agreement dated November 27, 2001 • Incorporated by reference to Post-Effective Amendment No. 30 to Registration Statement on Form N-4 (File No. 33-75962), as filed on April 8, 2002.
- (8.64) Amendment dated May 1, 2003 to the Shareholder Servicing Agreement (Service Class Shares) by and between ING Partners, Inc. and ING Life Insurance and Annuity Company dated November 27, 2001, as amended on March 5, 2002 • Incorporated by reference to Post-Effective Amendment No. 28 to Registration Statement on Form N-4 (File No. 33-75988), as filed on April 10, 2003.
- (8.65) Amendment dated November 1, 2004 to the Shareholder Servicing Agreement (Service Class Shares) by and between ING Partners, Inc. and ING Life Insurance and Annuity Company dated November 27, 2001, as amended on March 5, 2002 and May 1, 2003 • Incorporated by reference to Initial Registration Statement on Form N-4 (File No. 333-134760), as filed on June 6, 2006.

- (8.66) Amendment dated April 29, 2005 to the Shareholder Servicing Agreement (Service Class Shares) by and between ING Partners, Inc. and ING Life Insurance and Annuity Company dated November 27, 2001, and amended on March 5, 2002, May 1, 2003 and November 1, 2004 • Incorporated by reference to Post-Effective Amendment No. 32 to Registration Statement on Form N-4 (File No. 33-81216), as filed on April 11, 2006.
- (8.67) Amendment dated December 7, 2005 to the Shareholder Servicing Agreement (Service Class Shares) by and between ING Partners, Inc. and ING Life Insurance and Annuity Company dated November 27, 2001, and amended on March 5, 2002, May 1, 2003, November 1, 2004 and April 29, 2005 • Incorporated by reference to Initial Registration Statement on Form N-4 (File No. 333-134760), as filed on June 6, 2006.
- (8.68) Amendment dated April 28, 2006 to the Shareholder Servicing Agreement (Service Class Shares) by and between ING Partners, Inc. and ING Life Insurance and Annuity Company dated November 27, 2001, and amended on March 5, 2002, May 1, 2003, November 1, 2004, April 29, 2005 and December 7, 2005 • Incorporated by reference to Registration Statement on Form N-4 (File No. 333-134760), as filed on June 6, 2006.
- (8.69) (Retail) Fund Participation Agreement dated as of July 1, 2000 between Aetna Life Insurance and Annuity Company, American Century Services Corporation and American Century Investment Services, Inc. • Incorporated by reference to Post-Effective Amendment No. 23 to Registration Statement on Form N-4 (File No. 333-01107), as filed on December 13, 2000.
- (8.70) (Retail) Amendment No. 1 effective November 7, 2003 to Fund Participation Agreement dated as of July 1, 2000 between ING Life Insurance and Annuity Company and American Century Investment Services, Inc. • Incorporated by reference to Post-Effective Amendment No. 37 to Registration Statement on Form N-4 (File No. 33-75962), as filed on April 13, 2004.
- (8.71) (Retail) Amendment No. 2 effective October 1, 2004 to Fund Participation Agreement between ING Life Insurance and Annuity Company and American Century Investment Services
- (8.72) (Retail) Selling and Services Agreement dated July 1, 2000 by and among Aetna Investment Services, Inc., Aetna Life Insurance and Annuity Company and American Century Investment Services
- (8.73) (Retail) Amendment No. 1 effective November 7, 2003 to the Selling and Services Agreement dated July 1, 2000 by and among ING Financial Advisers, LLC (formerly known as Aetna Investment Services, Inc.), ING Life Insurance and Annuity Company (formerly known as Aetna Life Insurance and Annuity Company) and American Century Investment Services, Inc.
- (8.74) (Retail) Amendment No. 2 effective October 1, 2004 to the Selling and Services Agreement dated July 1, 2000 and amended on November 7, 2003 by and among ING Financial Advisers, LLC (formerly known as Aetna Investment Services, Inc.), ING Life Insurance and Annuity Company (formerly known as Aetna Life Insurance and Annuity Company) and American Century Investment Services, Inc.

- (8.75) (Retail) Participation Agreement dated as of January 1, 2003 by and among ING Life Insurance and Annuity Company, ReliaStar Life Insurance Company, ReliaStar Life Insurance Company of New York, American Funds Distributors, Inc. and American Funds Service Company • Incorporated by reference to Post-Effective Amendment No. 42 to Registration Statement on Form N-4 (File No. 333-01107), as filed on December 16, 2005.
- (8.76) (Retail) First Amendment is made and entered into as of January 3, 2006 to the Participation Agreement by and among ING Life Insurance and Annuity Company, ReliaStar Life Insurance Company, ReliaStar Life Insurance Company of New York, American Funds Distributors, Inc. and American Funds Service Company dated January 1, 2003 • Incorporated by reference to Post-Effective Amendment No. 47 to Registration Statement on Form N-4 (File No. 33-75962), as filed on November 21, 2006.
- (8.77) (Retail) Selling Group Agreement among American Funds Distributors, Inc. and Aetna Investment Services, Inc. dated June 30, 2000 • Incorporated by reference to Post-Effective Amendment No. 42 to Registration Statement on Form N-4 (File No. 333-01107), as filed on December 16, 2005.
- (8.78) (Retail) Supplemental Selling Group Agreement by and among American Funds Distributors, Inc. and Aetna Investment Services, Inc. dated June 30, 2000 • Incorporated by reference to Post-Effective Amendment No. 42 to Registration Statement on Form N-4 (File No. 333-01107), as filed on December 16, 2005.
- (8.79) (Retail) Omnibus addendum (R shares) dated February 6, 2004 to the Selling Group Agreement dated June 30, 2000 and effective January 1, 2003 between American Funds Distributors, Inc. and ING Financial Advisers, LLC • Incorporated by reference to Post-Effective Amendment No. 42 to Registration Statement on Form N-4 (File No. 333-01107), as filed on December 16, 2005.
- (8.80) (Retail) Fund Participation Agreement dated August 15, 2000 between Oppenheimer and Aetna Life Insurance and Annuity Company • Incorporated by reference to Post-Effective Amendment No. 23 to Registration Statement on Form N-4 (File No. 333-01107), as filed on December 13, 2000.
- (8.81) (Retail) Fund Participation Agreement dated as of August 8, 2000 by and between PAX World Balanced Fund, Inc. and Aetna Life Insurance and Annuity Company • Incorporated by reference to Post-Effective Amendment No. 23 to Registration Statement on Form N-4 (File No. 333-01107), as filed on December 13, 2000.
- (8.82) (Retail) Fund Participation Agreement dated as of August 15, 2000 by and between Federated Services Company, Federated Distributors, Wachovia Bank, NA and Aetna Life Insurance and Annuity Company • Incorporated by reference to Post-Effective Amendment No. 23 to Registration Statement on Form N-4 (File No. 333-01107), as filed on December 13, 2000.

- (8.83) (Retail) Shareholder Services Agreement dated October 4, 1999 between Federated Administrative Services for the Wachovia Funds and the Wachovia Municipal Funds and Aetna Investment Services, Inc. • Incorporated by reference to Post-Effective Amendment No. 23 to Registration Statement on Form N-4 (File No. 333-01107), as filed on December 13, 2000.
- (8.84) Form of Rule 22c-2 Agreement dated \_\_\_\_\_, 2007 and effective on October 16, 2007
- (9) Opinion and Consent of Counsel
- (10) Consent of Independent Registered Public Accounting Firm
- (11) Not applicable
- (12) Not applicable
- (13.1) Powers of Attorney
- (13.2) Authorization for Signatures • Incorporated by reference to Post-Effective Amendment No. 5 to Registration Statement on Form N-4 (File No. 33-75986), as filed on April 12, 1996.



Item 25. Directors and Officers of the Depositor\*

<u>Name and Principal Business Address</u>	<u>Positions and Offices with Depositor</u>
Thomas J. McInerney <sup>1</sup>	Director and Chairman
Kathleen A. Murphy <sup>1</sup>	Director
Catherine H. Smith <sup>1</sup>	Director and Senior Vice President
Robert W. Crispin <sup>3</sup>	Director
David A. Wheat <sup>2</sup>	Director, Executive Vice President and Chief Financial Officer
Brian D. Comer <sup>1</sup>	President
Steven T. Pierson <sup>2</sup>	Senior Vice President and Chief Accounting Officer
Sue A. Collins <sup>1</sup>	Senior Vice President, Chief Actuary and Appointed Actuary
Boyd G. Combs <sup>2</sup>	Senior Vice President, Tax
Shaun P. Mathews <sup>1</sup>	Senior Vice President
David S. Pendergrass <sup>2</sup>	Senior Vice President and Treasurer
Stephen J. Preston <sup>4</sup>	Senior Vice President
Harry N. Stout <sup>4</sup>	Senior Vice President
Christopher Abreu <sup>1</sup>	Vice President and Actuary
Louis E Bachetti 581 Main Street, 4th Fl. Woodbridge, NJ 07095	Vice President
Pamela Mulvey Barcia <sup>1</sup>	Vice President
Ronald R. Barhorst <sup>1</sup>	Vice President
Jeoffrey A. Block <sup>5</sup>	Vice President
Ira S. Braunstein <sup>2</sup>	Vice President, Investments

Mary A. Broesch <sup>4</sup>	Vice President and Actuary
Kevin P. Brown <sup>1</sup>	Vice President
Robert P. Browne <sup>2</sup>	Vice President, Investments
Anthony V. Camp <sup>1</sup>	Vice President
Bruce Campbell <sup>1</sup>	Vice President and Actuary
Mary K. Carey-Reid <sup>1</sup>	Vice President
Virginia E. Carman <sup>1</sup>	Vice President
Kevin L. Christensen <sup>5</sup>	Vice President
Andrew C. Chua <sup>6</sup>	Vice President
Nancy D. Clifford <sup>1</sup>	Vice President
Dianne Clous <sup>1</sup>	Vice President
Patricia M. Corbett <sup>5</sup>	Vice President
Kimberly Curley <sup>6</sup>	Vice President and Actuary
Karen Czizik <sup>6</sup>	Vice President
J. Randolph Dobo <sup>6</sup>	Vice President
Michael C. Eldredge <sup>1</sup>	Vice President
Joseph Elmy <sup>2</sup>	Vice President, Tax
Patricia L. Engelhardt <sup>1</sup>	Vice President
Shari A. Enger <sup>4</sup>	Vice President
William A. Evans <sup>1</sup>	Vice President
Ronald E. Falkner <sup>1</sup>	Vice President
Daniel J. Foley 259 N Radnor-Chester Rd., Suite 205 Radnor, PA 19087	Vice President, Investments
John P. Foley <sup>2</sup>	Vice President, Investments
Stephen E. Gallant <sup>2</sup>	Vice President, Investments

Robert A. Garrey <sup>1</sup>	Vice President
Lisa S. Gilarde <sup>1</sup>	Vice President
Brian K. Haendiges <sup>1</sup>	Vice President
Steven J. Haun <sup>5</sup>	Vice President
June P. Howard <sup>2</sup>	Vice President
William S. Jasien <sup>7</sup>	Vice President
David A. Kelsey <sup>1</sup>	Vice President
Bart D. A. Kollen <sup>1</sup>	Vice President
Kenneth E. Lacy <sup>2</sup>	Vice President
Richard K. Lau <sup>4</sup>	Vice President and Actuary
Frederick C. Litow <sup>2</sup>	Vice President
Laurie A. Lombardo <sup>1</sup>	Vice President
William L. Lowe <sup>1</sup>	Vice President
Alan S. Lurty <sup>4</sup>	Vice President
Christopher P. Lyons <sup>2</sup>	Vice President, Investments
Barbara L. March <sup>1</sup>	Vice President
Richard T. Mason 440 S. Warren St., Suite 300/702 Syracuse NY 13202	Vice President
Gregory G. McGreevey <sup>2</sup>	Vice President, Investments
Gregory R. Michaud <sup>2</sup>	Vice President, Investments
Gregory J. Miller <sup>1</sup>	Vice President
Maurice M. Moore <sup>2</sup>	Vice President, Investments
Brian J. Murphy <sup>1</sup>	Vice President
Michael J. Murphy <sup>4</sup>	Vice President
Todd E. Nevenhoven <sup>5</sup>	Vice President

Joseph M. O'Donnell <sup>8</sup>	Vice President
Dawn M. Peck <sup>2</sup>	Vice President, Assistant Treasurer and Assistant Secretary
Ethel Pippen <sup>1</sup>	Vice President
Deborah J. Prickett <sup>5</sup>	Vice President
Srinivas D. Reddy <sup>1</sup>	Vice President
Robert A. Richard <sup>1</sup>	Vice President
Linda E. Senker <sup>4</sup>	Vice President
Libby J. Soong <sup>1</sup>	Vice President and Chief Compliance Officer
Carl Steinhilber <sup>1</sup>	Vice President
Sandra L. Stokley <sup>5</sup>	Vice President
Alice Su <sup>4</sup>	Vice President and Actuary
Laurie M. Tillinghast <sup>1</sup>	Vice President
William J. Wagner <sup>6</sup>	Vice President, Investments
Kurt W. Wassenar <sup>2</sup>	Vice President, Investments
Christopher R. Welp <sup>5</sup>	Vice President
Paul L. Zemsky <sup>3</sup>	Vice President, Investments
Matthew L. Condos <sup>1</sup>	Actuary
William H. Leslie <sup>1</sup>	Actuary
Cheryl A. Poulin <sup>1</sup>	Actuary
Joy M. Benner <sup>9</sup>	Secretary
Jane A. Boyle <sup>1</sup>	Assistant Secretary
Diana R. Cavender <sup>9</sup>	Assistant Secretary
Linda H. Freitag <sup>2</sup>	Assistant Secretary
Daniel F. Hinkel <sup>2</sup>	Assistant Secretary

William H. Hope, III <sup>2</sup>	Assistant Secretary
Joseph D. Horan <sup>2</sup>	Assistant Secretary
Megan A. Huddleston <sup>1</sup>	Assistant Secretary
Rita J. Kummer <sup>2</sup>	Assistant Secretary
James M. May, III <sup>2</sup>	Assistant Secretary
Randall K. Price <sup>9</sup>	Assistant Secretary
Carol A. Semplice <sup>1</sup>	Assistant Secretary
James A. Shuchart <sup>4</sup>	Assistant Secretary
Patricia M. Smith <sup>1</sup>	Assistant Secretary
Edwina P. J. Steffer <sup>9</sup>	Assistant Secretary
John F. Todd <sup>1</sup>	Assistant Secretary
Susan M. Vega <sup>9</sup>	Assistant Secretary
Diane I. Yell <sup>10</sup>	Assistant Secretary
Glenn A. Black <sup>2</sup>	Tax Officer
Terry L. Owens <sup>2</sup>	Tax Officer
James H. Taylor <sup>2</sup>	Tax Officer

\* These individuals may also be directors and/or officers of other affiliates of the Company.

1 The principal business address of these directors and these officers is 151 Farmington Avenue, Hartford, Connecticut 06156.

2 The principal business address of these directors and these officers is 5780 Powers Ferry Road, N.W., Atlanta, Georgia 30327.

3 The principal business address of this director and this officer is 230 Park Avenue, New York, New York 10169.

4 The principal business address of these officers is 1475 Dunwoody Drive, West Chester, Pennsylvania 19380-1478.

5 The principal business address of these officers is 909 Locust Street, Des Moines, Iowa 50309.

6 The principal business address of these officers is 1290 Broadway, Denver, Colorado 80203.

7 The principal business address of this officer is 12701 Fair Lakes Circle, Suite 470, Fairfax, Virginia 22033.

- 8 The principal business address of this officer is 7337 E. Doubletree Ranch Road, Scottsdale, Arizona 85258.
- 9 The principal business address of these officers is 20 Washington Avenue South, Minneapolis, Minnesota 55401.
- 10 The principal business address of this officer is 100 Washington Square, Minneapolis, Minnesota 55401.

Item 26. Persons Controlled by or Under Common Control with the Depositor or Registrant

Incorporated herein by reference to Item 28 in Post-Effective Amendment No. 12 to Registration Statement on Form N-6 for ReliaStar Life Insurance Company of New York Variable Life Separate Account I of ReliaStar Life Insurance Company of New York (File No. 333-47527), as filed with the Securities and Exchange Commission on April 9, 2007.

Item 27. Number of Contract Owners

As of March 31, 2007, there were 666,747 individuals holding interests in variable annuity contracts funded through Variable Annuity Account C of ING Life Insurance and Annuity Company.

Item 28. Indemnification

Section 33-779 of the Connecticut General Statutes (“CGS”) provides that a corporation may provide indemnification of or advance expenses to a director, officer, employee or agent only as permitted by Sections 33-770 to 33-778, inclusive, of the CGS. Reference is hereby made to Section 33-771(e) of the CGS regarding indemnification of directors and Section 33-776(d) of CGS regarding indemnification of officers, employees and agents of Connecticut corporations. These statutes provide in general that Connecticut corporations incorporated prior to January 1, 1997 shall, except to the extent that their certificate of incorporation expressly provides otherwise, indemnify their directors, officers, employees and agents against “liability” (defined as the obligation to pay a judgment, settlement, penalty, fine, including an excise tax assessed with respect to an employee benefit plan, or reasonable expenses incurred with respect to a proceeding) when (1) a determination is made pursuant to Section 33-775 that the party seeking indemnification has met the standard of conduct set forth in Section 33-771 or (2) a court has determined that indemnification is appropriate pursuant to Section 33-774. Under Section 33-775, the determination of and the authorization for indemnification are made (a) by two or more disinterested directors, as defined in Section 33-770(3); (b) by special legal counsel; (c) by the shareholders; or (d) in the case of indemnification of an officer, agent or employee of the corporation, by the general counsel of the corporation or such other officer(s) as the board of directors may specify. Also, Section 33-772 with Section 33-776 provide that a corporation shall indemnify an individual who was wholly successful on the merits or otherwise against reasonable expenses incurred by him in connection with a proceeding to which he was a party because he is or was a director, officer, employee, or agent of the corporation. Pursuant to Section 33-771(d), in the case of a proceeding by or in the right of the corporation or with respect to conduct for which the director, officer, agent or employee was adjudged liable on the basis that he received a financial benefit to which he was not entitled, indemnification is limited

to reasonable expenses incurred in connection with the proceeding against the corporation to which the individual was named a party.

Section 33-777 of the statute does specifically authorize a corporation to procure indemnification insurance on behalf of an individual who is or was a director of the corporation. Consistent with the statute, ING America Insurance Holdings, Inc. maintains a Professional Liability umbrella insurance policy issued by an international insurer. The policy covers ING America Insurance Holdings, Inc. and any company in which ING America Insurance Holdings, Inc. has a controlling interest of 50% or more. This would encompass the principal underwriter as well as the depositor. Additionally, the parent company of ING America Insurance Holdings, Inc., ING Groep N.V., maintains an excess umbrella cover with limits in excess of \$125,000,000. The policy provides for the following types of coverage: errors and omissions/professional liability, directors and officers, employment practices, fiduciary and fidelity.

Section 20 of the ING Financial Advisers, LLC Limited Liability Company Agreement executed as of November 28, 2000 provides that ING Financial Advisers, LLC will indemnify certain persons against any loss, damage, claim or expenses (including legal fees) incurred by such person if he is made a party or is threatened to be made a party to a suit or proceeding because he was a member, officer, director, employee or agent of ING Financial Advisers, LLC, as long as he acted in good faith on behalf of ING Financial Advisers, LLC and in a manner reasonably believed to be within the scope of his authority. An additional condition requires that no person shall be entitled to indemnity if his loss, damage, claim or expense was incurred by reason of his gross negligence or willful misconduct. This indemnity provision is authorized by and is consistent with Title 8, Section 145 of the General Corporation Law of the State of Delaware.

#### Item 29. Principal Underwriter

- (a) In addition to serving as the principal underwriter for the Registrant, ING Financial Advisers, LLC also acts as the principal underwriter for ING Partners, Inc. (a management investment company registered under the Investment Company Act of 1940 (1940 Act)). Additionally, ING Financial Advisers, LLC acts as the principal underwriter for Variable Life Account B of ING Life Insurance and Annuity Company (ILIAC), Variable Annuity Account B of ILIAC, Variable Annuity Account I of ILIAC and Variable Annuity Account G of ILIAC (separate accounts of ILIAC registered as unit investment trusts under the 1940 Act). ING Financial Advisers, LLC is also the principal underwriter for (i) Separate Account N of ReliaStar Life Insurance Company (RLIC) (a separate account of RLIC registered as a unit investment trust under the 1940 Act.), (ii) ReliaStar Select Variable Account of ReliaStar Life Insurance Company (a separate account of RLIC registered as a unit investment trusts under the 1940 Act), (iii) MFS ReliaStar Variable Account (a separate account of RLIC registered as a unit investment trusts under the 1940 Act), (iv) Northstar Variable Account (a separate account of RLIC registered as a unit investment trusts under the 1940 Act) (v) ReliaStar Life Insurance Company of New York Variable Annuity Funds A, B, C (a management investment company registered under the 1940 Act), (vi) ReliaStar Life Insurance Company of New York Variable Annuity Funds D, E, F, G, H, I (a management investment company registered under the 1940 Act), (vii) ReliaStar Life Insurance Company of New York Variable Annuity Funds M, P, and Q (a

management investment company registered under the 1940 Act), and (viii) ReliaStar Life Insurance Company of New York Variable Annuity Funds M P (a management investment company registered under the 1940 Act).

(b) The following are the directors and officers of the Principal Underwriter:

<u>Name and Principal Business Address</u>	<u>Positions and Offices with Principal Underwriter</u>
Ronald R. Barhorst 4225 Executive Square La Jolla, California 92037	Director and President
Brian D. Comer <sup>1</sup>	Director and Senior Vice President
William L. Lowe <sup>1</sup>	Director and Senior Vice President
Kathleen A. Murphy <sup>1</sup>	Senior Vice President
Boyd G. Combs <sup>2</sup>	Senior Vice President, Tax
William Jasien <sup>3</sup>	Senior Vice President
Louis E. Bachetti 581 Main Street, 4th Fl. Woodbridge, NJ 07095	Senior Vice President
Susan J. Stamm <sup>1</sup>	Chief Financial Officer
Pamela Mulvey Barcia <sup>1</sup>	Vice President
Robert H. Barley <sup>1</sup>	Vice President
David A. Brounley <sup>1</sup>	Vice President
Anthony V. Camp, Jr. <sup>1</sup>	Vice President
Mary Kathleen Carey-Reid <sup>1</sup>	Vice President
Virginia E. Carman <sup>1</sup>	Vice President
Nancy D. Clifford <sup>1</sup>	Vice President
Dianne Clous <sup>1</sup>	Vice President
James Dake <sup>1</sup>	Vice President



William P. Elmslie New York, New York	Vice President
Joseph J. Elmy <sup>2</sup>	Vice President, Tax
Brian K. Haendiges <sup>1</sup>	Vice President
Bernard P. Heffernon 10740 Nall Ave., Ste. 120 Overland Park, KS 66211	Vice President
David Kelsey <sup>1</sup>	Vice President
Christina Lareau <sup>1</sup>	Vice President
George D. Lessner Richardson, Texas	Vice President
Katherine E. Lewis 2675 N Mayfair Road, Ste. 501 Milwaukee, WI 53226	Vice President
David J. Linney 2900 N. Loop W., Ste. 180 Houston, TX 77092	Vice President
Frederick C. Litow <sup>2</sup>	Vice President
Mark R. Luckinbill 2841 Plaza Place, Ste. 210 Raleigh, NC 27612	Vice President
Richard T. Mason 440 S. Warren St., Ste. 702 Syracuse, NY 13202	Vice President
David Pendergrass <sup>2</sup>	Vice President and Treasurer
Ethel Pippin <sup>1</sup>	Vice President
Srinivas D. Reddy <sup>1</sup>	Vice President
Dawn M. Peck <sup>2</sup>	Vice President, Assistant Treasurer and Assistant Secretary
Deborah Rubin <sup>3</sup>	Vice President

Todd Smiser Lisle, Illinois	Vice President
Frank W. Snodgrass 150 4 <sup>th</sup> Ave., N., Ste. 410 Nashville, TN 37219	Vice President
Terran Titus <sup>1</sup>	Vice President
S. Bradford Vaughan, Jr. 601 Union St., Ste. 810 Seattle, WA 98101	Vice President
O. V. Williams 444 Seabreeze Blvd. Daytona Beach, FL 32114	Vice President
Forrest R. Wilson 2202 N. Westshore Blvd. Tampa, Florida 33607	Vice President
Judeen T. Wrinn <sup>1</sup>	Vice President
Therese M. Squillacote <sup>1</sup>	Vice President and Chief Compliance Officer
Joy M. Benner <sup>4</sup>	Secretary
Diana R. Cavender <sup>4</sup>	Assistant Secretary
Randall K. Price <sup>4</sup>	Assistant Secretary
Edwina P. J. Steffer <sup>4</sup>	Assistant Secretary
John F. Todd <sup>1</sup>	Assistant Secretary
Glenn A. Black <sup>2</sup>	Tax Officer
Terry L. Owens <sup>2</sup>	Tax Officer
James H. Taylor <sup>2</sup>	Tax Officer

- 1 The principal business address of this director and these officers is 151 Farmington Avenue, Hartford, Connecticut 06156.
- 2 The principal business address of these officers is 5780 Powers Ferry Road, N.W., Atlanta, Georgia 30327.
- 3 The principal business address of these officers is 12701 Fair Lakes Circle, Suite 470, Fairfax, Virginia 22033.

- 4 The principal business address of these officers is 20 Washington Avenue South, Minneapolis, Minnesota 55401.

(c) Compensation to Principal Underwriter during last fiscal year:

(1)	(2)	(3)	(4)	(5)
Name of Principal Underwriter	Net Underwriting Discounts and Commissions	Compensation on Redemption or Annuitization	Brokerage Commissions	Compensation*
ING Financial Advisers, LLC				\$43,390,180.16

\* Reflects approximate compensation paid to ING Financial Advisers, LLC attributable to regulatory and operating expenses associated with the distribution of all registered variable annuity products issued by Variable Annuity Account C of ING Life Insurance and Annuity Company during 2006.

Item 30. Location of Accounts and Records

All accounts, books and other documents required to be maintained by Section 31(a) of the 1940 Act and the rules under it relating to the securities described in and issued under this Registration Statement are maintained by ING Life Insurance and Annuity Company at 151 Farmington Avenue, Hartford, Connecticut 06156 and at ING Americas at 5780 Powers Ferry Road, Atlanta, Georgia 30327-4390.

All accounts, books and other documents required to be maintained by Section 31(a) of the 1940 Act and the rules under it relating to the securities described in and issued under this Registration Statement are located at the offices of the Depositor as follows:

ING Life Insurance and Annuity Company  
151 Farmington Avenue  
Hartford, CT 06156

and

Opportunity Plus Service Center  
22 Century Hill Drive  
Suite 101  
Latham, NY 12110-2455

ING Americas  
5780 Powers Ferry Road  
Atlanta, GA 30327-4390

ING Americas  
20 Washington Avenue South  
Minneapolis, MN 55401

Item 31. Management Services

Not applicable

Item 32. Undertakings

Registrant hereby undertakes:

- (a) to file a post-effective amendment to this registration statement on Form N-4 as frequently as is necessary to ensure that the audited financial statements in the registration statement are never more than sixteen months old for as long as payments under the variable annuity contracts may be accepted;
- (b) to include as part of any application to purchase a contract offered by a prospectus which is part of this registration statement on Form N-4, a space that an applicant can check to request a Statement of Additional Information; and
- (c) to deliver any Statement of Additional Information and any financial statements required to be made available under this Form N-4 promptly upon written or oral request.

The Company hereby represents that it is relying upon and complies with the provisions of Paragraphs (1) through (4) of the SEC Staff's No-Action Letter dated November 28, 1988 with respect to language concerning withdrawal restrictions applicable to plans established pursuant

to Section 403(b) of the Internal Revenue Code. See American Counsel of Life Insurance; SEC No-Action Letter, [1988 WL 1235221 \*13 (S.E.C.)]

Insofar as indemnification for liability arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the Registrant pursuant to the foregoing provisions, or otherwise, the Registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question of whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

ING Life Insurance and Annuity Company represents that the fees and charges deducted under the contracts covered by this registration statement, in the aggregate, are reasonable in relation to the services rendered, the expenses expected to be incurred, and the risks assumed by the insurance company.

## SIGNATURES

As required by the Securities Act of 1933, and the Investment Company Act of 1940, the Registrant, Variable Annuity Account C of ING Life Insurance and Annuity Company, certifies that it meets the requirements of Securities Act Rule 485(b) for effectiveness of this Post-Effective Amendment to its Registration Statement on Form N-4 (File No.033-75962) and has duly caused this Post-Effective Amendment to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Hartford, State of Connecticut, on the 10th day of April, 2007.

VARIABLE ANNUITY ACCOUNT C OF  
ING LIFE INSURANCE AND ANNUITY COMPANY  
(Registrant)

By: ING LIFE INSURANCE AND ANNUITY  
COMPANY  
(Depositor)

By: Brian D. Comer\*  
Brian D. Comer  
President  
(principal executive officer)

As required by the Securities Act of 1933, this Post-Effective Amendment No. 48 to the Registration Statement has been signed by the following persons in the capacities and on the date indicated.

Signature	Title	Date
<u>Brian D. Comer*</u>	President	)
Brian D. Comer	(principal executive officer)	)
		)
<u>Thomas J. McInerney*</u>	Director and Chairman	) April
Thomas J. McInerney		) 10, 2007
		)
<u>Kathleen A. Murphy*</u>	Director	)
Kathleen A. Murphy		)
		)
<u>Catherine H. Smith*</u>	Director and Senior Vice President	)
Catherine H. Smith		)
		)
<u>Robert W. Crispin*</u>	Director	)
Robert W. Crispin		)
		)
<u>David A. Wheat*</u>	Director, Executive Vice President and Chief Financial	)
David A. Wheat	Officer	)
		)

Steven T. Pierson\* Senior Vice President and Chief Accounting Officer      )  
Steven T. Pierson      )

By: \_\_\_\_\_  
Michael A. Pignatella  
\*Attorney-in-Fact

**VARIABLE ANNUITY ACCOUNT C  
EXHIBIT INDEX**

<u>Exhibit No.</u>	<u>Exhibit</u>	
99-B.4.28	Endorsement E-LNDFLT (1/04) to Contracts G-TDA-HH(XC/M) and G-TDA-HH(XC/S) and Contract Certificates GTCC-HH(XC/M) and GTCC-HH(XC/S)	_____
99-B.4.29	Endorsement ENYSTINTM (9/04) to Contract G-TDA-HH(XC/M) and Contract Certificate GTCC-HH(XC/M)	_____
99-B.4.30	Endorsement ENYSTINTS (9/04) to Contract G-TDA-HH(XC/S) and Contract Certificate GTCC-HH(XC/S)	_____
99-B.4.31	Endorsement ENYSUTBEN 97 to Contracts G-TDA-HH(XC/M) and G-TDA-HH(XC/S) and Contract Certificate GTCC-HH(XC/S)	_____
99-B.8.71	(Retail) Amendment No. 2 effective October 1, 2004 to Fund Participation Agreement between ING Life Insurance and Annuity Company and American Century Investment Services	_____
99-B.8.72	(Retail) Selling and Services Agreement dated July 1, 2000 by and among Aetna Investment Services, Inc., Aetna Life Insurance and Annuity Company and American Century Investment Services	_____
99-B.8.73	(Retail) Amendment No. 1 effective November 7, 2003 to the Selling and Services Agreement dated July 1, 2000 by and among ING Financial Advisers, LLC (formerly known as Aetna Investment Services, Inc.), ING Life Insurance and Annuity Company (formerly known as Aetna Life Insurance and Annuity Company) and American Century Investment Services, Inc.	_____
99-B.8.74	(Retail) Amendment No. 2 effective October 1, 2004 to the Selling and Services Agreement dated July 1, 2000 and amended on November 7, 2003 by and among ING Financial Advisers, LLC (formerly known as Aetna Investment Services, Inc.), ING Life Insurance and Annuity Company (formerly known as Aetna Life Insurance and Annuity Company) and American Century Investment Services, Inc.	_____
99-B.8.84	Form of Rule 22c-2 Agreement dated _____, 2007 and effective on October 16, 2007	_____



99-B.9	Opinion and Consent of Counsel	_____
99-B.10	Consent of Independent Registered Public Accounting Firm	
99-B.13.1	Powers of Attorney	_____