

SELECT★ANNUITY III
AN INDIVIDUAL DEFERRED VARIABLE/FIXED ANNUITY CONTRACT
issued by
ReliaStar Life Insurance Company and its ReliaStar Select Variable Account

This prospectus offers flexible purchase payment individual deferred variable/fixed annuity contracts. The contracts are sold both as non-qualified contracts and in connection with retirement plans which may qualify for special Federal tax treatment under the Internal Revenue Code of 1986, as amended. (See "Federal Tax Status.") Annuity payouts from the contracts are deferred until a selected later date.

Subject to certain restrictions, you can allocate premiums to:

- the Fixed Account, an account that provides a minimum specified rate of interest; and
- Sub-Accounts of ReliaStar Select Variable Account, a Variable Account through which you may invest in certain portfolios of the following Funds families:

AIM Variable Insurance Funds
The Alger American Fund
Fidelity® Variable Insurance Products Fund*
ING Variable Products Trust

Janus Aspen Series
Neuberger Berman Advisers Management Trust
PIMCO Advisors VIT
Putnam Variable Trust*

The Variable Account, your account value and the amount of any Variable Annuity payments that you receive will vary, primarily based on the investment performance of the Funds you select. (For more information about investing in the Funds, see "Investments of the Variable Account.") The Fixed Account is the general account of ReliaStar Life Insurance Company ("ReliaStar Life," "we," "us" or "our"). The Fixed Account is not available to Contract Owners in the States of Maryland, Oregon, South Carolina and Washington.

Additional information about the contracts, ReliaStar Life and the Variable Account, contained in a Statement of Additional Information dated May 1, 2003, has been filed with the Securities and Exchange Commission ("SEC"). The Statement of Additional Information is available by accessing the SEC's Internet web site (www.sec.gov) or upon request without charge by writing to us at ReliaStar Service Center, P.O. Box 5050, Minot, North Dakota 58703 or by calling 1-877-884-5050. The Statement of Additional Information is incorporated by reference in this prospectus and its Table of Contents can be found on page 33 of this prospectus.

THIS PROSPECTUS SETS FORTH CONCISELY THE INFORMATION ABOUT THE CONTRACTS THAT A PROSPECTIVE INVESTOR OUGHT TO KNOW BEFORE INVESTING AND SHOULD BE RETAINED FOR FUTURE REFERENCE.

The contracts:

- ***are not bank deposits or guaranteed by a bank***
- ***are not insured or guaranteed by the FDIC, the Federal Reserve Board or any other government agency***
- ***are affected by market fluctuations and so involve investment risk, including possible loss of principal***
- ***have not been approved or disapproved by the SEC nor has the SEC passed upon the accuracy or adequacy of this prospectus. Any representation to the contrary is a criminal offense.***

This prospectus is accompanied by the current prospectuses for each of the Funds. Please read these prospectuses carefully before investing in the Variable Account and keep them for future reference.

THE DATE OF THIS PROSPECTUS IS MAY 1, 2003

*Transfers or deposits are not allowed into the Fidelity® VIP Overseas Sub-Account, Fidelity® VIP Asset Manager Sub-Account, Putnam VT Asia Pacific Growth Sub-Account, Putnam VT Utilities Growth & Income Fund and Putnam VT Diversified Income Sub-Account. Effective April 30, 1999, these Sub-Accounts were closed to new investments. Effective October 14, 2002, Putnam VT Asia Pacific Fund merged into Putnam VT International Growth Fund. There is no further disclosure regarding these Sub-Accounts in this prospectus.

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DEFINITIONS

Annuitant. The person who is named by the Owner whose life determines the annuity benefits payable.

Annuity Commencement Date. The date on which the annuity payments begin, which must be the first day of a month. The date will be the first day of the month following the Annuitant's 75th birthday unless an earlier or later date has been selected by the Owner and, if the date is later, it has been agreed to by ReliaStar Life.

Beneficiary. The person who is named to receive the Contract Value upon the death of the Owner before the Annuity Commencement Date or to receive the balance of the annuity payments, if any, under the annuity form in effect at the Annuitant's death.

Code. The Internal Revenue Code of 1986, as amended.

Contract Anniversary. Occurs yearly on the same day and month the contract was issued.

Contract Owner (Owner, you). The person who controls all the rights and privileges under the contract. The Annuitant owns the contract unless another Owner is named as provided for in the contract. The contract may be owned by one, but no more than two, natural persons. When it is held under a retirement plan or program described in Section 401(a), 403(a), 403(b), 408 or 408A or similar provisions of the Code, it may be held by one natural person only.

Contract Value. The sum of (a) the Variable Account Contract Value, which is the value of the Sub-Account Accumulation Units under the contract, plus (b) the Fixed Account Contract Value, which is the sum of purchase payments allocated to the Fixed Account under the contract, plus credited interest, minus surrenders, surrender charges previously applied and any annual administrative charges applicable to the Fixed Account and minus any transfers to the Variable Account.

Contract Year. Each twelve-month period starting with the date the contract was issued and each Contract Anniversary after that.

Death Benefit. The amount payable upon the death of a Contract Owner before the Annuity Commencement Date. (See "Death Benefit Before the Annuity Commencement Date.")

Death Benefit Valuation Date. The Death Benefit Valuation Date is the Valuation Date next following the date ReliaStar Life receives proof of death and a written request from the Beneficiary for a single sum payment or an annuity form permitted by Section 72(s) of the Code.

Fixed Account. The Fixed Account is the general account of ReliaStar Life, which consists of all assets of ReliaStar Life other than those allocated to separate accounts of ReliaStar Life.

Fixed Annuity. An annuity with payments which do not vary as to dollar amount.

Funds. Any open-end management investment company (or portfolio thereof) or unit investment trust (or series thereof) in which a Sub-Account invests.

Qualified Plan. A retirement plan under Sections 401, 403, 408 or 408A or similar provisions of the Code.

Specified Contract Anniversary. Each consecutive six year anniversary date measured from the date the contract was issued. The Specified Contract Anniversary is used to determine the Death Benefit payable if the Contract Owner dies before the Annuity Commencement Date. (See "Death Benefit Before the Annuity Commencement Date.")

Sub-Account. That portion of the Variable Account which invests in shares of a specific Fund.

Sub-Account Accumulation Unit. A unit of measure used to determine the Variable Account Contract Value before annuity payments start.

Successor Beneficiary. The person named to become the Beneficiary if the Beneficiary is not alive.

Valuation Date. Each day on which the New York Stock Exchange is open for business except for a day that a Sub-Account's corresponding Fund does not value its shares.

Valuation Period. A Valuation Period is the period between two successive Valuation Dates, commencing at the close of business of a Valuation Date (normally at 4.00 p.m., Eastern Time) and ending at the close of business on the next Valuation Date (normally at 4:00 p.m., Eastern Time).

Variable Account. A separate account of ReliaStar Life consisting of assets set aside by ReliaStar Life, the investment performance of which is kept separate from that of the general assets of ReliaStar Life.

Variable Annuity. A series of periodic payments to the contract payee which will vary in amount, primarily based on the investment results of the Sub-Accounts under the contract.

Variable Annuity Unit. A unit of measure used in the calculation of the second and each subsequent Variable Annuity payment from the Variable Account.

SUMMARY OF CONTRACT EXPENSES

The following tables describe the fees and expenses you will pay when buying, owning and surrendering the contract. See "Charges Made By ReliaStar Life" for additional information about each of these fees and expenses.

Maximum Contract Owner Transaction Expenses. The following table describes the fees and expenses you will pay at the time you buy the contract, surrender the contract or make transfers between the Sub-Accounts or to the Fixed Account. State premium taxes may also be deducted. See "Premium and Other Taxes."

Sales Charge Imposed on Purchases	None
Maximum Surrender Charge ^(a)	6%
Partial Surrender Fee ^(b)	2% of the partial surrender amount, up to \$25
Transfer Charge ^(c)	\$25

Periodic Fees and Expenses. The following table describes the fees and expenses you will pay periodically during the time you own the contract, not including Fund fees and expenses.

Annual Contract Charge	\$30
Variable Account Annual Expenses (as a percentage of average Variable Account Contract Value):	
Mortality and Expense Risk Premiums	1.25%
Administration Charge	<u>0.15%</u>
Total Variable Account Annual Expenses	1.40%

Fund Fees and Expenses. The following table shows the minimum and maximum Fund fees and expenses that you may pay each year during the time you own the contract. These may change from year to year. You should review the Fund prospectuses for details about the fees and charges specific to a particular Fund.

Annual Fund Expenses (as a percentage of Fund average net assets):		
	<u>Minimum</u>	<u>Maximum</u>
Total Gross Annual Fund Expenses ^(d)	0.29%	2.87%
Total Net Annual Fund Expenses ^{(d), (e)}	0.29%	1.51%

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- (a) The surrender charge is percentage of amounts surrendered attributable to purchase payments made in the last six Contract Years. The percentage declines over time. In certain situations amounts can be surrendered without any surrender charge. See "Surrender Charge (Contingent Deferred Sales Charge)."
- (b) ReliaStar Life currently does not assess this fee. See "Partial Surrenders."
- (c) ReliaStar Life currently imposes this charge only on transfers after the 24th transfer in a Contract Year. See "Transfer Charge."
- (d) Total annual fund expenses include management fees, distribution (12b-1) fees and other expenses.
- (e) The Total Net Annual Fund Expense figures take into account contractual arrangements that require reimbursement or waiver of certain fund fees and expenses at least through the end of this year. Out of the 34 funds available through the policy, 12 have contractual arrangements to reimburse or waive certain fees and expenses. Generally, these arrangements provide that fees and expenses will be reimbursed or waived above a certain levels for a specific period of time. **See Appendix B for more detailed information about these contractual arrangements.** The minimum and maximum total net annual fund expenses shown take into account all of the available funds, not just those with contractual arrangements.

Examples. These 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 owner transaction expenses, periodic fees and expenses 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% return each year and assume the **maximum** Fund fees and expenses without taking into account any expense reimbursements or fee waivers. Although your actual costs may be higher or lower, based on these assumptions, your costs would be:

	1 Year	3 Years	5 Years	10 Years
If you surrender your contract at the end of the applicable time period:	\$986	\$1,794	\$2,613	\$4,572
If you annuitize your contract at the end of the applicable time period:*	\$986	\$1,345	\$2,254	\$4,572
If you do not surrender your contract at the end of the applicable time period:	\$446	\$1,345	\$2,254	\$4,572

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% return each year and assume the **minimum** Fund fees and expenses without taking into account any expense reimbursements or fee waivers. Although your actual costs may be higher or lower, based on these assumptions, your costs would be:

	1 Year	3 Years	5 Years	10 Years
If you surrender your contract at the end of the applicable time period:	\$728	\$1,032	\$1,363	\$2,187
If you annuitize your contract at the end of the applicable time period:*	\$728	\$587	\$1,009	\$2,187
If you do not surrender your contract at the end of the applicable time period:	\$190	\$587	\$1,009	\$2,187

* If the contract's Annuity Commencement Date occurs during the first two Contract Years following the date the contract was issued, a surrender charge is deducted and the expenses shown in year one reflect this deduction.

We and certain of our insurance company affiliates offer other variable annuity contracts which also invest in the Funds. These contracts may have charges that could affect the value of their sub-accounts and may offer different benefits more suitable to your needs. To obtain more information about these contracts, contact your agent or call 1-877-884-5050.

For performance information and Condensed Financial Information, see Appendix C.

RELIASTAR LIFE

ReliaStar Life Insurance Company is a stock life insurance company organized in 1885 and incorporated under the laws of the State of Minnesota. We are an indirect, wholly-owned subsidiary of ING Groep N.V. ING is a global financial institution active in the fields of insurance, banking and asset management. We offer individual life insurance and annuities, employee benefits and retirement contracts. Our Home Office is located at 20 Washington Avenue South, Minneapolis, Minnesota 55401 (612-372-5597).

The contracts described in this prospectus are nonparticipating. The capital and surplus of ReliaStar Life should be considered as bearing only upon the ability of ReliaStar Life to meet its obligations under the contracts.

ReliaStar Life is a charter member of the Insurance Marketplace Standard Association ("IMSA"). Companies that belong to IMSA subscribe to a rigorous set of standards that cover the various aspects of sales and service for individually sold life insurance and annuities. IMSA members have adopted policies and procedures that demonstrate a commitment to honesty, fairness and integrity in all customer contacts involving sales and service of individual life insurance and annuity products.

THE VARIABLE ACCOUNT

The Variable Account is a separate account of ReliaStar Life established by the Board of Directors of ReliaStar Life on November 12, 1981, pursuant to the laws of the State of Minnesota. The Variable Account is registered with the SEC as a unit investment trust under the Investment Company Act of 1940, as amended ("1940 Act"). Such registration does not involve supervision by the SEC of the management or investment policies or practices of the Variable Account, ReliaStar Life or the Funds. ReliaStar Life has complete ownership and control of the assets in the Variable Account, but these assets are held separately from ReliaStar Life's other assets and are not part of ReliaStar Life's general account.

The portion of the assets of the Variable Account equal to the reserves and other contract liabilities of the Variable Account will not be charged with liabilities incurred in any other business that ReliaStar Life may conduct. ReliaStar Life has the right to transfer to its general account any assets of the Variable Account which are in excess of such reserves and other liabilities. The income, if any, and gains and losses, realized or unrealized, of the Variable Account will be credited to or charged against the Variable Account in accordance with the contracts supported by the Variable Account, without regard to the other income, gains or losses of ReliaStar Life.

Purchase payments allocated to the Variable Account under a contract are invested in one or more Sub-Accounts of the Variable Account, as selected by you, the Owner. The future Variable Account Contract Value depends primarily on the investment performance of the Funds whose shares are held in the Sub-Accounts selected.

INVESTMENTS OF THE VARIABLE ACCOUNT

When you apply for a contract, you can allocate purchase payments to one or more of the Sub-Accounts. There are currently 34 Sub-Accounts. Each Sub-Account invests in shares of one of the Funds at its net asset value. As Owner, you can change a purchase payment allocation for future purchase payments and can transfer all or part of the values in a Sub-Account to another Sub-Account. An Owner may make transfers to the Fixed Account from the Variable Account at any time.

See Appendix B to this prospectus for a list of the Funds available through the Variable Account along with information about each Fund's investment adviser/subadviser, investment objective and total annual Fund expenses. Certain Funds offered under the contract have names, investment objectives and policies similar to the names, investment objectives and policies of other funds managed by the Fund's investment adviser. The investment results of a Fund, however, may be higher or lower than those of other funds managed by the same adviser. There can be 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.

More detailed information about the Funds can be found in the current prospectus and Statement of Additional Information for each Fund. These prospectuses accompany this prospectus in a book entitled "Variable Product Investment Options." The Fund prospectuses should be read carefully before any allocation to, or transfers among, the Sub-Accounts.

There is no assurance that the stated objectives and policies of any of the Funds will be achieved. 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 1940 Act.

ReliaStar Life reserves the right, subject to compliance with the law, to offer additional Funds.

The Funds are available to registered separate accounts of ReliaStar Life and to insurance companies other than ReliaStar Life, offering variable annuity contracts and variable life insurance policies. ReliaStar Life currently does not foresee any disadvantages to Owners resulting from the Funds selling shares to fund products other than the contracts. However, there is a possibility that a material conflict may arise between Owners whose Contract Values are allocated to the Variable Account and the owners of variable life insurance policies and variable annuity contracts issued by ReliaStar Life or by such other companies whose assets are allocated to one or more other separate accounts investing in any one of the Funds. In the event of a material conflict, ReliaStar Life will take any necessary steps, including removing the Fund from the Variable Account, to resolve the matter. The Board of Directors or Trustees of each Fund will monitor events in order to identify any material conflicts that possibly may arise and determine what action, if any, should be taken in response to those events or conflicts. See each individual Fund prospectus for more information.

Reinvestment

The Funds have, as a policy, the distribution of income, dividends and capital gains. However, under the contracts there is an automatic reinvestment of such distributions.

Addition, Deletion or Substitution of Fund Shares

ReliaStar Life reserves the right, subject to applicable law and any required regulatory approvals, to make additions to, deletions from or substitutions for the shares that are held in the Variable Account or that the Variable Account may purchase:

- ReliaStar Life reserves the right to establish additional Sub-Accounts of the Variable Account, each of which would invest in shares corresponding to a new or another investment company portfolio, or delete Sub-Accounts. Any new Sub-Accounts may be made available to existing Contract Owners on a basis to be determined by ReliaStar Life.
- ReliaStar Life may, in its sole discretion, eliminate one or more Sub-Accounts or close such Sub-Accounts to new premium or transfers, if marketing needs, tax or regulatory considerations or investment conditions warrant.

- If the shares of a Fund are no longer available for investment, or if, in ReliaStar Life's judgment, further investment in a Fund should become inappropriate in view of the purposes of the Variable Account or when, in our sole discretion, marketing, tax, regulatory requirements or investment conditions warrant, ReliaStar Life may redeem the shares of that Fund and substitute shares of another registered open-end investment company. The new Funds may have higher fees and charges than the ones they replaced.

In the event of any such substitution, deletion or change, we may make such changes as may be necessary or appropriate to reflect such substitution, deletion or change. If all or a portion of your investments are allocated to any of the current Funds that are being substituted for or deleted on the date such action is announced, you may transfer the portion of the Accumulation Value affected without payment of a transfer charge to available Sub-Accounts.

If deemed by us to be in the best interests of persons having voting rights under the contracts, the Variable Account may be operated as a management company under the 1940 Act, it may be deregistered under the 1940 Act in the event such registration is no longer required or it may be combined with our other separate accounts.

CHARGES MADE BY RELIASTAR LIFE

We deduct the charges described below to cover our costs and expenses, the services we provide and the risks we assume under the contracts. The amount of a charge may not necessarily correspond to the costs associated with providing the services or benefits indicated by the designation of the charge. For example, the surrender charge we collect may not fully cover all of the sales and distribution expenses we actually incur. We also may profit on one or more of the charges. We may use any such profits for any corporate purpose, including the payment of sales expenses.

Surrender Charge (Contingent Deferred Sales Charge)

No deduction for a sales charge is made from purchase payments. However, a surrender charge (which may be deemed a contingent deferred sales charge) may be assessed. This charge is intended to reimburse ReliaStar Life for expenses relating to the sale of the contracts, including commissions to sales personnel, costs of sales material and other promotional activities and sales administration costs.

If part or all of a contract's value is surrendered or, except for contracts issued in the State of Washington, if the contract's Annuity Commencement Date occurs within the first two years after the contract is issued, surrender charges may be assessed by ReliaStar Life.

In the case of a partial withdrawal where you request a specified dollar amount, the amount withdrawn will be the amount you specified, adjusted by any applicable surrender charge.

Computation of Surrender Charges -- For purposes of determining surrender charges, surrenders shall first be taken from Old Purchase Payments until they are exhausted, then from New Purchase Payments until they are exhausted and thereafter from Contract Earnings.

- "New Purchase Payments" are those contract purchase payments received by ReliaStar Life during the Contract Year in which the surrender occurs or in the five immediately preceding Contract Years;
- "Old Purchase Payments" are those contract purchase payments not defined as New Purchase Payments; and
- "Contract Earnings" at any Valuation Date is the Contract Value less the sum of New Purchase Payments and Old Purchase Payments.

Total Surrenders; Amount of Surrender Charge -- The surrender charge for a total surrender is determined by multiplying the amount of each New Purchase Payment surrendered, that is not eligible for a free surrender, by the applicable surrender charge percentage as set forth in the following table:

Surrender Charge Percentage Table	
Contract Year of Surrender Minus Contract Year of Purchase Payment	Surrender Charge as a Percentage of Each Purchase Payment
0-1	6%
2-3	5
4-5	4
6 and later	0

Free Surrenders -- Surrenders taken from the following amounts ("Free Surrenders") are not subject to a surrender charge during any Contract Year: (a) any Old Purchase Payments not already surrendered; (b) 10% of all New Purchase Payments that have been received by ReliaStar Life (with the exception of systematic withdrawals, this does not apply to surrenders made during the first Contract Year nor to any surrenders after the first surrender made in each Contract Year thereafter); and (c) any contract earnings being surrendered.

Partial Surrenders -- The amount of the partial surrender subject to a surrender charge is determined by dividing (a) the portion of each New Purchase Payment to be surrendered which is not eligible for a Free Surrender by (b) one minus the applicable surrender charge percentage from the Surrender Charge Percentage Table set forth above. The resulting amount for each New Purchase Payment to be surrendered is then multiplied by the applicable surrender charge percentage from the Surrender Charge Percentage Table shown above to arrive at the amount of surrender charge to be assessed. The total of the amount surrendered will be subject to the surrender charge.

If the surrender charge is less than the Contract Value that remains immediately after surrender, it will be deducted proportionately from the Sub-Accounts that make up such Contract Value. If the surrender charge is more than such remaining Contract Value, the portion of the surrender charge that can be deducted from such remaining Contract Value will be so deducted and the balance will be deducted from the surrender payment. In computing surrenders, any portion of a surrender charge that is deducted from the remaining Contract Value will be deemed a part of the surrender.

In addition, we reserve the right to assess a partial surrender fee. This fee is the lesser of 2% of the partial surrender amount or \$25. We currently do not assess this fee.

Annual Contract Charge

Each year on the Contract Anniversary, ReliaStar Life deducts an annual contract charge of \$30 from the Contract Value. ReliaStar Life will not increase the annual contract charge. In any Contract Year when a contract is surrendered for its full value on other than the Contract Anniversary, the annual contract charge will be deducted at the time of such surrender. If a Fixed Annuity payment or a Variable Annuity payment is selected, then the annual contract charge will be assessed and deducted in equal installments from each annuity payment. When more than one annuity is selected, then a separate annual contract charge will be assessed against each annuity.

Waiver of Charges

Waiver of Annual Contract Charge -- ReliaStar Life reserves the right to waive the annual contract charge for contracts applied for on or after September 1, 1998 where the cumulative purchase payments, less any cumulative partial surrenders, exceed \$50,000. ReliaStar Life reserves the right to reinstate the annual contract charge on contracts previously qualifying for the waiver, if the cumulative purchase payments, less any cumulative partial surrenders, equals or falls below \$50,000 or if ReliaStar Life withdraws the waiver of the charge.

ReliaStar Life will not waive the annual contract charges assessed and deducted from annuity payments.

Waiver of Surrender Charge -- Under certain circumstances as defined in the contract and the rider(s) related to the provisions below, beginning one year after the effectiveness of the rider(s) ReliaStar Life will permit the Contract Owner to access his or her money in the contract. ReliaStar Life will permit a full or partial surrender without a surrender charge (1) if the Contract Owner becomes terminally ill; (2) if the Contract Owner becomes confined to a skilled nursing facility or hospital; and (3) if and so long as the Contract Owner is disabled. If the Contract Owner is unemployed for at least 90 consecutive days the Owner can take, on a one time basis, up to 50% of the Contract Value of the contract without incurring a surrender charge.

These waivers are subject to the specific provisions of the rider(s) and may not be available in all states.

Mortality Risk Premium

The Variable Annuity payments made to Annuitants will vary in accordance with the investment performance of the Sub-Accounts selected by the Owner. However, they will not be affected by the mortality experience (death rate) of persons receiving annuity payments from the Variable Account. ReliaStar Life assumes this "mortality risk" and has guaranteed the annuity rates incorporated in the contract, which cannot be changed.

To compensate ReliaStar Life for assuming this mortality risk and the mortality risk that Beneficiaries of Annuitants dying before the Annuity Commencement Date may receive amounts in excess of the then current Contract Value (see "Death Benefit Before the Annuity Commencement Date"), ReliaStar Life deducts a mortality risk premium from the Variable Account Contract Value. The deduction is made daily in an amount that is equal to an annual rate of 0.85% of the daily Contract Values under the Variable Account.

Once it is set, ReliaStar Life may not change the rate charged for the mortality risk premium under any contract.

Expense Risk Premium

ReliaStar Life will not increase charges for administrative expenses regardless of its actual expenses. To compensate ReliaStar Life for assuming this expense risk, ReliaStar Life deducts an expense risk premium from the Variable Account Contract Value. The deduction is made daily in an amount that is equal to an annual rate of 0.40% of the daily Variable Account Contract Values.

Once it is set, ReliaStar Life may not change the rate of the expense risk premium under any contract.

Administration Charge

ReliaStar Life deducts a daily administration charge from the Variable Account Contract Value in an amount equal to an annual rate of 0.15% of the daily Contract Values under the Variable Account. This charge is deducted to reimburse ReliaStar Life for the cost of providing administrative services under the contracts and the Variable Account. ReliaStar Life may not change the rate of the administration charge under any contract.

Once it is set, ReliaStar Life may not change the rate of the administration charge under any contract.

Transfer Charge

We currently assess a transfer charge of \$25 per transfer for transfers between the Sub-Accounts or the Fixed Account after the 24th transfer in a Contract Year. We reserve the right to charge up to \$25 on all transfers and to limit the number of transfers.

Premium and Other Taxes

Various states and other governmental entities levy a premium tax, currently ranging up to 4%, on annuity contracts issued by insurance companies. If the Owner of the contract lives in a governmental jurisdiction that levies such a tax, ReliaStar Life will pay the taxes when due and reserves the right to deduct the amount of the tax either from purchase payments as they are received or from the Contract Value at the Annuity Commencement Date (immediately before the Contract Value is applied to an annuity form) as permitted or required by applicable law.

Premium tax rates are subject to change from time to time by legislative and other governmental action. The timing of tax levies also varies from one taxing authority to another. Consequently, in many cases the purchaser of a contract will not be able to accurately determine the premium tax applicable to the contract. ReliaStar Life reserves the right to deduct charges for any other tax or economic burden resulting from the application of the tax laws that it determines to be applicable to the contract.

General: Reduction or Waiver of Charges or Minimum Purchase Payments

Any of the charges under the contract, as well as the minimum purchase payment requirements set forth in this prospectus, may be reduced due to special circumstances that result in lower sales, administrative or mortality expenses. For example, special circumstances may exist in connection with group or sponsored arrangements, sales to ReliaStar Life's policy and Contract Owners or those of affiliated insurance companies or sales to employees or clients of ReliaStar Life or ReliaStar Life's affiliates. The amount of any reductions will reflect the reduced sales effort and administrative costs resulting from, or the different mortality experience expected as a result of, the special circumstances. Reductions will not be unfairly discriminatory against any person, including the affected policy or Contract Owners and owners of all other contracts funded by the Variable Account.

Expenses of the Funds

There are fees deducted from and expenses paid out of the assets of the Funds that are described in the accompanying prospectuses for the Funds.

ADMINISTRATION OF THE CONTRACTS

ReliaStar Life assumes the responsibilities of performing certain administrative functions relating to the contracts and the Variable Account. These functions include, among other things, maintaining the books and records of the Variable Account and the Sub-Accounts and maintaining records of the name, address, taxpayer identification number, contract number, type of contract issued to each Owner, Contract Value and other pertinent information necessary to the administration and operation of the contracts. These administrative functions are located at the ReliaStar Service Center, P.O. Box 5050, Minot, North Dakota 58703; Telephone 1-877-884-5050.

THE CONTRACTS

The contracts are designed for sale as non-qualified contracts and also for retirement plans which may be Qualified Plans. A single purchase payment can be made for a deferred annuity or subsequent purchase payments can be made up to the maximum level of funding set forth below. The minimum amount ReliaStar Life will accept as an initial purchase payment is \$5,000 for non-qualified contracts and \$2,000 for qualified contracts. ReliaStar Life may choose not to accept any subsequent purchase payment for a non-qualified contract if it is less than \$500 and for a qualified contract if it is less than \$50. ReliaStar Life may also choose not to accept any subsequent purchase payment if the purchase payment together with the Contract Value at the next Valuation Date exceeds \$1,000,000. Any purchase payment not accepted by ReliaStar Life will be refunded. ReliaStar Life reserves the right to accept smaller or larger initial and subsequent purchase payments in connection with special circumstances, such as sales through group or sponsored arrangements.

Factors to Consider in the Purchase Decision.

The decision to purchase the contract should be discussed with your financial representative and tax advisor, making 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. You should pay attention to the following issues, among others:

- **Long-Term Investment** - This contract is a long-term investment and is typically most useful as part of a personal retirement plan. Early withdrawals may expose you to surrender charges or tax penalties. The value of deferred taxation on earnings grows with the amount of time your purchase payments are left in the contract. You should not purchase the contract if you are looking for a short-term investment or expect to need to make withdrawals before you are 59½.
- **Investment Risk** - The value of the Funds available under the contract may fluctuate with the markets and interest rates. You should not purchase the contract in order to invest in the Funds if you cannot risk getting back less money than you put in.
- **Features and Fees** - The fees for the contract reflect costs associated with the features and benefits it provides. As you consider the 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.
- **Exchanges** - If the contract will be a replacement for another annuity contract, you should compare the two options carefully, compare the costs associated with each and identify additional benefits available under the contract. You should consider whether these additional benefits justify incurring a new schedule of surrender charges or any increased charges that might apply under this contract. Also, be sure to talk to your financial representative or tax adviser to make sure that the exchange will be handled so that it is tax-free.

- **Tax Favored Arrangement** - If you are purchasing the contract through a tax favored arrangement, including Individual Retirement Annuities ("IRAs") and Roth IRAs, you should carefully consider the costs and benefits of the contract (including annuity income benefits) before purchasing the contract. Under the Federal tax laws, earnings on amounts held in annuity contracts are generally not taxed until they are withdrawn. However, in relation to a Qualified 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. However, annuities do provide other features and benefits (such as the death benefit or the option of lifetime annuity payments at established rates) which may be valuable to you. You should discuss your alternatives with your tax advisor or registered representative taking into account the additional fees and expenses you may incur in an annuity.

There may be differences in your contract (such as differences in fees, charges and benefits) from the one described in this prospectus because of the requirements of the state where we issued your contract. Consult your contract for its specific terms.

Allocation of Purchase Payments

Purchase payments can be allocated by the Owner to up to 34 of the available Sub-Accounts of the Variable Account (see Appendix B) selected and/or to the Fixed Account (see Appendix A). The Fixed Account is not available to Contract Owners in the States of Maryland, Oregon, South Carolina and Washington. Any purchase payment or portion thereof for which no allocation election is made will be returned to the Owner.

The initial purchase payment will be allocated not later than two business days after receipt, if the application and all information necessary for processing the contract are complete. ReliaStar Life may retain purchase payments for up to five business days while attempting to complete an incomplete application. If the application cannot be made complete within this period, the applicant will be informed of the reasons for the delay and the purchase payment will be returned immediately. Once the completed application is received, the payment must be allocated within two business days. ReliaStar Life will make inquiry to discover any missing information related to subsequent payments. For any subsequent purchase payments, the payments will be credited at the Sub-Account accumulation unit value next determined after receipt of the purchase payment.

Upon allocation to Sub-Accounts of the Variable Account, a purchase payment is converted into accumulation units of the Sub-Account. The amount of the purchase payment allocated to a particular Sub-Account is divided by the value of an accumulation unit for the Sub-Account to determine the number of accumulation units of the Sub-Account to be held in the Variable Account with respect to the contract. The net investment results of each Sub-Account vary primarily with the investment performance of the Fund whose shares are held in the Sub-Account.

A Fund may impose a minimum purchase requirement. If that minimum purchase requirement exceeds the aggregate of all purchase payments received by ReliaStar Life, less any redemption of Fund shares resulting from transfers or surrenders, on any given day that are to be applied to a Sub-Account for the purchase of shares of such Fund, such purchase payments will be refunded.

Sub-Account Accumulation Unit Value

Each Sub-Account Accumulation Unit was initially valued at \$10 when the first Fund shares were purchased. Thereafter the value of each Sub-Account Accumulation Unit will vary up or down according to a net investment factor, which is primarily based on the investment performance of the applicable Fund. Fund shares in the Sub-Accounts will be valued at their net asset value.

Dividend and capital gain distributions from a Fund will be automatically reinvested in additional shares of such Fund and allocated to the appropriate Sub-Account. The number of Sub-Account Accumulation Units does not increase because of the additional shares, but the accumulation unit value may increase.

Net Investment Factor

The net investment factor is an index number which reflects charges under the contract and the investment performance during a Valuation Period of the Fund whose shares are held in the particular Sub-Account. If the net investment factor is greater than one, the value of a Sub-Account Accumulation Unit has increased. If the net investment factor is less than one, the value of a Sub-Account Accumulation Unit has decreased. The net investment factor is determined by dividing (1) by (2) then subtracting (3) from the result, where:

- (1) is the net result of:
 - (a) the net asset value per share of the Fund shares held in the Sub-Account, determined at the end of the current Valuation Period, plus
 - (b) the per share amount of any dividend or capital gain distributions made on the Fund shares held in the Sub-Account during the current Valuation Period, plus or minus
 - (c) a per share charge or credit for any taxes reserved for which ReliaStar Life determines to have resulted from the investment operations of the Sub-Account and to be applicable to the contract;
- (2) is the net result of:
 - (a) the net asset value per share of the Fund shares held in the Sub-Account, determined at the end of the last prior Valuation Period, plus or minus
 - (b) a per share charge or credit for any taxes reserved for during the last prior Valuation Period which ReliaStar Life determines to have resulted from the investment operations of the Sub-Account and to be applicable to the contract; and
- (3) is a factor representing the mortality risk premium, the expense risk premium and the administration charge deducted from the Sub-Account which factor is equal, on an annual basis, to 1.40% of the daily net asset value of the Sub-Account.

Death Benefit Before the Annuity Commencement Date

If the Owner, including any joint Owner, dies before the Annuity Commencement Date, the Beneficiary will be entitled to receive the Death Benefit. The Death Benefit will be:

- (1) if any Owner (including the Annuitant) dies on or before the first day of the month following the Owner's 85th birthday, the greater of (i) the Contract Value on the Death Benefit Valuation Date; or (ii) the sum of the purchase payments received by ReliaStar Life under the contract to the Death Benefit Valuation Date, less any surrender payments previously made by ReliaStar Life; or (iii) the Contract Value on the Specified Contract Anniversary (immediately preceding the Owner's death), plus any Purchase Payments and reduced by any surrender payments since that anniversary;
- (2) if any Owner (including the Annuitant) dies after the first day of the month following the Owner's 85th birthday, the Contract Value on the Death Benefit Valuation Date.

If a single sum is requested, it will be paid within seven days after the Death Benefit Valuation Date. If an annuity form is requested, it may be any annuity form permitted by Section 72(s) of the Code and which ReliaStar Life is willing to issue. An annuity form selection must be in writing and must be received by ReliaStar Life within 60 days after the date of the Owner's death, otherwise the Death Benefit as of the Death Benefit Valuation Date will be paid in a single sum to the Beneficiary and the contract will be canceled.

If the only Beneficiary is the Owner's surviving spouse, such spouse may continue the contract as the Owner and then (1) select a single sum payment or (2) select any annuity form which does not exceed such spouse's life expectancy.

If the Beneficiary elects to receive annuity payments under an annuity form, the amount and duration of payments may vary depending on the annuity form selected and whether Fixed and/or Variable Annuity payments are requested. (See "Annuity Provisions.") Repayments cannot extend beyond the life or life expectancy of the Beneficiary.

Death Benefit After the Annuity Commencement Date

If the Annuitant dies after the Annuity Commencement Date, the Death Benefit, if any, shall be as stated in the annuity form in effect.

Surrender (Redemption)

If a written request is received by ReliaStar Life from the Owner before the Annuity Commencement Date, all or part of the Contract Value will be paid to the Owner after deducting any applicable surrender charge and taxes. (See "Surrender Charge (Contingent Deferred Sales Charge).")

Partial surrenders must be at least \$500. No partial surrender can cause the Contract Value to fall below \$1,000. If a total surrender occurs other than on a Contract Anniversary, the annual contract charge will be deducted from the Contract Value before the surrender payment is made. ReliaStar Life reserves the right to assess a processing fee not to exceed the lesser of 2% of the partial surrender amount or \$25. No processing fee will be charged in connection with total surrenders.

ReliaStar Life may require that the contract be returned before a surrender takes place. A surrender will take place on the next Valuation Date after the requirements for surrender are completed and payment will be made within seven days after such Valuation Date. Unless the Owner requests a partial surrender to be made from the Fixed Account or particular Sub-Accounts, a partial surrender will be taken proportionately from the Fixed Account and all Sub-Accounts on a basis that reflects their proportionate percentage of the Contract Value.

If the Contract Value after all charges is less than \$1,000, ReliaStar Life can cancel the contract on any Contract Anniversary or, if such Contract Anniversary is not a Valuation Date, on the next Valuation Date thereafter by paying to the Owner the Contract Value as of such Valuation Date.

If the contract is purchased as a "tax-sheltered annuity" under Section 403(b) of the Code, it is subject to certain restrictions on redemption imposed by Section 403(b)(11) of the Code. (See "Tax-Sheltered Annuities.")

Surrender payments may be taxable and in addition may be subject to a 10% tax penalty if before age 59½. Consideration should be given to the tax implications of a surrender before making a surrender request, including a surrender in connection with a Qualified Plan.

Systematic Withdrawals

Systematic withdrawals, which are a specialized form of partial surrenders (see "Surrender (Redemption)"), are offered for both Qualified Plan contracts and for non-qualified contracts. To start systematic withdrawals, the Contract Value must be at least \$25,000. The Owner may elect to take systematic withdrawals from Sub-Accounts by surrendering a specified dollar amount or percentage of cumulative purchase payments on a monthly, quarterly, semi-annual or annual basis. The minimum amount of any systematic withdrawal is \$100. Systematic withdrawals can be taken from Variable Account Contract Value and/or Fixed Account Contract Value, but are limited annually to 10% of total cumulative purchase payments made under the contract. A surrender charge will be imposed on the amount of any systematic withdrawal, which is not a Free Surrender. (See "Surrender Charge (Contingent Deferred Sales Charge).") Systematic withdrawals can be discontinued by the Owner if the Contract Value falls below \$10,000 or at any time by writing to ReliaStar Life's administrative office in Minot, North Dakota.

ReliaStar Life reserves the right to modify or discontinue offering systematic withdrawals; however, any such modification or discontinuation will not affect any systematic withdrawal programs already commenced. While ReliaStar Life does not currently charge a processing fee for partial surrenders under this program, it reserves the right to charge a processing fee not to exceed the lesser of 2% of the systematic withdrawal payment or \$25.

Systematic withdrawals may be subject to tax, including a penalty tax, and you should consult with your tax advisor before requesting any systematic withdrawal. (See "Taxation of Annuities.")

Contract Owners interested in participating in the systematic withdrawal program can obtain a separate application form and full information about the program and its restrictions from their registered representative.

Transfers

Before the Annuity Commencement Date, the Owner may transfer amounts between Sub-Accounts or from the Sub-Accounts to the Fixed Account subject to certain conditions we or the Funds may impose. See "Excessive Trading." Subject to certain restrictions, amounts may also be transferred from the Fixed Account to the Sub-Accounts. Currently, these are our methods by which transfers may be made in writing, by telephone or fax, by dollar cost averaging and by portfolio rebalancing.

Written Transfers

Before the Annuity Commencement Date -- Before the Annuity Commencement Date the Owner may request a transfer in writing, subject to any conditions or charges the Funds whose shares are involved may impose, of all or part of a Sub-Account's value to other Sub-Accounts or to the Fixed Account. The transfer will be made on the first Valuation Date after the request for such a transfer is received by ReliaStar Life. Before the Annuity Commencement Date, transfers may also be made from the Fixed Account to the Variable Account, provided, that:

- transfers may only be made during the period starting 30 days before and ending 30 days after the Contract Anniversary and only one transfer may be made during each such period;
- no more than 50% of the Fixed Account Contract Value may be the subject of any such transfer (unless the balance, after such transfer, would be less than \$1,000, in which case the full Fixed Account Contract Value may be transferred); and
- such transfer must involve at least \$500 (or the total Fixed Account Contract Value, if less).

Currently, there is a \$25 charge for each transfer in excess of 24 per Contract Year, plus any charge that may be made by the Funds. For purposes of this restriction, reallocations pursuant to the ReliaStar Life dollar cost averaging, portfolio rebalancing and systematic withdrawal services currently do not constitute transfers and multiple transfers on a single day currently constitute a single transfer. The Company reserves the right to charge a transfer fee not to exceed \$25 per transfer on any transfer and to limit the number of transfers.

After the Annuity Commencement Date -- After the Annuity Commencement Date, an Annuitant who has selected Variable Annuity Payments can request transfer of Annuity Unit values in the same manner and subject to the same requirements as for an Owner-transfer of Sub-Account Accumulation Unit values.

No transfers may be made to or from the Fixed Account after the Annuity Commencement Date.

Telephone/Fax Instructions -- An Owner is allowed to enter the following types of instructions either by telephone or by fax if he or she completes a telephone/fax instruction authorization form:

- transfers between Funds;
- surrenders;
- changes of allocations among Fund options;
- change of source Funds for systematic withdrawals; and
- change of source Funds for variable annuitization payouts.

If you complete the telephone/fax form, you thereby agree that ReliaStar Life will not be liable for any loss, liability, cost or expense when it acts in accordance with the telephone/fax instructions received. If a telephone/fax transaction, is later determined not to have been made by you or was made without your authorization and a loss results, you bear the risk of this loss. Any fax requests are considered telephone requests and are bound by the conditions in the telephone/fax authorization form. Any fax request should include your name, daytime telephone number, contract number and the names of the Sub-Accounts from which and to which money will be transferred or surrendered and the allocation percentage. ReliaStar Life will employ reasonable procedures to confirm that instructions communicated by telephone are genuine. In the event ReliaStar Life does not employ such procedures, it may be liable for any losses due to unauthorized or fraudulent instructions. Such procedures may include, among others, requiring forms of personal identification prior to acting upon telephone instructions, providing written confirmation of such instructions and/or tape recording telephone instructions.

The conditions applicable to Written Transfers also apply to Telephone/Fax Transfers, dollar cost averaging Transfers and portfolio rebalancing.

Excessive Trading

Excessive trading activity can disrupt orderly Fund management strategies and increase Fund expenses by causing:

- increased trading and transaction costs;
- disruption of planned investment strategies;

- 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 Owners.

In response to excessive trading, we may restrict or refuse transfers or restrict or refuse transfers made through a fax machine, the internet or over the telephone, including transfers made by third parties acting on behalf of Contract Owners such as market timing services. We will take such actions when we determine, in our sole discretion, that transfers are harmful to the Funds or Contract Owners as a whole.

We will notify you in writing if we restrict or refuse any transfer because we have determined it to be harmful to the Funds or Contract Owners as a whole.

Dollar Cost Averaging Transfers -- You can direct ReliaStar Life to automatically transfer a fixed dollar amount or a specified percentage of Sub-Account value to any one or more other Sub-Accounts or to the Fixed Account over time. No transfers from the Fixed Account are permitted under this service. The minimum transfer amount is \$100. Transfers may be made on a monthly, quarterly, semi-annual or annual basis. ReliaStar Life makes no guarantees that dollar cost averaging will result in a profit or protect against loss. You can discontinue dollar cost averaging at any time by notifying ReliaStar Life in writing. Contract Owners interested in dollar cost averaging can obtain an application form and full information concerning this service and its restrictions from their registered representatives.

ReliaStar Life reserves the right to modify or discontinue offering dollar cost averaging. Any such modification or discontinuation would not affect dollar cost averaging transfer programs already commenced. Although ReliaStar Life currently charges no fees for transfers made under the dollar cost averaging program, it reserves the right to charge a processing fee for dollar cost averaging transfers not to exceed \$25 per transfer.

Portfolio Rebalancing Service -- You may request this service if your Contract Value is at least \$25,000. If you request this service, you direct us to automatically make periodic transfers to maintain your specified percentage allocation among Sub-Accounts of the Variable Account. You may also have your allocation of future premium payments changed to be equal to this specified percentage allocation. Transfers made under this service may be made on a quarterly, semi-annual or annual basis. This service is intended to maintain the allocation you have selected consistent with your personal objectives. This service will be discontinued if your Contract Value falls below \$10,000.

You can discontinue portfolio rebalancing at any time by notifying ReliaStar Life in writing. Contract Owners interested in portfolio rebalancing can obtain an application form and full information concerning this service and its restrictions from their registered representatives. ReliaStar Life reserves the right to modify or discontinue offering portfolio rebalancing. Although ReliaStar Life currently charges no fees for transfers made under the portfolio rebalancing program, it reserves the right to charge a processing fee for portfolio rebalancing transfers not to exceed \$25 per transfer.

Assignments

If the contract is issued pursuant to or in connection with a Qualified Plan, it cannot be sold, transferred, pledged or assigned to any person or entity other than ReliaStar Life. In other circumstances, an assignment of the contract is permitted, but only before the Annuity Commencement Date, by giving ReliaStar Life the original or a certified copy of the assignment. ReliaStar Life shall not be bound by any assignment until it is actually received by ReliaStar Life and shall not be responsible for the validity of any assignment. Any payments made or actions taken by ReliaStar Life before ReliaStar Life actually receives any assignment shall not be affected by the assignment. An assignment may have tax consequences. (See "Taxation of Annuities.")

Contract Owner and Beneficiaries

Unless someone else is named as the Owner in the application for the contract, the applicant is the Owner of the contract and before the Annuity Commencement Date may exercise all of the Owner's rights under the contract. No more than two (2) natural persons may be named as Owner.

The Owner may name a Beneficiary and a Successor Beneficiary. In the event an Owner dies before the Annuity Commencement Date, the Beneficiary shall receive a Death Benefit as provided in the contract. In the event an Owner dies on or after the Annuity Commencement Date, the Beneficiary, if the annuity form in effect at the Owner's death so provides, may continue receiving payments, be paid a lump sum or be paid nothing. If the Beneficiary or Successor Beneficiary is not living on the date payment is due or if no Beneficiary or Successor Beneficiary has been named, the Owner's estate will receive the applicable proceeds.

A person named as an Annuitant, a Beneficiary or a Successor Beneficiary shall not be entitled to exercise any rights relating to the contract or to receive any payments or settlements under the contract or any annuity form, unless such person is living on the earlier of (a) the day due proof of death of the Owner, the Annuitant or the Beneficiary, whichever is applicable, is received by ReliaStar Life or (b) the tenth day after the death of the Owner, the Annuitant or the Beneficiary, whichever is applicable.

Unless different arrangements have been made with ReliaStar Life by the Owner, if more than one Beneficiary is entitled to payments from ReliaStar Life the payments shall be in equal shares.

Before the Annuity Commencement Date, the Owner may change the Annuitant, the Beneficiary or the Successor Beneficiary by giving ReliaStar Life written notice of the change, but the change shall not be effective until actually received by ReliaStar Life. Upon receipt by ReliaStar Life of a notice of change, the change will be effective as of the date it was signed but shall not affect any payments made or actions taken by ReliaStar Life before ReliaStar Life received the notice and ReliaStar Life shall not be responsible for the validity of any change.

Contract Inquiries

Inquiries regarding a contract may be made by writing to the ReliaStar Life Insurance Company, ReliaStar Service Center, P.O. Box 5050, Minot, North Dakota 58703, or by calling 1-877-884-5050.

ANNUITY PROVISIONS

Annuity Commencement Date

The Owner selects the Annuity Commencement Date, which must be the first day of a month, when making application for the contract. The date will be the first day of the month following the Annuitant's 75th birthday unless an earlier or later date has been selected by the Owner and, if the date is later, it has been agreed to by ReliaStar Life. The earliest Annuity Commencement Date is the issue date. However, if the Annuity Commencement Date selected by the Owner does not occur on a Valuation Date at least 60 days after the date on which the contract was issued, ReliaStar Life reserves the right to adjust the Annuity Commencement Date to the first Valuation Date after the Annuity Commencement Date selected by the Owner which is at least 60 days after the contract issue date. If the Annuity Commencement Date occurs before the second Contract Anniversary, ReliaStar Life will deduct surrender charges. (See "Surrender Charge (Contingent Deferred Sales Charge).") The latest Annuity Commencement Date is the later of the Annuitant's age 85 or ten years after the contract issue date.

The Owner may change an Annuity Commencement Date selection by written notice received by ReliaStar Life at least 30 days before both the Annuity Commencement Date currently in effect and the New Annuity Commencement Date. The new date selected must satisfy the requirements for an Annuity Commencement Date.

Annuity Form Selection

The Owner may select a Variable Annuity form, a Fixed Annuity form or both, with payments starting at the Annuity Commencement Date when making application for the contract. Thereafter, the Owner may change the annuity form(s) by written notice received by ReliaStar Life before the Annuity Commencement Date. If no election has been made before the Annuity Commencement Date, ReliaStar Life will apply the Fixed Account Contract Value to provide a Fixed Annuity and the Variable Account Contract Value to provide a Variable Annuity, both in the form of a Life Annuity with Payments Guaranteed for ten years (120 months), which shall be automatically effective.

Annuity Forms

Variable Annuity Payments and Fixed Annuity Payments are available in any of the following annuity forms:

Life Annuity -- An annuity payable on the first day of each month during the Annuitant's life, starting with the first payment due according to the contract. Payments cease with the payment made on the first day of the month in which the Annuitant's death occurs. **It would be possible under this annuity form for the Annuitant to receive only one payment if he or she died before the second annuity payment, only two payments if he or she died before the third annuity payment, etc.**

Life Annuity With Payments Guaranteed for Ten Years (120 Months) or 20 Years (240 Months) -- An annuity payable on the first day of each month during the Annuitant's life, starting with the first payment due according to the contract. If the Annuitant receives all of the guaranteed payments, payments will continue thereafter but cease with the payment made on the first day of the month in which the Annuitant's death occurs. If all of the guaranteed payments have not been made before the Annuitant's death, the unpaid installments of the guaranteed payments will be continued to the Beneficiary.

Joint and Full Survivor Annuity -- An annuity payable on the first day of each month during the Annuitant's life and the life of a named person (the "Joint Annuitant"), starting with the first payment due according to the contract. Payments will continue while either the Annuitant or the joint Annuitant is living and cease with the payment made on the first day of the month in which the death of the Annuitant or the joint Annuitant, whichever lives longer, occurs. **There is no minimum number of payments guaranteed under this annuity form. Payments cease upon the death of the last survivor of the Annuitant and the joint Annuitant regardless of the number of payments received.**

ReliaStar Life also has other annuity forms available and information about them can be obtained by writing to ReliaStar Life.

Frequency and Amount of Annuity Payments

Annuity payments will be paid as monthly installments, unless the Annuitant and ReliaStar Life agree to a different payment schedule. However, if the Contract Value at the Annuity Commencement Date is less than \$5,000, ReliaStar Life may pay the Contract Value in a single sum and the contract will be canceled. Also if a monthly payment would be or becomes less than \$50, ReliaStar Life may change the frequency of payments to intervals that will result in payments of at least \$50 each. The minimum frequency and amount of annuity payments or the minimum Contract Value required for annuity payments may vary by state.

Annuity Payments

The amount of the first Fixed Annuity payment is determined by applying the Contract Value to be used for a Fixed Annuity at the Annuity Commencement Date to the annuity table in the contract for the Fixed Annuity form selected. The table shows the amount of the initial annuity payment for each \$1,000 applied and all subsequent payments shall be equal to this amount. The amount of the first Variable Annuity payment is determined by applying the Contract Value to be used for a Variable Annuity at the Annuity Commencement Date to the annuity table in the contract for the annuity form selected.

Subsequent Variable Annuity payments vary in amount in accordance with the investment performance of the applicable Sub-Account. Assuming annuity payments are based on the unit values of a single Sub-Account, the dollar amount of the first annuity payment, determined as set forth above, is divided by the Sub-Account Annuity Unit Value as of the Annuity Commencement Date to establish the number of Variable Annuity Units representing each annuity payment. This number of Variable Annuity Units remains fixed during the annuity payment period. The dollar amount of the second and subsequent payments is not predetermined and may change from month to month. The dollar amount of the second and each subsequent payment is determined by multiplying the fixed number of Variable Annuity Units by the Sub-Account Annuity Unit Value for the Valuation Period with respect to which the payment is due. If the monthly payment is based upon the Annuity Unit Values of more than one Sub-Account, the foregoing procedure is repeated for each applicable Sub-Account and the sum of the payments based on each Sub-Account is the amount of the monthly annuity payment.

The annual contract charge is deducted in equal installments from each Fixed and/or Variable Annuity payment. Premium taxes payable to any governmental entity will be charged against the contracts. (See "Premium and Other Taxes.") Additionally, the mortality and expense risk premiums and the administration charge continue to be deducted from amounts held in the Sub-Accounts during the income or payout phase.

The annuity tables in the contracts are based on the annuity mortality table as defined in the contract.

ReliaStar Life guarantees that the dollar amount of each Variable Annuity payment after the first payment will not be affected by variations in expenses (including those related to the Variable Account) or in mortality experience from the mortality assumptions used to determine the first payment.

Sub-Account Annuity Unit Value

A Sub-Account's Variable Annuity Units will initially be valued at \$10 each at the time accumulation units with respect to the Sub-Account are first converted into Variable Annuity Units. The Sub-Account Annuity Unit Value for any subsequent Valuation Period is determined by multiplying the Sub-Account Annuity Unit Value for the immediately preceding Valuation Period by the net investment factor for the Sub-Account for the Valuation Period for which the Sub-Account Annuity Unit Value is being calculated and multiplying the result by an interest factor to neutralize the assumed investment rate built into the annuity tables contained in the contracts. (See "Net Investment Factor.")

Assumed Investment Rate

An assumed investment rate of 4% per annum is built into the annuity tables contained in the contracts. If the actual net investment rate on the assets of the Variable Account is the same as the assumed investment rate, Variable Annuity payments will remain level. If the actual net investment rate exceeds the assumed investment rate, Variable Annuity payments will increase and conversely, if it is less than the assumed investment rate, the payments will decrease.

FEDERAL TAX STATUS

The following summary provides a general description of the Federal income tax considerations associated with this contract and does not purport to be complete or to cover all tax situations. This discussion is not intended as tax advice. You should consult your counsel or other competent tax advisers for more complete information. This discussion is based upon our understanding of the present Federal income tax Laws. We do not make any representations as to the likelihood of continuation of the present Federal income tax Laws or as to how they may be interpreted by the Internal Revenue Service (IRS).

Types of Contracts: Non-Qualified or Qualified

The contract may be purchased on a non-tax-qualified basis or purchased on a tax-qualified basis. Qualified contracts are designed for use by individuals whose premium payments are comprised solely of proceeds from and/or contributions under retirement plans that are intended to qualify as plans entitled to special income tax treatment under Sections 401(a), 403(b), 408 or 408A of the Code. The ultimate effect of Federal income taxes on the amounts held under a contract, or annuity payments, depends on the type of retirement plan, on the tax and employment status of the individual concerned and on our tax status. In addition, certain requirements must be satisfied in purchasing a qualified contract with proceeds from a tax-Qualified Plan and receiving distributions from a qualified contract in order to continue receiving favorable tax treatment. Some retirement plans are subject to distribution and other requirements that are not incorporated into our contract administration procedures. Contract Owners, 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 that qualify for the intended special Federal income tax treatment.

Tax Status of the Contracts

Diversification Requirements. The Code requires that the investments of a Variable Account be "adequately diversified" in order for non-qualified contracts to be treated as annuity contracts for Federal income tax purposes. It is intended that the Variable Account, through the Sub-Accounts, will satisfy these diversification requirements.

Investor Control. In certain circumstances, owners of variable annuity contracts have been considered for Federal income tax purposes to be the owners of the assets of the separate account supporting their contracts due to their ability to exercise investment control over those assets. When this is the case, the Contract Owners have been currently taxed on income and gains attributable to the separate account assets. There is little guidance in this area and some features of the contracts, such as the flexibility of a Contract Owner to allocate premium payments and transfer Contract Values, have not been explicitly addressed in published rulings. While we believe that the contracts do not give Contract Owners investment control over Variable Account assets, we reserve the right to modify the contracts as necessary to prevent a Contract Owner from being treated as the owner of the Variable Account assets supporting the contract.

Required Distributions. In order to be treated as an annuity contract for Federal income tax purposes, the Code requires any non-qualified contract to contain certain provisions specifying how your interest in the contract will be distributed in the event of your death. The qualified contracts contain provisions that are intended to comply with these Code requirements, although no regulations interpreting these requirements have yet been issued. We intend to review such provisions and modify them if necessary to assure that they comply with the applicable requirements when such requirements are clarified by regulation or otherwise.

Other rules may apply to qualified contracts.

The following discussion assumes that the contracts will qualify as annuity contracts for Federal income tax purposes.

Tax Treatment of Annuities

In General. We believe that if you are a natural person you will generally not be taxed on increases in the value of a contract until a distribution occurs or until annuity payments begin. (For these purposes, the agreement to assign or pledge any portion of the Contract Value and, in the case of a qualified contract, any portion of an interest in the Qualified Plan, generally will be treated as a distribution.)

Taxation of Non-Qualified contracts

Non-Natural Person. The owner of any annuity contract who is not a natural person generally must include in income any increase in the excess of the Contract Value over the "investment in the contract" (generally, the premiums or other consideration you paid for the contract less any nontaxable withdrawals) during the taxable year. There are some exceptions to this rule and a prospective Contract Owner that is not a natural person may wish to discuss these with a tax adviser. The following discussion generally applies to contracts owned by natural persons.

Withdrawals. When a withdrawal from a non-qualified contract occurs, the amount received will be treated as ordinary income subject to tax up to an amount equal to the excess (if any) of the Contract Value (unreduced by the amount of any surrender charge) immediately before the distribution over the Contract Owner's investment in the contract at that time.

In the case of a surrender under a non-qualified contract, the amount received generally will be taxable only to the extent it exceeds the Contract Owner's investment in the contract.

Variable Account Charges. It is possible that the IRS may take a position that charges for certain optional benefits and riders are deemed to be taxable distributions to you.

Penalty Tax on Certain Withdrawals. In the case of a distribution from a non-qualified contract, there may be imposed a Federal tax penalty equal to 10% of the amount treated as income. In general, however, there is no penalty on distributions:

- made on or after the taxpayer reaches age 59½;
- made on or after the death of a Contract Owner;
- attributable to the taxpayer becoming disabled; or
- made as part of a series of substantially equal periodic payments for the life (or life expectancy) of the taxpayer.

Other exceptions may be applicable under certain circumstances and special rules may be applicable in connection with the exceptions enumerated above. A tax adviser should be consulted with regard to exceptions from the penalty tax.

Annuity Payments. Although tax consequences may vary depending on the annuity form elected under an annuity contract, a portion of each annuity payment is generally not taxed and the remainder is taxed as ordinary income. The non-taxable portion of an annuity payment is generally determined in a manner that is designed to allow you to recover your investment in the contract ratably on a tax-free basis over the expected stream of annuity payments, as determined when annuity payments start. Once your investment in the contract has been fully recovered, however, the full amount of each annuity payment is subject to tax as ordinary income.

Taxation of Death Benefit Proceeds. Amounts may be distributed from a contract because of your death or the death of the Annuitant. Generally, such amounts are includible in the income of recipient as follows: (i) if distributed in a lump sum, they are taxed in the same manner as a surrender of the contract, or (ii) if distributed under a payment option, they are taxed in the same way as annuity payments.

Transfers, Assignments, Exchanges and Annuity Commencement Dates. A transfer or assignment of ownership of a contract, the designation of an Annuitant or payee other than an Owner, the selection of Annuity Commencement Dates or the exchange of a contract may result in certain tax consequences to you that are not discussed herein. A Contract Owner contemplating any such transfer, assignment, designation or exchange, should consult a tax adviser as to the tax consequences.

Withholding. Annuity distributions are generally subject to withholding for the recipient's Federal income tax liability. Recipients can generally elect, however, not to have tax withheld from distributions.

Multiple Contracts. All non-qualified deferred annuity contracts that are issued by us (or our affiliates) to the same Contract Owner during any calendar year are treated as one non-qualified deferred annuity contract for purposes of determining the amount includible in such Contract Owner's income when a taxable distribution occurs.

Taxation of Qualified Contracts

The contracts are designed for use with several types of 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. Special favorable tax treatment may be available for certain types of contributions and distributions. 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. Therefore, no attempt is made to provide more than general information about the use of the contracts with the various types of Qualified Plans. Contract Owners, Annuitants and Beneficiaries are cautioned that the rights of any person to any benefits under these Qualified Plans may be subject to the terms and conditions of the plans themselves, regardless of the terms and conditions of the contract, but we shall not be bound by the terms and conditions of such plans to the extent such terms contradict the contract, unless we consent.

Distributions. Annuity payments are generally taxed in the same manner as under a non-qualified contract. When a withdrawal from a qualified contract occurs, a pro rata portion of the amount received is taxable, generally based on the ratio of the Contract Owner's investment in the contract (generally, the premiums or other consideration paid for the contract) to the Contract Owner's total accrued benefit balance under the retirement plan. For qualified contracts, the investment in the contract can be zero. For Roth IRAs, distributions are generally not taxed, except as described below.

For Qualified Plans under Section 401(a) and 403(b), the Code requires that distributions generally must commence no later than the later of April 1 of the calendar year following the calendar year in which the Contract Owner (or plan participant) (i) reaches age 70½ or (ii) retires and must be made in a specified form or manner. If the plan participant is a "5 percent owner" (as defined in the Code), distributions generally must begin no later than April 1 of the calendar year following the calendar year in which the Contract Owner (or plan participant) reaches age 70½. For IRAs described in Section 408, distributions generally must commence no later than the later of April 1 of the calendar year following the calendar year in which the Contract Owner (or plan participant) reaches age 70½. Roth IRAs under Section 408A do not require distributions at any time before the Contract Owner's death.

Variable Account Charges. It is possible that the IRS may take a position that charges for certain optional benefits and riders are deemed to be taxable distributions to you.

Withholding. Distributions from certain Qualified Plans generally are subject to withholding for the Contract Owner's Federal income tax liability. The withholding rates vary according to the type of distribution and the Contract Owner's tax status. The Contract Owner may be provided the opportunity to elect not to have tax withheld from distributions. "Eligible rollover distributions" from section 401(a) plans and section 403(b) tax-sheltered annuities are subject to a mandatory Federal income tax withholding of 20%. An eligible rollover distribution is the taxable portion of any distribution from such a plan, except certain distributions that are required by the Code, distributions in a specified annuity form or hardship distributions. The 20% withholding does not apply, however, if the Contract Owner chooses a "direct rollover" from the plan to another tax-Qualified Plan or IRA.

Brief descriptions of the various types of Qualified Plans in connection with a contract follow. We will endorse the contract as necessary to conform it to the requirements of such plan.

Corporate and Self-Employed Pension and Profit Sharing Plans. Section 401(a) of the Code permits corporate employers to establish various types of retirement plans for employees and permits self-employed individuals to establish these plans for themselves and their employees. These retirement plans may permit the purchase of the contracts to accumulate retirement savings under the plans. Adverse tax or other legal consequences to the plan, to the participant or to both may result if this contract is assigned or transferred to any individual as a means to provide benefit payments, unless the plan complies with all legal requirements applicable to such benefits before transfer of the contract. Employers intending to use the contract with such plans should seek competent advice.

Individual Retirement Annuities

Section 408 of the Code permits eligible individuals to contribute to an individual retirement program known as an "Individual Retirement Annuity" or "IRA." These IRAs are subject to limits on the amount that can be contributed, the deductible amount of the contribution, the persons who may be eligible and the time when distributions commence. Also, distributions from certain other types of Qualified Plans may be "rolled over" or transferred on a tax-deferred basis into an IRA. There are significant restrictions on rollover or transfer contributions from Savings Incentive Match Plans for Employees (SIMPLE), under which certain employers may provide contributions to IRAs on behalf of their employees, subject to special restrictions. Employers may establish Simplified Employee Pension (SEP) Plans to provide IRA contributions on behalf of their employees. Sales of the contract for use with IRAs may be subject to special requirements of the IRS.

Distributions -- IRAs. All distributions from a traditional IRA are taxed as received unless either one of the following is true:

- the distribution is rolled over to a plan eligible to receive rollovers or to another traditional IRA in accordance with the Code; or
- the Contract Owner made after-tax contributions to the IRA. In this case, the distribution will be taxed according to rules detailed in the Code.

To avoid certain tax penalties, the Contract Owner and any designated Beneficiary must also meet the minimum distribution requirements imposed by the Code. The requirements do not apply to Roth IRA contracts except with regard to death benefits. These rules may dictate one or more of the following:

- start date for distributions;
- the time period in which all amounts in the Contract Owner's contract(s) must be distributed; or
- distribution amounts.

Generally, the Contract Owner must begin receiving distributions from a traditional IRA by April 1 of the calendar year following the calendar year in which the Contract Owner attains age 70½. We must pay out distributions from the contract over one of the following time periods:

- over the Contract Owner's life or the joint lives of the Contract Owner and the Contract Owner's designated Beneficiary; or
- over a period not greater than the Contract Owner's life expectancy or the joint life expectancies of the Contract Owner and the Contract Owner's designated Beneficiary.

The amount of each periodic distribution must be calculated in accordance with IRS regulations. If the Contract Owner fails to receive the minimum required distribution for any tax year, a 50% excise tax is imposed on the required amount that was not distributed.

The following applies to the distribution of death proceeds under 408(b) and 408A (see Roth IRA) plans. Different distribution requirements apply if the Contract Owner's death occurs:

- after the Contract Owner begins receiving minimum distributions under the contract; or
- before the Contract Owner begins receiving such distributions.

If the Contract Owner's death occurs after the Contract Owner begins receiving minimum distributions under the contract, distributions must be made at least as rapidly as under the method in effect at the time of the Contract Owner's death. Code section 401(a)(9) provides specific rules for calculating the minimum required distributions at the Contract Owner's death.

If the Contract Owner's death occurs before the Contract Owner begins receiving minimum distributions under the contract, the entire balance must be distributed by December 31 of the calendar year containing the fifth anniversary of the date of the Contract Owner's death. For example, if the Contract Owner dies on September 1, 2003, the entire balance must be distributed to the designated Beneficiary by December 31, 2008. However, if the distributions begin by December 31 of the calendar year following the calendar year of the Contract Owner's death and the Contract Owner has named a designated Beneficiary, then payments may be made over either of the following time-frames:

- over the life of the designated Beneficiary; or
- over a period not extending beyond the life expectancy of the designated Beneficiary.

If the designated Beneficiary is the Contract Owner's spouse, distributions must begin on or before the later of the following:

- December 31 of the calendar year following the calendar year of the Contract Owner's death; or
- December 31 of the calendar year in which the Contract Owner would have attained age 70½.

In lieu of taking a distribution under these rules, a spousal Beneficiary may elect to treat the contract as his or her own IRA. In such case, the surviving spouse will be able to make contributions to the contract, make rollovers from the contract and defer taking a distribution until his or her age 70½. The surviving spouse is deemed to have made such an election if the surviving spouse makes a rollover to or from the contract, makes additional contributions to the contract or fails to take a distribution within the required time period.

Roth IRA

Section 408A of the Code permits certain eligible individuals to contribute to a Roth IRA. Contributions to a Roth IRA, which are subject to limits on the amount of the contributions and the persons who may be eligible to contribute, are not deductible and must be made in cash or as a rollover or transfer from another Roth IRA or other IRA. A rollover from or conversion of an IRA to a Roth IRA may be subject to tax and other special rules may apply. Distributions from a Roth IRA generally are not taxed, except that, once aggregate distributions exceed contributions to the Roth IRA, income tax and a 10% penalty tax may apply to distributions made (1) before age 59½ (subject to certain exceptions) or (2) during the five taxable years starting with the year in which the first contribution is made to any Roth IRA. A 10% penalty may apply to amounts attributable to a conversion from an IRA to a Roth IRA if the amounts are distributed during the five taxable years beginning with the year in which the conversion was made.

Distributions -- Roth IRAs. A qualified distribution from a Roth IRA is not taxed when it is received. A qualified distribution is a distribution:

- made after the five-taxable year period beginning with the first taxable year for which a contribution was made; and
- made after the Contract Owner attains age 59½, die, become disabled as defined in the Code or for a qualified first-time home purchase.

If a distribution is not qualified, it will be taxable to the extent of the accumulated earnings. A partial distribution will first be treated as a return of contributions which is not taxable and then as taxable accumulated earnings.

Tax Sheltered Annuities

Section 403(b) of the Code allows employees of certain Section 501(c)(3) organizations and public schools to exclude from their gross income the premium payments made, within certain limits, on a contract that will provide an annuity for the employee's retirement. These premium payments may be subject to FICA (Social Security) tax. Distributions of (1) salary reduction contributions made in years beginning after December 31, 1988; (2) earnings on those contributions; and (3) earnings on amounts held as of the last year beginning before January 1, 1989 are not allowed prior to age 59½, separation from service, death or disability. Salary reduction contributions may also be distributed upon hardship, but would generally be subject to penalties.

Other Tax Consequences

As noted above, the foregoing comments about the Federal tax consequences under the contracts are not exhaustive and special rules are provided with respect to other tax situations not discussed in this prospectus. Further, the Federal income tax consequences discussed herein reflect our understanding of current law and the law may change. Federal estate and state and local estate, inheritance and other tax consequences of ownership or receipt of distributions under a contract depend on the individual circumstances of each Contract Owner or recipient of the distribution. A competent tax adviser should be consulted for further information.

Possible Changes in Taxation

Although the likelihood of legislative change 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). You should consult a tax adviser with respect to legislative developments and their effect on the contract.

Taxation of the Company

ReliaStar Life is taxed as a life insurance company under the Code. The ReliaStar Select Variable Account is not a separate entity. Therefore, it is not taxed separately as a "regulated investment company," but is taxed as part of ReliaStar Life.

ReliaStar Life automatically applies investment income and capital gains attributable to the Variable Account to increase reserves under the contracts. Because of this, under existing Federal tax law ReliaStar Life believes 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 Variable Account will be first used to reduce any income taxes imposed on the Variable Account before being used by ReliaStar Life.

In summary, ReliaStar Life does not expect that it will incur any Federal income tax liability attributable to the Variable Account and does not intend to make any provision for such taxes. However, changes in Federal tax laws and/or their interpretation may result in ReliaStar Life being taxed on income or gains attributable to the Variable Account. In this case, ReliaStar Life may impose a charge against the Variable Account (with respect to some or all of the contracts) to set aside provisions to pay such taxes. ReliaStar Life may deduct this amount from the Variable Account, including from the Contract Owner's Contract Value invested in the Sub-Accounts.

VOTING OF FUND SHARES

As long as the Variable Account is registered as a unit investment trust under the 1940 Act and the assets of the Variable Account are allocated to Sub-Accounts that are invested in Fund shares, the Fund shares held in the Sub-Accounts will be voted by ReliaStar Life in accordance with instructions received from the person having voting interests under the contracts as described below. If ReliaStar Life determines pursuant to applicable law or regulation that Fund shares held in the Sub-Accounts and attributable to the contracts need not be voted pursuant to instructions received from persons otherwise having the voting interests, then ReliaStar Life may vote such Fund shares held in the Sub-Accounts in its own right.

Before the Annuity Commencement Date, the Owner shall have the voting interest with respect to the Fund shares attributable to the contract. On and after the Annuity Commencement Date, the person then entitled to receive annuity payments shall have the voting interest with respect to the Fund shares. Such voting interest will generally decrease during the annuity payout period.

Any Fund shares held in the Variable Account for which we do not receive timely voting instructions, or which are not attributable to Contract Owners, will be voted by us in proportion to the instructions received from all Contract Owners having a voting interest in the Fund. Any Fund shares held by us or any of our affiliates in general accounts will, for voting purposes, be allocated to all separate accounts having voting interests in the Fund in proportion to each account's voting interest in the respective Fund and will be voted in the same manner as are the respective account's vote.

All Fund proxy material will be sent to persons having voting interests together with appropriate forms which may be used to give voting instructions. Persons entitled to voting interests and the number of votes which they may cast shall be determined as of a record date, to be selected by the Fund, not more than 90 days before the meeting of the applicable Fund.

Persons having voting interests under the contracts as described above will not, as a result thereof, have voting interests with respect to meetings of the stockholders of ReliaStar Life.

DISTRIBUTION OF THE CONTRACTS

The contracts will be distributed by the general distributor, Washington Square Securities, Inc. ("WSSI"), a Minnesota corporation, which is an affiliate of ReliaStar Life. WSSI is a securities broker-dealer registered with the SEC and is a member of the National Association of Securities Dealers, Inc. WSSI's principal office is located at 111 Washington Avenue South, Minneapolis, Minnesota 55401. We pay WSSI under a distribution agreement.

The contracts will be sold by licensed insurance agents in those states where the contracts can be lawfully sold. Such agents will be registered representatives of affiliated and unaffiliated broker-dealers. The affiliated broker-dealers may include:

- Aeltus Capital, Inc.
- BancWest Investment Services, Inc.
- Baring Investment Services, Inc.
- Compulife Investor Services, Inc.
- Directed Services, Inc.
- Financial Network Investment Corporation
- Financial Northeastern Securities, Inc.
- Granite Investment Services, Inc.
- Guaranty Brokerage Services, Inc.
- IFG Network Securities, Inc.
- ING Barings Corp.
- ING Direct Funds Limited
- ING Direct Securities, Inc.
- ING Financial Advisers, LLC
- ING Funds Distributor, Inc.
- ING Furman Selz Financial Services LLC
- ING TT&S (U.S.) Securities, Inc.
- Locust Street Securities, Inc.
- Multi-Financial Securities Corporation
- PrimeVest Financial Services, Inc.
- Systematized Benefits Administrators, Inc.
- United Variable Services, Inc.
- VESTAX Securities Corporation
- Washington Square Securities, Inc.

Commissions and other distribution compensation will be paid by ReliaStar Life. Generally such payments will not exceed 8% of the purchase payments. In some cases a trail commission based on the Contract Value may also be paid.

ANTI-MONEY LAUNDERING

In order to protect against the possible misuse of our products in money laundering or terrorist financing, we have adopted an anti-money laundering program satisfying the requirements of the USA PATRIOT Act. Among other things, this program requires us, our agents and customers to comply with certain procedures and standards that serve to assure that our customers' identities are properly verified and that premiums are not derived from improper sources.

Under our anti-money laundering program, we may require Contract Owners, Annuitants and/or Beneficiaries to provide sufficient evidence of identification, and we reserve the right to verify any information provided to us by accessing information databases maintained internally or by outside firms.

We may also refuse to accept certain forms of premium payments (travelers cheques, for example) or restrict the amount of certain forms of premium payments (money orders totaling more than \$5,000, for example). In addition, we may require information as to why a particular form of payment was used (third party checks, for example) and the source of the funds of such payment in order to determine whether or not we will accept it.

ReliaStar Life's anti-money laundering program is subject to change without notice to take account of changes applicable in laws or regulations and our ongoing assessment of our exposure to illegal activity.

REVOCATION

The Contract Owner may revoke the contract at any time between the date of application and the date ten days after receipt of the contract and receive a refund of the Contract Value unless otherwise required by state and/or Federal law. All IRA refunds will be for a return of purchase payments. In order to revoke the contract, it must be mailed or delivered to ReliaStar Life's Contract Administrator at the mailing address shown below or the agent through whom it was purchased. Mailing or delivery must occur on or before ten days after receipt of the contract for revocation to be effective. In order to revoke the contract written notice must be mailed or delivered to:

ReliaStar Life Insurance Company
ReliaStar Service Center
P.O. Box 5050
Minot, North Dakota 58703

The liability of the Variable Account under this provision is limited to the Contract Value in each Sub-Account on the date of revocation. Any additional amounts refunded to the Contract Owner will be paid by ReliaStar Life.

REPORTS TO OWNERS

ReliaStar Life will mail to the Contract Owner, at the last known address of record at the administrative office of ReliaStar Life, at least annually after the first Contract Year, a report containing such information as may be required by any applicable law or regulation and a statement showing the Contract Value.

To reduce expenses, only one copy of most financial reports and prospectuses, including reports and prospectuses for the Funds, will be mailed to your household, even if you or other persons in your household have more than one contract issued by ReliaStar Life or an affiliate. Call 1-877-884-5050 if you need additional copies of financial reports, prospectuses, or annual and semi-annual reports or if you would like to receive one copy for each contract in all future mailings.

LEGAL PROCEEDINGS

ReliaStar Life is not aware of any pending legal proceedings which involve the variable account as a party.

We are, or may be in the future, a defendant in various legal proceedings in connection with the normal conduct of our insurance operations. Some of these cases may seek class action status and may include a demand for punitive damages as well as for compensatory damages. In the opinion of management, the ultimate resolution of any existing legal proceeding is not likely to have a material adverse effect on our ability to meet our obligations under the contract.

WSSI, the principal underwriter and distributor of the contract, is not involved in any legal proceeding which, in the opinion of management, is likely to have material adverse effect on its ability to distribute the contract.

EXPERTS

The statement of assets and liabilities of ReliaStar Select Variable Account as of December 31, 2002, and the related statement of operations for the year then ended and statements of changes in net assets for each of the two years in the period then ended, along with the statutory-basis financial statements of ReliaStar Life Insurance Company as of December 31, 2002 and 2001 and for the years then ended, appearing in the Statement of Additional Information incorporated herein by reference have been audited by Ernst & Young LLP, independent auditors, as set forth in their reports thereon and included herein in reliance upon such reports given on the authority of such firm as experts in accounting and auditing.

FURTHER INFORMATION

A Registration Statement under the Securities Act of 1933 has been filed with the SEC, with respect to the contracts described herein. The prospectus does not contain all of the information set forth in the Registration Statement and exhibits thereto, to which reference is hereby made for further information concerning the Variable Account, ReliaStar Life and the contracts. The information so omitted may be obtained from the SEC's principal office in Washington, D.C., upon payment of the fee prescribed by the SEC or examined there without charge. Statements contained in this prospectus as to the provisions of the contracts and other legal documents are summaries and reference is made to the documents as filed with the SEC for a complete statement of the provisions thereof.

Information about the Fixed Account can be found in Appendix A and Condensed Financial Information can be found in Appendix C.

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If you would like to receive a copy of the ReliaStar Select Variable Account Select★Annuity III Variable Annuity Statement of Additional Information, please call 1-877-884-5050 or return this request to:

**RELIASTAR LIFE INSURANCE COMPANY
RELIASTAR SERVICE CENTER
P.O. BOX 5050
MINOT, ND 58703**

Your Name _____

Address _____

City _____ State _____ Zip _____

Please send me a copy of the ReliaStar Select Variable Account Select★Annuity III Statement of Additional Information.

No person is authorized to give any information or to make any representations other than those contained in this prospectus and, if given or made, such information or representations must not be relied upon as having been authorized. This prospectus does not constitute an offer to sell or a solicitation of an offer to buy any securities other than the registered securities to which it relates. This prospectus does not constitute an offer or solicitation in any circumstances in which such offer or solicitation would be unlawful.

APPENDIX A

THE FIXED ACCOUNT

Contributions to the Fixed Account under the contract and transfers to the Fixed Account become part of the general account of ReliaStar Life, which supports insurance and annuity obligations. Interests in the Fixed Account have not been registered under the Securities Act of 1933 ("1933 Act") nor is the Fixed Account registered as an investment company under the Investment Company Act of 1940 ("1940 Act"). Accordingly, neither the Fixed Account nor any interest therein are generally subject to the provisions of the 1933 Act or 1940 Act and ReliaStar Life has been advised that the staff of the SEC has not reviewed the disclosures in this prospectus which relate to the fixed portion of the contract. Disclosures regarding the fixed portion of the annuity contract and the Fixed Account, however, may be subject to certain generally applicable provisions of the Federal securities laws relating to the accuracy and completeness of statements made in prospectuses.

The Fixed Account is made up of all of the general assets of ReliaStar Life other than those allocated to any separate account. Purchase payments will be allocated to the Fixed Account as elected by the Owner at the time of purchase or as subsequently changed. ReliaStar Life will invest the assets of the Fixed Account in those assets chosen by ReliaStar Life and allowed by applicable law.

ReliaStar Life guarantees that it will credit interest at a rate of not less than 3% per year, compounded annually, to amounts allocated to the Fixed Account under the contract. ReliaStar Life may credit interest at a rate in excess of 3% per year; however, ReliaStar Life is not obligated to do so. **Any interest credited to amounts allocated to the Fixed Account in excess of 3% per year will be determined in the sole discretion of ReliaStar Life. The Owner assumes the risk that interest credited to Fixed Account allocations may not exceed the minimum guarantee of 3% for any given year.**

APPENDIX B

INVESTMENTS OF THE VARIABLE ACCOUNT

The following chart lists the Funds, the investment advisers and subadvisers to the Funds, summary information regarding the investment objective and the total annual expenses of each Fund. More detailed information about the Funds can be found in the current prospectus and Statement of Additional Information for each Fund. These prospectuses accompany this prospectus in a book entitled "Variable Product Investment Options." The Fund prospectuses should be read carefully before any allocation to, or transfers among, the Sub-Accounts.

There is no assurance that the stated objectives and policies of any of the Funds will be achieved. 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 1940 Act.

The expense information regarding the Funds was provided by the Funds.

We 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 service fees that are deducted from Fund assets. Any such fees deducted from Fund assets are disclosed in the Fund prospectuses. We may also receive additional compensation from certain Funds for administrative, recordkeeping or other services provided by us to the Funds or the Funds' affiliates. These additional payments are made by the Funds or the Funds' affiliates to the Company and do not increase, directly or indirectly, the expenses shown below.

Fund Name	Investment Adviser/ Subadviser	Investment Objective	Total Annual Fund Expenses
AIM V.I. Dent Demographic Trends Fund (Series I Shares)¹	<u>Investment Adviser:</u> A I M Advisors, Inc. <u>Subadviser:</u> H.S. Dent Advisors, Inc.	Seeks long-term growth of capital.	Gross: 1.43% Net: 1.30%
Alger American Growth Portfolio (Class O Shares)	<u>Investment Adviser:</u> Fred Alger Management, Inc.	Long-term capital appreciation.	Gross: 0.85% Net: 0.85%
Alger American Leveraged AllCap Portfolio (Class O Shares)	<u>Investment Adviser:</u> Fred Alger Management, Inc.	Long-term capital appreciation.	Gross: 0.96% Net: 0.96%
Alger American MidCap Growth Portfolio (Class O Shares)	<u>Investment Adviser:</u> Fred Alger Management, Inc.	Long-term capital appreciation.	Gross: 0.93% Net: 0.93%
Alger American Small Capitalization Portfolio (Class O Shares)	<u>Investment Adviser:</u> Fred Alger Management, Inc.	Long-term capital appreciation.	Gross: 0.97% Net: 0.97%

Fund Name	Investment Adviser/ Subadviser	Investment Objective	Total Annual Fund Expenses
Fidelity® VIP Contrafund® Portfolio (Initial Class)	<u>Investment Adviser:</u> Fidelity Management & Research Company <u>Subadvisers:</u> Fidelity Management & Research (U.K.) Inc.; Fidelity Management & Research (Far East) Inc.; Fidelity Investments Japan Limited; FMR Co., Inc.	Seeks long-term capital appreciation.	Gross: 0.68% Net: 0.68%
Fidelity® VIP Equity- Income Portfolio (Initial Class)	<u>Investment Adviser:</u> Fidelity Management & Research Company <u>Subadviser:</u> FMR Co., Inc.	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 Index.	Gross: 0.57% Net: 0.57%
Fidelity® VIP Growth Portfolio (Initial Class)	<u>Investment Adviser:</u> Fidelity Management & Research Company <u>Subadviser:</u> FMR Co., Inc.	Seeks to achieve capital appreciation.	Gross: 0.67% Net: 0.67%
Fidelity® VIP High Income Portfolio (Initial Class)	<u>Investment Adviser:</u> Fidelity Management & Research Company <u>Subadvisers:</u> Fidelity Management & Research (U.K.) Inc.; Fidelity Management & Research (Far East) Inc.; Fidelity Investments Japan Limited; FMR Co., Inc.	Seeks a high level of current income while also considering growth of capital.	Gross: 0.70% Net: 0.70%
Fidelity® VIP Index 500 Portfolio (Initial Class)²	<u>Investment Adviser:</u> Fidelity Management & Research Company	Seeks investment results that correspond to the total return of common stocks publicly traded in the United States, as represented by the Standard & Poor's 500 Index (S&P 500).	Gross: 0.33% Net: 0.33%
Fidelity® VIP Investment Grade Bond Portfolio (Initial Class)	<u>Investment Adviser:</u> Fidelity Management & Research Company <u>Subadviser:</u> Fidelity Investments Money Management, Inc.	Seeks as high a level of current income as is consistent with the preservation of capital.	Gross: 0.54% Net: 0.54%

Fund Name	Investment Adviser/ Subadviser	Investment Objective	Total Annual Fund Expenses
Fidelity® VIP Money Market Portfolio (Initial Class)	<u>Investment Adviser:</u> Fidelity Management & Research Company <u>Subadviser:</u> Fidelity Investments Money Management, Inc.	Seeks as high a level of current income as is consistent with preservation of capital and liquidity.	Gross: 0.29% Net: 0.29%
ING VP Growth Opportunities Portfolio (Class R)^{3,4}	<u>Investment Adviser:</u> ING Investments, LLC	Seeks long-term growth of capital.	Gross: 1.34% Net: 0.90%
ING VP Growth + Value Portfolio (Class R)^{3,4}	<u>Investment Adviser:</u> ING Investments, LLC <u>Sub-Adviser:</u> Navellier Fund Management, Inc.	Seeks capital appreciation	Gross: 1.18% Net: 0.80%
ING VP High Yield Bond Portfolio (Class R)^{3,4}	<u>Investment Adviser:</u> ING Investments, LLC <u>Sub-Adviser:</u> ING Investments Management, LLC	Seeks high income and capital appreciation.	Gross: 1.46% Net: 0.80%
ING VP International Value Portfolio (Class R)^{3,4}	<u>Investment Adviser:</u> ING Investments, LLC	Seeks long terms capital appreciation.	Gross: 1.58% Net: 1.00%
ING VP MagnaCap Portfolio (Class R)^{3,4}	<u>Investment Adviser:</u> ING Investments, LLC	Seeks growth of capital, with dividend income as a secondary consideration.	Gross: 1.20% Net: 0.90%
ING VP MidCap Opportunities Portfolio (Class R)^{3,4}	<u>Investment Adviser:</u> ING Investments, LLC	Seeks long-term capital appreciation.	Gross: 1.53% Net: 0.90%
ING VP Research Enhanced Index Portfolio (Class R)^{3,4}	<u>Investment Adviser:</u> ING Investments, LLC <u>Sub-Adviser:</u> Aeltus Investment Management, Inc.	Seeks capital appreciation.	Gross: 1.66% Net: 0.90%
ING VP SmallCap Opportunities Portfolio (Class R)^{3,4}	<u>Investment Adviser:</u> ING Investments, LLC	Seeks long-term capital appreciation.	Gross: 1.23% Net: 0.90%
Janus Aspen Growth Portfolio (Institutional Shares)⁵	<u>Investment Adviser:</u> Janus Capital	Seeks long-term growth of capital in a manner consistent with the preservation of capital.	Gross: 0.67% Net: 0.67%
Janus Aspen International Growth Portfolio (Institutional Shares)⁵	<u>Investment Adviser:</u> Janus Capital	Seeks long-term growth of capital.	Gross: 0.74% Net: 0.74%

Fund Name	Investment Adviser/ Subadviser	Investment Objective	Total Annual Fund Expenses
Janus Aspen Mid Cap Growth Portfolio (Institutional Shares)⁵	<u>Investment Adviser:</u> Janus Capital	A <i>nondiversified</i> Portfolio that invests, under normal circumstances, at least 80% of its net assets in equity securities of mid-sized companies whose market capitalization falls, at the time of initial purchase, in the 12-month average of the capitalization ranges of the Russell MidCap Growth Index.	Gross: 0.67% Net: 0.67%
Janus Aspen Worldwide Growth Portfolio (Institutional Shares)⁵	<u>Investment Adviser:</u> Janus Capital	Seeks long-term growth of capital in a manner consistent with the preservation of capital.	Gross: 0.70% Net: 0.70%
Neuberger Berman AMT Limited Maturity Bond Portfolio⁶	<u>Investment Adviser:</u> Neuberger Berman Management Inc. <u>Sub-Adviser:</u> Neuberger Berman, LLC	Highest current income consistent with low risk to principal and liquidity and secondarily total return.	Gross: 0.76% Net: 0.76%
Neuberger Berman AMT Partners Portfolio⁶	<u>Investment Adviser:</u> Neuberger Berman Management Inc. <u>Sub-Adviser:</u> Neuberger Berman, LLC	Capital growth.	Gross: 0.91% Net: 0.91%
Neuberger Berman AMT Socially Responsive Portfolio⁷	<u>Investment Adviser:</u> Neuberger Berman Management Inc. <u>Sub-Adviser:</u> Neuberger Berman, LLC	Long-term capital growth.	Gross: 2.87% Net: 1.51%
OpCap Equity Portfolio⁸	<u>Investment Adviser:</u> OpCap Advisors LLC	Seeks long term capital appreciation.	Gross: 0.96% Net: 0.96%
OpCap Global Equity Portfolio⁸	<u>Investment Adviser:</u> OpCap Advisors LLC	Seeks long term capital appreciation.	Gross: 1.15%% Net: 1.15%%
OpCap Managed Portfolio⁸	<u>Investment Adviser:</u> OpCap Advisors LLC	Seeks growth of capital over time.	Gross: 0.88% Net: 0.88%
OpCap Small Cap Portfolio⁸	<u>Investment Adviser:</u> OpCap Advisors LLC	Seeks capital appreciation.	Gross: 0.91% Net: 0.91%
Putnam VT Growth and Income Fund (Class IA Shares)	<u>Investment Adviser:</u> Putnam Investment Management, LLC	Capital growth and current income.	Gross: 0.52% Net: 0.52%
Putnam VT New Opportunities Fund (Class IA Shares)	<u>Investment Adviser:</u> Putnam Investment Management, LLC	Long-term capital appreciation.	Gross: 0.63% Net: 0.63%
Putnam VT Voyager Fund (Class IA Shares)	<u>Investment Adviser:</u> Putnam Investment Management, LLC	Capital appreciation.	Gross: 0.60% Net: 0.60%

- 1 The Fund's adviser has contractually agreed to waive advisory fees or reimburse expenses of Series I and Series II shares to the extent necessary to limit Total Annual Fund Operating Expenses (excluding Rule 12b-1 Plan fees, if any, interest, taxes, dividend expense on short sales, extraordinary items and increases in expenses due to expense offset arrangements, if any) to 1.30%.
- 2 The fund's manager has voluntarily agreed to reimburse the class to the extent that total operating expenses (excluding interest, taxes, certain securities lending costs, brokerage commissions and extraordinary expenses) exceed 0.28%. This arrangement can be discontinued by the fund's manager at any time.
- 3 These expenses shown are based on the estimated operating expenses for each Portfolio as a ratio of expenses to average daily net assets. These estimates are based on each Portfolio's actual operating expenses for its most recently completed fiscal year and fee waivers to which the Portfolio's adviser has agreed for each Portfolio.
- 4 ING Fund Services, LLC receives an annual administration fee equal to 0.10% of average daily net assets. This amount is included in the expenses shown. ING Investments, LLC has entered into written expense limitation agreements with each Portfolio under which it will limit expenses of the Portfolio, excluding interest, taxes, brokerage and extraordinary expenses, subject to possible recoupment by ING Investments, LLC within three years. The expense limits will continue through at least December 31, 2003.
- 5 All expenses are shown without the effect of any expense offset arrangements.
- 6 Neuberger Berman Management Inc. ("NBMI") has undertaken through April 30, 2006 to reimburse certain operating expenses, excluding taxes, interest, extraordinary expenses, brokerage commissions and transaction costs, that exceed, in the aggregate, 1% of the Portfolios' average daily net asset value. The expense reimbursement arrangements for the Portfolios are contractual for three years and any excess expenses can be repaid to NBMI within three years of the year incurred, provided such recoupment would not cause a Portfolio to exceed its respective limitation.
- 7 Neuberger Berman Management Inc. ("NBMI") has undertaken through April 30, 2006 to reimburse certain operating expenses, including the compensation of NBMI and excluding taxes, interest, extraordinary expenses, brokerage commissions and transaction costs, that exceed, in the aggregate, 1.50% of the average daily net asset value of the Socially Responsive Portfolio. The expense reimbursement arrangements for the Portfolios are contractual for three years and any excess expenses can be repaid to NBMI within three years of the year incurred, provided such recoupment would not cause a Portfolio to exceed its respective limitation.
- 8 Total Annual Fund Operating Expenses for the Equity, Managed and Small Cap Portfolios are limited by OpCap Advisors so that their respective annualized operating expenses (net of any expense offset) do not exceed 1.00% of average daily net assets. Total Annual Fund Operating Expenses for the Global Equity Portfolio are limited to 1.25% of average daily net assets.

APPENDIX C

Performance Information and Condensed Financial Information

Performance Information

From time to time, ReliaStar Life may advertise or include in sales literature yields, effective yields and total returns for the available Sub-Accounts. **These figures are based on historical earnings and do not indicate or project future performance.**

Yields and total returns for the Sub-Accounts are based on the investment performance of the corresponding Funds. The performance in part reflects the Funds' expenses. See the prospectuses for the Funds.

The yield of the Sub-Account investing in the Fidelity® VIP Money Market Portfolio refers to the annualized income generated by an investment in the Sub-Account over a specified seven-day period. The yield is calculated by assuming that the income generated for that seven-day period is generated each seven-day period over a 52-week period and is shown as a percentage of the investment.

The yield of a Sub-Account (except the Money Market Sub-Account investing in the Fidelity® VIP Money Market Portfolio) refers to the annualized income generated by an investment in the Sub-Account over a specified 30-day or one-month period. The yield is calculated by assuming that the income generated by the investment during that 30-day or one-month period is generated each period over a 12-month period and is shown as a percentage of the investment.

Total returns generally will be presented in "standardized" format. This means, among other things, that performance will be shown from the date on which a Fund was first available in the Variable Account. In some instances, "non-standardized" returns may be shown from prior to the inception date of the Variable Account. Non-standardized information will be accompanied by standardized information. We will not show non-standardized performance unless we also show standardized performance.

When a Sub-Account has been in operation for one, five and ten years, respectively, the average annual total return for these periods will be provided. For periods prior to the date the Sub-Account commenced operations, non-standardized performance information for contracts funded by the Sub-Accounts will be calculated based on the performance of the Funds and the assumption that the Sub-Accounts were in existence for the same periods as those indicated for the Funds, with the level of contract charges that were in effect at the inception of the Sub-Accounts for the contracts.

ReliaStar Life may, from time to time, also disclose yield and total returns for the Funds, including such disclosure for periods prior to the dates the Sub-Accounts commenced operations.

ReliaStar Life may also report other information including the effect of tax-deferred compounding on a Sub-Account's investment returns, or returns in general, which may be illustrated by tables, graphs or charts.

Advertising and sales literature may compare the performance of each Sub-Account to the Standard & Poor's Composite Index of 500 Stocks, a widely used measure of stock performance. This unmanaged index assumes the reinvestment of dividends but does not reflect any "deduction" for the expense of operating or managing an investment portfolio. Other independent ranking services and indices may also be used as a source of performance comparison.

Each Sub-Account may, from time to time, advertise or include in sales literature performance relative to certain performance rankings and indices compiled by independent organizations. More detailed information as to the calculation of performance information, as well as comparisons with unmanaged market indices, appears in the Statement of Additional Information.

Sub-Account Accumulation Unit Values

The following table shows, for each Sub-Account of the Variable Account, the value of a Sub-Account Accumulation Unit as they are invested in Funds at the dates shown, and the total number of Sub-Account Accumulation Units outstanding at the end of each period.

	Year Ended December 31						
	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>
AIM VARIABLE INSURANCE FUNDS:							
AIM V.I. DENT DEMOGRAPHIC TRENDS FUND							
(Since May 1, 2000)							
Beginning of period	\$5.2413	\$7.8068	-	-	-	-	-
End of period	\$3.50	\$5.2413	\$7.8068	-	-	-	-
Units outstanding at end of period	183,286	271,005	271,643	-	-	-	-
THE ALGER AMERICAN FUND:							
ALGER AMERICAN GROWTH PORTFOLIO							
(Since August 8, 1997)							
Beginning of period	\$13.7969	\$15.8660	\$18.8769	\$14.3117	\$9.8005	\$10.0000	-
End of period	\$9.12	\$13.7969	\$15.8660	\$18.8769	\$14.3117	\$9.8005	-
Units outstanding at end of period	2,047,738	2,640,617	2,969,330	2,499,069	651,530	63,728	-
ALGER AMERICAN LEVERAGED ALLCAP PORTFOLIO							
(Since May 1, 2000)							
Beginning of period	\$6.2012	\$7.4802	-	-	-	-	-
End of period	\$4.04	\$6.2012	\$7.4802	-	-	-	-
Units outstanding at end of period	175,371	178,408	118,511	-	-	-	-
ALGER AMERICAN MIDCAP GROWTH PORTFOLIO							
(Since August 8, 1997)							
Beginning of period	\$16.2046	\$17.5800	\$16.3264	\$12.5561	\$9.7711	\$10.0000	-
End of period	\$11.26	\$16.2046	\$17.5800	\$16.3264	\$12.5561	\$9.7711	-
Units outstanding at end of period	847,284	786,283	859,195	455,927	204,638	59,897	-
ALGER AMERICAN SMALL CAPITALIZATION PORTFOLIO							
(Since August 8, 1997)							
Beginning of period	\$8.0548	\$11.5885	\$16.1404	\$11.4116	\$10.0159	\$10.0000	-
End of period	\$5.86	\$8.0548	\$11.5885	\$16.1404	\$11.4116	\$10.0159	-
Units outstanding at end of period	457,255	532,602	605,656	408,867	254,748	73,647	-
FIDELITY® VARIABLE INSURANCE PRODUCTS FUND (VIP):							
FIDELITY® VIP CONTRAFUND® PORTFOLIO							
(Since May 1, 1995):							
Beginning of period	\$22.1874	\$25.6395	\$27.8416	\$22.7206	\$17.7248	\$14.4777	\$12.1031
End of period	\$19.84	\$22.1874	\$25.6395	\$27.8416	\$22.7206	\$17.7248	\$14.4777
Units outstanding at end of period	2,009,345	2,545,232	3,048,087	3,388,151	3,002,878	2,297,899	1,419,399

	Year Ended December 31						
	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>
FIDELITY® VIP EQUITY-INCOME PORTFOLIO (Since January 6, 1994)							
Beginning of period	\$23.0729	\$24.6181	\$23.0232	\$21.9558	\$19.9442	\$15.7861	\$14.0081
End of period	\$18.90	\$23.0729	\$24.6181	\$23.0232	\$21.9558	\$19.9442	\$15.7861
Units outstanding at end of period	2,122,244	2,584,578	2,952,877	3,543,768	4,241,041	3,998,716	3,108,409
FIDELITY® VIP GROWTH PORTFOLIO (Since January 6, 1994)							
Beginning of period	\$24.0975	\$29.6749	\$33.8011	\$24.9380	\$18.1281	\$14.8863	\$13.1611
End of period	\$16.61	\$24.0975	\$29.6749	\$33.8011	\$24.9380	\$18.1281	\$14.8863
Units outstanding at end of period	1,967,978	2,506,074	3,035,070	3,189,119	2,946,876	2,789,628	2,484,915
FIDELITY® VIP HIGH INCOME PORTFOLIO (Since January 6, 1994)							
Beginning of period	\$10.0115	\$11.5020	\$15.0436	\$14.1041	\$14.9486	\$12.8821	\$11.4563
End of period	\$10.21	\$10.0115	\$11.5020	\$15.0436	\$14.1041	\$14.9486	\$12.8821
Units outstanding at end of period	1,079,567	1,362,967	1,638,501	1,761,781	1,879,281	1,472,019	1,104,232
FIDELITY® VIP INDEX 500 PORTFOLIO (Since January 6, 1994)							
Beginning of period	\$24.8763	\$28.7000	\$32.0860	\$26.9978	\$21.3328	\$16.3012	\$13.4594
End of period	\$19.07	\$24.8763	\$13.7889	\$32.0860	\$26.9978	\$21.3328	\$16.3012
Units outstanding at end of period	2,189,681	2,853,460	3,299,321	3,625,706	2,817,908	1,881,104	1,010,296
FIDELITY® VIP INVESTMENT GRADE BOND PORTFOLIO (Since January 6, 1994)							
Beginning of period	\$14.7484	\$28.7000	\$12.5711	\$12.8823	\$12.0011	\$11.1581	\$10.9662
End of period	\$16.05	\$14.7484	\$28.7000	\$12.5711	\$12.8823	\$12.0011	\$11.1581
Units outstanding at end of period	1,718,651	1,602,587	1,291,171	1,302,913	1,152,135	711,350	709,332
FIDELITY® VIP MONEY MARKET PORTFOLIO (Since January 6, 1994)							
Beginning of period	\$13.4901	\$13.1296	\$12.5217	\$12.0719	\$11.6055	\$11.1555	\$10.7316
End of period	\$13.53	\$13.4901	\$13.1296	\$12.5217	\$12.0719	\$11.6055	\$11.1555
Units outstanding at end of period	3,205,957	3,238,303	2,876,279	5,232,470	2,569,427	2,122,382	1,558,218
ING VARIABLE PRODUCTS TRUST (ING):							
ING VP GROWTH OPPORTUNITIES PORTFOLIO (Since May 1, 2000)							
Beginning of period	\$5.3649	\$8.8561	-	-	-	-	-
End of period	\$3.62	\$5.3649	\$8.8561	-	-	-	-
Units outstanding at end of period	152,404	206,272	144,529	-	-	-	-
ING VP GROWTH + VALUE PORTFOLIO (Since January 3, 1995)							
Beginning of period	\$23.2641	\$34.1863	\$38.4240	\$19.9820	\$16.9801	\$15.0172	\$12.3714
End of period	\$14.38	\$23.2641	\$34.1863	\$38.4240	\$19.9820	\$16.9801	\$15.0172
Units outstanding at end of period	677,885	862,865	1,010,721	666,517	595,830	613,041	376,557
ING VP HIGH YIELD BOND PORTFOLIO (Since August 8, 1997)							
Beginning of period	\$8.3374	\$8.3965	\$9.6354	\$10.0955	\$10.3496	\$10.0000	-
End of period	\$8.13	\$8.3374	\$8.3965	\$9.6354	\$10.0955	\$10.3496	-
Units outstanding at end of period	237,293	266,875	283,066	368,743	389,807	55,079	-

	Year Ended December 31						
	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>
ING VP INTERNATIONAL VALUE FUND							
PORTFOLIO							
(Since August 8, 1997)							
Beginning of period	\$15.2495	\$17.5072	\$17.2046	\$11.6165	\$10.0738	\$10.0000	-
End of period	\$12.73	\$15.2495	\$17.5072	\$17.2046	\$11.6165	\$10.0738	-
Units outstanding at end of period	406,618	368,448	349,793	284,973	232,846	59,173	-
ING VP MAGNACAP PORTFOLIO							
(Since May 1, 2000)							
Beginning of period	\$8.8911	\$10.0677	-	-	-	-	-
End of period	\$6.77	\$8.8911	\$10.0677	-	-	-	-
Units outstanding at end of period	75,258	88,745	60,256	-	-	-	-
ING VP MIDCAP OPPORTUNITIES							
PORTFOLIO							
(Since May 1, 2000)							
Beginning of period	\$5.9396	\$8.8561	-	-	-	-	-
End of period	\$4.34	\$5.9396	\$8.8561	-	-	-	-
Units outstanding at end of period	78,226	104,414	63,345	-	-	-	-
ING VP RESEARCH ENHANCED INDEX							
PORTFOLIO							
(Since January 3, 1995)							
Beginning of period	\$10.5627	\$12.2048	\$14.0038	\$13.4190	\$13.6825	\$12.7208	\$11.3881
End of period	\$8.12	\$10.5627	\$12.2048	\$14.0038	\$13.4190	\$13.6825	\$12.7208
Units outstanding at end of period	226,301	337,152	411,307	464,405	480,880	286,906	152,651
ING VP SMALLCAP OPPORTUNITIES							
PORTFOLIO							
(Since January 3, 1995)							
Beginning of period	\$29.4598	\$42.1707	\$42.3014	\$17.7950	\$15.3827	\$13.4910	\$12.0224
End of period	\$16.39	\$29.4598	\$42.1707	\$42.3014	\$17.7950	\$15.3827	\$13.4910
Units outstanding at end of period	620,847	773,226	860,669	434,003	323,803	261,038	143,393
JANUS ASPEN SERIES:							
JANUS ASPEN GROWTH PORTFOLIO							
(Since August 8, 1997)							
Beginning of period	\$12.0374	\$16.2190	\$19.2465	\$13.5540	\$10.1310	\$10.0000	-
End of period	\$8.72	\$12.0374	\$16.2190	\$19.2465	\$13.5540	\$10.1310	-
Units outstanding at end of period	1,236,129	1,922,759	2,203,744	1,266,464	922,227	64,297	-
JANUS ASPEN INTERNATIONAL							
GROWTH PORTFOLIO							
(Since August 8, 1997)							
Beginning of period	\$12.4845	\$16.4926	\$19.8947	\$11.0672	\$9.5723	\$10.0000	-
End of period	\$9.16	\$12.4845	\$16.4926	\$19.8947	\$11.0672	\$9.5723	-
Units outstanding at end of period	884,353	939,635	1,027,274	767,811	435,553	150,857	-
JANUS ASPEN MID CAP GROWTH							
PORTFOLIO							
(Since August 8, 1997)							
Beginning of period	\$12.8795	\$21.5715	\$32.0819	\$14.4318	\$10.8997	\$10.0000	-
End of period	\$9.15	\$12.8795	\$21.5715	\$32.0819	\$14.4318	\$10.8997	-
Units outstanding at end of period	1,135,616	1,598,947	1,869,105	907,599	121,462	47,593	-
JANUS ASPEN WORLDWIDE							
GROWTH PORTFOLIO							
(Since August 8, 1997)							
Beginning of period	\$12.8310	\$16.7758	\$20.1712	\$12.4373	\$9.7821	\$10.0000	-
End of period	\$9.43	\$12.8310	\$16.7758	\$20.1712	\$12.4373	\$9.7821	-
Units outstanding at end of period	2,700,640	3,789,020	4,320,032	3,705,358	2,148,224	590,783	-

	Year Ended December 31						
	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>
NEUBERGER BERMAN ADVISERS							
MANAGEMENT TRUST ("AMT"):							
NEUBERGER BERMAN ADVISERS							
MANAGEMENT LIMITED							
MATURITY BOND PORTFOLIO							
(Since August 8, 1997)							
Beginning of period	\$11.8693	\$11.0648	\$10.5065	\$10.4985	\$10.1977	\$10.0000	-
End of period	\$12.33	\$11.8693	\$11.0648	\$10.5065	\$10.4985	\$10.1977	-
Units outstanding at end of period	1,008,393	958,695	803,456	653,472	483,372	44,381	-
NEUBERGER BERMAN ADVISERS							
MANAGEMENT PARTNERS							
PORTFOLIO							
(Since August 8, 1997)							
Beginning of period	\$10.6346	\$11.0982	\$11.1748	\$10.5535	\$10.2690	\$10.0000	-
End of period	\$7.96	\$10.6346	\$11.0982	\$11.1748	\$10.5535	\$10.2690	-
Units outstanding at end of period	686,471	822,839	947,430	1,101,648	1,291,067	337,731	-
NEUBERGER BERMAN ADVISERS							
MANAGEMENT SOCIALLY							
RESPONSIVE PORTFOLIO							
(Since April 30, 1999)							
Beginning of period	\$9.83092	\$10.3394	\$10.6549	-	-	-	-
End of period	\$8.26	\$9.83092	\$10.3394	\$10.6549	-	-	-
Units outstanding at end of period	48,267	62,695	47,083	22,281	-	-	-
PIMCO ADVISORS VIT:							
OPCAP EQUITY PORTFOLIO							
(Since August 8, 1997)							
Beginning of period	\$11.7991	\$12.8683	\$11.8711	\$11.7390	\$10.6414	\$10.0000	-
End of period	\$9.14	\$11.7991	\$12.8683	\$11.8711	\$11.7390	\$10.6414	-
Units outstanding at end of period	314,201	411,473	279,885	284,469	248,818	57,717	-
OPCAP GLOBAL EQUITY							
PORTFOLIO							
(Since August 8, 1997)							
Beginning of period	\$11.5725	\$13.6175	\$13.1877	\$10.5687	\$9.4596	\$10.0000	-
End of period	\$9.43	\$11.5725	\$13.6175	\$13.1877	\$10.5687	\$9.4596	-
Units outstanding at end of period	60,085	73,876	50,645	40,473	29,458	10,483	-
OPCAP MANAGED PORTFOLIO							
(Since August 8, 1997)							
Beginning of period	\$11.1912	\$11.9348	\$11.0271	\$10.6494	\$10.0805	\$10.0000	-
End of period	\$9.17	\$11.1912	\$11.9348	\$11.0271	\$10.6494	\$10.0805	-
Units outstanding at end of period	892,469	999,699	882,499	967,119	1,513,567	278,744	-
OPCAP SMALL CAP PORTFOLIO							
(Since August 8, 1997)							
Beginning of period	\$13.4523	\$12.5927	\$8.8561	\$9.1478	\$10.1963	\$10.0000	-
End of period	\$10.40	\$13.4523	\$12.5927	\$8.8561	\$9.1478	\$10.1963	-
Units outstanding at end of period	712,747	670,423	461,379	407,689	369,821	94,123	-

	Year Ended December 31						
	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>
PUTNAM VARIABLE TRUST:							
PUTNAM VT GROWTH AND INCOME							
FUND - CLASS IA SHARES							
(Since January 6, 1994)							
Beginning of period	\$22.0520	\$23.8319	\$22.3517	\$22.3107	\$19.6008	\$16.0091	\$13.3162
End of period	\$17.66	\$22.0520	\$23.8319	\$22.3517	\$22.3107	\$19.6008	\$16.0091
Units outstanding at end of period	1,501,640	1,954,819	2,253,957	2,732,587	2,774,779	2,521,656	1,639,863
PUTNAM VT NEW OPPORTUNITIES							
FUND -- CLASS IA SHARES							
(Since May 1, 1995)							
Beginning of period	\$18.1793	\$26.3332	\$36.1280	\$21.6313	\$17.6345	\$14.5039	\$13.3506
End of period	\$12.50	\$18.1793	\$26.3332	\$36.1280	\$21.6313	\$17.6345	\$14.5039
Units outstanding at end of period	1,407,720	1,975,294	2,344,498	2,094,825	2,296,799	1,954,936	1,312,658
PUTNAM VT VOYAGER FUND -- CLASS							
IA SHARES							
(Since January 6, 1994)							
Beginning of period	\$23.4163	\$30.5382	\$37.0449	\$23.7408	\$19.3572	\$15.5144	\$13.9272
End of period	\$17.01	\$23.4163	\$30.5382	\$37.0449	\$23.7408	\$19.3572	\$15.5144
Units outstanding at end of period	2,136,722	2,928,626	3,483,436	3,567,503	3,502,135	3,036,855	2,244,324

STATEMENT OF ADDITIONAL INFORMATION

SELECT★ANNUITY III
INDIVIDUAL DEFERRED VARIABLE/FIXED ANNUITY CONTRACTS
ISSUED BY
RELIASTAR SELECT VARIABLE ACCOUNT OF
RELIASTAR LIFE INSURANCE COMPANY

This Statement of Additional Information is not a prospectus, but should be read in conjunction with the prospectus dated May 1, 2003 (the "prospectus") relating to the Select★Annuity III Individual Deferred Variable/Fixed Annuity contracts issued by ReliaStar Select Variable Account (the "Variable Account") and ReliaStar Life Insurance Company ("ReliaStar Life"). Much of the information contained in this Statement of Additional Information expands upon subjects discussed in the prospectus. A copy of the prospectus may be obtained from ReliaStar Life's Service Center at P.O. Box 5050, Minot, North Dakota 58703, by calling 1-877-884-5050, from Washington Square Securities, Inc., 111 Washington Avenue South, Minneapolis, Minnesota 55401 or by accessing the SEC's web site at www.sec.gov.

Capitalized terms used in this Statement of Additional Information that are not otherwise defined herein shall have the meanings given to them in the prospectus.

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The date of this Statement of Additional Information is May 1, 2003.

INTRODUCTION

The Select★Annuity III contracts (the "contracts") are flexible purchase payment individual deferred variable/fixed annuity contracts. The contracts are sold both as non-qualified contracts and/or in connection with retirement plans which may qualify for special federal tax treatment under the Internal Revenue Code. (See "Federal Tax Status" in the prospectus.) Annuity payouts under the contracts are deferred until a selected later date.

Purchase payments may be allocated to one or more of the available Sub-Accounts of the Variable Account, a separate account of ReliaStar Life, and/or to the Fixed Account (which is the general account of ReliaStar Life). Purchase payments allocated to one or more of the available Sub-Accounts of the Variable Account, as selected by the Contract Owner, will be invested in shares at net asset value of one or more of a group of Funds.

ADMINISTRATION OF THE CONTRACTS

ReliaStar Life performs certain administrative functions ("Administrative Functions") relating to the contracts and the Variable Account in Minot, North Dakota. These functions include, among other things, maintaining the books and records of the Variable Account and the Sub-Accounts, and maintaining records of the name, address, taxpayer identification number, contract number, type of contract issued to each owner, Contract Value and other pertinent information necessary to the administration and operation of the contracts. ReliaStar Life receives no payment for performing any of the Administrative Functions.

CUSTODY OF ASSETS

ReliaStar Life maintains custody of the assets of the Variable Account. As custodian, ReliaStar Life holds cash balances for the Variable Account pending investment in the Funds or distribution. The Fund shares owned by the Sub-Accounts are reflected only on the records of the Funds, and are not issued in certificated form.

EXPERTS

The statement of assets and liabilities of ReliaStar Select Variable Account as of December 31, 2002, and the related statement of operations for the year then ended and statements of changes in net assets for each of the two years in the period then ended, along with the statutory-basis financial statements of ReliaStar Life Insurance Company as of December 31, 2002 and 2001 and for the years then ended, appearing in the Statement of Additional Information incorporated herein by reference have been audited by Ernst & Young LLP, independent auditors, as set forth in their reports thereon and included herein in reliance upon such reports given on the authority of such firm as experts in accounting and auditing.

DISTRIBUTION OF THE CONTRACTS

The contracts are distributed by the general distributor, Washington Square Securities, Inc. ("WSSI"), 111 Washington Avenue South, Minneapolis, Minnesota 55401, which is a direct wholly-owned subsidiary of ReliaStar Financial Corp. and an affiliate of ReliaStar Life.

The contracts will be sold by licensed insurance agents in those states where the contracts can be lawfully sold. Such agents will be registered representatives of broker-dealers registered under the Securities Exchange Act of 1934 who are members of the National Association of Securities Dealers, Inc.

For the years ended December 31, 2000, 2001 and 2002, WSSI was paid fees by ReliaStar Life with respect to distribution of the Select★Annuity III contracts aggregating \$980,000, \$274,300 and \$182,358 respectively.

No deduction for a sales charge is made from the purchase payments for the contracts. However, if part or all of a contract's value is surrendered, surrender charges (which may be deemed to be contingent deferred sales charges) may be made by ReliaStar Life. The method used to determine the amount of such charge is described in the prospectus under the heading "Charges Made by ReliaStar Life -- Surrender Charge (Contingent Deferred Sales Charge)."

CALCULATION OF YIELD AND RETURN

Current Yield and Effective Yield. Current yield and effective yield will be calculated only for the Fidelity® Variable Insurance Products (VIP) Money Market Portfolio Sub-Account.

The current yield is based on a seven-day period (the "base period") and is calculated by determining the "net change in value" on a hypothetical account having a balance of one Accumulation Unit at the beginning of the period, dividing the net change in account value by the value of the account at the beginning of the base period to obtain the base period return and multiplying the base period return by 365/7 with the resulting yield figure carried to the nearest hundredth of one percent.

Net changes in value of a hypothetical account will include net investment income of the account (accrued daily dividends as declared by the VIP Money Market Portfolio, less daily expense and contract charges to the account) for the period, but will not include realized or unrealized gains or losses on its underlying Fund shares.

The VIP Money Market Portfolio Sub-Account's yield will vary in response to any fluctuations in interest rates and expenses of the Sub-Account.

The yield of the Sub-Account for the seven day period ending December 31, 2002 was 0.13%

Average Annual Total Returns. From time to time, sales literature or advertisements may also quote average annual total returns for one or more of the Sub-Accounts for various periods of time.

Average annual total returns represent the average annual compounded rates of return that would equate an initial investment of \$1,000 under a contract to the redemption value of that investment as of the last day of each of the periods. The ending date for each period for which total return quotations are provided will be for the most recent month-end practicable, considering the type and media of the communication and will be stated in the communication.

Average annual total returns will be calculated using Sub-Account unit values which ReliaStar Life calculates on each Valuation Date based on the performance of the Sub-Account's Fund, and the deductions for mortality and expense risk premiums, the administration charge, and the annual contract charge. The calculation assumes that the \$30 annual contract charge is deducted at the end of each Contract Year.

For purposes of calculating average annual total return, an average per dollar annual contract charge attributable to the hypothetical account for the period is used. The calculation assumes surrender of the contract at the end of the period for the return quotation. Total returns will therefore reflect a deduction of the surrender charge for any period less than six years. The total return will then be calculated according to the following formula:

$$TR = ((ERV/P)^{1/N}) - 1$$

Where:

- TR = the average annual total return net of Sub-Account recurring charges.
- ERV = the ending redeemable value (net of any applicable surrender charge) of the hypothetical account at the end of the period.
- P = a hypothetical initial payment of \$1,000.
- N = the number of years in the period.

The information in the following tables reflect the average annual standardized and non-standardized total return quotation figures for the periods ended December 31, 2002 for the Sub-Accounts under the contracts. The first table on the following page assumes the maximum charges under the contract. The non-standardized returns assume the same charges but do not include the surrender charge.

SUB-ACCOUNT	FOR THE 1-YEAR PERIOD ENDED 12/31/02	FOR THE 5-YEAR PERIOD ENDED 12/31/02
AIM V.I. Dent Demographic Trends Fund (Series I Shares) (Sub-Account Inception: 5/1/00)	(38.92%)	
Alger American Growth Portfolio (Class O Shares) (Sub-Account Inception: 8/8/97)	(39.70%)	(2.39%)
Alger American Leveraged AllCap Portfolio (Class O Shares) (Sub-Account Inception: 5/1/00)	(40.61%)	
Alger American MidCap Growth Portfolio (Class O shares) (Sub-Account Inception: 8/8/97)	(36.28%)	2.06%
Alger American Small Capitalization Portfolio (Class O Shares) (Sub-Account Inception: 8/8/97)	(32.99%)	(11.53%)
Fidelity® VIP Contrafund® Portfolio (Initial Class) (Sub-Account Inception: 5/1/95)	(16.24%)	1.44%
Fidelity® VIP Equity-Income Portfolio (Initial Class) (Sub-Account Inception: 1/6/94)	(23.78%)	(2.02%)
Fidelity® VIP Growth Portfolio (Initial Class) (Sub-Account Inception: 1/6/94)	(36.84%)	(2.70%)
Fidelity® VIP High Income Portfolio (Initial Class) (Sub-Account Inception: 1/6/94)	(3.55%)	(8.55%)
Fidelity® VIP Index 500 Portfolio (Initial Class) (Sub-Account Inception: 1/6/94)	(29.04%)	(3.20%)
Fidelity® VIP Investment Grade Bond Portfolio (Initial Class) (Sub-Account Inception: 1/6/94)	3.30%	5.25%
Fidelity® VIP Money Market Portfolio (Initial Class) (Sub-Account Inception: 6/27/88)	(5.29%)	2.31%
ING VP Growth Opportunities Portfolio (Class R) (Sub-Account Inception: 5/1/00)	(38.29%)	
ING VP Growth + Value Portfolio (Class R) (Sub-Account Inception: 1/3/95)	(44.01%)	(4.30%)
ING VP High Yield Bond Portfolio (Class R) (Sub-Account Inception: 8/8/97)	(8.10%)	(5.47%)
ING VP International Value Portfolio (Class R) (Sub-Account Inception: 8/8/97)	(22.22%)	4.02%
ING VP MagnaCap Portfolio (Class R) (Sub-Account Inception: 5/1/00)	(29.55%)	
ING VP MidCap Opportunities Portfolio (Class R) (Sub-Account Inception: 5/1/00)	(32.63%)	
ING VP Research Enhanced Index Portfolio (Class R)* (Sub-Account Inception: 1/3/95)	(28.88%)	(10.91%)
ING VP SmallCap Opportunities Portfolio (Class R)* (Sub-Account Inception: 1/3/95)	(50.22%)	0.41%
Janus Aspen Growth Portfolio (Institutional Shares) (Sub-Account Inception: 8/8/97)	(33.27%)	(3.96%)
Janus Aspen International Growth Portfolio (Institutional Shares) (Sub-Account Inception: 8/8/97)	(32.35%)	(1.81%)
Janus Aspen Mid Cap Growth Portfolio (Institutional Shares) (Sub-Account Inception: 8/8/97)	(34.68%)	(4.47%)
Janus Aspen Worldwide Growth Portfolio (Institutional Shares) (Sub-Account Inception: 8/8/97)	(32.27%)	(1.67%)
Neuberger Berman Advisers Management Trust Limited Maturity Bond Portfolio (Sub-Account Inception: 8/8/97)	(1.67%)	3.08%
Neuberger Berman Advisers Management Trust Partners Portfolio (Sub-Account Inception: 8/8/97)	(30.92%)	(6.08%)
Neuberger Berman Advisers Management Trust Socially Responsive Portfolio (Sub-Account Inception: 4/30/99)	(21.60%)	

SUB-ACCOUNT	FOR THE 1-YEAR PERIOD ENDED 12/31/02	FOR THE 5-YEAR PERIOD ENDED 12/31/02
OpCap Equity Portfolio** (Sub-Account Inception: 8/8/97)	(28.21%)	(4.00%)
OpCap Global Equity Portfolio (Sub-Account Inception: 8/8/97)	(24.24%)	(0.98%)
OpCap Managed Portfolio** (Sub-Account Inception: 8/8/97)	(23.72%)	(2.84%)
OpCap SmallCap Portfolio** (Sub-Account Inception: 8/8/97)	(28.43%)	(0.51%)
Putnam VT Growth and Income Fund (Class IA Shares) (Sub-Account Inception: 1/6/94)	(25.61%)	(3.04%)
Putnam VT New Opportunities Fund (Class IA Shares) (Sub-Account Inception: 5/1/95)	(37.02%)	(7.83%)
Putnam VT Voyager Fund (Class IA Shares) (Sub-Account Inception: 1/6/94)	(33.10%)	(3.55%)
SUB-ACCOUNT	FOR THE 10-YEAR PERIOD ENDED 12/31/02	FOR THE PERIOD FROM DATE OF INCEPTION OF SUB- ACCOUNT TO 12/31/02
AIM V.I. Dent Demographic Trends Fund (Series I Shares) (Sub-Account Inception: 5/1/00)		(36.34%)
Alger American Growth Portfolio (Class O Shares) (Sub-Account Inception: 8/8/97)		(2.61%)
Alger American Leveraged AllCap Portfolio (Class O Shares) (Sub-Account Inception: 5/1/00)		(32.28%)
Alger American MidCap Growth Portfolio (Class O Shares) (Sub-Account Inception: 8/8/97)		1.44%
Alger American Small Capitalization Portfolio (Class O Shares) (Sub-Account Inception: 8/8/97)		(10.71%)
Fidelity® VIP Contrafund® Portfolio (Initial Class) (Sub-Account Inception: 5/1/95)		9.16%
Fidelity® VIP Equity-Income Portfolio (Initial Class) (Sub-Account Inception: 1/6/94)	8.09%	
Fidelity® VIP Growth Portfolio (Initial Class) (Sub-Account Inception: 1/6/94)	6.76%	
Fidelity® VIP High Income Portfolio (Initial Class) (Sub-Account Inception: 1/6/94)	1.86%	
Fidelity® VIP Index 500 Portfolio (Initial Class) (Sub-Account Inception: 1/6/94)		7.28%
Fidelity® VIP Investment Grade Bond Portfolio (Initial Class) (Sub-Account Inception: 1/6/94)	5.63%	
Fidelity® VIP Money Market Portfolio (Initial Class) (Sub-Account Inception: 6/27/88)	3.08%	
ING VP Growth Opportunities Portfolio (Class R) (Sub-Account Inception: 5/1/00)		(35.42%)
ING VP Growth + Value Portfolio (Class R) (Sub-Account Inception: 1/3/95)		4.47%
ING VP High Yield Bond Portfolio (Class R) (Sub-Account Inception: 8/8/97)		(4.77%)
ING VP International Value Portfolio (Class R) (Sub-Account Inception: 8/8/97)		3.85%

SUB-ACCOUNT	FOR THE 10-YEAR PERIOD ENDED 12/31/02	FOR THE PERIOD FROM DATE OF INCEPTION OF SUB- ACCOUNT TO 12/31/02
ING VP MagnaCap Portfolio (Class R) (Sub-Account Inception: 5/1/00)		(16.05%)
ING VP MidCap Opportunities Portfolio (Class R) (Sub-Account Inception: 5/1/00)		(30.17%)
ING VP Research Enhanced Index Portfolio (Class R)* (Sub-Account Inception: 1/3/95)		(2.75%)
ING VP SmallCap Opportunities Portfolio (Class R)* (Sub-Account Inception: 1/3/95)		6.20%
Janus Aspen Growth Portfolio (Institutional Shares) (Sub-Account Inception: 8/8/97)		(3.44%)
Janus Aspen International Growth Portfolio (Institutional Shares) (Sub-Account Inception: 8/8/97)		(2.52%)
Janus Aspen Mid Cap Growth Portfolio (Institutional Shares) (Sub-Account Inception: 8/8/97)		(2.54%)
Janus Aspen Worldwide Growth Portfolio (Institutional Shares) (Sub-Account Inception: 8/8/97)		(1.98%)
Neuberger Berman Advisers Management Trust Limited Maturity Bond Portfolio (Sub-Account Inception: 8/8/97)		3.23%
Neuberger Berman Advisers Management Trust Partners Portfolio (Sub-Account Inception: 8/8/97)		(5.16%)
Neuberger Berman Advisers Management Trust Socially Responsive Portfolio (Sub-Account Inception: 4/30/99)		(6.70%)
OpCap Equity Portfolio** (Sub-Account Inception: 8/8/97)		(2.56%)
OpCap Global Equity Portfolio (Sub-Account Inception: 8/8/97)		(1.98%)
OpCap Managed Portfolio** (Sub-Account Inception: 8/8/97)		(2.50%)
OpCap SmallCap Portfolio** (Sub-Account Inception: 8/8/97)		(0.11%)
Putnam VT Growth and Income Fund (Class IA Shares) (Sub-Account Inception: 1/6/94)		6.36%
Putnam VT New Opportunities Fund (Class IA Shares) (Sub-Account Inception: 5/1/95)		2.77%
Putnam VT Voyager Fund (Class IA Shares) (Sub-Account Inception: 1/6/94)		5.91%

Non-Standardized Returns Including Period Prior to Date Sub-Accounts Commenced Operations

SUB-ACCOUNT	FOR THE 1-YEAR PERIOD ENDED 12/31/02	FOR THE 5-YEAR PERIOD ENDED 12/31/02
AIM V.I. Dent Demographic Trends Fund (Series I Shares) (Portfolio Inception: 12/29/99)	(33.32%)	
Alger American Growth Portfolio (Class O Shares) (Portfolio Inception: 1/9/89)	(34.10%)	(1.61%)
Alger American Leveraged AllCap Portfolio (Class O Shares) (Portfolio Inception: 1/25/95)	(35.00%)	1.65%
Alger American MidCap Growth Portfolio (Class O Shares) (Portfolio Inception: 5/3/93)	(30.69%)	2.70%
Alger American Small Capitalization Portfolio (Class O Shares) (Portfolio Inception: 9/21/88)	(27.42%)	(10.34%)
Fidelity® VIP Contrafund® Portfolio (Initial Class) (Portfolio Inception: 1/3/95)	(10.78%)	2.10%
Fidelity® VIP Equity-Income Portfolio (Initial Class) (Portfolio Inception: 10/9/86)	(18.27%)	(1.25%)
Fidelity® VIP Growth Portfolio (Initial Class) (Portfolio Inception: 10/9/86)	(31.25%)	(1.91%)
Fidelity® VIP High Income Portfolio (Initial Class) (Portfolio Inception: 9/19/85)	1.84%	(7.51%)
Fidelity® VIP Index 500 Portfolio (Initial Class) (Portfolio Inception: 8/27/92)	(23.50%)	(2.39%)
Fidelity® VIP Investment Grade Bond Portfolio (Initial Class) (Portfolio Inception: 12/5/88)	8.64%	5.81%
Fidelity® VIP Money Market Portfolio (Initial Class) (Portfolio Inception: 4/1/82)	0.11%	2.94%
ING VP Growth Opportunities Portfolio (Class R) (Portfolio Inception: 4/30/00)	(32.69%)	
ING VP Growth + Value Portfolio (Class R) (Portfolio Inception: 5/6/94)	(38.38%)	(3.45%)
ING VP High Yield Bond Portfolio (Class R) (Portfolio Inception: 5/6/94)	(2.69%)	(4.57%)
ING VP International Value Portfolio (Class R) (Portfolio Inception: 8/8/97)	(16.72%)	4.61%
ING VP MagnaCap Portfolio (Class R) (Portfolio Inception: 4/30/00)	(24.00%)	
ING VP MidCap Opportunities Portfolio (Class R) (Portfolio Inception: 4/30/00)	(27.07%)	
ING VP Research Enhanced Index Portfolio (Class R)* (Portfolio Inception: 5/6/94)	(23.34%)	(9.75%)
ING VP SmallCap Opportunities Portfolio (Class R)* (Portfolio Inception: 5/6/94)	(44.55%)	1.10%
Janus Aspen Growth Portfolio (Institutional Shares) (Portfolio Inception: 9/13/93)	(27.70%)	(3.12%)
Janus Aspen International Growth Portfolio (Institutional Shares) (Portfolio Inception: 5/2/94)	(26.79%)	(1.05%)
Janus Aspen Mid Cap Growth Portfolio (Institutional Shares) (Sub-Account Inception: 8/8/97)	(29.11%)	(3.61%)
Janus Aspen Worldwide Growth Portfolio (Institutional Shares) (Portfolio Inception: 9/13/93)	(26.71%)	(0.91%)
Neuberger Berman Advisers Management Trust Limited Maturity Bond Portfolio (Portfolio Inception: 9/10/84)	3.71%	3.69%
Neuberger Berman Advisers Management Trust Partners Portfolio (Portfolio Inception: 3/22/94)	(25.37%)	(5.15%)

SUB-ACCOUNT	FOR THE 1-YEAR PERIOD ENDED 12/31/02	FOR THE 5-YEAR PERIOD ENDED 12/31/02
Neuberger Berman Advisers Management Trust Socially Responsive Portfolio (Portfolio Inception: 2/18/99)	(16.11%)	
OpCap Equity Portfolio** (Portfolio Inception: 8/1/88)	(22.68%)	(3.16%)
OpCap Global Equity Portfolio (Portfolio Inception: 3/1/95)	(18.73%)	(0.25%)
OpCap Managed Portfolio** (Portfolio Inception: 8/1/88)	(18.21%)	(2.05%)
OpCap SmallCap Portfolio** (Portfolio Inception: 8/1/88)	(22.90%)	0.21%
Putnam VT Growth and Income Fund (Class IA Shares) (Portfolio Inception: 2/1/88)	(20.09%)	(2.24%)
Putnam VT New Opportunities Fund (Class IA Shares) (Portfolio Inception: 5/2/94)	(31.44%)	(6.83%)
Putnam VT Voyager Fund (Class IA Shares) (Portfolio Inception: 2/1/88)	(27.53%)	(2.73%)
SUB-ACCOUNT	FOR THE 10-YEAR PERIOD ENDED 12/31/02	FOR THE PERIOD FROM DATE OF INCEPTION OF FUND TO 12/31/02
AIM V.I. Dent Demographic Trends Fund (Series I Shares) (Portfolio Inception: 12/29/99)		(28.77%)
Alger American Growth Portfolio (Class O Shares) (Portfolio Inception: 1/9/89)	7.50%	
Alger American Leveraged AllCap Portfolio (Class O Shares) (Portfolio Inception: 1/25/95)		11.82%
Alger American MidCap Growth Portfolio (Class O Shares) (Portfolio Inception: 5/3/93)		10.82%
Alger American Small Capitalization Portfolio (Class O Shares) (Portfolio Inception: 9/21/88)	(0.28%)	
Fidelity® VIP Contrafund® Portfolio (Initial Class) (Portfolio Inception: 1/3/95)		10.55%
Fidelity® VIP Equity-Income Portfolio (Initial Class) (Portfolio Inception: 10/9/86)	8.09%	
Fidelity® VIP Growth Portfolio (Initial Class) (Portfolio Inception: 10/9/86)	6.76%	
Fidelity® VIP High Income Portfolio (Initial Class) (Portfolio Inception: 9/19/85)	1.86%	
Fidelity® VIP Index 500 Portfolio (Initial Class) (Portfolio Inception: 8/27/92)	7.36%	
Fidelity® VIP Investment Grade Bond Portfolio (Initial Class) (Portfolio Inception: 12/5/88)	5.63%	
Fidelity® VIP Money Market Portfolio (Initial Class) (Portfolio Inception: 4/1/82)	3.08%	
ING VP Growth Opportunities Portfolio (Class R) (Portfolio Inception: 4/30/00)		(31.83%)
ING VP Growth + Value Portfolio (Class R) (Portfolio Inception: 5/6/94)		4.33%
ING VP High Yield Bond Portfolio (Class R) (Portfolio Inception: 5/6/94)		1.48%
ING VP International Value Portfolio (Class R) (Portfolio Inception: 8/8/97)		4.39%
ING VP MagnaCap Portfolio (Class R) (Portfolio Inception: 4/30/00)		(13.77%)

SUB-ACCOUNT	FOR THE 10-YEAR PERIOD ENDED 12/31/02	FOR THE PERIOD FROM DATE OF INCEPTION OF FUND TO 12/31/02
ING VP MidCap Opportunities Portfolio (Class R) (Portfolio Inception: 4/30/00)		(27.02%)
ING VP Research Enhanced Index Portfolio (Class R)* (Portfolio Inception: 5/6/94)		(2.49%)
ING VP SmallCap Opportunities Portfolio (Class R)* (Portfolio Inception: 5/6/94)		5.77%
Janus Aspen Growth Portfolio (Institutional Shares) (Portfolio Inception: 9/13/93)		5.24%
Janus Aspen International Growth Portfolio (Institutional Shares) (Portfolio Inception: 5/2/94)		6.41%
Janus Aspen Mid Cap Growth Portfolio (Institutional Shares) (Sub-Account Inception: 8/8/97)		5.59%
Janus Aspen Worldwide Growth Portfolio (Institutional Shares) (Portfolio Inception: 9/13/93)		8.69%
Neuberger Berman Advisers Management Trust Limited Maturity Bond Portfolio (Portfolio Inception: 9/10/84)	3.84%	
Neuberger Berman Advisers Management Trust Partners Portfolio (Portfolio Inception: 3/22/94)		5.82%
Neuberger Berman Advisers Management Trust Socially Responsive Portfolio (Portfolio Inception: 2/18/99)		(4.99%)
OpCap Equity Portfolio** (Portfolio Inception: 8/1/88)	6.71%	
OpCap Global Equity Portfolio (Portfolio Inception: 3/1/95)		5.07%
OpCap Managed Portfolio** (Portfolio Inception: 8/1/88)	7.53%	
OpCap SmallCap Portfolio** (Portfolio Inception: 8/1/88)	6.35%	
Putnam VT Growth and Income Fund (Class IA Shares) (Portfolio Inception: 2/1/88)	6.97%	
Putnam VT New Opportunities Fund (Class IA Shares) (Portfolio Inception: 5/2/94)		4.03%
Putnam VT Voyager Fund (Class IA Shares) (Portfolio Inception: 2/1/88)	6.87%	

* The ING VP Trust SmallCap Opportunities Portfolio (formerly the Northstar Galaxy Trust Income and Growth Portfolio) operated under an investment objective of seeking income balanced with capital appreciation from inception through November 8, 1998, when the investment objective was modified to seeking long-term capital appreciation. The ING VP Trust Research Enhanced Index Portfolio (formerly the Northstar Galaxy Trust Multi-Sector Bond Portfolio) operated under an investment objective of seeking current income while preserving capital through April 29, 1999, when the investment objective was modified to seeking long-term capital appreciation.

** On September 16, 1994, an investment company then called Quest for Value Accumulation Trust (the "Old Trust") was effectively divided into two investment funds, the Old Trust and the present OpCap Accumulation Trust (the "Trust") at which time the Trust commenced operations. The total net assets for the Equity, Managed, and Small Cap Portfolios immediately after the transaction were \$86,789,755, \$682,601,380, and \$139,812,573, respectively, with respect to the Old Trust and for the Equity, Managed, and Small Cap Portfolios, \$3,764,598, \$51,345,102, and \$8,129,274, respectively with respect to the Trust. For the period prior to September 14, 1994, the performance figures for each of the Equity, Managed, and Small Cap Portfolios reflect the performance of the corresponding Portfolios of the Old Trust.

The Funds have provided the total return information, including the Fund total return information used to calculate the total returns of the Sub-Accounts for periods prior to the inception of the Sub-Accounts. The AIM Variable Insurance Funds, The Alger American Fund, Fidelity[®] Variable Insurance Products Fund, Janus Aspen Series, Neuberger Berman Advisers Management Trust, OCC Accumulation Trust, and Putnam Variable Products Trust are not affiliated with ReliaStar Life.

ReliaStar Life may disclose Cumulative Total Returns in conjunction with the standard formats described above. The Cumulative Total Returns will be calculated using the following formula:

$$CTR = ERV/P - 1$$

Where:

- CTR = the Cumulative Total Return net of Sub-Account recurring charges for the period.
- ERV = the ending redeemable value of the hypothetical investment at the end of the period.
- P = a hypothetical single payment of \$1,000.

Effect of the Annual Contract Charge on Performance Data. The contract provides for a \$30 annual contract charge to be deducted annually at the end of each Contract Year, from the Sub-Accounts and the Fixed Account based on the proportion that the value of each such account bears to the total Contract Value. For purposes of reflecting the annual contract charge in yield and total return quotations, the annual charge is converted into an annual charge per \$1,000 invested based on the annual contract charges collected from the average total assets of the Variable Account and Fixed Account during the calendar year ending December 31, 2002.

Comparative Advertising. In advertising and sales literature, the performance of each Sub-Account may be compared to the performance of other variable annuity issuers in general or to the performance of particular types of variable annuities investing in mutual funds, or investment series of mutual funds with investment objectives similar to each of the Sub-Accounts. Lipper Analytical Services, Inc. ("Lipper") and the Variable Annuity Research Data Service ("VARDS") are independent services which monitor and rank the performance of variable annuity issuers in each of the major categories of investment objectives on an industry-wide basis.

Lipper's rankings include variable life insurance issuers as well as variable annuity issuers. VARDS rankings compare only variable annuity issuers. The performance analyses prepared by Lipper and VARDS each rank such issuers on the basis of total return, assuming reinvestment of distributions, but do not take sales charges, redemption fees or certain expense deductions at the separate account level into consideration. In addition, VARDS prepares risk adjusted rankings, which consider the effects of market risk on total return performance. This type of ranking provides data as to which funds provide the highest total return within various categories of funds defined by the degree of risk inherent in their investment objectives.

FINANCIAL STATEMENTS

This Statement of Additional Information includes audited financial statements for ReliaStar Select Variable Account as of and for the year ended December 31, 2002. Although the financial statements are audited, the period they cover is not necessarily indicative of the longer term performance of the assets held in ReliaStar Select Variable Account.

ReliaStar Life's statutory-basis financial statements, which are included in this Statement of Additional Information, should be considered only as bearing on ReliaStar Life's ability to meet its obligations under the contracts. They should not be considered as bearing on the investment performance of the assets held in ReliaStar Select Variable Account.

Financial statements for ReliaStar Select Variable Account as of and for the year ended December 31, 2002 have been prepared on the basis of accounting principles generally accepted in the United States. The statutory-basis financial statements for ReliaStar Life as of December 31, 2002 and 2001 and for the years then ended have been prepared on the basis of statutory accounting practices prescribed or permitted by the Minnesota Department of Commerce Division of Insurance.

ReliaStar Select Variable Account

Financial Statements

Year ended December 31, 2002

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Report of Independent Auditors

The Board of Directors and Participants
ReliaStar Life Insurance Company

We have audited the accompanying statement of assets and liabilities of ReliaStar Select Variable Account (the "Account") (comprised of the AIM V.I. Dent Demographic Trends, Alger American Growth, Alger American Leveraged AllCap, Alger American MidCap Growth, Alger American Small Capitalization, Fidelity® VIP Equity-Income, Fidelity® VIP Growth, Fidelity® VIP High Income, Fidelity® VIP Money Market, Fidelity® VIP Overseas, Fidelity® VIP II *Asset Manager*SM, Fidelity® VIP II Contrafund®, Fidelity® VIP II Index 500, Fidelity® VIP II Investment Grade Bond, ING VP Growth Opportunities, ING VP Growth + Value, ING VP High Yield Bond, ING VP International Value, ING VP MagnaCap, ING VP MidCap Opportunities, ING VP Research Enhanced Index, ING VP SmallCap Opportunities, Janus Aspen Aggressive Growth, Janus Aspen Growth, Janus Aspen International Growth, Janus Aspen Worldwide Growth, Neuberger Berman AMT Limited Maturity Bond, Neuberger Berman AMT Partners, Neuberger Berman AMT Socially Responsive, OCC Accumulation Trust Equity, OCC Accumulation Trust Global Equity, OCC Accumulation Trust Managed, OCC Accumulation Trust Small Cap, Putnam VT Diversified Income, Putnam VT Growth and Income, Putnam VT International Growth, Putnam VT New Opportunities, Putnam VT Utilities Growth and Income and Putnam VT Voyager Divisions) as of December 31, 2002, 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.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. Our procedures included confirmation of securities owned as of December 31, 2002, by correspondence with the transfer agents. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our 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 Divisions comprising the ReliaStar Select Variable Account at December 31, 2002, and the results of their operations and changes in their net assets for the periods disclosed in the financial statements, in conformity with accounting principles generally accepted in the United States.

/s/ Ernst & Young LLP

Atlanta, Georgia
March 14, 2003

ReliaStar Select Variable Account

Statement of Assets and Liabilities

December 31, 2002

(Dollars in thousands, except for unit data)

	AIM V.I. Dent Demographic Trends	Alger American Growth	Alger American Leveraged AllCap	Alger American MidCap Growth
Assets				
Investments in mutual funds at fair value	\$642	\$19,876	\$709	\$10,412
Total assets	642	19,876	709	10,412
Liabilities				
Due to (from) ReliaStar Life Insurance Company	-	-	-	-
Total liabilities	-	-	-	-
Net assets	\$642	\$19,876	\$709	\$10,412
Accumulation units outstanding:				
Select*Annuity II	-	130,638.866	-	77,107.110
Select*Annuity III	183,285.638	2,047,738.022	175,371.321	847,283.930
Value per accumulation unit:				
Select*Annuity II	-	\$9.16	-	\$11.31
Select*Annuity III	\$3.50	\$9.12	\$4.04	\$11.26
Total number of mutual fund shares	169,352	806,976	33,990	836,344
Total cost of mutual fund shares	\$1,390	\$41,491	\$1,050	\$15,234

See accompanying notes.

ReliaStar Select Variable Account

Statement of Assets and Liabilities

December 31, 2002

(Dollars in thousands, except for unit data)

Alger American Small Capitalization	Fidelity® VIP Equity-Income	Fidelity® VIP Growth	Fidelity® VIP High Income	Fidelity® VIP Money Market	Fidelity® VIP Overseas	Fidelity® VIP II Asset Manager SM
\$2,803	\$68,388	\$63,460	\$15,015	\$51,516	\$6,739	\$20,145
2,803	68,388	63,460	15,015	51,516	6,739	20,145
-	-	9	-	1	-	1
-	-	9	-	1	-	1
\$2,803	\$68,388	\$63,451	\$15,015	\$51,515	\$6,739	\$20,144
20,973.737	806,010.913	846,838.338	210,666.049	452,984.437	214,000.859	514,129.646
457,254.875	2,122,243.870	1,967,977.641	1,079,566.851	3,205,956.988	328,082.002	667,083.568
\$5.89	\$35.06	\$35.72	\$18.95	\$17.87	\$16.05	\$20.59
\$5.86	\$18.90	\$16.61	\$10.21	\$13.53	\$10.07	\$14.30
229,574	3,765,877	2,707,324	2,532,122	51,515,547	613,719	1,580,029
\$3,655	\$81,527	\$103,636	\$14,496	\$51,515	\$12,262	\$25,772

ReliaStar Select Variable Account

Statement of Assets and Liabilities (continued)

December 31, 2002

(Dollars in thousands, except for unit data)

	Fidelity® VIP II Contrafund®	Fidelity® VIP II Index 500	Fidelity® VIP II Investment Grade Bond	ING VP Growth Opportunities
Assets				
Investments in mutual funds at fair value	\$41,094	\$46,609	\$31,723	\$552
Total assets	41,094	46,609	31,723	552
Liabilities				
Due to (from) ReliaStar Life Insurance Company	-	-	-	-
Total liabilities	-	-	-	-
Net assets	\$41,094	\$46,609	\$31,723	\$552
Accumulation units outstanding:				
Select*Annuity II	106,322.433	236,681.547	200,832.326	-
Select*Annuity III	2,009,345.313	2,189,680.799	1,718,650.745	152,403.530
Value per accumulation unit:				
Select*Annuity II	\$11.56	\$20.46	\$20.61	-
Select*Annuity III	\$19.84	\$19.07	\$16.05	\$3.62
Total number of mutual fund shares	2,270,388	466,467	2,315,584	147,137
Total cost of mutual fund shares	\$49,507	\$66,051	\$28,972	\$1,074

See accompanying notes.

ReliaStar Select Variable Account

Statement of Assets and Liabilities (continued)

December 31, 2002

(Dollars in thousands, except for unit data)

ING VP Growth + Value	ING VP High Yield Bond	ING VP International Value	ING VP MagnaCap	ING VP MidCap Opportunities	ING VP Research Enhanced Index	ING VP SmallCap Opportunities
\$10,413	\$2,080	\$5,762	\$510	\$340	\$1,855	\$10,700
10,413	2,080	5,762	510	340	1,855	10,700
-	-	-	-	-	-	1
-	-	-	-	-	-	1
\$10,413	\$2,080	\$5,762	\$510	\$340	\$1,855	\$10,699
77,206.357	18,481.882	45,873.008	-	-	2,344.085	46,958.736
677,884.569	237,292.941	406,617.573	75,258.486	78,225.712	226,300.896	620,846.551
\$8.62	\$8.17	\$12.78	-	-	\$6.09	\$11.09
\$14.38	\$8.13	\$12.73	\$6.77	\$4.34	\$8.12	\$16.39
1,054,996	734,520	670,017	74,723	75,470	630,825	1,004,730
\$28,903	\$2,141	\$5,695	\$669	\$465	\$2,970	\$28,638

ReliaStar Select Variable Account

Statement of Assets and Liabilities (continued)

December 31, 2002

(Dollars in thousands, except for unit data)

	Janus Aspen Aggressive Growth	Janus Aspen Growth	Janus Aspen International Growth	Janus Aspen Worldwide Growth
Assets				
Investments in mutual funds at fair value	\$11,580	\$11,794	\$8,873	\$28,062
Total assets	11,580	11,794	8,873	28,062
Liabilities				
Due to (from) ReliaStar Life Insurance Company	-	-	-	-
Total liabilities	-	-	-	-
Net assets	\$11,580	\$11,794	\$8,873	\$28,062
Accumulation units outstanding:				
Select*Annuity II	129,337.715	115,805.865	83,894.021	273,578.843
Select*Annuity III	1,135,615.937	1,236,128.606	884,353.230	2,700,640.405
Value per accumulation unit:				
Select*Annuity II	\$9.19	\$8.76	\$9.20	\$9.47
Select*Annuity III	\$9.15	\$8.72	\$9.16	\$9.43
Total number of mutual fund shares	731,060	807,271	512,909	1,333,108
Total cost of mutual fund shares	\$31,773	\$21,826	\$9,076	\$37,102

See accompanying notes.

ReliaStar Select Variable Account

Statement of Assets and Liabilities (continued)

December 31, 2002

(Dollars in thousands, except for unit data)

Neuberger Berman AMT Limited Maturity Bond	Neuberger Berman AMT Partners	Neuberger Berman AMT Socially Responsive	OCC Accumulation Trust Equity	OCC Accumulation Trust Global Equity	OCC Accumulation Trust Managed	OCC Accumulation Trust Small Cap
\$12,911	\$5,819	\$399	\$2,995	\$595	\$9,641	\$7,911
12,911	5,819	399	2,995	595	9,641	7,911
-	-	-	-	-	-	-
-	-	-	-	-	-	-
\$12,911	\$5,819	\$399	\$2,995	\$595	\$9,641	\$7,911
38,243.591	44,454.055	-	13,352.148	3,051.253	157,820.416	47,694.292
1,008,392.766	686,471.199	48,267.140	314,200.660	60,085.276	892,469.396	712,747.351
\$12.39	\$7.99	-	\$9.19	\$9.47	\$9.22	\$10.44
\$12.33	\$7.96	\$8.26	\$9.14	\$9.43	\$9.17	\$10.40
956,376	510,419	43,409	116,871	55,329	294,214	367,601
\$12,577	\$8,530	\$458	\$3,978	\$779	\$11,934	\$10,233

ReliaStar Select Variable Account

Statement of Assets and Liabilities (continued)

December 31, 2002

(Dollars in thousands, except for unit data)

	Putnam VT Diversified Income	Putnam VT Growth and Income	Putnam VT International Growth	Putnam VT New Opportunities
Assets				
Investments in mutual funds at fair value	\$3,754	\$29,189	\$681	\$17,596
Total assets	3,754	29,189	681	17,596
Liabilities				
Due to (from) ReliaStar Life Insurance Company	-	-	-	-
Total liabilities	-	-	-	-
Net assets	\$3,754	\$29,189	\$681	\$17,596
Accumulation units outstanding:				
Select*Annuity II	8,314.119	145,641.423	-	-
Select*Annuity III	280,249.400	1,501,640.007	105,729.773	1,407,719.906
Value per accumulation unit:				
Select*Annuity II	\$13.67	\$18.24	-	-
Select*Annuity III	\$12.99	\$17.66	\$6.44	\$12.50
Total number of mutual fund shares	439,096	1,556,731	67,091	1,514,257
Total cost of mutual fund shares	\$4,387	\$38,837	\$558	\$41,422

See accompanying notes.

ReliaStar Select Variable Account

Statement of Assets and Liabilities (continued)

December 31, 2002

(Dollars in thousands, except for unit data)

Putnam VT Utilities Growth and Income	Putnam VT Voyager
\$3,065	\$41,463
3,065	41,463
-	-
-	-
\$3,065	\$41,463
7,703.058	285,978.443
231,271.047	2,136,721.951
\$13.47	\$17.85
\$12.77	\$17.01
320,292	1,974,441
\$5,265	\$86,390

ReliaStar Select Variable Account

Statement of Operations

For the year ended December 31, 2002

(Dollars in thousands)

	AIM V.I. Dent Demographic Trends	Alger American Growth	Alger American Leveraged AllCap	Alger American MidCap Growth
Net investment income (loss)				
Income:				
Dividends	\$ -	\$12	\$ -	\$ -
Total investment income	-	12	-	-
Expenses:				
Mortality and expense risk and other charges	15	398	13	170
Total expenses	15	398	13	170
Net investment income (loss)	(15)	(386)	(13)	(170)
Realized and unrealized gain (loss) on investments				
Net realized gain (loss) on investments	(519)	(6,357)	(96)	(982)
Capital gains distributions	-	-	-	-
Total realized gain (loss) on investments and capital gains distributions	(519)	(6,357)	(96)	(982)
Net unrealized appreciation (depreciation) of investments	87	(5,566)	(301)	(3,411)
Net increase (decrease) in net assets resulting from operations	\$(447)	\$(12,309)	\$(410)	\$(4,563)
	Fidelity® VIP II Contrafund®	Fidelity® VIP II Index 500	Fidelity® VIP II Investment Grade Bond	ING VP Growth Opportunities
Net investment income (loss)				
Income:				
Dividends	\$454	\$897	\$1,049	\$ -
Total investment income	454	897	1,049	-
Expenses:				
Mortality and expense risk and other charges	698	854	385	11
Total expenses	698	854	385	11
Net investment income (loss)	(244)	43	664	(11)
Realized and unrealized gain (loss) on investments				
Net realized gain (loss) on investments	(6,598)	(5,618)	373	(442)
Capital gains distributions	-	-	-	-
Total realized gain (loss) on investments and capital gains distributions	(6,598)	(5,618)	373	(442)
Net unrealized appreciation (depreciation) of investments	1,223	(11,703)	1,383	122
Net increase (decrease) in net assets resulting from operations	\$(5,619)	\$(17,278)	\$2,420	\$(331)

See accompanying notes.

ReliaStar Select Variable Account

Statement of Operations (continued)

For the year ended December 31, 2002

(Dollars in thousands)

Alger American Small Capitalization	Fidelity® VIP Equity-Income	Fidelity® VIP Growth	Fidelity® VIP High Income	Fidelity® VIP Money Market	Fidelity® VIP Overseas	Fidelity® VIP II Asset Manager SM
\$ -	\$1,576	\$238	\$1,907	\$780	\$82	\$1,056
-	1,576	238	1,907	780	82	1,056
48	1,157	1,161	219	640	124	326
48	1,157	1,161	219	640	124	326
(48)	419	(923)	1,688	140	(42)	730
(697)	(6,568)	(15,061)	(5,844)	11	(1,704)	(1,861)
-	2,145	-	-	-	-	-
(697)	(4,423)	(15,061)	(5,844)	11	(1,704)	(1,861)
(549)	(13,558)	(16,919)	4,479	-	(345)	(1,672)
\$(1,294)	\$(17,562)	\$(32,903)	\$323	\$151	\$(2,091)	\$(2,803)
ING VP Growth + Value	ING VP High Yield Bond	ING VP International Value	ING VP MagnaCap	ING VP MidCap Opportunities	ING VP Research Enhanced Index	ING VP SmallCap Opportunities
\$ -	\$202	\$64	\$7	\$ -	\$32	\$ -
-	202	64	7	-	32	-
218	29	89	10	6	37	228
218	29	89	10	6	37	228
(218)	173	(25)	(3)	(6)	(5)	(228)
(6,160)	(635)	(1,478)	(115)	(168)	(517)	(5,885)
-	-	-	-	-	-	-
(6,160)	(635)	(1,478)	(115)	(168)	(517)	(5,885)
(1,131)	421	403	(94)	32	(240)	(4,200)
\$(7,509)	\$(41)	\$(1,100)	\$(212)	\$(142)	\$(762)	\$(10,313)

ReliaStar Select Variable Account

Statement of Operations (continued)

For the year ended December 31, 2002

(Dollars in thousands)

	Janus Aspen Aggressive Growth	Janus Aspen Growth	Janus Aspen International Growth	Janus Aspen Worldwide Growth
Net investment income (loss)				
Income:				
Dividends	\$ -	\$ -	\$93	\$330
Total investment income	-	-	93	330
Expenses:				
Mortality and expense risk and other charges	218	254	174	555
Total expenses	218	254	174	555
Net investment income (loss)	(218)	(254)	(81)	(225)
Realized and unrealized gain (loss) on investments				
Net realized gain (loss) on investments	(8,267)	(9,070)	(917)	(8,605)
Capital gains distributions	-	-	-	-
Total realized gain (loss) on investments and capital gains distributions	(8,267)	(9,070)	(917)	(8,605)
Net unrealized appreciation (depreciation) of investments	2,427	3,224	(525)	(3,948)
Net increase (decrease) in net assets resulting from operations	\$(6,058)	\$(6,100)	\$(1,523)	\$(12,778)
	Putnam VT Diversified Income	Putnam VT Growth and Income	Putnam VT International Growth	Putnam VT New Opportunities
Net investment income (loss)				
Income:				
Dividends	\$416	\$707	\$11	\$ -
Total investment income	416	707	11	-
Expenses:				
Mortality and expense risk and other charges	61	524	12	349
Total expenses	61	524	12	349
Net investment income (loss)	355	183	(1)	(349)
Realized and unrealized gain (loss) on investments				
Net realized gain (loss) on investments	(349)	(3,255)	(21)	(9,471)
Capital gains distributions	-	235	-	-
Total realized gain (loss) on investments and capital gains distributions	(349)	(3,020)	(21)	(9,471)
Net unrealized appreciation (depreciation) of investments	179	(5,809)	750	(215)
Net increase (decrease) in net assets resulting from operations	\$185	\$(8,646)	\$728	\$(10,035)

See accompanying notes.

ReliaStar Select Variable Account

Statement of Operations (continued)

For the year ended December 31, 2002

(Dollars in thousands)

Neuberger Berman AMT Limited Maturity Bond	Neuberger Berman AMT Partners	Neuberger Berman AMT Socially Responsive	OCC Accumulation Trust Equity	OCC Accumulation Trust Global Equity	OCC Accumulation Trust Managed	OCC Accumulation Trust Small Cap
\$612	\$42	\$ -	\$39	\$4	\$226	\$7
612	42	-	39	4	226	7
174	106	7	55	11	158	137
174	106	7	55	11	158	137
438	(64)	(7)	(16)	(7)	68	(130)
71	(689)	(54)	(318)	(91)	(456)	(599)
-	-	-	35	-	-	1,444
71	(689)	(54)	(283)	(91)	(456)	845
(38)	(1,536)	(46)	(743)	(68)	(1,943)	(3,476)
\$471	\$(2,289)	\$(107)	\$(1,042)	\$(166)	\$(2,331)	\$(2,761)

Putnam VT Utilities Growth and Income	Putnam VT Voyager
\$166	\$547
166	547
58	806
58	806
108	(259)
(851)	(15,900)
-	-
(851)	(15,900)
(582)	(3,262)
\$(1,325)	\$(19,421)

ReliaStar Select Variable Account

Statements of Changes in Net Assets

For the years ended December 31, 2002 and 2001

(Dollars in thousands)

	AIM V.I. Dent Demographic Trends	Alger American Growth	Alger American Leveraged AllCap	Alger American MidCap Growth
Net assets at January 1, 2001	\$2,121	\$50,680	\$887	\$17,050
Increase (decrease) in net assets				
Operations:				
Net investment income (loss)	(23)	(505)	(14)	(204)
Net realized gain (loss) on investments and capital gains distributions	(434)	(3,717)	(289)	(1,652)
Net unrealized appreciation (depreciation) of investments	(307)	(2,446)	179	415
Net increase (decrease) in net assets resulting from operations	(764)	(6,668)	(124)	(1,441)
Changes from principal transactions:				
Net premium payments	400	2,029	86	926
Surrenders	(188)	(5,186)	(111)	(1,396)
Transfers between Divisions (including fixed account), net	(108)	(1,701)	369	(600)
Annuity payments	-	(2)	-	-
Death benefits	(40)	(197)	-	(205)
Administrative charges	(1)	(28)	(1)	(9)
Transfers from (to) required reserves	-	1	-	-
Increase (decrease) in assets derived from principal transactions	63	(5,084)	343	(1,284)
Total increase (decrease)	(701)	(11,752)	219	(2,725)
Net assets at December 31, 2001	1,420	38,928	1,106	14,325
Increase (decrease) in net assets				
Operations:				
Net investment income (loss)	(15)	(386)	(13)	(170)
Net realized gain (loss) on investments and capital gains distributions	(519)	(6,357)	(96)	(982)
Net unrealized appreciation (depreciation) of investments	87	(5,566)	(301)	(3,411)
Net increase (decrease) in net assets resulting from operations	(447)	(12,309)	(410)	(4,563)
Changes from principal transactions:				
Net premium payments	40	758	22	199
Surrenders	(108)	(4,464)	(99)	(1,647)
Transfers between Divisions (including fixed account), net	(259)	(2,657)	96	2,147
Annuity payments	-	(2)	-	-
Death benefits	(3)	(352)	(5)	(40)
Administrative charges	(1)	(25)	(1)	(9)
Transfers from (to) required reserves	-	(1)	-	-
Increase (decrease) in assets derived from principal transactions	(331)	(6,743)	13	650
Total increase (decrease)	(778)	(19,052)	(397)	(3,913)
Net assets at December 31, 2002	\$642	\$19,876	\$709	\$10,412

See accompanying notes.

ReliaStar Select Variable Account

Statements of Changes in Net Assets

For the years ended December 31, 2002 and 2001

(Dollars in thousands)

Alger American Small Capitalization	Fidelity® VIP Equity-Income	Fidelity® VIP Growth	Fidelity® VIP High Income	Fidelity® VIP Money Market	Fidelity® VIP Overseas	Fidelity® VIP II Asset ManagerSM
\$7,442	\$124,312	\$173,046	\$25,772	\$43,779	\$19,479	\$39,260
(70)	576	(1,737)	2,978	1,301	690	1,099
(3,499)	4,863	10,720	(10,519)	-	512	(137)
1,168	(13,322)	(40,905)	4,858	-	(5,159)	(3,080)
(2,401)	(7,883)	(31,922)	(2,683)	1,301	(3,957)	(2,118)
213	2,287	3,360	388	5,456	6	5
(516)	(16,819)	(22,055)	(3,613)	(15,370)	(3,226)	(6,218)
(146)	417	(4,414)	(1,074)	15,940	(670)	(1,002)
-	(19)	(159)	-	(9)	-	(15)
(3)	(790)	(618)	(211)	(593)	(55)	(229)
(3)	(84)	(108)	(13)	(19)	(13)	(28)
-	(12)	(41)	-	1	-	(14)
(455)	(15,020)	(24,035)	(4,523)	5,406	(3,958)	(7,501)
(2,856)	(22,903)	(55,957)	(7,206)	6,707	(7,915)	(9,619)
4,586	101,409	117,089	18,566	50,486	11,564	29,641
(48)	419	(923)	1,688	140	(42)	730
(697)	(4,423)	(15,061)	(5,844)	11	(1,704)	(1,861)
(549)	(13,558)	(16,919)	4,479	-	(345)	(1,672)
(1,294)	(17,562)	(32,903)	323	151	(2,091)	(2,803)
91	1,190	1,316	178	1,578	-	-
(481)	(14,696)	(16,379)	(2,739)	(19,087)	(2,043)	(4,706)
(88)	(1,112)	(4,708)	(1,215)	19,158	(595)	(1,693)
-	12	(104)	-	(8)	-	(12)
(7)	(774)	(704)	(86)	(713)	(87)	(279)
(4)	(81)	(89)	(13)	(40)	(10)	(25)
-	2	(67)	1	(10)	1	21
(489)	(15,459)	(20,735)	(3,874)	878	(2,734)	(6,694)
(1,783)	(33,021)	(53,638)	(3,551)	1,029	(4,825)	(9,497)
\$2,803	\$68,388	\$63,451	\$15,015	\$51,515	\$6,739	\$20,144

ReliaStar Select Variable Account

Statements of Changes in Net Assets (continued)

For the years ended December 31, 2002 and 2001

(Dollars in thousands)

	Fidelity® VIP II Contrafund®	Fidelity® VIP II Index 500	Fidelity® VIP II Investment Grade Bond	ING VP Growth Opportunities
Net assets at January 1, 2001	\$80,531	\$106,352	\$21,415	\$1,281
Increase (decrease) in net assets				
Operations:				
Net investment income (loss)	(345)	(127)	877	(16)
Net realized gain (loss) on investments and capital gains distributions	(2,125)	1,157	(26)	(155)
Net unrealized appreciation (depreciation) of investments	(8,330)	(15,114)	706	(394)
Net increase (decrease) in net assets resulting from operations	(10,800)	(14,084)	1,557	(565)
Changes from principal transactions:				
Net premium payments	1,439	2,657	938	287
Surrenders	(8,312)	(10,449)	(3,310)	(38)
Transfers between Divisions (including fixed account), net	(4,290)	(4,573)	7,009	186
Annuity payments	-	(9)	-	-
Death benefits	(290)	(393)	(145)	(43)
Administrative charges	(44)	(63)	(11)	(1)
Transfers from (to) required reserves	-	6	-	-
Increase (decrease) in assets derived from principal transactions	(11,497)	(12,824)	4,481	391
Total increase (decrease)	(22,297)	(26,908)	6,038	(174)
Net assets at December 31, 2001	58,234	79,444	27,453	1,107
Increase (decrease) in net assets				
Operations:				
Net investment income (loss)	(244)	43	664	(11)
Net realized gain (loss) on investments and capital gains distributions	(6,598)	(5,618)	373	(442)
Net unrealized appreciation (depreciation) of investments	1,223	(11,703)	1,383	122
Net increase (decrease) in net assets resulting from operations	(5,619)	(17,278)	2,420	(331)
Changes from principal transactions:				
Net premium payments	571	1,074	367	13
Surrenders	(9,473)	(10,060)	(5,837)	(71)
Transfers between Divisions (including fixed account), net	(2,288)	(6,055)	7,469	(164)
Annuity payments	32	(8)	-	-
Death benefits	(318)	(452)	(136)	(1)
Administrative charges	(45)	(57)	(15)	(1)
Transfers from (to) required reserves	-	1	2	-
Increase (decrease) in assets derived from principal transactions	(11,521)	(15,557)	1,850	(224)
Total increase (decrease)	(17,140)	(32,835)	4,270	(555)
Net assets at December 31, 2002	\$41,094	\$46,609	\$31,723	\$552

See accompanying notes.

ReliaStar Select Variable Account

Statements of Changes in Net Assets (continued)

For the years ended December 31, 2002 and 2001

(Dollars in thousands)

ING VP Growth + Value	ING VP High Yield Bond	ING VP International Value	ING VP MagnaCap	ING VP MidCap Opportunities	ING VP Trust Research Enhanced Index	ING VP SmallCap Opportunities
\$37,641	\$2,482	\$6,961	\$607	\$570	\$5,070	\$38,848
(369)	209	15	(1)	(8)	(36)	(392)
(1,764)	(286)	(1,482)	(46)	(139)	(289)	489
(9,719)	67	517	(58)	(92)	(319)	(11,561)
(11,852)	(10)	(950)	(105)	(239)	(644)	(11,464)
1,506	55	189	257	83	75	1,384
(3,588)	(249)	(955)	(32)	(82)	(506)	(3,463)
(1,918)	140	996	62	288	(339)	(860)
-	-	-	-	-	(3)	(12)
(107)	(36)	(17)	-	-	(28)	(69)
(18)	(1)	(4)	-	-	(2)	(16)
-	-	-	-	-	-	3
(4,125)	(91)	209	287	289	(803)	(3,033)
(15,977)	(101)	(741)	182	50	(1,447)	(14,497)
21,664	2,381	6,220	789	620	3,623	24,351
(218)	173	(25)	(3)	(6)	(5)	(228)
(6,160)	(635)	(1,478)	(115)	(168)	(517)	(5,885)
(1,131)	421	403	(94)	32	(240)	(4,200)
(7,509)	(41)	(1,100)	(212)	(142)	(762)	(10,313)
272	32	121	29	10	40	459
(2,848)	(538)	(922)	(200)	(124)	(507)	(2,796)
(1,036)	251	1,468	108	(23)	(432)	(819)
-	-	-	-	-	(2)	(7)
(115)	(4)	(19)	(4)	-	(103)	(165)
(15)	(1)	(6)	-	(1)	(2)	(13)
-	-	-	-	-	-	2
(3,742)	(260)	642	(67)	(138)	(1,006)	(3,339)
(11,251)	(301)	(458)	(279)	(280)	(1,768)	(13,652)
\$10,413	\$2,080	\$5,762	\$510	\$340	\$1,855	\$10,699

ReliaStar Select Variable Account

Statements of Changes in Net Assets (continued)

For the years ended December 31, 2002 and 2001

(Dollars in thousands)

	Janus Aspen Aggressive Growth	Janus Aspen Growth	Janus Aspen International Growth	Janus Aspen Worldwide Growth
Net assets at January 1, 2001	\$45,687	\$39,055	\$19,191	\$79,131
Increase (decrease) in net assets				
Operations:				
Net investment income (loss)	(428)	(414)	(43)	(587)
Net realized gain (loss) on investments and capital gains distributions	(18,230)	(2,511)	(8,157)	(20,559)
Net unrealized appreciation (depreciation) of investments	505	(7,091)	4,235	2,688
Net increase (decrease) in net assets resulting from operations	(18,153)	(10,016)	(3,965)	(18,458)
Changes from principal transactions:				
Net premium payments	1,995	1,544	941	3,245
Surrenders	(3,145)	(2,720)	(1,755)	(6,027)
Transfers between Divisions (including fixed account), net	(3,380)	(2,456)	(1,341)	(4,474)
Annuity payments	-	-	-	(2)
Death benefits	(119)	(116)	(10)	(327)
Administrative charges	(23)	(21)	(10)	(37)
Transfers from (to) required reserves	-	-	-	1
Increase (decrease) in assets derived from principal transactions	(4,672)	(3,769)	(2,175)	(7,621)
Total increase (decrease)	(22,825)	(13,785)	(6,140)	(26,079)
Net assets at December 31, 2001	22,862	25,270	13,051	53,052
Increase (decrease) in net assets				
Operations:				
Net investment income (loss)	(218)	(254)	(81)	(225)
Net realized gain (loss) on investments and capital gains distributions	(8,267)	(9,070)	(917)	(8,605)
Net unrealized appreciation (depreciation) of investments	2,427	3,224	(525)	(3,948)
Net increase (decrease) in net assets resulting from operations	(6,058)	(6,100)	(1,523)	(12,778)
Changes from principal transactions:				
Net premium payments	420	512	197	995
Surrenders	(2,848)	(2,862)	(1,865)	(6,078)
Transfers between Divisions (including fixed account), net	(2,657)	(4,813)	(952)	(6,738)
Annuity payments	-	-	-	(1)
Death benefits	(121)	(196)	(16)	(356)
Administrative charges	(18)	(17)	(19)	(33)
Transfers from (to) required reserves	-	-	-	(1)
Increase (decrease) in assets derived from principal transactions	(5,224)	(7,376)	(2,655)	(12,212)
Total increase (decrease)	(11,282)	(13,476)	(4,178)	(24,990)
Net assets at December 31, 2002	\$11,580	\$11,794	\$8,873	\$28,062

See accompanying notes.

ReliaStar Select Variable Account

Statements of Changes in Net Assets (continued)

For the years ended December 31, 2002 and 2001

(Dollars in thousands)

Neuberger Berman AMT Limited Maturity Bond	Neuberger Berman AMT Partners	Neuberger Berman AMT Socially Responsive	OCC Accumulation Trust Equity	OCC Accumulation Trust Global Equity	OCC Accumulation Trust Managed	OCC Accumulation Trust Small Cap
\$9,095	\$10,996	\$486	\$3,759	\$752	\$12,236	\$6,204
434	(99)	(9)	(38)	(12)	100	(50)
(57)	(223)	9	(46)	(40)	99	1,068
349	(171)	(23)	(345)	(91)	(981)	(447)
726	(493)	(23)	(429)	(143)	(782)	571
763	247	89	315	85	664	624
(1,077)	(1,000)	(12)	(408)	(51)	(1,643)	(782)
2,530	(432)	77	1,860	280	2,613	2,942
(3)	-	-	-	-	(6)	-
(46)	(128)	(1)	(20)	-	(65)	(64)
(5)	(6)	-	(2)	-	(7)	(4)
(5)	-	-	-	-	1	-
2,157	(1,319)	153	1,745	314	1,557	2,716
2,883	(1,812)	130	1,316	171	775	3,287
11,978	9,184	616	5,075	923	13,011	9,491
438	(64)	(7)	(16)	(7)	68	(130)
71	(689)	(54)	(283)	(91)	(456)	845
(38)	(1,536)	(46)	(743)	(68)	(1,943)	(3,476)
471	(2,289)	(107)	(1,042)	(166)	(2,331)	(2,761)
177	90	6	33	9	203	240
(2,321)	(1,061)	(65)	(781)	(117)	(1,641)	(1,613)
2,760	(43)	(49)	(287)	(54)	494	2,616
(3)	-	-	-	-	(5)	-
(149)	(56)	(2)	(1)	-	(87)	(56)
(6)	(6)	-	(2)	-	(7)	(6)
4	-	-	-	-	4	-
462	(1,076)	(110)	(1,038)	(162)	(1,039)	1,181
933	(3,365)	(217)	(2,080)	(328)	(3,370)	(1,580)
\$12,911	\$5,819	\$399	\$2,995	\$595	\$9,641	\$7,911

ReliaStar Select Variable Account

Statements of Changes in Net Assets (continued)

For the years ended December 31, 2002 and 2001

(Dollars in thousands)

	Putnam VT Diversified Income	Putnam VT Growth and Income	Putnam VT International Growth	Putnam VT New Opportunities
Net assets at January 1, 2001	\$6,174	\$58,813	\$1,818	\$61,694
Increase (decrease) in net assets				
Operations:				
Net investment income (loss)	359	177	(19)	(624)
Net realized gain (loss) on investments and capital gains distributions	(327)	(670)	143	10,818
Net unrealized appreciation (depreciation) of investments	109	(3,960)	(542)	(29,237)
Net increase (decrease) in net assets resulting from operations	141	(4,453)	(418)	(19,043)
Changes from principal transactions:				
Net premium payments	-	1,153	-	1,565
Surrenders	(958)	(7,405)	(241)	(5,990)
Transfers between Divisions (including fixed account), net	(242)	(538)	(138)	(2,129)
Annuity payments	-	(9)	-	-
Death benefits	(71)	(324)	-	(156)
Administrative charges	(3)	(34)	(1)	(32)
Transfers from (to) required reserves	-	(1)	-	-
Increase (decrease) in assets derived from principal transactions	(1,274)	(7,158)	(380)	(6,742)
Total increase (decrease)	(1,133)	(11,611)	(798)	(25,785)
Net assets at December 31, 2001	5,041	47,202	1,020	35,909
Increase (decrease) in net assets				
Operations:				
Net investment income (loss)	355	183	(1)	(349)
Net realized gain (loss) on investments and capital gains distributions	(349)	(3,020)	(21)	(9,471)
Net unrealized appreciation (depreciation) of investments	179	(5,809)	750	(215)
Net increase (decrease) in net assets resulting from operations	185	(8,646)	728	(10,035)
Changes from principal transactions:				
Net premium payments	-	472	(1)	359
Surrenders	(996)	(6,494)	(153)	(4,865)
Transfers between Divisions (including fixed account), net	(456)	(3,056)	(907)	(3,552)
Annuity payments	-	3	-	-
Death benefits	(17)	(264)	(5)	(194)
Administrative charges	(3)	(31)	(1)	(26)
Transfers from (to) required reserves	-	3	-	-
Increase (decrease) in assets derived from principal transactions	(1,472)	(9,367)	(1,067)	(8,278)
Total increase (decrease)	(1,287)	(18,013)	(339)	(18,313)
Net assets at December 31, 2002	\$3,754	\$29,189	\$681	\$17,596

See accompanying notes.

ReliaStar Select Variable Account

Statements of Changes in Net Assets (continued)

For the years ended December 31, 2002 and 2001

(Dollars in thousands)

Putnam VT Utilities Growth and Income	Putnam VT Voyager
\$9,663	\$121,877
146	(1,187)
145	20,976
(2,337)	(47,348)
(2,046)	(27,559)
1	2,443
(1,407)	(13,547)
(313)	(4,885)
(1)	(12)
(135)	(240)
(5)	(70)
(1)	6
(1,861)	(16,305)
(3,907)	(43,864)
5,756	78,013
108	(259)
(851)	(15,900)
(582)	(3,262)
(1,325)	(19,421)
-	1,138
(1,024)	(10,825)
(291)	(6,805)
(1)	(8)
(50)	(572)
(4)	(59)
4	2
(1,366)	(17,129)
(2,691)	(36,550)
\$3,065	\$41,463

ReliaStar Select Variable Account

Notes to Financial Statements

December 31, 2002

1. Organization

ReliaStar Select Variable Account (the "Account") was established by ReliaStar Life Insurance Company ("ReliaStar Life" or "the Company") to support the operations of variable annuity contracts ("Contracts"). ReliaStar Life 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 a 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. ReliaStar Life 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 ReliaStar Life may conduct, but obligations of the Account, including the promise to make benefit payments, are obligations of ReliaStar Life. The assets and liabilities of the Account are clearly identified and distinguished from the other assets and liabilities of ReliaStar Life.

ReliaStar Select Variable Account

Notes to Financial Statements (continued)

1. Organization (continued)

At December 31, 2002, the Account had, under Select*Annuity II and Select*Annuity III Contracts, thirty-nine investment divisions (the "Divisions"), thirty-one of which invest in independently managed mutual funds and eight of which invest in mutual funds managed by an affiliate, ING Investments, LLC. The assets in each Division are invested in shares of a designated fund ("Fund") of various investment trusts (the "Trusts"). Investment Divisions at December 31, 2002 and related Trusts are as follows:

AIM Variable Insurance Fund:

AIM V.I. Dent Demographic Trends Fund

The Alger American Fund:

Alger American Growth Portfolio

Alger American Leveraged AllCap Portfolio

Alger American MidCap Growth Portfolio

Alger American Small Capitalization Portfolio

Fidelity® Variable Insurance Products Fund:

Fidelity® VIP Equity-Income Portfolio - Initial Class

Fidelity® VIP Growth Portfolio - Initial Class

Fidelity® VIP High Income Portfolio - Initial Class

Fidelity® VIP Money Market Portfolio - Initial Class

Fidelity® VIP Overseas Portfolio - Initial Class

Fidelity® Variable Insurance Products Fund II:

Fidelity® VIP II *Asset Manager*SM Portfolio - Initial Class

Fidelity® VIP II Contrafund® Portfolio - Initial Class

Fidelity® VIP II Index 500 Portfolio - Initial Class

Fidelity® VIP II Investment Grade Bond Portfolio
- Initial Class

ING Variable Products Trust:

ING VP Growth Opportunities Portfolio - Class R

ING VP Growth + Value Portfolio

ING VP High Yield Bond Portfolio

ING VP International Value Portfolio - Class R

ING VP MagnaCap Portfolio - Class R

ING VP MidCap Opportunities Portfolio - Class R

ING VP Research Enhanced Index Portfolio

ING VP SmallCap Opportunities Portfolio - Class R

Janus Aspen Series:

Janus Aspen Aggressive Growth Series - Institutional Shares

Janus Aspen Growth Portfolio - Institutional Shares

Janus Aspen International Growth Portfolio -
Institutional Shares

Janus Aspen Worldwide Growth Portfolio -
Institutional Shares

Neuberger Berman Advisers Management Trust:

Neuberger Berman AMT Limited Maturity Bond Portfolio

Neuberger Berman AMT Partners Portfolio

Neuberger Berman AMT Socially Responsive Portfolio

OCC Accumulation Trust:

OCC Accumulation Trust Equity Portfolio

OCC Accumulation Trust Global Equity Portfolio

OCC Accumulation Trust Managed Portfolio

OCC Accumulation Trust Small Cap Portfolio

Putnam Variable Trust:

Putnam VT Diversified Income Fund - Class IA Shares

Putnam VT Growth and Income Fund - Class IA Shares

Putnam VT International Growth Fund - Class IA Shares

Putnam VT New Opportunities Fund - Class IA Shares

Putnam VT Utilities Growth and Income Fund -
Class IA Shares

Putnam VT Voyager Fund - Class IA Shares

ReliaStar Select Variable Account

Notes to Financial Statements (continued)

2. Significant Accounting Policies

The following is a summary of the significant accounting policies of the Account:

Use of Estimates

The preparation of the 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 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-dividend date. Realized gains and losses on redemptions of the shares of the Fund are determined on the specific identification basis. The difference between cost and current market value on the day of measurement is recorded as unrealized appreciation or depreciation of investments.

Variable Annuity Reserves

All Contracts in the Account are currently in the accumulation period. Prior to the annuity date, the Contracts are redeemable for the net cash surrender value of the Contracts. The annuity reserves are equal to the Contractowners' aggregate account values invested in the Account Divisions. To the extent that benefits to be paid to the Contractowners exceed their account values, the Company will contribute additional funds to the benefit proceeds. Conversely, if amounts allocated exceed amounts required, transfers may be made to the Company.

ReliaStar Select Variable Account

Notes to Financial Statements (continued)

2. Significant Accounting Policies (continued)

Federal Income Taxes

Operations of the Account form a part of, and are taxed with, the total operations of ReliaStar Life, 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 ReliaStar Life.

Transfers

Transfers from (to) required reserves on the Statements of Changes in Net Assets relate to gains and losses resulting from actual mortality experience, the full responsibility for which is assumed by ReliaStar Life, Contractowner transfers between the general account and the Divisions, and other Contractowner activity, including Contract deposits and withdrawals. Unsettled transactions as of the reporting date appear on a net basis in the line Due to (from) ReliaStar Life Insurance Company on the Statement of Assets and Liabilities.

3. Charges and Fees

Under the terms of the Contracts, certain charges are allocated to the Contracts to cover ReliaStar Life expenses in connection with the issuance and administration of the Contracts. Following is a summary of these charges:

Mortality and Expense Risk Charges

ReliaStar Life 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.

Premium Taxes

Various states and other governmental units levy a premium tax on annuity Contracts issued by insurance companies. If the owner of a Contract lives in a state which levies such a tax, ReliaStar Life may deduct the amount of the tax from the purchase payments received or the value of the Contract at annuitization.

ReliaStar Select Variable Account

Notes to Financial Statements (continued)

3. Charges and Fees (continued)

Contract Maintenance Charges

An annual contract or certificate maintenance fee is deducted from the accumulation value of Contracts to cover ongoing administrative expenses. The charge is \$30 per Contract.

Sales and Surrender Charges

No deduction is made for a sales charge from the purchase payments made for the Contracts. However, on certain surrenders, ReliaStar Life will deduct from the Contract value a surrender charge as set forth in the Contract.

4. Related Party Transactions

During the year ended December 31, 2002, management fees were paid indirectly to ING Investments, LLC, an affiliate of the Company, in its capacity as investment manager to the ING Variable Products Trust. The Fund's advisory agreement provided for a fee at annual rates ranging from 0.60% to 1.00% of the average net assets of each respective Fund of the Trust.

ReliaStar Select Variable Account

Notes to Financial Statements (continued)

5. Purchases and Sales of Investment Securities

The aggregate cost of purchases and proceeds from sales of investments follow:

	Year Ended December 31			
	2002		2001	
	Purchases	Sales	Purchases	Sales
	<i>(Dollars in thousands)</i>			
AIM Variable Insurance Fund:				
AIM V.I. Dent Demographic Trends	\$122	\$469	\$556	\$516
The Alger American Fund:				
Alger American Growth	768	7,901	17,908	17,859
Alger American Leveraged AllCap	291	292	908	547
Alger American MidCap Growth	3,586	3,108	20,482	15,814
Alger American Small Capitalization	8,838	9,376	20,972	21,497
Fidelity® Variable Insurance Products Fund:				
Fidelity® VIP Equity-Income	45,392	60,446	85,694	94,274
Fidelity® VIP Growth	8,244	29,849	18,461	33,203
Fidelity® VIP High Income	43,042	45,231	30,921	32,475
Fidelity® VIP Money Market	369,258	368,236	348,963	342,273
Fidelity® VIP Overseas	133	2,911	2,365	4,231
Fidelity® Variable Insurance Products Fund II:				
Fidelity® VIP II <i>Asset Manager</i> SM	1,117	7,106	2,245	8,066
Fidelity® VIP II Contrafund®	17,156	28,929	14,395	24,249
Fidelity® VIP II Index 500	2,295	17,819	5,069	18,072
Fidelity® VIP II Investment Grade Bond	9,979	7,471	10,695	5,343
ING Variable Products Trust:				
ING VP Growth Opportunities	226	461	647	272
ING VP Growth + Value	818	4,781	4,159	8,597
ING VP High Yield Bond	2,002	2,034	1,130	1,064
ING VP International Value	15,350	14,734	7,022	6,595
ING VP MagnaCap	428	498	577	291
ING VP MidCap Opportunities	222	366	475	193
ING VP Research Enhanced Index	65	1,076	177	1,021
ING VP SmallCap Opportunities	1,247	4,818	3,735	7,118
Janus Aspen Series:				
Janus Aspen Aggressive Growth	157	5,602	13,053	18,174
Janus Aspen Growth	4,890	12,522	7,997	12,140
Janus Aspen International Growth	249,577	252,314	66,240	68,467
Janus Aspen Worldwide Growth	17,737	30,180	67,689	75,933
Neuberger Berman Advisers Management Trust:				
Neuberger Berman AMT Limited Maturity Bond	7,566	6,672	4,649	2,058
Neuberger Berman AMT Partners	907	2,048	1,021	2,061
Neuberger Berman AMT Socially Responsive	171	288	5,018	4,875

ReliaStar Select Variable Account
Notes to Financial Statements (continued)

5. Purchases and Sales of Investment Securities (continued)

	Year Ended December 31,			
	2002		2001	
	Purchases	Sales	Purchases	Sales
OCC Accumulation Trust:				
OCC Accumulation Trust Equity	\$646	\$1,700	\$2,665	\$935
OCC Accumulation Trust Global Equity	144	313	594	286
OCC Accumulation Trust Managed	1,999	2,976	3,992	2,341
OCC Accumulation Trust Small Cap	4,041	2,991	6,538	3,316
Putnam Variable Trust:				
Putnam VT Diversified Income	423	1,540	454	1,371
Putnam VT Growth and Income	3,157	12,349	29,099	35,467
Putnam VT International Growth	12	1,080	422	422
Putnam VT New Opportunities	411	9,043	14,658	13,449
Putnam VT Utilities Growth and Income	170	1,432	695	1,987
Putnam VT Voyager	858	18,257	24,044	18,711

6. Changes in Units

The net changes in units outstanding follow:

	Year ended December 31	
	2002	2001
	Net Increase (Decrease)	Net Increase (Decrease)
AIM Variable Insurance Fund:		
AIM V.I. Dent Demographic Trends	(87,719)	(638)
The Alger American Fund:		
Alger American Growth	(641,893)	(374,111)
Alger American Leveraged AllCap	(3,037)	59,897
Alger American MidCap Growth	40,724	(85,808)
Alger American Small Capitalization	(91,018)	(72,601)
Fidelity® Variable Insurance Products Fund:		
Fidelity® VIP Equity-Income	(631,980)	(524,592)
Fidelity® VIP Growth	(770,219)	(750,764)
Fidelity® VIP High Income	(337,822)	(336,233)
Fidelity® VIP Money Market	41,385	394,452
Fidelity® VIP Overseas	(196,306)	(228,943)
Fidelity® Variable Insurance Products Fund II:		
Fidelity® VIP II <i>Asset Manager</i> SM	(395,523)	(396,443)
Fidelity® VIP II Contrafund®	(566,010)	(528,565)
Fidelity® VIP II Index 500	(743,466)	(513,925)
Fidelity® VIP II Investment Grade Bond	115,104	308,980
ING Variable Products Trust:		
ING VP Growth Opportunities	(53,869)	61,743
ING VP Growth + Value	(221,912)	(184,580)
ING VP High Yield Bond	(29,697)	(9,950)
ING VP International Value	44,763	10,099
ING VP MagnaCap	(13,487)	28,489
ING VP MidCap Opportunities	(26,188)	41,069

ReliaStar Select Variable Account

Notes to Financial Statements (continued)

6. Changes in Units (continued)

	Year ended December 31	
	2002	2001
	Net Increase (Decrease)	Net Increase (Decrease)
ING Variable Products Trust (continued):		
ING VP Research Enhanced Index	(115,296)	(73,838)
ING VP SmallCap Opportunities	(183,553)	(95,525)
Janus Aspen Series:		
Janus Aspen Aggressive Growth	(509,446)	(342,897)
Janus Aspen Growth	(746,711)	(309,016)
Janus Aspen International Growth	(76,745)	(118,283)
Janus Aspen Worldwide Growth	(1,158,588)	(583,951)
Neuberger Berman Advisers Management Trust:		
Neuberger Berman AMT Limited Maturity Bond	38,221	186,148
Neuberger Berman AMT Partners	(132,530)	(127,133)
Neuberger Berman AMT Socially Responsive	(14,428)	15,612
OCC Accumulation Trust:		
OCC Accumulation Trust Equity	(102,523)	138,039
OCC Accumulation Trust Global Equity	(16,609)	24,438
OCC Accumulation Trust Managed	(110,936)	139,062
OCC Accumulation Trust Small Cap	55,040	212,656
Putnam Variable Trust		
Putnam VT Diversified Income	(117,086)	(102,576)
Putnam VT Growth and Income	(486,136)	(330,196)
Putnam VT International Growth	(35,252)	(47,970)
Putnam VT New Opportunities	(567,574)	(369,204)
Putnam VT Utilities Growth and Income	(97,920)	(97,884)
Putnam VT Voyager	(888,590)	(658,315)

Variable Select Variable Account
Notes to Financial Statements (continued)

7. Financial Highlights

A summary of unit values and units outstanding for variable annuity Contracts, expense ratios, excluding expenses of underlying Funds, investment income ratios, and total return for the years ended December 31, 2002 and 2001, along with units outstanding and unit values for the year ended December 31, 2000, follows:

Division	Units (000s)	Unit Fair Value lowest to highest	Net Assets (000s)	Investment Income Ratio	Expense Ratio lowest to highest	Total Return lowest to highest
AIM Variable Insurance Fund:						
AIM V.I. Dent Demographic Trends						
2002	183	\$3.50	\$642	-	1.40%	-33.14%
2001	271	\$5.24	1,420	-	1.40%	-32.86%
2000	272	\$7.81	2,121	*	*	*
The Alger American Fund:						
Alger American Growth						
2002	2,178	\$9.12 to \$9.16	19,876	0.04%	1.30% to 1.40%	-33.92% to -33.86%
2001	2,820	\$13.80 to \$13.85	38,928	0.24%	1.30% to 1.40%	-13.04% to -12.97%
2000	3,194	\$15.87 to \$15.91	50,680	*	*	*
Alger American Leveraged AllCap						
2002	175	\$4.04	709	0.01%	1.40%	-34.82%
2001	178	\$6.20	1,106	-	1.40%	-11.41%
2000	119	\$7.48	887	*	*	*
Alger American MidCap Growth						
2002	924	\$11.26 to \$11.31	10,412	-	1.30% to 1.40%	-30.52% to -30.46%
2001	884	\$16.20 to \$16.26	14,325	-	1.30% to 1.40%	-7.82% to -7.75%
2000	969	\$17.58 to \$17.63	17,050	*	*	*

Variable Select Variable Account
Notes to Financial Statements (continued)

7. Financial Highlights (continued)

<u>Division</u>	<u>Units (000s)</u>	<u>Unit Fair Value lowest to highest</u>	<u>Net Assets (000s)</u>	<u>Investment Income Ratio</u>	<u>Expense Ratio lowest to highest</u>	<u>Total Return lowest to highest</u>
The Alger American Fund (continued):						
Alger American Small Capitalization						
2002	478	\$5.86 to \$5.89	\$2,803	-	1.30% to 1.40%	-27.25% to -27.18%
2001	569	\$8.05 to \$8.08	4,586	0.05%	1.30% to 1.40%	-30.49% to -30.43%
2000	642	\$11.59 to \$11.62	7,442	*	*	*
Fidelity® Variable Insurance Products Fund:						
Fidelity® VIP Equity-Income						
2002	2,928	\$18.90 to \$35.06	68,388	1.81%	1.30% to 1.40%	-18.10% to -18.03%
2001	3,560	\$23.07 to \$42.77	101,409	1.87%	1.30% to 1.40%	-6.28% to -6.20%
2000	4,085	\$24.62 to \$45.59	124,312	*	*	*
Fidelity® VIP Growth						
2002	2,815	\$16.61 to \$35.72	63,451	0.26%	1.30% to 1.40%	-31.07% to -31.01%
2001	3,585	\$24.10 to \$51.78	117,089	0.09%	1.30% to 1.40%	-18.80% to -18.73%
2000	4,336	\$29.67 to \$63.72	173,046	*	*	*
Fidelity® VIP High Income						
2002	1,290	\$10.21 to \$18.95	15,015	11.93%	1.30% to 1.40%	2.01% to 2.10%
2001	1,628	\$10.01 to \$18.56	18,566	14.88%	1.30% to 1.40%	-12.9% to -12.88%
2000	1,964	\$11.50 to \$21.31	25,772	*	*	*
Fidelity® VIP Money Market						
2002	3,659	\$13.53 to \$17.87	51,515	1.68%	1.30% to 1.40%	0.29% to 0.37%
2001	3,618	\$13.49 to \$17.81	50,486	4.15%	1.30% to 1.40%	2.75% to 2.83%
2000	3,223	\$13.13 to \$17.31	43,779	*	*	*

Variable Select Variable Account
Notes to Financial Statements (continued)

7. Financial Highlights (continued)

Division	Units (000s)	Unit Fair Value lowest to highest	Net Assets (000s)	Investment Income Ratio	Expense Ratio lowest to highest	Total Return lowest to highest
Fidelity® Variable Insurance Products Fund (continued):						
Fidelity® VIP Overseas						
2002	542	\$10.07 to \$16.05	\$6,739	0.84%	1.30% to 1.40%	-21.38% to -21.32%
2001	738	\$12.81 to \$20.40	11,564	5.96%	1.30% to 1.40%	-22.26% to -22.20%
2000	967	\$16.48 to \$26.22	19,479	*	*	*
Fidelity® Variable Insurance Products Fund II:						
Fidelity® VIP II <i>Asset Manager</i> SM						
2002	1,181	\$14.30 to \$20.59	20,144	4.27%	1.30% to 1.40%	-9.99% to -9.91%
2001	1,577	\$15.89 to \$22.85	29,641	4.64%	1.30% to 1.40%	-5.42% to -5.34%
2000	1,973	\$16.80 to \$24.14	39,260	*	*	*
Fidelity® VIP II Contrafund®						
2002	2,116	\$11.56 to \$19.84	41,094	0.89%	1.30% to 1.40%	-10.60% to -10.53%
2001	2,682	\$12.92 to \$22.19	58,234	0.87%	1.30% to 1.40%	-13.46% to -13.39%
2000	3,210	\$14.91 to \$25.64	80,531	*	*	*
Fidelity® VIP II Index 500						
2002	2,426	\$19.07 to \$20.46	46,609	1.41%	1.30% to 1.40%	-23.32% to -23.26%
2001	3,170	\$24.88 to \$26.67	79,444	1.25%	1.30% to 1.40%	-13.32% to -13.25%
2000	3,684	\$28.70 to \$30.74	106,352	*	*	*
Fidelity® VIP II Investment Grade Bond						
2002	1,919	\$16.05 to \$20.61	31,723	3.74%	1.30% to 1.40%	8.82% to 8.91%
2001	1,804	\$14.75 to \$18.92	27,453	4.98%	1.30% to 1.40%	6.96% to 7.05%
2000	1,495	\$13.79 to \$17.67	21,415	*	*	*

Variable Select Variable Account
Notes to Financial Statements (continued)

7. Financial Highlights (continued)

Division	Units (000s)	Unit Fair Value lowest to highest	Net Assets (000s)	Investment Income Ratio	Expense Ratio lowest to highest	Total Return lowest to highest
ING Variable Investment Products Trust:						
ING VP Growth Opportunities						
2002	152	\$3.62	\$552	-	1.40%	-32.52%
2001	206	\$5.36	1,107	-	1.40%	-40.39%
2000	144	\$8.86	1,281	*	*	*
ING VP Trust Growth + Value						
2002	755	\$8.62 to \$14.38	10,413	-	1.30% to 1.40%	-38.20% to -38.15%
2001	977	\$13.93 to \$23.26	21,664	-	1.30% to 1.40%	-31.95% to -31.89%
2000	1,162	\$20.46 to \$34.19	37,641	*	*	*
ING VP High Yield Bond						
2002	256	\$8.13 to \$8.17	2,080	9.34%	1.30% to 1.40%	-2.51% to -2.43%
2001	285	\$8.34 to \$8.37	2,381	7.65%	1.30% to 1.40%	-0.70% to -0.62%
2000	295	\$8.40 to \$8.42	2,482	*	*	*
ING VP International Value						
2002	452	\$12.73 to \$12.78	5,762	1.00%	1.30% to 1.40%	-16.54% to -16.47%
2001	408	\$15.25 to \$15.31	6,220	1.60%	1.30% to 1.40%	-12.90% to -12.82%
2000	398	\$17.51 to \$17.56	6,961	*	*	*
ING VP MagnaCap						
2002	75	\$6.77	510	0.97%	1.40%	-23.82%
2001	89	\$8.89	789	1.33%	1.40%	-11.69%
2000	60	\$10.07	607	*	*	*
ING VP MidCap Opportunities						
2002	78	\$4.34	340	-	1.40%	-26.89%
2001	104	\$5.94	620	0.02%	1.40%	-32.93%
2000	63	\$8.86	570	*	*	*

Variable Select Variable Account
Notes to Financial Statements (continued)

7. Financial Highlights (continued)

<u>Division</u>	<u>Units (000s)</u>	<u>Unit Fair Value lowest to highest</u>	<u>Net Assets (000s)</u>	<u>Investment Income Ratio</u>	<u>Expense Ratio lowest to highest</u>	<u>Total Return lowest to highest</u>
ING Variable Investment Products Trust (continued):						
ING VP Research Enhanced Index						
2002	229	\$6.09 to \$8.12	\$ 1,855	1.14%	1.30% to 1.40%	-23.16% to -23.10%
2001	344	\$7.92 to \$10.56	3,623	0.53%	1.30% to 1.40%	-13.45% to -13.38%
2000	418	\$9.14 to \$12.20	5,070	*	*	*
ING VP SmallCap Opportunities						
2002	668	\$11.09 to \$16.39	10,699	-	1.30% to 1.40%	-44.37% to -44.33%
2001	851	\$19.91 to \$29.46	24,351	-	1.30% to 1.40%	-30.14% to -30.08%
2000	947	\$28.48 to \$42.17	38,848	*	*	*
Janus Aspen Series:						
Janus Aspen Series Aggressive Growth						
2002	1,265	\$9.15 to \$9.19	11,580	-	1.30% to 1.40%	-28.93% to -28.87%
2001	1,774	\$12.88 to \$12.93	22,862	-	1.30% to 1.40%	-40.29% to -40.24%
2000	2,117	\$21.57 to \$21.63	45,687	*	*	*
Janus Aspen Series Growth						
2002	1,352	\$8.72 to \$8.76	11,794	-	1.30% to 1.40%	-27.53% to -27.47%
2001	2,099	\$12.04 to \$12.08	25,270	0.07%	1.30% to 1.40%	-25.78% to -25.72%
2000	2,408	\$16.22 to \$16.27	39,055	*	*	*
Janus Aspen International Growth						
2002	968	\$9.16 to \$9.20	8,873	0.71%	1.30% to 1.40%	-26.61% to -26.55%
2001	1,045	\$12.48 to \$12.53	13,051	1.11%	1.30% to 1.40%	-24.30% to -24.24%
2000	1,163	\$16.49 to \$16.54	19,191	*	*	*

Variable Select Variable Account
Notes to Financial Statements (continued)

7. Financial Highlights (continued)

Division	Units (000s)	Unit Fair Value lowest to highest	Net Assets (000s)	Investment Income Ratio	Expense Ratio lowest to highest	Total Return lowest to highest
Janus Aspen Series (continued):						
Janus Aspen Series Worldwide Growth						
2002	2,974	\$9.43 to \$9.47	\$ 28,062	0.81%	1.30% to 1.40%	-26.53% to -26.47%
2001	4,133	\$12.83 to \$12.88	53,052	0.46%	1.30% to 1.40%	-23.51% to -23.45%
2000	4,717	\$16.78 to \$16.82	79,131	*	*	*
Neuberger Berman Advisers Management Trust:						
Neuberger Berman AMT Limited Maturity Bond						
2002	1,047	\$12.33 to \$12.39	12,911	4.85%	1.30% to 1.40%	3.88% to 3.97%
2001	1,008	\$11.87 to \$11.91	11,978	5.40%	1.30% to 1.40%	7.27% to 7.36%
2000	822	\$11.06 to \$11.10	9,095	*	*	*
Neuberger Berman AMT Partners						
2002	731	\$7.96 to \$7.99	5,819	0.53%	1.30% to 1.40%	-25.19% to -25.13%
2001	863	\$10.63 to \$10.67	9,184	0.40%	1.30% to 1.40%	-4.18% to -4.10%
2000	991	\$11.10 to \$11.13	10,996	*	*	*
Neuberger Berman AMT Socially Responsive						
2002	48	\$8.26	399	-	1.40%	-15.93%
2001	63	\$9.83	616	-	1.40%	-4.92%
2000	47	\$10.34	486	*	*	*
OCC Accumulation Trust:						
OCC Accumulation Trust Equity						
2002	328	\$9.14 to \$9.19	2,995	0.96%	1.30% to 1.40%	-22.50% to -22.43%
2001	430	\$11.80 to \$11.84	5,075	0.56%	1.30% to 1.40%	-8.31% to -8.23%
2000	292	\$12.87 to \$12.91	3,759	*	*	*

Variable Select Variable Account
Notes to Financial Statements (continued)

7. Financial Highlights (continued)

Division	Units (000s)	Unit Fair Value lowest to highest	Net Assets (000s)	Investment Income Ratio	Expense Ratio lowest to highest	Total Return lowest to highest
OCC Accumulation Trust (continued):						
OCC Accumulation Trust Global Equity						
2002	63	\$9.43 to \$9.47	\$595	0.50%	1.30% to 1.40%	-18.55% to -18.48%
2001	80	\$11.57 to \$11.62	923	-	1.30% to 1.40%	-15.02% to -14.95%
2000	55	\$13.62 to \$13.66	752	*	*	*
OCC Accumulation Trust Managed						
2002	1,050	\$9.17 to \$9.22	9,641	1.94%	1.30% to 1.40%	-18.03% to -17.96%
2001	1,161	\$11.19 to \$11.23	13,011	2.16%	1.30% to 1.40%	-6.23% to -6.15%
2000	1,022	\$11.93 to \$11.97	12,236	*	*	*
OCC Accumulation Trust Small Cap						
2002	760	\$10.40 to \$10.44	7,911	0.07%	1.30% to 1.40%	-22.72% to -22.65%
2001	705	\$13.45 to \$13.50	9,491	0.78%	1.30% to 1.40%	6.83% to 6.92%
2000	493	\$12.59 to \$12.63	6,204	*	*	*
Putnam Variable Trust:						
Putnam VT Diversified Income						
2002	289	\$12.99 to \$13.67	3,754	9.38%	1.30% to 1.40%	-4.30% to -4.21%
2001	406	\$12.40 to \$13.04	5,041	7.70%	1.30% to 1.40%	2.38% to 2.47%
2000	508	\$12.12 to \$12.72	6,174	*	*	*
Putnam VT Growth and Income						
2002	1,647	\$17.66 to \$18.24	29,189	1.82%	1.30% to 1.40%	-19.91% to -19.84%
2001	2,133	\$22.05 to \$22.75	47,202	1.73%	1.30% to 1.40%	-7.47% to -7.39%
2000	2,464	\$23.83 to \$24.57	58,813	*	*	*

Variable Select Variable Account
Notes to Financial Statements (continued)

7. Financial Highlights (continued)

Division	Units (000s)	Unit Fair Value lowest to highest	Net Assets (000s)	Investment Income Ratio	Expense Ratio lowest to highest	Total Return lowest to highest
Putnam Variable Trust (continued):						
Putnam VT International Growth						
2002	106	\$6.44	\$681	1.30%	1.40%	-10.98%
2001	141	\$7.24	1,020	-	1.40%	-24.82%
2000	189	\$9.62	1,818	*	*	*
Putnam VT New Opportunities						
2002	1,408	\$12.50	17,596	-	1.40%	-31.26%
2001	1,975	\$18.18	35,909	-	1.40%	-30.96%
2000	2,344	\$26.33	61,694	*	*	*
Putnam VT Utilities Growth and Income						
2002	239	\$12.77 to \$13.47	3,065	3.74%	1.30% to 1.40%	-24.89% to -24.82%
2001	337	\$17.00 to \$17.92	5,756	3.35%	1.30% to 1.40%	-23.23% to -23.17%
2000	435	\$22.14 to \$23.32	9,663	*	*	*
Putnam VT Voyager						
2002	2,423	\$17.01 to \$17.85	41,463	0.88%	1.30% to 1.40%	-27.36% to -27.29%
2001	3,311	\$23.42 to \$24.56	78,013	0.12%	1.30% to 1.40%	-23.32% to -23.26%
2000	3,970	\$30.54 to \$32.00	121,877	*	*	*

* Not provided for 2000.

ReliaStar Life Insurance Company

Financial Statements – Statutory Basis

Years ended December 31, 2002 and 2001

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Report of Independent Auditors

Board of Directors and Stockholder
ReliaStar Life Insurance Company

We have audited the accompanying statutory basis balance sheets of ReliaStar Life Insurance Company ("the Company"), a wholly owned subsidiary of ING America Insurance Holdings, Inc., as of December 31, 2002 and 2001, and the related statutory basis statements of operations, changes in capital and surplus, and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

As described in Note 1 to the financial statements, the Company presents its financial statements in conformity with accounting practices prescribed or permitted by the Minnesota Department of Commerce, Division of Insurance (Minnesota Division of Insurance), which practices differ from accounting principles generally accepted in the United States. The variances between such practices and accounting principles generally accepted in the United States are described in Note 1. The effects on the financial statements of these variances are not reasonably determinable but are presumed to be material.

In our opinion, because of the effects of the matter described in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States, the financial position of ReliaStar Life Insurance Company at December 31, 2002 and 2001 or the results of its operations or its cash flows for the years then ended.

However, in our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of ReliaStar Life Insurance Company at December 31, 2002 and 2001, and the results of its operations and its cash flows for the years then ended, in conformity with accounting practices prescribed or permitted by the Minnesota Division of Insurance.

As discussed in Note 3 to the financial statements, in 2001 the Company changed various accounting policies to be in accordance with the revised NAIC Accounting Practices and Procedures Manual, as adopted by the Minnesota Division of Insurance.

/s/ Ernst & Young LLP

March 21, 2003

ReliaStar Life Insurance Company

Balance Sheets - Statutory Basis

	December 31	
	2002	2001
	<i>(In Thousands)</i>	
Admitted assets		
Cash and invested assets:		
Bonds	\$9,976,937	\$9,964,006
Preferred stocks	44,624	38,733
Common stocks	877	104
Subsidiaries	454,713	426,974
Mortgage loans	1,729,445	1,625,207
Real estate (less accumulated depreciation: 2002, \$91,255; 2001, \$87,359)	102,275	100,640
Policy loans	620,676	658,059
Other invested assets	131,764	137,572
Cash and short-term investments	113,595	353,512
Total cash and invested assets	13,174,906	13,304,807
Deferred and uncollected premiums, less loading (2002 - \$5,670; 2001 - \$11,111)	93,501	125,019
Accrued investment income	157,863	155,521
Reinsurance balances recoverable	228,023	87,220
Data processing equipment, less accumulated depreciation (2002 - \$59,363; 2001 - \$45,322)	3,834	12,709
Indebtedness from related parties	41,664	38,505
Federal income tax (including net admitted deferred tax asset for 2002 - \$93,970; 2001 - \$55,557)	93,970	82,432
Separate account assets	3,733,364	4,867,715
Other assets	47,185	52,330
Total admitted assets	\$17,574,310	\$18,726,258

ReliaStar Life Insurance Company

Balance Sheets - Statutory Basis

	December 31	
	2002	2001
	<i>(In Thousands except share amounts)</i>	
Liabilities and capital and surplus		
Liabilities:		
Policy and contract liabilities:		
Life and annuity reserves	\$ 9,500,540	\$ 9,377,745
Accident and health reserves	1,039,276	945,237
Deposit type contracts	765,861	743,775
Policyholder's funds	253	741
Dividends left on deposit	51,709	63,711
Dividends payable	15,914	19,095
Unpaid claims	450,675	507,641
Total policy and contract liabilities	11,824,228	11,657,945
Interest maintenance reserve	263	11,141
Accounts payable and accrued expenses	158,503	181,642
Reinsurance balances due	25,068	25,940
Indebtedness to related parties	17,120	53,123
Contingency reserve	34,123	53,096
Asset valuation reserve	72,106	114,802
Borrowed money	322,882	301,577
Other liabilities	37,618	252,979
Separate account liabilities	3,724,774	4,864,454
Total liabilities	16,216,685	17,516,699
Capital and surplus:		
Common stock, \$1.25 par value: authorized		
25,000,000 shares; issued and outstanding		
2,000,000 shares	2,500	2,500
Preferred capital stock	100	100
Surplus note	100,000	100,000
Paid-in and contributed surplus	1,085,221	1,085,011
Unassigned surplus	169,904	22,048
Less treasury stock-preferred stock at		
December 31, 2002 and 2001	(100)	(100)
Total capital and surplus	1,357,625	1,209,559
Total liabilities and capital and surplus	\$17,574,310	\$18,726,258

See accompanying notes - statutory basis.

ReliaStar Life Insurance Company

Statements of Operations-Statutory Basis

	Year ended December 31	
	2002	2001
	<i>(In Thousands)</i>	
Premiums and other revenues:		
Life, annuity, and accident and health premiums	\$2,231,656	\$2,473,366
Policy proceeds and dividends left on deposit	1,585	2,242
Net investment income	901,953	919,015
Amortization of interest maintenance reserve	1,622	2,892
Commissions, expense allowances and reserve adjustments on reinsurance ceded	37,661	41,936
Miscellaneous income	101,978	71,858
Total premiums and other revenues	3,276,455	3,511,309
Benefits paid or provided:		
Death benefits	570,882	772,417
Annuity benefits	163,212	175,078
Surrender benefits	968,527	1,115,391
Interest on policy or contract funds	14,453	16,484
Accident and health benefits	339,034	244,019
Other benefits	12,635	4,654
Increase in life, annuity, and accident and health reserves	379,460	512,513
Net transfers to separate accounts	14,036	273,276
Total benefits paid or provided	2,462,239	3,113,832
Insurance expenses:		
Commissions	239,841	278,828
General expenses	288,258	288,319
Insurance taxes, licenses and fees, excluding federal income taxes	36,375	40,157
Miscellaneous deductions	6,126	36,361
Total insurance expenses	570,600	643,665
Gain (loss) from operations before policyholder dividends, federal income taxes and net realized capital losses	243,616	(246,188)

ReliaStar Life Insurance Company

Statements of Operations-Statutory Basis (continued)

	Year ended December 31	
	2002	2001
	<i>(In Thousands)</i>	
Dividends to policyholders	\$21,550	\$ 24,676
Gain (loss) from operations before federal income taxes and net realized capital losses	222,066	(270,864)
Federal income tax expense (benefit)	79,794	(92,495)
Gain (loss) from operations before net realized capital losses	142,272	(178,369)
Net realized capital losses net of income taxes (2002 - \$12,124; 2001 - \$(16,575) and excluding net transfers to the interest maintenance reserve 2002 - \$9,255; 2001 - \$32,934)	(63,881)	(30,492)
Net income (loss)	\$78,391	\$(208,861)

See accompanying notes - statutory basis.

ReliaStar Life Insurance Company

Statements of Changes in Capital and Surplus - Statutory Basis

	Year ended December 31	
	2002	2001
	<i>(In Thousands)</i>	
Common stock:		
Balance at beginning and end of year	<u><u>\$ 2,500</u></u>	<u><u>\$ 2,500</u></u>
Preferred capital stock less treasury stock:		
Balance at beginning and at end of year	<u><u>-</u></u>	<u><u>-</u></u>
Surplus note:		
Balance at beginning and at end of year	<u><u>100,000</u></u>	<u><u>100,000</u></u>
Paid-in and contributed surplus:		
Balance at beginning of year	<u>1,085,011</u>	<u>947,781</u>
Capital contributions	<u>210</u>	<u>137,230</u>
Balance at end of year	<u><u>1,085,221</u></u>	<u><u>1,085,011</u></u>
Unassigned surplus:		
Balance at beginning of year	<u>22,048</u>	<u>151,765</u>
Net income (loss)	<u>78,391</u>	<u>(208,861)</u>
Change in net unrealized capital gains/losses	<u>(36,753)</u>	<u>83,962</u>
Change in nonadmitted assets	<u>26,172</u>	<u>(38,616)</u>
Change in liability for reinsurance in unauthorized companies	<u>872</u>	<u>5,499</u>
Change in asset valuation reserve	<u>42,696</u>	<u>(3,671)</u>
Change in reserve on account of change in valuation basis	<u>-</u>	<u>(10)</u>
Other changes in surplus in Separate Account Statement	<u>-</u>	<u>1,563</u>
Change in net deferred income tax	<u>24,303</u>	<u>35,667</u>
Change in accounting principle, net of tax	<u>-</u>	<u>159,510</u>
Transfer of prepaid pension assets	<u>-</u>	<u>(133,117)</u>
Change in surplus as a result of reinsurance	<u>23,000</u>	<u>-</u>
Correction of error	<u>34,419</u>	<u>-</u>
Dividends to stockholders	<u>(50,000)</u>	<u>(40,750)</u>
Other changes	<u>4,756</u>	<u>9,107</u>
Balance at end of year	<u><u>169,904</u></u>	<u><u>22,048</u></u>
Total capital and surplus	<u><u>\$1,357,625</u></u>	<u><u>\$1,209,559</u></u>

See accompanying notes - statutory basis.

ReliaStar Life Insurance Company

Statements of Cash Flows - Statutory Basis

	Year ended December 31	
	2002	2001
	<i>(In Thousands)</i>	
Operations		
Premiums, policy proceeds, and other considerations received, net of reinsurance paid	\$2,247,859	\$2,666,551
Net investment income received	975,601	884,929
Commission and expense allowances received on reinsurance ceded	44,796	41,936
Benefits paid	(2,577,616)	(2,326,265)
Net transfers to separate accounts	241,597	(127,251)
Insurance expenses paid	(574,345)	(639,129)
Dividends paid to policyholders	(24,093)	(25,651)
Federal income taxes paid	11,075	125,530
Other revenues in excess of (expenses) other	(402)	7,524
Net cash provided by operations	344,472	608,174
Investments		
Proceeds from sales, maturities, or repayments of investments:		
Bonds	13,350,942	7,528,188
Preferred stocks	12,505	3,000
Common stocks	1,447	53,320
Mortgage loans	154,634	108,169
Real estate	5,775	3,185
Other invested assets	33,603	16,331
Net gain/loss on cash & short term investment	3,706	3,578
Miscellaneous proceeds	26,184	58,822
Net tax on capital gains	162	(16,413)
Net proceeds from sales, maturities, or repayments of investments	13,588,958	7,758,180
Cost of investments acquired:		
Bonds	13,593,431	8,221,495
Preferred stocks	17,047	2,805
Common stocks	2,164	46,711
Mortgage loans	256,073	299,121
Real estate	-	809
Other invested assets	25,085	31,783
Miscellaneous applications	148,890	828

ReliaStar Life Insurance Company

Statements of Cash Flows - Statutory Basis (continued)

	December 31	
	2002	2001
	<i>(In Thousands)</i>	
Total cost of investments acquired	\$14,042,690	\$8,603,552
Net increase (decrease) in policy loans	389,813	(47)
Net cash used in investment activities	(843,545)	(845,325)
Financing and miscellaneous activities		
Cash provided:		
Capital and surplus paid-in	210	137,230
Borrowed money	110,235	226,514
Net deposits on deposit-type contract funds	(1,602)	131,177
Dividends to stockholders paid	(50,000)	(40,750)
Other sources	200,313	20,078
Net cash provided by financing and miscellaneous activities	259,156	474,249
Net (decrease) increase in cash and short-term investments	(239,917)	237,098
Cash and short-term investments:		
Beginning of year	353,512	116,414
End of year	\$113,595	\$353,512

See accompanying notes - statutory basis.

ReliaStar Life Insurance Company
Notes to Financial Statements – Statutory Basis
December 31, 2002

1. Nature of Operations and Significant Accounting Policies

ReliaStar Life Insurance Company (the Company) is domiciled in Minnesota and is a wholly owned subsidiary of Lion Connecticut Holdings, Inc. ("Lion"), a Connecticut holding and management company. Lion, in turn, is a wholly owned subsidiary of ING America Insurance Holdings, Inc. ("ING AIH"). The Company is principally engaged in the business of providing individual life insurance and annuities; employee benefit products and services; retirement plans; and life and health reinsurance. The Company is presently licensed in all states (approved for reinsurance only in New York), the District of Columbia, Guam, Puerto Rico and Canada.

The Company merged with Northern Life Insurance Company ("Northern Life"), an affiliate, on October 1, 2002. The transaction was approved by the Minnesota Department of Commerce, Division of Insurance ("Minnesota Division of Insurance") and was accounted for as a statutory merger. No consideration was paid and no common stock was issued in exchange for all of the common shares of Northern Life. The accompanying financial statements have been restated as though the merger took place prior to all periods presented. Pre-merger separate company revenue, net loss, and other surplus adjustments for the nine months ended September 30, 2002 were \$1,663,377,000, \$81,595,000 and \$108,259,000, respectively for the Company and \$858,390,000, \$3,977,000 and \$12,544,000, respectively for Northern Life.

The preparation of financial statements of insurance companies requires management to make estimates and assumptions that affect amounts reported in the financial statements and accompanying notes. Such estimates and assumptions could change in the future as more information becomes known, which could impact the amounts reported and disclosed herein.

Basis of Presentation

The accompanying financial statements of the Company have been prepared in conformity with accounting practices prescribed or permitted by the State of Minnesota Division of Insurance, which practices differ from accounting principles generally accepted in the United States ("GAAP"). The most significant variances from GAAP are as follows:

ReliaStar Life Insurance Company
Notes to Financial Statements (continued)

1. Nature of Operations and Significant Accounting Policies (continued)

Basis of Presentation (continued)

Investments: Investments in bonds and mandatorily redeemable preferred stocks are reported at amortized cost or market value based on the National Association of Insurance Commissioners ("NAIC") rating; for GAAP, such fixed maturity investments are designated at purchase as held-to-maturity, trading or available-for-sale. Held-to-maturity investments are reported at amortized cost, and the remaining fixed maturity investments are reported at fair value with unrealized capital gains and losses reported in operations for those designated as trading and as a separate component of other comprehensive income in stockholder's equity for those designated as available-for-sale.

For structured securities, when a negative yield results from a revaluation based on new prepayment assumptions (i.e., undiscounted cash flows are less than current book value), an other than temporary impairment is considered to have occurred and the asset is written down to the value of the undiscounted cash flows. For GAAP, assets are re-evaluated based on the discounted cash flows using a current market rate. Impairments are recognized when there has been an adverse change in cash flows and the fair value is less than book. The asset is then written down to fair value.

Investments in real estate are reported net of related obligations rather than on a gross basis. Real estate owned and occupied by the Company is included in investments rather than reported as an operating asset as under GAAP, and investment income and operating expenses include rent for the Company's occupancy of those properties. Changes between depreciated cost and admitted asset investment amounts are credited or charged directly to unassigned surplus rather than income as would be required under GAAP.

Derivative instruments that meet the criteria of an effective hedge are valued and reported in a manner that is consistent with the hedged asset or liability. Embedded derivatives are not accounted for separately from the host contract. Under GAAP, the effective and ineffective portions of a single hedge are accounted for separately, an embedded derivative within a contract that is not clearly and closely related to the economic characteristics and risk of the host contract is accounted for separately from the host contract and valued and reported at fair value, and the change in fair value for cash flow hedges is credited or charged directly to a separate component of shareholders' equity rather than to income as required for fair value hedges.

Valuation Reserves: The asset valuation reserve ("AVR") is determined by an NAIC-prescribed formula and is reported as a liability rather than as a valuation allowance or an appropriation of surplus. The change in AVR is reported directly to unassigned surplus.

ReliaStar Life Insurance Company
Notes to Financial Statements (continued)

1. Nature of Operations and Significant Accounting Policies (continued)

Basis of Presentation (continued)

Under a formula prescribed by the NAIC, the Company defers the portion of realized gains and losses on sales of fixed-income investments, principally bonds and mortgage loans, attributable to changes in the general level of interest rates and amortizes those deferrals over the remaining period to maturity based on groupings of individual securities sold in five-year bands. The net deferral is reported as the interest maintenance reserve ("IMR") in the accompanying balance sheets.

Realized gains and losses on investments are reported in operations net of federal income tax and transfers to the IMR. Under GAAP, realized capital gains and losses are reported in the statements of operations on a pretax basis in the period that the asset giving rise to the gain or loss is sold and valuation allowances are provided when there has been a decline in value deemed other than temporary, in which case the provision for such declines is charged to income.

Valuation allowances, if necessary, are established for mortgage loans based on the difference between the net value of the collateral, determined as the fair value of the collateral less estimated costs to obtain and sell, and the recorded investment in the mortgage loan. Under GAAP, such allowances are based on the present value of expected future cash flows discounted at the loan's effective interest rate or, if foreclosure is probable, on the estimated fair value of the collateral.

The initial valuation allowance and subsequent changes in the allowance for mortgage loans as a result of a temporary impairment are charged or credited directly to unassigned surplus, rather than being included as a component of earnings as would be required under GAAP.

Policy Acquisition Costs: The costs of acquiring and renewing business are expensed when incurred. Under GAAP, acquisition costs related to traditional life insurance, to the extent recoverable from future policy revenues, are deferred and amortized over the premium-paying period of the related policies using assumptions consistent with those used in computing policy benefit reserves. For universal life insurance and investment products, to the extent recoverable from future gross profits, acquisition costs are amortized generally in proportion to the present value of expected gross margins from surrender charges and investment, mortality, and expense margins.

Premiums: Life premiums are recognized as revenue when due. Premiums for annuity policies with mortality and morbidity risk, except for guaranteed interest and group annuity contracts, are also recognized as revenue when due. Premiums received for annuity policies without mortality or morbidity risk and for guaranteed interest and group annuity contracts are recorded using deposit accounting.

ReliaStar Life Insurance Company
Notes to Financial Statements (continued)

1. Nature of Operations and Significant Accounting Policies (continued)

Basis of Presentation (continued)

Under GAAP, premiums for traditional life insurance products, which include those products with fixed and guaranteed premiums and benefits and consist primarily of whole life insurance policies, are recognized as revenue when due. Group insurance premiums are recognized as premium revenue over the time period to which the premiums relate. Revenues for universal life, annuities and guaranteed interest contracts consist of policy charges for the cost of insurance, policy administration charges, amortization of policy initiation fees and surrender charges assessed during the period.

Benefit and Contract Reserves: Life policy and contract reserves under statutory accounting practices are calculated based upon both the net level premium and Commissioners' Reserve Valuation methods using statutory rates for mortality and interest. GAAP requires that policy reserves for traditional products be based upon the net level premium method utilizing reasonably conservative estimates of mortality, interest, and withdrawals prevailing when the policies were sold. For interest-sensitive products, the GAAP policy reserve is equal to the policy fund balance plus an unearned revenue reserve which reflects the unamortized balance of early year policy loads over renewal year policy loads.

Reinsurance: For business ceded to unauthorized reinsurers, statutory accounting practices require that reinsurance credits permitted by the treaty be recorded as an offsetting liability and charged against unassigned surplus. Under GAAP, an allowance for amounts deemed uncollectible would be established through a charge to earnings. Statutory income recognized on certain reinsurance treaties representing financing arrangements is not recognized on a GAAP basis.

Policy and contract liabilities ceded to reinsurers have been reported as reductions of the related reserves rather than as assets as required under GAAP.

Commissions allowed by reinsurers on business ceded are reported as income when received rather than being deferred and amortized with deferred policy acquisition costs as required under GAAP.

Subsidiaries: The accounts and operations of the Company's subsidiaries are not consolidated with the accounts and operations of the Company as would be required under GAAP.

ReliaStar Life Insurance Company
Notes to Financial Statements (continued)

1. Nature of Operations and Significant Accounting Policies (continued)

Basis of Presentation (continued)

Nonadmitted Assets: Certain assets designated as "nonadmitted," principally deferred federal income tax assets, disallowed interest maintenance reserves, non-operating software, past-due agents' balances, furniture and equipment, intangible assets, and other assets not specifically identified as an admitted asset within the Accounting Practices and Procedures Manual are excluded from the accompanying balance sheets and are charged directly to unassigned surplus.

Employee Benefits: For purposes of calculating the Company's postretirement benefit obligation, only vested participants and current retirees are included in the valuation. Under GAAP, active participants not currently vested are also included.

Universal Life and Annuity Policies: Revenues for universal life and annuity policies consist of the entire premium received and benefits incurred represent the total of death benefits paid and the change in policy reserves. Under GAAP, premiums received in excess of policy charges would not be recognized as premium revenue and benefits would represent the excess of benefits paid over the policy account value and interest credited to the account values.

Policyholder Dividends: Policyholder dividends are recognized when declared rather than over the term of the related policies.

Deferred Income Taxes: Deferred tax assets are provided for and admitted to an amount determined under a standard formula. This formula considers the amount of differences that will reverse in the subsequent year, taxes paid in prior years that could be recovered through carrybacks, surplus limits and the amount of deferred tax liabilities available for offset. Any deferred tax assets not covered under the formula are non-admitted. Deferred taxes do not include any amounts for state taxes. Under GAAP, a deferred tax asset is recorded for the amount of gross deferred tax assets that are expected to be realized in future years and a valuation allowance is established for the portion that is not realizable.

Surplus Notes: Surplus notes are reported as a component of surplus. Under statutory accounting practices, no interest is recorded on the surplus notes until payment has been approved by the Minnesota Division of Insurance. Under GAAP, surplus notes are reported as liabilities and the related interest is reported as a charge to earnings over the term of the note.

ReliaStar Life Insurance Company
Notes to Financial Statements (continued)

1. Nature of Operations and Significant Accounting Policies (continued)

Basis of Presentation (continued)

Statements of Cash Flows: Cash and short-term investments in the statements of cash flows represent cash balances and investments with initial maturities of one year or less. Under GAAP, the corresponding caption of cash and cash equivalents include cash balances and investments with initial maturities of three months or less.

Participation Fund Account

On January 3, 1989, the Minnesota Insurance Division approved a Plan of Conversion and Reorganization (the Plan), which provided, among other things, for the conversion of the Company from a combined stock and mutual life insurance company to a stock life insurance company.

The Plan provided for the establishment of a Participation Fund Account (PFA) for the benefit of certain participating individual life insurance policies and annuities issued by the Company prior to the effective date of the Plan. Under the terms of the PFA, the insurance liabilities and assets (approximately \$290 million as of December 31, 2002) with respect to such policies are included in the Company's financial statements but are segregated in the accounting records of the Company to assure the continuation of policyholder dividend practices.

Reconciliation to GAAP

The effects of the preceding variances from GAAP on the accompanying statutory basis financial statements have not been determined, but are presumed to be material.

Other significant accounting practices are as follows:

Investments

Bonds, preferred stocks, common stocks, short-term investments and derivative instruments are stated at values prescribed by the NAIC, as follows:

Bonds not backed by other loans are principally stated at amortized cost using the interest method.

Single class and multi-class mortgage-backed/asset-backed securities are valued at amortized cost using the interest method including anticipated prepayments. Prepayment assumptions are obtained from dealer surveys or internal estimates and are based on the current interest rate and economic environment. The retrospective adjustment method is used to value all such securities except for higher-risk asset backed securities, which are valued using the prospective method.

ReliaStar Life Insurance Company
Notes to Financial Statements (continued)

1. Nature of Operations and Significant Accounting Policies (continued)

Investments (continued)

Redeemable preferred stocks rated as high quality or better are reported at cost or amortized cost. All other redeemable preferred stocks are reported at the lower of cost, amortized cost, or market value and nonredeemable preferred stocks are reported at market value or the lower of cost or market value as determined by the Securities Valuation Office of the NAIC ("SVO").

Common stocks are reported at market value as determined by the SVO and the related unrealized capital gains/(losses) are reported in unassigned surplus along with adjustment for federal income taxes

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 the time and the extent to which the market value has been less than cost; the financial condition and near-term prospects of the issuer; future economic conditions and market forecasts; and the Company's intent and ability to retain the investment in the issuer for a period of time sufficient to allow for recovery in market 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.

The Company uses interest rate swaps, caps and floors, options and certain other derivatives as part of its overall interest rate risk management strategy for certain life insurance and annuity products. As the Company only uses derivatives for hedging purposes, the Company values all derivative instruments on a consistent basis with the hedged item. Upon termination, gains and losses on those instruments are included in the carrying values of the underlying hedged items and are amortized over the remaining lives of the hedged items as adjustments to investment income or benefits from the hedged items. Any unamortized gains or losses are recognized when the underlying hedged items are sold.

Interest rate swap contracts are used to convert the interest rate characteristics (fixed or variable) of certain investments to match those of the related insurance liabilities that the investments are supporting. The net interest effect of such swap transactions is reported as an adjustment of interest income from the hedged items as incurred.

Interest rate caps and floors are used to limit the effects of changing interest rates on yields of variable rate or short-term assets or liabilities. The initial cost of any such agreement is amortized to net investment income over the life of the agreement.

Periodic payments that are receivable as a result of the agreements are accrued as an adjustment of interest income or benefits from the hedged items.

ReliaStar Life Insurance Company
Notes to Financial Statements (continued)

1. Nature of Operations and Significant Accounting Policies (continued)

Investments (continued)

The Company's insurance subsidiaries are reported at their underlying statutory basis net assets, and the Company's noninsurance subsidiaries are reported at the GAAP-basis of its net assets. Dividends from subsidiaries are included in net investment income. The remaining net change in the subsidiaries' equity is included in the change in net unrealized capital gains or losses.

Mortgage loans are reported at amortized cost, less allowance for impairments.

Policy loans are reported at unpaid principal balances.

Land is reported at cost. Real estate occupied by the Company is reported at depreciated cost; other real estate is reported at the lower of depreciated cost or fair value. Depreciation is calculated on a straight-line basis over the estimated useful lives of the properties.

For reverse repurchase agreements, Company policies require a minimum of 102% of the fair value of securities purchased under reverse repurchase agreements to be maintained as collateral. Cash collateral received is invested in short-term investments and the offsetting collateral liability is included in miscellaneous liabilities.

Dollar roll transactions are accounted for as collateral borrowings, where the amount borrowed is equal to the sales price of the underlying securities.

The Company engages in securities lending whereby certain domestic bonds from its portfolio are loaned to other institutions for short periods of time. Collateral, primarily cash, which is in excess of the market value of the loaned securities, is deposited by the borrower with a lending agent, and retained and invested by the lending agent to generate additional income for the Company. The Company does not have access to the collateral. The Company's policy requires a minimum of 102% of the fair value of securities loaned to be maintained as collateral. The market value of the loaned securities is monitored on a daily basis with additional collateral obtained or refunded as the market value fluctuates.

ReliaStar Life Insurance Company
Notes to Financial Statements (continued)

1. Nature of Operations and Significant Accounting Policies (continued)

Investments (continued)

At December 31, 2002 and 2001, the Company had loaned securities (which are reflected as invested assets on the Balance Sheets) with a market value of approximately \$37,450,000 and \$118,787,000, respectively.

Short-term investments are reported at amortized cost. Short-term investments include investments with maturities of less than one year at the date of acquisition.

Other invested assets are reported at amortized cost using the effective interest method. Other invested assets primarily consist of residual collateralized mortgage obligations and partnership interests.

Realized capital gains and losses are determined using the specific identification basis.

Cash on hand includes cash equivalents. Cash equivalents are short-term investments that are both readily convertible to cash and have an original maturity date of three months or less. Short-term investments are carried at amortized cost, which approximates market value.

Aggregate Reserve for Life Policies and Contracts

Life, annuity, and accident and health reserves are developed by actuarial methods and are determined based on published tables using statutorily specified interest rates and valuation methods that will provide, in the aggregate, reserves that are greater than or equal to the minimum or guaranteed policy cash value or the amounts required by law. Interest rates range from 2.25% to 13.25%.

The Company waives the deduction of deferred fractional premiums upon the death of the insured. It is the Company's practice to return a pro rata portion of any premium paid beyond the policy month of death, although it is not contractually required to do so for certain issues.

The methods used in the valuation of substandard policies are as follows:

For life, endowment and term policies issued substandard, the standard reserve during the premium-paying period is increased by 50% of the gross annual extra premium. Standard reserves are held on Paid-Up Limited Pay contracts.

For reinsurance accepted with table rating, the reserve established is a multiple of the standard reserve corresponding to the table rating. For reinsurance with flat extra premiums, the standard reserve is increased by 50% of the flat extra.

ReliaStar Life Insurance Company
Notes to Financial Statements (continued)

1. Nature of Operations and Significant Accounting Policies (continued)

Aggregate Reserve for Life Policies and Contracts (continued)

The amount of insurance in force for which the gross premiums are less than the net premiums, according to the standard of valuation required by the state of Minnesota, is \$3,308,216,000 at December 31, 2002. The amount of premium deficiency reserves for policies on which gross premiums are less than the net premiums is \$45,017,000 at December 31, 2002.

The Company anticipates investment income as a factor in the premium deficiency calculation, in accordance with SSAP 54, Individual and Group Accident and Health Contracts.

The tabular interest has been determined from the basic data for the calculation of policy reserves for all direct ordinary life insurance and for the portion of group life insurance classified as group Section 79. The method of determination of tabular interest of funds not involving life contingencies is as follows: current year reserves, plus payments, less prior year reserves, less funds added.

Reinsurance

Reinsurance premiums, commissions, expense reimbursements, and reserves related to reinsured business are accounted for on bases consistent with those used in accounting for the original policies issued and the terms of the reinsurance contracts. Reserves are based on the terms of the reinsurance contracts and are consistent with the risks assumed. Premiums and benefits ceded to other companies have been reported as a reduction of premium revenue and benefits expense. Amounts applicable to reinsurance ceded for reserves and unpaid claim liabilities have been reported as reductions of these items, and expense allowances received in connection with reinsurance ceded have been reflected in operations.

Real Estate and Electronic Data Processing Equipment

Electronic data processing equipment are carried at cost less accumulated depreciation. Depreciation for major classes of assets is calculated on a straight-line basis over the estimated useful life.

ReliaStar Life Insurance Company
Notes to Financial Statements (continued)

1. Nature of Operations and Significant Accounting Policies (continued)

Participating Insurance

Participating business approximates less than 1% of the Company's ordinary life insurance in force and 10.8% of premium income. The amount of dividends to be paid is determined annually by the Board of Directors. Amounts allocable to participating policyholders are based on published dividend projections or expected dividend scales. Dividend expense of \$21,550,000 and \$24,676,000 was incurred in 2002 and 2001, respectively.

Pension Plans

The Company provides noncontributory retirement plans for substantially all employees and certain agents. Pension costs are charged to operations as contributions are made to the plan. The Company also provides a contributory retirement plan for substantially all employees.

Nonadmitted Assets

Nonadmitted assets are summarized as follows:

	December 31	
	2002	2001
	<i>(In Thousands)</i>	
Deferred federal income taxes	\$185,706	\$196,904
Agents' debit balances	(6,919)	1,874
Furniture and equipment	5,231	5,189
Deferred and uncollected premium	4,802	14,134
Non-operating software asset in progress	5,971	2,812
Other	13,036	13,086
Total nonadmitted assets	\$207,827	\$233,999

Changes in nonadmitted assets are generally reported directly in surplus as an increase or decrease in nonadmitted assets.

ReliaStar Life Insurance Company
Notes to Financial Statements (continued)

1. Nature of Operations and Significant Accounting Policies (continued)

Claims and Claims Adjustment Expenses

Claims expenses represent the estimated ultimate net cost of all reported and unreported claims incurred through December 31, 2002. The Company does not discount claims and claims adjustment expense reserves. Such estimates are based on actuarial projections applied to historical claims payment data. Such liabilities are considered to be reasonable and adequate to discharge the Company's obligations for claims incurred but unpaid as of December 31, 2002.

Cash Flow Information

Cash and short-term investments include cash on hand, demand deposits and short-term fixed maturity instruments (with a maturity of less than one year at date of acquisition).

The Company borrowed \$3,308,623,000 and repaid \$3,308,623,000 in 2002 borrowed \$2,626,202,000 and repaid \$2,624,202,000 in 2001. These borrowings were on a short-term basis, at an interest rate that approximated current money market rates and exclude borrowings from dollar roll transactions. Interest paid on borrowed money was \$442,000 and \$969,000 during 2002 and 2001, respectively.

Separate Accounts

Most separate account assets and liabilities held by the Company represent funds held for the benefit of the Company's variable life and annuity policy and contract holders who bear all of the investment risk associated with the policies. Such policies are of a non-guaranteed nature. All net investment experience, positive or negative, is attributed to the policy and contract holders' account values. The assets of these accounts are carried at fair value.

Certain other separate accounts relate to experience-rated group annuity contracts that fund defined contribution pension plans. These contracts provide guaranteed interest returns for one-year only, where the guaranteed interest rate is re-established each year based on the investment experience of the separate account. In no event can the interest rate be less than zero. The assets and liabilities of these separate accounts are carried at book value.

Reserves related to the Company's mortality risk associated with these policies are included in life and annuity reserves. The operations of the separate accounts are not included in the accompanying statements of operations.

ReliaStar Life Insurance Company
Notes to Financial Statements (continued)

1. Nature of Operations and Significant Accounting Policies (continued)

Reclassifications

Certain prior year amounts in the Company's statutory basis financial statements have been reclassified to conform to the 2002 financial statement presentation.

2. Permitted Statutory Basis Accounting Practices

The financial statements of the Company are presented on the basis of accounting practices prescribed or permitted by the State of Minnesota Department of Commerce, Division of Insurance. The Division of Insurance recognizes only statutory accounting practices prescribed or permitted by the state of Minnesota for determining and reporting the financial condition and results of operations of an insurance company, for determining its solvency under the Minnesota Insurance Laws. The NAIC *Accounting Practices and Procedures Manual* has been adopted as a component of prescribed or permitted practices by the state of Minnesota. The Commissioner of Commerce has the right to permit other specific practices that deviate from prescribed practices.

The Company is required to identify those significant accounting practices that are permitted, and obtain written approval of the practices from the Minnesota Division of Insurance. As of December 31, 2002 and 2001, the Company had no such permitted accounting practices.

3. Accounting Changes and Correction of Errors

Accounting Changes

The Company prepares its statutory financial statements in conformity with accounting practices prescribed or permitted by the State of Minnesota. Effective January 1, 2001, the State of Minnesota required that insurance companies domiciled in the State of Minnesota prepare their statutory basis financial statements in accordance with the NAIC *Accounting Practices and Procedures Manual* subject to any deviations prescribed or permitted by the State of Minnesota insurance commissioner.

Accounting changes adopted to conform to the provisions of the NAIC *Accounting Practices and Procedures Manual* are reported as changes in accounting principles. The cumulative effect of changes in accounting principles is reported as an adjustment to unassigned surplus in the period of the change in accounting principle. The cumulative effect is the difference between the amount of capital and surplus at the beginning of the year and the amount of capital and surplus that would have been reported at that date if the new accounting principles had been applied retroactively for all prior periods.

ReliaStar Life Insurance Company
Notes to Financial Statements (continued)

3. Accounting Changes and Correction of Errors (continued)

Accounting Changes (continued)

As a result of these changes, the Company reported a change of accounting principle, as an adjustment that increased unassigned surplus, of \$159,510,000 as of January 1, 2001.

Effective with the Northern Life merger, the Company's accounting policy for the Commissioners' Annuity Reserve Validation Method ("CARVM") reserves was adopted and applied to Northern Life's variable annuity reserves. The accompanying financials have been restated for all period presented to reflect a consistent accounting policy.

Correction of Errors

Subsequent to the issuance of the 2001 financial statements, the Company identified an error in the transfers from separate accounts due and accrued reported in the annual Balance Sheet at December 31, 2001. The transfers from separate accounts due and accrued was understated by \$52,953,000 at December 31, 2001. In accordance with Statement of Statutory Accounting Principles ("SSAP") No. 3, "Accounting Changes and Correction of Errors", the error was corrected in June 2002 as an adjustment to the January 1, 2002 unassigned surplus balance. The error understated total assets and unassigned surplus at December 31, 2001 by \$52,953,000 and \$34,419,000, respectively. The error understated total liabilities by \$18,534,000. The error overstated net loss by \$34,419,000 for the year ended December 31, 2001.

ReliaStar Life Insurance Company
Notes to Financial Statements (continued)

4. Investments

The amortized cost and fair value of bonds and equity securities are as follows:

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
<i>(In Thousands)</i>				
At December 31, 2002:				
U.S. Treasury securities and obligations of U.S. government corporations and agencies	\$ 519,655	\$ 10,612	\$ 109	\$ 530,158
States, municipalities, and political subdivisions	24,894	862	72	25,684
Foreign government	101,514	21,872	-	123,386
Public utilities securities	570,433	30,524	6,548	594,409
Corporate securities	4,440,610	271,986	65,497	4,647,099
Mortgage-backed securities	2,788,463	101,594	37,435	2,852,622
Other structured securities	1,546,957	96,417	65,774	1,577,600
Total fixed maturities	9,992,526	533,867	175,435	10,350,958
Preferred stocks	45,870	-	1,246	44,624
Common stocks	1,077	-	200	877
Total equity securities	46,947	-	1,446	45,501
Total	\$10,039,473	\$533,867	\$176,881	\$10,396,459

At December 31, 2001:

U.S. Treasury securities and obligations of U.S. government corporations and agencies	\$ 170,029	\$ 2,219	\$ 1,153	\$ 171,095
States, municipalities, and political subdivisions	48,149	8,240	913	55,476
Foreign government	100,306	6,141	498	105,949
Public utilities securities	346,627	9,023	4,798	350,852
Corporate securities	4,761,263	157,609	67,518	4,851,354
Mortgage-backed securities	2,458,685	56,076	16,415	2,498,346
Other structured securities	2,084,172	61,572	84,012	2,061,732
Total fixed maturities	9,969,231	300,880	175,307	10,094,804
Preferred stocks	42,011	-	3,278	38,733
Common stocks	96	8	-	104
Total equity securities	42,107	8	3,278	38,837
Total	<u>\$10,011,338</u>	<u>\$300,888</u>	<u>\$178,585</u>	<u>\$10,133,641</u>

ReliaStar Life Insurance Company
Notes to Financial Statements (continued)

4. Investments (continued)

The amortized cost and fair value of investments in bonds at December 31, 2002, by contractual maturity, are shown below. Expected maturities may differ from contractual maturities because borrowers may have the right to call or prepay obligations with or without call or prepayment penalties.

	Amortized Cost	Fair Value
December 31, 2002	<i>(In Thousands)</i>	
Maturing in:		
Due 1 year or less	\$ 136,256	\$ 138,797
Due after 1 year through 5 years	2,007,031	2,104,815
Due after 5 years through 10 years	2,483,625	2,603,775
Due after 10 years	1,030,194	1,073,349
	5,657,106	5,920,736
Mortgage-backed securities	2,788,463	2,852,622
Other structured securities	1,546,957	1,577,600
Total	\$9,992,526	\$10,350,958

At December 31, 2002, investments in certificates of deposit and bonds, with an admitted asset value of \$156,849,107 were on deposit with state insurance departments to satisfy regulatory requirements.

Reconciliation of bonds from authorized cost to carrying value as of December 31, 2002 and 2001 is as follows:

	December 31	
	2002	2001
	<i>(In Thousands)</i>	
Amortized cost	\$9,992,526	\$9,969,231
Less nonadmitted bonds	15,589	5,225
Carrying value	\$9,976,937	\$9,964,006

Proceeds from the sale of investments in bonds and other fixed maturity interest securities were \$5,365,216,000 and \$3,615,412,000 in 2002 and 2001, respectively. Gross gains of \$133,384,000 and \$99,847,000 and gross losses of \$110,691,000 and \$30,657,000 during 2002 and 2001, respectively, were realized on those sales. A portion of the gains realized in 2002 and 2001 has been deferred to future periods in the interest maintenance reserve.

ReliaStar Life Insurance Company
Notes to Financial Statements (continued)

4. Investments (continued)

Major categories of net investment income are summarized as follows:

	Year ended December 31	
	2002	2001
	<i>(In Thousands)</i>	
Income:		
Bonds	\$734,837	\$743,699
Mortgage loans	129,364	119,602
Policy loans	29,036	33,794
Company-occupied property	20,634	18,981
Other	75,898	68,044
Total investment income	989,769	984,120
Investment expenses	(87,816)	(65,105)
Net investment income	\$901,953	\$919,015

As part of its overall investment strategy, the Company has entered into agreements to purchase securities as follows:

	2002	2001
	<i>(In Thousands)</i>	
Investment purchase commitments	\$144,004	\$91,571

The Company entered into reverse dollar repurchase agreements to increase its return on investments and improve liquidity. Reverse dollar repurchase agreements involve a sale of securities and an agreement to repurchase substantially the same securities as those sold. The reverse dollar repurchase agreements are accounted for as short-term collateralized financing and the repurchase obligation is reported in borrowed money.

The repurchase obligation totaled \$306,275,000 and \$248,682,000 at December 31, 2002 and 2001, respectively. The securities underlying these agreements are mortgage-backed securities with a book value and fair value of \$304,489,000 at December 31, 2002. The securities have a weighted average coupon of 5.7% and have maturates ranging from December 2017 through 2032. The primary risk associated with short-term collateralized borrowings is that the counterparty may 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, which was not material at December 31, 2002. The Company believes the counterparties to the dollar roll agreement are financially responsible and that the counterparty risk is minimal.

ReliaStar Life Insurance Company
Notes to Financial Statements (continued)

4. Investments (continued)

The Company participates in reverse repurchase transactions. Such transactions include the sale of corporate securities to a major securities dealer and a simultaneous agreement to repurchase the same security in the near term. The proceeds are invested in new securities of intermediate durations. The terms of the reverse repurchase agreement call for payment on interest at a rate of 1.4%. The agreements mature prior to the end of January 2003. At December 31, 2002, the amount due on these agreements included in borrowed money is \$16,000,000. The securities underlying these agreements are mortgage-backed securities with a book value and fair value of \$19,497,000. The securities have a weighted average coupon of 6.5% and have a maturity of August 1, 2032.

The maximum and minimum lending rates for long-term mortgage loans during 2002 were 7.3% and 3.0%. Fire insurance is required on all properties covered by mortgage loans and must at least equal the excess of the loan over the maximum loan which would be permitted by law on the land without the buildings.

The maximum percentage of a loan to the value of collateral at the time of the loan, exclusive of insured or guaranteed or purchase money mortgages was 77.9% on commercial properties. As of December 31, 2002, the Company held no mortgages with interest more than 180 days overdue. Total interest due as of December 31, 2002, is \$41,000.

The Company had impaired mortgage loans without an allowance for credit losses of \$7,309,000 and \$15,158,000 as of December 31, 2002 and 2001, respectively.

5. Derivative Financial Instruments Held for Purposes Other than Trading

The Company enters into interest rate and currency contracts, including swaps, caps, floors, and options, to reduce and manage risks, which include the risk of a change in the value, yield, price, cash flows, exchange rates or quantity of, or a degree of exposure with respect to, assets, liabilities, or future cash flows, which the Company has acquired or incurred. Hedge accounting practices are supported by cash flow matching, scenario testing and duration matching.

ReliaStar Life Insurance Company
Notes to Financial Statements (continued)

**5. Derivative Financial Instruments Held for Purposes Other than Trading
(continued)**

The Company uses interest rate swaps to reduce market risks from changes in interest rates and to alter interest rate exposure arising from mismatches between assets and liabilities. Interest rate swap agreements generally involve the exchange of fixed and floating interest payments over the life of the agreement without an exchange of the underlying principal amount. Currency swap agreements generally involve the exchange of local and foreign currency payments over the life of the agreements without an exchange of the underlying principal amount. Interest rate cap and interest rate floor agreements owned entitle the Company to receive payments to the extent reference interest rates exceed or fall below strike levels in the contracts based on the notional amounts.

Premiums paid for the purchase of interest rate contracts are included in other invested assets and are being amortized to interest expense over the remaining terms of the contracts or in a manner consistent with the financial instruments being hedged.

Amounts paid or received, if any, from such contracts are included in interest expense or income. Accrued amounts payable to or receivable from counterparties are included in other liabilities or other invested assets.

Gains or losses realized as a result of early terminations of interest rate contracts are amortized to investment income over the remaining term of the items being hedged to the extent the hedge is considered to be effective; otherwise, they are recognized upon termination.

Interest rate contracts that are matched or otherwise designated to be associated with other financial instruments are recorded at fair value if the related financial instruments mature, are sold, or are otherwise terminated or if the interest rate contracts cease to be effective hedges. Changes in the fair value of derivatives are recorded as investment income. The Company manages the potential credit exposure from interest rate contracts through careful evaluation of the counterparties' credit standing, collateral agreements, and master netting agreements.

The Company is exposed to credit loss in the event of nonperformance by counterparties on interest rate contracts; however, the Company does not anticipate nonperformance by any of these counterparties. The amount of such exposure is generally the unrealized gains in such contracts.

ReliaStar Life Insurance Company
Notes to Financial Statements (continued)

5. Derivative Financial Instruments Held for Purposes Other than Trading (continued)

The table below summarizes the Company's interest rate contracts included in other invested assets at December 31, 2002 and 2001:

	December 31, 2002		
	Notional Amount	Carrying Value	Fair Value
	<i>(In Thousands)</i>		
Interest rate contracts:			
Swaps	\$ 580,000	\$ -	\$31,780
Caps owned	375,000	3,974	809
Options owned	44,714	3,053	3,053
Forwards Owned	42,520	-	44
Total derivatives	\$1,042,234	\$7,027	\$35,686

	December 31, 2001		
	Notional Amount	Carrying Value	Fair Value
	<i>(In Thousands)</i>		
Interest rate contracts:			
Swaps	\$530,000	\$ -	\$35,700
Options owned	53,400	3,400	3,400
Total derivatives	\$583,400	\$3,400	\$39,100

6. Concentrations of Credit Risk

The Company held less-than-investment-grade corporate bonds with an aggregate book value of \$638,727,000 and an aggregate market value of \$594,111,000 at December 31, 2002. Those holdings amounted to 6.4% of the Company's investments in bonds and 3.6% of total admitted assets at December 31, 2002. The holdings of less-than-investment-grade bonds are widely diversified and of satisfactory quality based on the Company's investment policies and credit standards.

The Company held unrated bonds of \$433,532,000 with an aggregate NAIC market value of \$439,960,000 at December 31, 2002. The carrying value of these holdings amounted to 4.4% of the Company's investment in bonds and 2.5% of the Company's total admitted assets at December 31, 2002.

ReliaStar Life Insurance Company
Notes to Financial Statements (continued)

6. Concentrations of Credit Risk (continued)

At December 31, 2002, the Company's commercial mortgages involved a concentration of properties located in California (16.2%) and Illinois (8.6%). The remaining commercial mortgages relate to properties located in 39 other states. The portfolio is well diversified, covering many different types of income-producing properties on which the Company has first mortgage liens. The maximum mortgage outstanding on any individual property is \$39,299,000.

7. Annuity Reserves

At December 31, 2002 and 2001, the Company's annuity reserves, including those held in separate accounts and deposit fund liabilities that are subject to discretionary withdrawal with adjustment, subject to discretionary withdrawal without adjustment, and not subject to discretionary withdrawal provisions are summarized as follows:

	December 31, 2002	
	Amount	Percent
	<i>(In Thousands)</i>	
Subject to discretionary withdrawal (with adjustment):		
With market value adjustment	\$ 407,469	3.8%
At book value less surrender charge	2,126,141	19.8%
At fair value	2,804,845	26.2%
Subtotal	5,338,455	49.8%
Subject to discretionary withdrawal (without adjustment) at book value with minimal or no charge or adjustment	4,422,308	41.2%
Not subject to discretionary withdrawal	962,795	9.0%
Total annuity reserves and deposit fund liabilities Before reinsurance	10,723,558	100.0%
Less reinsurance ceded	13,318	
Net annuity reserves and deposit fund liabilities	<u>\$10,710,240</u>	

ReliaStar Life Insurance Company
Notes to Financial Statements (continued)

7. Annuity Reserves (continued)

	December 31, 2001	
	Amount	Percent
	<i>(In Thousands)</i>	
Subject to discretionary withdrawal (with adjustment):		
With market value adjustment	\$ 363,367	3.2%
At book value less surrender charge	2,675,437	23.4%
At fair value	3,742,963	32.7%
Subtotal	6,781,767	59.3%
Subject to discretionary withdrawal (without adjustment) at book value with minimal or no charge or adjustment	4,029,470	35.2%
Not subject to discretionary withdrawal	630,394	5.5%
Total annuity reserves and deposit fund liabilities- Before reinsurance	11,441,631	100.0%
Less reinsurance ceded	3,843	
Net annuity reserves and deposit fund liabilities	<u>\$11,437,788</u>	

8. Employee Benefit Plans

Pension Plan and Postretirement Benefits

Effective December 31, 2001 the qualified plan of the Company, along with certain other US subsidiaries of ING America, were merged into one plan which will be recognized in ING America's financial statements. As a result of this plan merger, the Company transferred its qualified pension asset to ING North America Insurance Corporation, an affiliate. In addition, the Company maintains a nonqualified unfunded Supplemental Employees Retirement Plan (SERP).

ReliaStar Life Insurance Company
Notes to Financial Statements (continued)

8. Employee Benefit Plans (continued)

A summary of assets, obligations and assumptions of the Pension and Other Postretirement Benefits Plans are as follows:

	Pension Benefits		Other Benefits	
	2002	2001	2002	2001
	<i>(In Thousands)</i>			
Change in benefit obligation				
Benefit obligation at beginning of year	\$27,921	\$228,822	\$15,049	\$14,159
Service cost	7	2,419	1,139	743
Interest cost	2,007	17,372	1,166	1,113
Contribution by plan participants	-	-	954	455
Actuarial gain (loss)	2,750	7,136	4,481	(4,616)
Benefits paid	(2,578)	(6,477)	(2,148)	(1,206)
Plan amendments	-	(174)	(3,151)	3,341
Business combinations, divestitures, curtailments, settlements and special termination benefits	-	(221,177)	-	1,060
Benefit obligation at end of year	\$30,107	\$ 27,921	\$17,490	\$15,049

	Pension Benefits		Other Benefits	
	2002	2001	2002	2001
	<i>(In Thousands)</i>			
Change in plan assets				
Fair value of plan assets at beginning of year	\$ -	327,518	-	-
Actual return on plan assets	-	(83,880)	-	-
Employer contribution	2,578	2,017	1,195	751
Plan participants' contributions	-	-	953	455
Benefits paid	(2,578)	(6,477)	(2,148)	(1,206)
Business combinations, divestitures and settlements	-	(239,178)	-	-
Fair value of plan assets at end of year	-	-	-	-

ReliaStar Life Insurance Company
Notes to Financial Statements (continued)

8. Employee Benefit Plans (continued)

Funded status

Unamortized prior service cost (credit)	\$ (44)	\$ (49)	\$(1,497)	\$3,341
Unrecognized net gain (loss)	7,409	4,794	(710)	(4,065)
Remaining net obligation or net asset at initial date of application	20,634	21,780	-	8,562
Prepaid assets or accrued liabilities	(2,112)	-	(18,278)	-
Total funded status	<u>\$30,107</u>	<u>\$27,921</u>	<u>\$17,490</u>	<u>\$15,049</u>

	Pension Benefits		Other Benefits	
	2002	2001	2002	2001
	<i>(In Thousands)</i>			
Components of net periodic benefit cost				
Service cost	\$ 7	\$2,419	\$1,139	\$ 743
Interest cost	2,007	17,372	1,166	1,113
Expected return on plan assets	-	(29,677)	-	-
Amortization of recognized transition obligation or transition asset	1,146	-	-	-
Amount of recognized gains and losses	139	-	(294)	-
Amount of prior service cost recognized	(5)	1,163	1,689	-
Amount of gain or loss recognized due to a settlement or curtailment	-	970	-	-
Total net periodic benefit cost	<u>\$3,294</u>	<u>\$(7,753)</u>	<u>\$3,700</u>	<u>\$1,856</u>

In addition, the Company has pension benefit obligation and other benefit obligation for non-vested employees as of December 31, 2002 and 2001 in the amount of \$11,168,000 and \$4,466,000, respectively.

Assumptions used in determining the accounting for the defined benefit plans as of December 31, 2002 and 2001 were as follows:

	2002	2001
Weighted-average discount rate	6.75%	7.50%
Rate of increase in compensation level	3.75%	4.50%
Expected long-term rate of return on assets	9.00%	9.25%

ReliaStar Life Insurance Company
Notes to Financial Statements (continued)

8. Employee Benefit Plans (continued)

The annual assumed rate of increase in the per capita cost of covered benefits (i.e., health care cost trend rate) for the medical plan is 10% graded to 5% over 6 years. The health care cost trend rate assumption has a significant effect on the amounts reported. For example, increasing the assumed health care cost trend rates by one percentage point in each year would increase the accumulated postretirement benefit obligation for the medical plan as of December 31, 2002 by \$383,000. Decreasing the assumed health care cost trend rates by one percentage point in each year would decrease the accumulated postretirement benefit obligation for the medical plan as of December 31, 2002 by \$317,000.

The weighted-average discount rate used in determining the accumulated postretirement benefit obligation was 6.5% at December 31, 2002 and 7.5% at December 31, 2001.

401(k) Plan

The ING Savings Plan and ESOP is a defined contribution plan sponsored by ING AIH, which is available to substantially all home office employees. Participants may make contributions to the plan through salary reductions up to a maximum of \$11,000 for 2002 and \$10,500 for 2001. Such contributions are not currently taxable to the participants. ING AIH matches up to 6% of pre-tax eligible pay at 100% and allocates expenses to the Company for their portion of the match. Amounts allocated to the Company were \$4,101,000 and \$2,831,000 for 2002 and 2001, respectively.

9. Separate Accounts

Separate account assets and liabilities represent funds segregated by the Company for the benefit of certain policy and contract holders who bear the investment risk. Revenues and expenses on the separate account assets and related liabilities equal the benefits paid to the separate account policy and contract holders.

Premiums, deposits, and other considerations received for the years ended December 31, 2002 and 2001 were \$796,772,000 and \$1,164,829,000, respectively.

ReliaStar Life Insurance Company
Notes to Financial Statements (continued)

9. Separate Accounts (continued)

A reconciliation of the amounts transferred to and from the separate accounts is presented below:

	2002	2001
	<i>(In Thousands)</i>	
Transfers as reported in the summary of operations of the Separate Accounts Statement:		
Transfers to separate accounts	\$796,772	\$1,164,829
Transfers from separate accounts	937,201	711,838
Net transfers to separate accounts	(140,429)	452,991
Reconciling adjustments:		
Miscellaneous transfers	154,465	(179,715)
Transfers as reported in the Statement of Operations	\$14,036	\$273,276

Information regarding the separate accounts of the Company is as follows:

	Nonindexed Guarantee Less than/equal to 4%	Non- guaranteed Separate Accounts	Total
	<i>(In Thousands)</i>		
December 31, 2002			
Premium, consideration or deposits for the year	\$ -	\$228,606	\$228,606
Reserves for separate accounts with assets at:			
Fair value	-	3,308,972	3,308,972
Amortized costs	191,277	-	191,277
Total reserves	\$191,277	\$3,308,972	\$3,500,249
Reserves for separate accounts by withdrawal characteristics:			
Subject to discretionary withdrawal	\$ -	\$ -	\$ -
With market value adjustment	191,277	-	191,277
At book value without market value	-	-	-
At market value	-	3,294,535	3,294,535
At book value without market value adjustment and with current surrender charge less than 5%	-	-	-
Subtotal	191,277	3,294,535	3,485,812
Not subject to discretionary Withdrawal	-	14,437	14,437
Total aggregate reserves for separate accounts	\$191,277	\$3,308,972	\$3,500,239

ReliaStar Life Insurance Company
Notes to Financial Statements (continued)

9. Separate Accounts (continued)

	Nonindexed Guarantee Less than/equal to 4%	Non- guaranteed Separate Accounts	Total
	<i>(In Thousands)</i>		
December 31, 2001			
Reserves for separate accounts with assets at:			
Fair value	\$157,996	\$4,540,380	\$4,698,376
Amortized costs	-	-	-
Total reserves	<u>\$157,996</u>	<u>\$4,540,380</u>	<u>\$4,698,376</u>
Reserves for separate accounts by withdrawal characteristics:			
Subject to discretionary withdrawal	\$ -	\$ -	\$ -
With market value adjustment	157,996	-	157,996
At book value without market value	-	-	-
At market value	-	4,538,922	4,538,922
At book value without market value adjustment and with current surrender charge less than 5%	-	-	-
Subtotal	<u>157,996</u>	<u>4,538,922</u>	<u>4,696,918</u>
Not subject to discretionary withdrawal	-	1,458	1,458
Total aggregate reserves for separate account	<u>\$157,996</u>	<u>\$4,540,380</u>	<u>\$4,698,376</u>

ReliaStar Life Insurance Company
Notes to Financial Statements (continued)

10. Reinsurance

The Company is involved in both ceded and assumed reinsurance with other companies for the purpose of diversifying risk and limiting exposure on larger risks. As of December 31, 2002, the Company's retention limit for acceptance of risk on life insurance policies had been set at various levels up to \$5,000,000. For group life and accidental death and dismemberment coverage and reinsurance assumed retention is \$500,000 per life.

To the extent that the assuming companies become unable to meet their obligations under these treaties, the Company remains contingently liable to its policyholders for the portion reinsured. To minimize its exposure to significant losses from retrocessionaire insolvencies, the Company evaluates the financial condition of the retrocessionaire and monitors concentrations of credit risk.

Assumed premiums amounted to \$561,640,000 and \$625,602,000 for the years ended December 31, 2002 and 2001, respectively.

The Company's ceded reinsurance arrangements reduced certain items in the accompanying financial statements by the following amounts:

	2002	2001
	<i>(In Thousands)</i>	
Premiums	\$266,322	\$351,254
Benefits paid or provided	186,884	243,802
Policy and contract liabilities at year end	965,399	528,392

ReliaStar Life Insurance Company
Notes to Financial Statements (continued)

11. Federal Income Taxes

The Company and its subsidiaries file a consolidated federal income tax return. The method of tax allocation is governed by a written tax sharing agreement. The tax sharing agreement provides that each member of the consolidated return shall reimburse ReliaStar Life Insurance Company for its respective share of the consolidated federal income tax liability and shall receive a benefit for its losses at the statutory rate.

Significant components of income taxes incurred as of December 31 are as follows:

	December 31	
	2002	2001
	<i>(In Thousands)</i>	
Current income taxes incurred consist of the following major components:		
Federal taxes on operations	\$79,794	\$(92,495)
Federal taxes on capital gains	(12,124)	16,575
Total current taxes incurred (benefit)	<u>\$67,670</u>	<u>\$(75,920)</u>

ReliaStar Life Insurance Company
Notes to Financial Statements (continued)

11. Federal Income Taxes (continued)

The main components of deferred tax assets and deferred tax liabilities are as follows:

	December 31	
	2002	2001
	<i>(In Thousands)</i>	
Deferred tax assets resulting from book/tax differences in:		
Deferred acquisition costs	\$82,945	\$88,740
Insurance reserves	82,543	71,900
Investments	32,681	26,126
Compensation	31,110	25,281
Due & deferred premium	16,961	11,990
Nonadmitted assets and other surplus items	26,927	22,703
Unrealized loss on investments	2,911	5,877
Litigation accruals	11,943	23,703
Other	42,217	17,775
Total deferred tax assets	330,238	294,095
Deferred tax assets nonadmitted	(185,705)	(196,904)
Admitted deferred tax assets	144,533	97,191
Deferred tax liabilities resulting from book/tax differences in:		
Investments	14,272	14,962
Depreciable assets	31,325	21,447
Other	4,966	5,225
Total deferred tax liabilities	50,563	41,634
Net admitted deferred tax asset	\$93,970	\$55,557

ReliaStar Life Insurance Company
Notes to Financial Statements (continued)

11. Federal Income Taxes (continued)

The change in net deferred income taxes is comprised of the following:

	December 31	
	2002	2001
	<i>(In Thousands)</i>	
Total deferred tax assets	\$330,238	\$294,095
Total deferred tax liabilities	(50,563)	(41,634)
Net deferred tax asset	\$279,675	\$252,461
Tax effect of items in surplus:		
Nonadmitted assets		5,405
Unrealized gains (losses)		2,966
Change in net deferred income tax		\$35,585

The provision for federal income taxes expense and change in deferred taxes differs from the amount obtained by applying the statutory federal income tax rate to income (including capital losses) before income taxes for the following reasons:

	Year Ended December 31, 2002
	<i>(In Thousands)</i>
Ordinary income	\$222,066
Capital gains (losses)	(85,260)
Total pre-tax book income	136,806
Provision computed at statutory rate	47,882
Dividends received deduction	(14,719)
Refinement of deferred tax balances	1,689
Other	(2,767)
Total	32,085
Federal income taxes incurred	67,670
Change in net deferred income taxes	(35,585)
Total statutory income taxes	\$ 32,085

ReliaStar Life Insurance Company
Notes to Financial Statements (continued)

11. Federal Income Taxes (continued)

The amount of federal income taxes incurred that will be available for recoupment in the event of future net losses is \$88,469,775 and \$13,995,110 from 2002 and 2001, respectively.

Prior to 1984, the Company was allowed certain special deductions for federal income tax reporting purposes that were required to be accumulated in a "policyholders' surplus account" (PSA). In the event those amounts are distributed to shareholders, or the balance of the account exceeds certain limitations prescribed by the Internal Revenue Code, the excess amounts would be subject to income tax at current rates. Income taxes also would be payable at current rates if the Company ceases to qualify as a life insurance company for tax reporting purposes, or if the income tax deferral status of the PSA is modified by future tax legislation. Management does not intend to take any actions nor does management expect any events to occur that would cause income taxes to become payable on the PSA balance. Accordingly, the Company has not accrued income taxes on the PSA balance of \$32,641,000 at December 31, 2002. However, if such taxes were assessed, the amount of the taxes payable would be \$9,511,000. No deferred tax liabilities are recognized related to the PSA.

12. Investment in and Advances to Subsidiaries

The Company has two wholly owned insurance subsidiaries at December 31, 2002, Security Connecticut Life Insurance Company ("SCL") and ReliaStar Reinsurance Group "UK" LTD ("RRG"). The Company also has three wholly owned noninsurance subsidiaries, NWNL Benefits Corporation, Norlic, Inc. and Superior Vision Services.

Amounts invested in and advanced to the Company's subsidiaries are summarized as follows:

	December 31	
	2002	2001
	<i>(In Thousands)</i>	
Preferred stock (cost - \$4,664 in 2002; and 2001)	\$4,664	\$4,664
Common stock (cost—\$337,118 in 2002 \$337,213 2001)	454,713	427,026
Payable to subsidiaries	(1,761)	(559)

ReliaStar Life Insurance Company
Notes to Financial Statements (continued)

12. Investment in and Advances to Subsidiaries (continued)

Summarized financial information for these subsidiaries is as follows:

	2002	2001
	<i>In Thousands</i>	
Revenues	\$ 420,167	\$ 447,164
Income before net realized (losses) gains on investments	(15,107)	6,623
Net (loss) income	(26,497)	5,601
Admitted assets	2,435,317	2,112,756
Liabilities	1,985,219	1,690,454

SCL paid a common stock dividend to the Company of \$40,600,000 and \$11,000,000 in 2002 and 2001, respectively.

13. Capital and Surplus

Under Minnesota insurance regulations, the Company is required to maintain a minimum total capital and surplus of \$2,000,000. Additionally, the amount of dividends which can be paid by the Company to its shareholder without prior approval of the Minnesota Division of Insurance is limited to the greater of 10% of statutory surplus or the statutory net gain from operations.

Lion Connecticut Holdings Inc. ("Lion") loaned \$100.0 million to the Company under a surplus note dated December 1, 2001. The surplus note provides, subject to the regulatory constraints discussed below, that (1) it is a surplus note which will mature on September 15, 2021 with principal due at maturity, but payable without penalty, in whole or in part before maturity; (2) interest is payable at a variable rate based upon an annualized yield rate for US Treasury Bonds payable semi annually; and (3) in the event that the Company is in default in the payment of any required interest or principal, the Company cannot pay cash dividends on its capital stock (all of which is owned directly by Lion). The surplus note further provides that there may be no payment of interest or principal without the express approval of the Minnesota Division of Insurance. For the year ended December 31, 2002 total interest paid totaled \$6.4 million and accrued interest at December 31, 2002 was \$1.4 million.

ReliaStar Life Insurance Company
Notes to Financial Statements (continued)

14. Fair Values of Financial Instruments

In cases 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 cannot be substantiated by comparison to independent markets and, in many cases, could not be realized in immediate settlement of the financial instrument. Accordingly, the aggregate fair value amounts presented herein do not represent the underlying value of the Company.

Life insurance liabilities that contain mortality risk and all nonfinancial instruments have been excluded from the disclosure requirements. However, the fair values of liabilities under all insurance contracts are taken into consideration in the Company's overall management of interest rate risk, such that the Company's exposure to changing interest rates is minimized through the matching of investment maturities with amounts due under insurance contracts.

The carrying amounts and fair values of the Company's financial instruments are summarized as follows:

	December 31			
	2002		2001	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	<i>(In Thousands)</i>			
Assets:				
Bonds	\$9,976,937	\$10,350,958	\$9,964,006	\$10,094,804
Preferred stocks	44,624	44,624	38,733	38,733
Unaffiliated common stocks	877	877	104	104
Mortgage loans	1,729,445	1,944,399	1,625,207	1,708,500
Policy loans	620,676	620,676	658,059	658,059
Derivative securities	7,027	35,686	3,400	39,100
Short-term investments	92,162	92,162	219,173	219,173
Cash	21,433	21,433	134,339	134,339
Indebtedness from related parties	41,664	41,664	38,505	38,505
Separate account assets	3,733,364	3,733,364	4,867,715	4,867,715
Receivable for securities	4,967	4,967	14,565	14,565

ReliaStar Life Insurance Company
Notes to Financial Statements (continued)

14. Fair Values of Financial Instruments (continued)

	December 31			
	2002		2001	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	<i>(In Thousands)</i>			
Liabilities:				
Individual and group annuities	\$ 7,090,839	\$7,073,974	\$ 6,633,561	\$ 6,476,318
Guaranteed investment contracts	115,222	119,819	101,803	111,744
Deposit type contract	628,462	587,450	127,518	128,428
Policyholder dividends	22,177	22,177	72,980	72,980
Indebtedness to related parties	17,120	17,120	53,123	53,123
Separate account liabilities	3,724,774	3,724,774	4,864,454	4,864,454
Payable for securities	6,039	6,039	239,360	239,360

The following methods and assumptions were used by the Company in estimating the fair value disclosures for financial instruments in the accompanying financial statements and notes thereto:

Cash and short-term investments: The carrying amounts reported in the accompanying balance sheets for these financial instruments approximate their fair values.

Fixed maturities and equity securities: The fair values for bonds, preferred stocks and common stocks, reported herein, are based on quoted market prices, where available. For securities not actively traded, fair values are estimated using values obtained from independent pricing services or, in the case of private placements, collateralized mortgage obligations and other mortgage derivative investments, are estimated by discounting the expected future cash flows. The discount rates used vary as a function of factors such as yield, credit quality, and maturity, which fall within a range between 0% and 15% over the total portfolio. Fair values determined on this basis can differ from values published by the NAIC Securities Valuation Office. Market value as determined by the NAIC as of December 31, 2002 and 2001 is \$10,494,545,000 and \$10,881,790,000, respectively.

ReliaStar Life Insurance Company
Notes to Financial Statements (continued)

14. Fair Values of Financial Instruments (continued)

Mortgage loans: Estimated market values for commercial real estate loans were generated using a discounted cash flow approach. Loans in good standing are discounted using interest rates determined by U.S. Treasury yields on December 31 and spreads applied on new loans with similar characteristics. The amortizing features of all loans are incorporated in the valuation. Where data on option features is available, option values are determined using a binomial valuation method, and are incorporated into the mortgage valuation. Restructured loans are valued in the same manner; however, these loans were discounted at a greater spread to reflect increased risk. All residential loans are valued at their outstanding principal balances, which approximate their fair values.

Residual collateralized mortgage obligations: Residual collateralized mortgage obligations are included in the other invested assets balance. Fair values are calculated using discounted cash flows. The discount rates used vary as a function of factors such as yield, credit quality, and maturity, which fall within a range between 0% and 10% over the total portfolio.

Derivative financial instruments: Fair values for on-balance-sheet derivative financial instruments (caps, options and floors) and off-balance-sheet derivative financial instruments (swaps) are based on broker/dealer valuations or on internal discounted cash flow pricing models taking into account current cash flow assumptions and the counterparties' credit standing.

Guaranteed investment contracts: The fair values of the Company's guaranteed investment contracts are estimated using discounted cash flow calculations, based on interest rates currently being offered for similar contracts with maturities consistent with those remaining for the contracts being valued.

Other investment-type insurance contracts: The fair values of the Company's deferred annuity contracts are estimated based on the cash surrender values. The carrying values of other policyholder liabilities, including immediate annuities, dividend accumulations, supplementary contracts without life contingencies, and premium deposits, approximate their fair values.

The carrying value of all other financial instruments approximates their fair value.

ReliaStar Life Insurance Company
Notes to Financial Statements (continued)

15. Commitments and Contingencies

The Company is a party to threatened or pending lawsuits arising from the normal conduct of business. Due to the climate in insurance and business litigation, 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 pending lawsuits, in light of existing insurance, reinsurance and established reserves, it is the opinion of management that the disposition of pending lawsuits will not have a materially adverse effect on the Company's operations or financial position.

Operating Leases

The Company leases office space under various non cancelable operating lease agreements that expire through November 2009. Rental expense for 2002 and 2001 was approximately \$5,973,000 and \$4,526,000.

At December 31, 2002, the minimum aggregate rental commitments under operating leases are as follows:

Year Ending December 31, 2002	
2003	\$6,194,000
2004	\$5,538,000
2005	\$4,677,000
2006	\$4,435,000
2007	\$3,928,000
thereafter	\$3,315,000

Certain rental commitments have renewal options extending through the year 2009 subject to adjustments in future periods.

Lessor Leases

The Company owns or leases numerous sites that are leased or subleased to franchisees. Buildings owned or leased that meet the criteria for operating leases are carried at the gross investment in the lease less unearned income. Unearned income is recognized in such a manner as to produce a constant periodic rate of return on the net investment. The typical lease period is 20 years and some leases contain renewal options. The franchisee is responsible for the payment of property taxes, insurance and maintenance costs related to the leased property.

ReliaStar Life Insurance Company
Notes to Financial Statements (continued)

15. Commitments and Contingencies (continued)

Future minimum lease payment receivables under non cancelable operating leasing arrangements as of December 31, 2002 are as follows:

2003	\$14,603,000
2004	\$12,503,000
2005	\$13,478,000
2006	\$12,694,000
2007	\$12,694,000
thereafter	\$13,095,000

Contingent rentals included in income for the years ended December 31, 2002 amounted to \$13,665,000. The net investment is classified as real estate.

16. Financing Agreements

The Company maintains a revolving loan agreement with SunTrust Bank, Atlanta (the "Bank"). Under this agreement, which expires July 31, 2003, the Company can borrow up to \$125,000,000 from the Bank. Interest on any company borrowing accrues at an annual rate equal to the cost of funds for the Bank for the period applicable for the advance plus 0.225% or a rate quoted by the Bank to the Company for the borrowing. Under this agreement, the Company incurred interest expense of \$40,000 for the year ended December 31, 2002. At December 31, 2002, the Company had \$0 payable to the Bank.

The Company is the beneficiary of letters of credit totaling \$175,784,000 terms of the letters of credit provide for automatic renewal for the following year at December 31, unless otherwise canceled or terminated by either party to the financing. The letters were unused during both 2002 and 2001.

17. Related Party Transactions

Affiliates

Management and services contracts and all cost sharing arrangements with other affiliated ING US life insurance companies are allocated among companies in accordance with normal, generally accepted expense and cost allocation methods.

ReliaStar Life Insurance Company
Notes to Financial Statements (continued)

17. Related Party Transactions (continued)

Inter-insurer Services Agreement: The Company has entered into a services agreement with certain of its affiliated insurance companies in the United States ("affiliated insurers") whereby the affiliated insurers provide certain administrative, management, professional, advisory, consulting and other services to each other. Net amount paid (received) under these agreements was \$82,522,000 and \$(9,006,000) for the year ended December 31, 2002 and 2001, respectfully.

Investment Management: The Company has entered into an investment advisory agreement and an administrative services agreement with ING Investment Management, LLC ("IIM") under which IIM provides the Company with investment management and asset liability management services. Total fees under the agreement were approximately \$32,088,000 and \$27,899,000 for the year ended December 31, 2002 and 2001, respectfully.

Reciprocal Loan Agreement: The Company maintains a reciprocal loan agreement with ING AIH, to facilitate the handling of unusual and/or unanticipated short-term cash requirements. Under this agreement, which expires December 31, 2010, the Company and ING AIH can borrow up to \$156,100,000 from one another. Interest on any 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, the company incurred interest expense of \$329,000 and interest income of \$940,000 for the year ended December 31, 2002. At December 31, 2002, the Company had \$0 payable to ING AIH and \$70,000,000 receivable from ING AIH

Tax Sharing Agreements: The Company has entered into federal tax sharing agreements with members of an affiliated group as defined in Section 1504 of the Internal Revenue Code of 1986, as amended. The agreement provides for the manner of calculation and the amounts/timing of the payments between the parties as well as other related matters in connection with the filing of consolidated federal income tax returns. The Company 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.

ReliaStar Life Insurance Company
Notes to Financial Statements (continued)

17. Related Party Transactions (continued)

ReliaStar Life Insurance Company ("ReliaStar Life"), effective January, 2002, entered in a Guarantee Agreement with three other ING Affiliates whereby it is jointly and severally liable for \$250,000,000 obligation of another ING affiliate, Security Life of Denver International Limited ("SLDI"). The ReliaStar Board of Directors approved this transaction on April 25, 2002. The three affiliated life insurers are ReliaStar Life, Security-Connecticut Life Insurance Company ("SCL"), and Security Life of Denver Insurance Company ("SLD"). The joint and several guarantees of the three insurers are capped at \$250,000,000. The States of Colorado and Minnesota did not disapprove the guarantee.

18. Guaranty Fund Assessments

Insurance companies are assessed the costs of funding the insolvencies of other insurance companies by the various state guaranty associations, generally based on the amount of premium companies collect in that state.

The Company accrues the cost of future guaranty fund assessments based on estimates of insurance company insolvencies provided by the National Organization of Life and Health Insurance Guaranty Associations (NOLHGA) and the amount of premiums written in each state. The Company reduces the accrual by credits allowed in some states to reduce future premium taxes by a portion of assessments in that state. The Company has estimated this liability to be \$187,000 and \$587,000 as of December 31, 2002 and 2001 and has recorded a liability. The Company has also recorded an asset of (\$772,000) and \$1,833,000 as of December 31, 2002 and 2001, respectively, for future credits to premium taxes for assessments already paid.

19. Regulatory Risk-Based Capital

Life and health insurance companies are subject to certain Risk-Based Capital ("RBC") requirements as specified by the NAIC. Under those requirements, the amount of capital and surplus maintained by a life and health insurance company is to be determined based on the various risk factors related to it. At December 31, 2002, the Company meets the RBC requirements.

ReliaStar Life Insurance Company
Notes to Financial Statements (continued)

20. Unpaid Accident and Health Claims

The change in the liability for unpaid accident and health claims and claim adjustment expenses is summarized as follows:

	December 31	
	2002	2001
	<i>(In Thousands)</i>	
Balance at January 1	\$1,224,123	\$1,124,478
Less reinsurance recoverables	166,765	374,000
Net balance at January 1	\$1,057,358	\$ 750,478
Incurred related to:		
Current year	375,385	633,993
Prior years	74,988	24,745
Total incurred	\$ 450,373	\$ 658,738
Paid related to:		
Current year	212,147	262,546
Prior years	90,920	89,312
Total paid	\$ 303,067	\$ 351,858
Net balance at December 31	1,204,664	1,057,358
Plus reinsurance recoverables	46,176	166,765
Balance at December 31	\$1,250,840	\$1,224,123

The liability for unpaid accident and health claims and claim adjustment expenses is included in Accident and Health Reserves and Unpaid Claims. During the third quarter of 2001 the Company's reinsurance operations recorded reserve related adjustments to reflect the increase in workers compensation claims due to events of September 11th at the World Trade Center.

ReliaStar Life Insurance Company
Notes to Financial Statements (continued)

21. Reconciliation to the Annual Statement

At December 31, 2002 and 2001, differences in amounts reported in the 2002 and 2001 Annual Statements, as revised, and amounts in the accompanying statutory-basis financial statements are due to the following:

	<u>Net Income</u>	<u>Capital and Surplus</u>
Amounts as reported in the 2002 Annual Statement	\$102,970,000	\$1,357,625,000
Effects of CARVM accounting policy change	(24,579,000)	-
Amounts as reported in the accompanying statutory-basis financial statements	<u>78,391,000</u>	<u>1,357,625,000</u>

	<u>Net Income</u>	<u>Capital and Surplus</u>
Amounts as reported in the 2001 Annual Statement	\$(262,728,000)	\$1,184,979,000
Effects of codification accounting change	52,000,000	-
Effects of CARVM accounting policy change	1,867,000	24,580,000
Amounts as reported in the accompanying statutory-basis financial statements	<u>208,861,000</u>	<u>1,209,559,000</u>

