

ING Insurance Company of America Variable Annuity Account I

Retirement Master

Supplement dated March 9, 2005 to the Contract Prospectus and Contract Prospectus Summary, each dated May 1, 2004, as supplemented on August 4, 2004, August 18, 2004, October 29, 2004 and November 3, 2004

The information in this Supplement updates and amends certain information contained in the Contract Prospectus and Contract Prospectus Summary. You should read this Supplement along with the current Contract Prospectus and Contract Prospectus Summary.

1. Effective March 30, 2005, the following new investment options will be available under your contract.

ING Oppenheimer Global Portfolio (Initial Class)
ING Oppenheimer Strategic Income Portfolio (Initial Class)

2. Effective March 30, 2005, the following investment options are no longer available and all references to these investment options in the Contract Prospectus and Contract Prospectus Summary are deleted:

ING Oppenheimer Global Portfolio – Service Class
Janus Aspen Balanced Portfolio – Institutional Shares
Janus Aspen Flexible Income Portfolio – Institutional Shares
Janus Aspen Growth Portfolio – Institutional Shares
Janus Aspen Mid Cap Growth Portfolio – Institutional Shares
Janus Aspen Worldwide Growth Portfolio – Institutional Shares
Oppenheimer Global Securities Fund/VA
Oppenheimer Strategic Bond Fund/VA

3. The minimum and maximum total fund operating expenses shown in the Contract Prospectus will not change with the addition of the funds in Item 1 of this supplement or the deletion of the funds in Item 2 of this supplement. Therefore, there is no change to the hypothetical examples shown in the Contract Prospectus and Contract Prospectus Summary.
4. The following adds information about the new funds to the Fund Expense Table beginning on page 7 of the Contract Prospectus.

| <u>Fund Name</u> | <u>Management (Advisory) Fees</u> | <u>12b-1 Fee</u> | <u>Other Expenses</u> | <u>Total Annual Fund Operating Expenses</u> | <u>Fees and Expenses Waived or Reimbursed</u> | <u>Net Annual Fund Operating Expenses</u> |
|---|---|----------------------|---------------------------|---|---|---|
| ING Oppenheimer Global Portfolio (Initial Class) ⁽³⁷⁾ | 0.60% | -- | 0.06% | 0.66% | -- | 0.66% |
| ING Oppenheimer Strategic Income Portfolio (Initial Class) ⁽³⁸⁾ | 0.50% | -- | 0.04% | 0.54% | -- | 0.54% |

5. The Footnotes to "Fund Expense Table" beginning on page 10 of the Contract Prospectus are amended by adding the following footnotes:

- (37) Effective December 1, 2004, the administrative fees included in Other Expenses have been restated to reflect a decrease from 0.60% to 0.06% for ING Oppenheimer Global Portfolio.
(38) The fees and expenses shown are based on estimated expenses for the current fiscal year.

6. The following replaces the paragraph labeled "Limits Imposed by the Underlying Fund" in the Investment Options section in the Contract Prospectus.

Limits Imposed by Underlying Funds. Orders for the purchase of fund shares may be subject to acceptance or rejection by the underlying fund. We reserve the right to reject, without prior notice, any allocation of a purchase payment to a subaccount if the subaccount's investment in its corresponding fund is not accepted by the fund for any reason.

7. The following replaces the paragraphs under "Limits on Frequent or Disruptive Transfers" and "Limits Imposed by the Funds" in the Transfers section in the Contract Prospectus and in section "4. Investment Options" of the Contract Prospectus Summary.

Limits Imposed by Underlying Funds. Orders for the purchase of fund shares may be subject to acceptance or rejection by the underlying fund. We reserve the right to reject, without prior notice, any allocation of a purchase payment to a subaccount if the subaccount's investment in its corresponding fund is not accepted by the fund for any reason.

Limits on Frequent or Disruptive Transfers. The contract is not designed to serve as a vehicle for frequent trading. Frequent trading can disrupt management of a fund and raise its expenses through: 1) increased trading and transaction costs; 2) forced and unplanned portfolio turnover; 3) lost opportunity costs; and 4) large asset swings that decrease the fund's ability to provide maximum investment return to all contract holders and participants. This in turn can have an adverse effect on fund performance. Accordingly, individuals or organizations that use market-timing investment strategies and make frequent transfers should not purchase the contract.

We monitor transfer activity. With regard to frequent transfers, in the event that an individual's or organization's transfer activity:

1. exceeds our then-current monitoring standard for frequent trading;
2. is identified as problematic by an underlying fund even if the activity does not exceed our monitoring standard for frequent trading; or
3. if we determine in our sole discretion that such transfer activity may not be in the best interests of other contract holders or participants,

we will take the following actions to deter such activity. Upon the first violation, we will send a one time warning letter. A second violation will result in the suspension of trading privileges via facsimile, telephone, email and internet, and limit trading privileges to submission by regular U.S. mail for a period of six months. At the end of that period, trading privileges will be reinstated. If there is another violation after such rights are reinstated, we will suspend such privileges permanently. We will notify you in writing if we take any of these actions.

With regard to transfers initiated by a market-timing organization or individual or other party authorized to give transfer instructions on behalf of multiple contract owners or participants, we will also take the following actions, without prior notice: (1) not accepting transfer instructions from an agent acting on behalf of more than one contract holder or participant; and (2) not accepting preauthorized transfer forms from market timers or other entities acting on behalf of more than one contract holder or participant at a time.

Our current definition of frequent trading is more than one purchase and sale of the same underlying fund within a 30-day period. We do not count transfers associated with scheduled dollar cost averaging or automatic rebalancing programs and transfers involving certain de minimis amounts when determining whether trading activity is excessive. We reserve the right to modify our general standard, or the standard as it may apply to a particular fund, at any time without prior notice, depending on, among other factors, the needs of the underlying fund(s), the best interests of contract holders, participants and fund investors and/or state or federal regulatory requirements. If we modify such standard, it will be applied uniformly to all contract holders and participants or, as applicable, to all contract holders and participants investing in the underlying fund.

In addition, if, due to the excessive dollar amounts of trades, even though not within our then current definition of frequent trading, an individual's or organization's transfer activity is determined, in our sole discretion, to be disruptive, we will take the same actions as are described above to limit frequent transfers.

The Company does not allow waivers to the above policy. Our excessive trading policy may not be completely successful in preventing market timing or excessive trading activity.

8. The following information is added to Appendix III -- Description of Underlying Funds in the Contract Prospectus.

| Fund Name | Investment Adviser/ Subadviser | Investment Objective(s)/Summary of Principal Investment Strategies |
|---|---|--|
| ING Partners, Inc. -- ING Oppenheimer Global Portfolio (Initial Class) | ING Life Insurance and Annuity Company Subadviser: OppenheimerFunds, Inc. | Seeks capital appreciation. Invests mainly in common stocks of companies in the U.S. and foreign countries. Can invest without limit in foreign securities and can invest in any country, including countries with developed or emerging markets. |
| ING Partners, Inc. -- ING Oppenheimer Strategic Income Portfolio (Initial Class) | ING Life Insurance and Annuity Company Subadviser: OppenheimerFunds, Inc. | Seeks a high level of current income principally derived from interest on debt securities. Invests mainly in debt securities of issuers in three market sectors: foreign governments and companies; U.S. Government securities; and lower-grade high-yield securities of U.S. and foreign companies. |

9. Appendix IV – Condensed Financial Information in the Contract Prospectus is amended by updating the tables to add (1) the accumulation unit value (AUV) at the beginning of the period, (2) the AUV at the end of the period and (3) the total number of accumulation units outstanding at the end of the period for each subaccount of Variable Annuity Account C available under the contracts for the period ended September 30, 2004. For those subaccounts that commenced operations during the period ended September 30, 2004 the "Value at beginning of period" shown is the value at first date of investment. For those subaccounts that ended operations during the period ended September 30, 2004 the "Value at end of period" shown is the value at the last date of investment. The update to Appendix IV – Condensed Financial Information is attached at the end of this supplement as Exhibit I.

10. The following information is added to the Fund Expense Table on page 6 of the Contract Prospectus Summary.

| | Column 1 | Column 2 | Column 3 | Column 4 | Column 5 |
|--|--|--|--|---|--|
| | Maximum Mortality and Expense Risk Charge | Maximum Administrative Expense Charge (Not Currently Charged) | Maximum Total Subaccount Annual Charges | Total Annual Fund Operating Expenses | Total Annual Expenses (Subaccount Plus Fund Expenses) |
| ING Oppenheimer Global Portfolio (Initial Class) | 1.00% | 0.25% | 1.25% | 0.66% | 1.91% |
| ING Oppenheimer Strategic Income Portfolio (Initial Class) | 1.00% | 0.25% | 1.25% | 0.54% | 1.79% |

EXHIBIT I

CONDENSED FINANCIAL INFORMATION

(Selected data for accumulation units outstanding as of September 30, 2004)

| | <u>2004</u> |
|---|-------------|
| AIM V.I. CAPITAL APPRECIATION FUND | |
| Value at beginning of period | \$7.69 |
| Value at end of period | \$7.40 |
| Number of accumulation units outstanding at end of period | 1,871 |
| AIM V.I. CORE EQUITY FUND | |
| Value at beginning of period | \$7.54 |
| Value at end of period | \$7.58 |
| Number of accumulation units outstanding at end of period | 339,116 |
| AIM V.I. GROWTH FUND | |
| Value at beginning of period | \$5.07 |
| Value at end of period | \$4.93 |
| Number of accumulation units outstanding at end of period | 331,136 |
| AIM V.I. PREMIER EQUITY FUND | |
| Value at beginning of period | \$6.76 |
| Value at end of period | \$6.54 |
| Number of accumulation units outstanding at end of period | 351,634 |
| CALVERT SOCIAL BALANCED PORTFOLIO | |
| Value at beginning of period | \$9.49 |
| Value at end of period | \$9.63 |
| Number of accumulation units outstanding at end of period | 30 |
| FIDELITY® VIP CONTRAFUND® PORTFOLIO | |
| Value at beginning of period | \$10.12 |
| Value at end of period | \$10.62 |
| Number of accumulation units outstanding at end of period | 3,463 |
| FIDELITY® VIP EQUITY-INCOME PORTFOLIO | |
| Value at beginning of period | \$10.76 |
| Value at end of period | \$10.90 |
| Number of accumulation units outstanding at end of period | 3,104 |
| FIDELITY® VIP GROWTH PORTFOLIO | |
| Value at beginning of period | \$7.32 |
| Value at end of period | \$6.92 |
| Number of accumulation units outstanding at end of period | 1,744,603 |
| ING SALOMON BROTHERS AGGRESSIVE GROWTH PORTFOLIO | |
| Value at beginning of period | \$5.63 |
| Value at end of period | \$5.65 |
| Number of accumulation units outstanding at end of period | 3,194 |
| ING T. ROWE PRICE GROWTH EQUITY PORTFOLIO | |
| Value at beginning of period | \$9.42 |
| Value at end of period | \$9.27 |
| Number of accumulation units outstanding at end of period | 5,632 |
| ING VP BALANCED PORTFOLIO, INC. | |
| Value at beginning of period | \$10.24 |
| Value at end of period | \$10.44 |
| Number of accumulation units outstanding at end of period | 903,372 |
| ING VP GLOBAL SCIENCE AND TECHNOLOGY PORTFOLIO | |
| Value at beginning of period | \$3.73 |
| Value at end of period | \$3.20 |
| Number of accumulation units outstanding at end of period | 390,176 |
| ING VP GROWTH AND INCOME PORTFOLIO | |
| Value at beginning of period | \$7.04 |
| Value at end of period | \$6.89 |
| Number of accumulation units outstanding at end of period | 4,521 |
| ING VP GROWTH PORTFOLIO | |
| Value at beginning of period | \$6.45 |
| Value at end of period | \$6.18 |
| Number of accumulation units outstanding at end of period | 289,930 |

Condensed Financial Information (continued)

| | <u>2004</u> |
|--|-------------|
| ING VP INDEX PLUS LARGE CAP PORTFOLIO | |
| Value at beginning of period | \$8.03 |
| Value at end of period | \$8.07 |
| Number of accumulation units outstanding at end of period | 1,427,412 |
| ING VP INDEX PLUS MIDCAP PORTFOLIO | |
| Value at beginning of period | \$14.31 |
| Value at end of period | \$14.82 |
| Number of accumulation units outstanding at end of period | 5,525 |
| ING VP INDEX PLUS SMALLCAP PORTFOLIO | |
| Value at beginning of period | \$13.85 |
| Value at end of period | \$14.83 |
| Number of accumulation units outstanding at end of period | 46 |
| ING VP INTERMEDIATE BOND PORTFOLIO | |
| Value at beginning of period | \$13.36 |
| Value at end of period | \$13.45 |
| Number of accumulation units outstanding at end of period | 13,588 |
| ING VP INTERNATIONAL EQUITY PORTFOLIO | |
| Value at beginning of period | \$6.87 |
| Value at end of period | \$7.00 |
| Number of accumulation units outstanding at end of period | 23,682 |
| ING VP INTERNATIONAL VALUE PORTFOLIO | |
| Value at beginning of period | \$10.55 |
| Value at end of period | \$10.61 |
| Number of accumulation units outstanding at end of period | 4,430 |
| ING VP MONEY MARKET PORTFOLIO | |
| Value at beginning of period | \$10.96 |
| Value at end of period | \$10.95 |
| Number of accumulation units outstanding at end of period | 174,448 |
| ING VP SMALL COMPANY PORTFOLIO | |
| Value at beginning of period | \$12.67 |
| Value at end of period | \$12.67 |
| Number of accumulation units outstanding at end of period | 516,989 |
| ING VP VALUE OPPORTUNITY PORTFOLIO | |
| Value at beginning of period | \$9.08 |
| Value at end of period | \$9.23 |
| Number of accumulation units outstanding at end of period | 6,703 |
| JANUS ASPEN BALANCED PORTFOLIO | |
| Value at beginning of period | \$10.29 |
| Value at end of period | \$10.43 |
| Number of accumulation units outstanding at end of period | 2,588 |
| JANUS ASPEN FLEXIBLE INCOME PORTFOLIO | |
| Value at beginning of period | \$13.09 |
| Value at end of period | \$13.30 |
| Number of accumulation units outstanding at end of period | 1,288 |
| JANUS ASPEN GROWTH PORTFOLIO | |
| Value at beginning of period | \$6.61 |
| Value at end of period | \$6.23 |
| Number of accumulation units outstanding at end of period | 4,784 |
| JANUS ASPEN MID CAP GROWTH PORTFOLIO | |
| Value at beginning of period | \$5.04 |
| Value at end of period | \$5.25 |
| Number of accumulation units outstanding at end of period | 833,349 |
| JANUS ASPEN WORLDWIDE GROWTH PORTFOLIO | |
| Value at beginning of period | \$7.14 |
| Value at end of period | \$6.71 |
| Number of accumulation units outstanding at end of period | 272,085 |
| LORD ABBETT SERIES FUND GROWTH AND INCOME PORTFOLIO | |
| Value at beginning of period | \$10.40 |
| Value at end of period | \$10.31 |
| Number of accumulation units outstanding at end of period | 21,577 |
| OPPENHEIMER GLOBAL SECURITIES FUND/VA | |
| Value at beginning of period | \$12.02 |
| Value at end of period | \$12.23 |
| Number of accumulation units outstanding at end of period | 652,145 |
| OPPENHEIMER STRATEGIC BOND FUND/VA | |
| Value at beginning of period | \$13.20 |
| Value at end of period | \$13.59 |
| Number of accumulation units outstanding at end of period | 169,246 |

ING Insurance Company of America Variable Annuity Account I

Retirement Master

Supplement dated March 9, 2005 to the Statement of Additional Information dated May 1, 2004, as supplemented on August 4, 2004, August 18, 2004 and November 3, 2004

The information in this Supplement updates and amends certain information contained in the Statement of Additional Information (SAI). You should read this Supplement along with the current SAI.

1. Effective March 30, 2005, the following new investment options will be available under your contract.

ING Oppenheimer Global Portfolio (Initial Class)
ING Oppenheimer Strategic Income Portfolio (Initial Class)

2. Effective March 30, 2005, the following investment options are no longer available and all references to these investment options in the SAI are deleted:

ING Oppenheimer Global Portfolio – Service Class
Janus Aspen Balanced Portfolio – Institutional Shares
Janus Aspen Flexible Income Portfolio – Institutional Shares
Janus Aspen Growth Portfolio – Institutional Shares
Janus Aspen Mid Cap Growth Portfolio – Institutional Shares
Janus Aspen Worldwide Growth Portfolio – Institutional Shares
Oppenheimer Global Securities Fund/VA
Oppenheimer Strategic Bond Fund/VA

3. The following unaudited financial statement information for the period ended September 30, 2004 is added to the Financial Statements of the Separate Account and to the Financial Statements of ING Insurance Company of America.

FINANCIAL STATEMENTS (UNAUDITED)
ING Insurance Company of America
Variable Annuity Account I
Nine months ended September 30, 2004

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ING INSURANCE COMPANY OF AMERICA
VARIABLE ANNUITY ACCOUNT I
Financial Statements
Nine months ended September 30, 2004
(Unaudited)

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ING INSURANCE COMPANY OF AMERICA
VARIABLE ANNUITY ACCOUNT I
Statements of Assets and Liabilities
September 30, 2004
(Dollars in thousands, except for unit data)
(Unaudited)

| | AIM V.I. Capital Appreciation | AIM V.I. Core Equity | AIM V.I. Growth | AIM V.I. Premier Equity | Alger American Balanced |
|-------------------------------------|--|-------------------------------------|----------------------------|--|--|
| Assets | | | | | |
| Investments in mutual funds | | | | | |
| at fair value | \$ 14 | \$ 2,576 | \$ 1,632 | \$ 2,300 | \$ 405 |
| Total assets | 14 | 2,576 | 1,632 | 2,300 | 405 |
| Net assets | <u>\$ 14</u> | <u>\$ 2,576</u> | <u>\$ 1,632</u> | <u>\$ 2,300</u> | <u>\$ 405</u> |
| Net assets | | | | | |
| Accumulation units | \$ 14 | \$ 2,571 | \$ 1,632 | \$ 2,300 | \$ 405 |
| Contracts in payout (annuitization) | | | | | |
| period | - | 5 | - | - | - |
| Total net assets | <u>\$ 14</u> | <u>\$ 2,576</u> | <u>\$ 1,632</u> | <u>\$ 2,300</u> | <u>\$ 405</u> |
| Accumulation units outstanding: | | | | | |
| IICA I | - | - | - | - | 21,221.456 |
| IICA II | - | - | - | - | - |
| IICA III | <u>1,891.449</u> | <u>339,116.219</u> | <u>331,135.794</u> | <u>351,633.835</u> | <u>-</u> |
| Accumulation unit value: | | | | | |
| IICA I | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 19.08</u> |
| IICA II | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| IICA III | <u>\$ 7.40</u> | <u>\$ 7.58</u> | <u>\$ 4.93</u> | <u>\$ 6.54</u> | <u>\$ -</u> |
| Total number of mutual fund shares | <u>679</u> | <u>121,349</u> | <u>112,494</u> | <u>116,610</u> | <u>31,884</u> |
| Cost of mutual fund shares | <u>\$ 14</u> | <u>\$ 2,338</u> | <u>\$ 1,762</u> | <u>\$ 2,258</u> | <u>\$ 405</u> |

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

ING INSURANCE COMPANY OF AMERICA
VARIABLE ANNUITY ACCOUNT I
Statements of Assets and Liabilities
September 30, 2004
(Dollars in thousands, except for unit data)
(Unaudited)

| | Alger American Income & Growth | Alger American Leveraged AllCap | American Century® VP Balanced | American Century® VP International | Calvert Social Balanced |
|-------------------------------------|---|--|--|---|--|
| Assets | | | | | |
| Investments in mutual funds | | | | | |
| at fair value | \$ 1,348 | \$ 1,422 | \$ 122 | \$ 437 | \$ 427 |
| Total assets | 1,348 | 1,422 | 122 | 437 | 427 |
| Net assets | <u>\$ 1,348</u> | <u>\$ 1,422</u> | <u>\$ 122</u> | <u>\$ 437</u> | <u>\$ 427</u> |
| Net assets | | | | | |
| Accumulation units | \$ 1,348 | \$ 1,422 | \$ 122 | \$ 437 | \$ 427 |
| Contracts in payout (annuitization) | | | | | |
| period | - | - | - | - | - |
| Total net assets | <u>\$ 1,348</u> | <u>\$ 1,422</u> | <u>\$ 122</u> | <u>\$ 437</u> | <u>\$ 427</u> |
| Accumulation units outstanding: | | | | | |
| IICA I | <u>69,471.904</u> | <u>78,358.452</u> | <u>7,780.539</u> | <u>30,945.998</u> | <u>27,649.749</u> |
| IICA II | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>9,779.937</u> |
| IICA III | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>30.339</u> |
| Accumulation unit value: | | | | | |
| IICA I | <u>\$ 19.40</u> | <u>\$ 18.15</u> | <u>\$ 15.62</u> | <u>\$ 14.13</u> | <u>\$ 11.44</u> |
| IICA II | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 11.31</u> |
| IICA III | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 9.63</u> |
| Total number of mutual fund shares | <u>147,323</u> | <u>52,955</u> | <u>17,769</u> | <u>67,770</u> | <u>237,585</u> |
| Cost of mutual fund shares | <u>\$ 1,470</u> | <u>\$ 1,567</u> | <u>\$ 112</u> | <u>\$ 437</u> | <u>\$ 399</u> |

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ING INSURANCE COMPANY OF AMERICA
VARIABLE ANNUITY ACCOUNT I
Statements of Assets and Liabilities
September 30, 2004
(Dollars in thousands, except for unit data)
(Unaudited)

| | Federated American Leaders | Federated Capital Income | Federated Equity Income | Federated Fund for US Government Securities | Federated High Income Bond |
|-------------------------------------|---|---|--|--|---|
| Assets | | | | | |
| Investments in mutual funds | | | | | |
| at fair value | \$ 68,681 | \$ 6,846 | \$ 15,139 | \$ 3,857 | \$ 12,614 |
| Total assets | 68,681 | 6,846 | 15,139 | 3,857 | 12,614 |
| Net assets | <u>\$ 68,681</u> | <u>\$ 6,846</u> | <u>\$ 15,139</u> | <u>\$ 3,857</u> | <u>\$ 12,614</u> |
| Net assets | | | | | |
| Accumulation units | \$ 68,607 | \$ 6,812 | \$ 15,090 | \$ 3,857 | \$ 12,599 |
| Contracts in payout (annuitization) | | | | | |
| period | 74 | 34 | 49 | - | 15 |
| Total net assets | <u>\$ 68,681</u> | <u>\$ 6,846</u> | <u>\$ 15,139</u> | <u>\$ 3,857</u> | <u>\$ 12,614</u> |
| Accumulation units outstanding: | | | | | |
| IICA I | <u>3,354,889.933</u> | <u>562,947.135</u> | <u>1,199,484.595</u> | <u>251,565.641</u> | <u>810,737.261</u> |
| IICA II | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| IICA III | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Accumulation unit value: | | | | | |
| IICA I | <u>\$ 20.45</u> | <u>\$ 12.10</u> | <u>\$ 12.58</u> | <u>\$ 15.33</u> | <u>\$ 15.54</u> |
| IICA II | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| IICA III | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| Total number of mutual fund shares | <u>3,618,594</u> | <u>821,831</u> | <u>1,234,850</u> | <u>335,418</u> | <u>1,596,680</u> |
| Cost of mutual fund shares | <u>\$ 71,638</u> | <u>\$ 9,570</u> | <u>\$ 16,356</u> | <u>\$ 3,908</u> | <u>\$ 12,029</u> |

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

ING INSURANCE COMPANY OF AMERICA
VARIABLE ANNUITY ACCOUNT I
Statements of Assets and Liabilities
September 30, 2004
(Dollars in thousands, except for unit data)
(Unaudited)

| | Federated International Equity | Federated Mid Cap Growth Strategies | Federated Prime Money | Fidelity® VIP Asset ManagerSM | Fidelity® VIP Contrafund® |
|-------------------------------------|---|--|--------------------------------------|---|--|
| Assets | | | | | |
| Investments in mutual funds | | | | | |
| at fair value | \$ 9,749 | \$ 17,193 | \$ 2,827 | \$ 4,810 | \$ 26,354 |
| Total assets | 9,749 | 17,193 | 2,827 | 4,810 | 26,354 |
| Net assets | <u>\$ 9,749</u> | <u>\$ 17,193</u> | <u>\$ 2,827</u> | <u>\$ 4,810</u> | <u>\$ 26,354</u> |
| Net assets | | | | | |
| Accumulation units | \$ 9,726 | \$ 17,193 | \$ 2,827 | \$ 4,810 | \$ 26,354 |
| Contracts in payout (annuitization) | | | | | |
| period | 23 | - | - | - | - |
| Total net assets | <u>\$ 9,749</u> | <u>\$ 17,193</u> | <u>\$ 2,827</u> | <u>\$ 4,810</u> | <u>\$ 26,354</u> |
| Accumulation units outstanding: | | | | | |
| IICA I | 691,260.013 | 894,976.652 | 230,923.295 | 228,927.619 | 1,009,024.647 |
| IICA II | - | - | - | 100,535.681 | 285,890.647 |
| IICA III | - | - | - | - | 3,462.949 |
| Accumulation unit value: | | | | | |
| IICA I | \$ 14.07 | \$ 19.21 | \$ 12.24 | \$ 15.99 | \$ 21.94 |
| IICA II | \$ - | \$ - | \$ - | \$ 11.43 | \$ 14.62 |
| IICA III | \$ - | \$ - | \$ - | \$ - | \$ 10.62 |
| Total number of mutual fund shares | 832,503 | 915,518 | 2,827,049 | 342,091 | 1,080,960 |
| Cost of mutual fund shares | <u>\$ 15,610</u> | <u>\$ 20,278</u> | <u>\$ 2,827</u> | <u>\$ 4,698</u> | <u>\$ 22,325</u> |

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VARIABLE ANNUITY ACCOUNT I
Statements of Assets and Liabilities
September 30, 2004
(Dollars in thousands, except for unit data)
(Unaudited)

| | Fidelity® VIP Equity- Income | Fidelity® VIP Growth | Fidelity® VIP High Income | Fidelity® VIP Index 500 | Fidelity® VIP Investment Grade Bond |
|-------------------------------------|---|-------------------------------------|--|--|--|
| Assets | | | | | |
| Investments in mutual funds | | | | | |
| at fair value | \$ 35,225 | \$ 27,292 | \$ 9,074 | \$ 22,113 | \$ 459 |
| Total assets | <u>35,225</u> | <u>27,292</u> | <u>9,074</u> | <u>22,113</u> | <u>459</u> |
| Net assets | <u>\$ 35,225</u> | <u>\$ 27,292</u> | <u>\$ 9,074</u> | <u>\$ 22,113</u> | <u>\$ 459</u> |
| Net assets | | | | | |
| Accumulation units | \$ 35,225 | \$ 27,292 | \$ 9,019 | \$ 22,113 | \$ 459 |
| Contracts in payout (annuitization) | | | | | |
| period | - | - | 55 | - | - |
| Total net assets | <u>\$ 35,225</u> | <u>\$ 27,292</u> | <u>\$ 9,074</u> | <u>\$ 22,113</u> | <u>\$ 459</u> |
| Accumulation units outstanding: | | | | | |
| IICA I | <u>1,614,013.042</u> | <u>853,811.748</u> | <u>657,492.647</u> | <u>1,020,571.026</u> | <u>28,821.532</u> |
| IICA II | <u>451,382.989</u> | <u>214,780.904</u> | <u>147,767.175</u> | <u>256,548.057</u> | <u>-</u> |
| IICA III | <u>3,103.674</u> | <u>1,744,603.238</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Accumulation unit value: | | | | | |
| IICA I | <u>\$ 18.40</u> | <u>\$ 15.06</u> | <u>\$ 11.75</u> | <u>\$ 18.88</u> | <u>\$ 15.92</u> |
| IICA II | <u>\$ 12.17</u> | <u>\$ 10.99</u> | <u>\$ 8.75</u> | <u>\$ 11.09</u> | <u>\$ -</u> |
| IICA III | <u>\$ 10.90</u> | <u>\$ 6.92</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| Total number of mutual fund shares | <u>1,516,995</u> | <u>924,854</u> | <u>1,356,344</u> | <u>175,220</u> | <u>35,031</u> |
| Cost of mutual fund shares | <u>\$ 31,386</u> | <u>\$ 26,545</u> | <u>\$ 8,515</u> | <u>\$ 19,824</u> | <u>\$ 444</u> |

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ING INSURANCE COMPANY OF AMERICA
VARIABLE ANNUITY ACCOUNT I
Statements of Assets and Liabilities
September 30, 2004
(Dollars in thousands, except for unit data)
(Unaudited)

| | Fidelity® VIP Overseas | ING VP Balanced | ING VP Emerging Markets | ING VP Intermediate Bond | ING VP Money Market |
|-------------------------------------|---------------------------------------|----------------------------|--|---|------------------------------------|
| Assets | | | | | |
| Investments in mutual funds | | | | | |
| at fair value | \$ 2,898 | \$ 14,041 | \$ 147 | \$ 10,035 | \$ 18,027 |
| Total assets | <u>2,898</u> | <u>14,041</u> | <u>147</u> | <u>10,035</u> | <u>18,027</u> |
| Net assets | <u>\$ 2,898</u> | <u>\$ 14,041</u> | <u>\$ 147</u> | <u>\$ 10,035</u> | <u>\$ 18,027</u> |
| Net assets | | | | | |
| Accumulation units | \$ 2,898 | \$ 13,987 | \$ 147 | \$ 10,028 | \$ 18,024 |
| Contracts in payout (annuitization) | | | | | |
| period | - | 54 | - | 7 | 3 |
| Total net assets | <u>\$ 2,898</u> | <u>\$ 14,041</u> | <u>\$ 147</u> | <u>\$ 10,035</u> | <u>\$ 18,027</u> |
| Accumulation units outstanding: | | | | | |
| IICA I | <u>175,229.459</u> | <u>198,818.279</u> | <u>14,726.060</u> | <u>513,185.017</u> | <u>901,558.811</u> |
| IICA II | <u>55,550.116</u> | <u>79,447.650</u> | <u>-</u> | <u>133,862.752</u> | <u>416,394.027</u> |
| IICA III | <u>-</u> | <u>903,372.251</u> | <u>-</u> | <u>13,588.466</u> | <u>174,448.591</u> |
| Accumulation unit value: | | | | | |
| IICA I | <u>\$ 13.34</u> | <u>\$ 17.93</u> | <u>\$ 9.96</u> | <u>\$ 15.55</u> | <u>\$ 12.53</u> |
| IICA II | <u>\$ 10.08</u> | <u>\$ 12.47</u> | <u>\$ -</u> | <u>\$ 13.93</u> | <u>\$ 11.57</u> |
| IICA III | <u>\$ -</u> | <u>\$ 10.44</u> | <u>\$ -</u> | <u>\$ 13.45</u> | <u>\$ 10.95</u> |
| Total number of mutual fund shares | <u>189,011</u> | <u>1,116,154</u> | <u>21,371</u> | <u>733,563</u> | <u>1,399,261</u> |
| Cost of mutual fund shares | <u>\$ 2,579</u> | <u>\$ 13,077</u> | <u>\$ 123</u> | <u>\$ 10,029</u> | <u>\$ 17,979</u> |

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ING INSURANCE COMPANY OF AMERICA
VARIABLE ANNUITY ACCOUNT I
Statements of Assets and Liabilities
September 30, 2004
(Dollars in thousands, except for unit data)
(Unaudited)

| | ING VP Natural Resources | ING JPMorgan International | ING MFS Capital Opportunities | ING Salomon Brothers Aggressive Growth | ING T. Rowe Price Growth Equity |
|-------------------------------------|---|---|--|---|--|
| Assets | | | | | |
| Investments in mutual funds | | | | | |
| at fair value | \$ 380 | \$ 2,266 | \$ 2,762 | \$ 9,266 | \$ 17,356 |
| Total assets | 380 | 2,266 | 2,762 | 9,266 | 17,356 |
| Net assets | <u>\$ 380</u> | <u>\$ 2,266</u> | <u>\$ 2,762</u> | <u>\$ 9,266</u> | <u>\$ 17,356</u> |
| Net assets | | | | | |
| Accumulation units | \$ 380 | \$ 2,242 | \$ 2,732 | \$ 9,262 | \$ 17,230 |
| Contracts in payout (annuitization) | | | | | |
| period | - | 24 | 30 | 4 | 126 |
| Total net assets | <u>\$ 380</u> | <u>\$ 2,266</u> | <u>\$ 2,762</u> | <u>\$ 9,266</u> | <u>\$ 17,356</u> |
| Accumulation units outstanding: | | | | | |
| IICA I | <u>23,571.516</u> | <u>168,010.768</u> | <u>178,212.560</u> | <u>936,805.665</u> | <u>889,495.547</u> |
| IICA II | <u>-</u> | <u>36,460.316</u> | <u>69,782.406</u> | <u>97,084.424</u> | <u>128,173.821</u> |
| IICA III | <u>-</u> | <u>-</u> | <u>-</u> | <u>3,193.629</u> | <u>5,632.020</u> |
| Accumulation unit value: | | | | | |
| IICA I | <u>\$ 16.10</u> | <u>\$ 11.06</u> | <u>\$ 11.16</u> | <u>\$ 9.04</u> | <u>\$ 17.54</u> |
| IICA II | <u>\$ -</u> | <u>\$ 10.54</u> | <u>\$ 10.65</u> | <u>\$ 7.98</u> | <u>\$ 12.30</u> |
| IICA III | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 5.65</u> | <u>\$ 9.27</u> |
| Total number of mutual fund shares | <u>22,238</u> | <u>209,836</u> | <u>113,476</u> | <u>251,512</u> | <u>386,802</u> |
| Cost of mutual fund shares | <u>\$ 303</u> | <u>\$ 2,080</u> | <u>\$ 2,526</u> | <u>\$ 7,697</u> | <u>\$ 16,778</u> |

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ING INSURANCE COMPANY OF AMERICA
VARIABLE ANNUITY ACCOUNT I
Statements of Assets and Liabilities
September 30, 2004
(Dollars in thousands, except for unit data)
(Unaudited)

| | ING UBS U.S. Large Cap Equity | ING VP Strategic Allocation Balanced | ING VP Strategic Allocation Growth | ING VP Strategic Allocation Income | ING VP Growth and Income |
|-------------------------------------|--|---|---|---|---|
| Assets | | | | | |
| Investments in mutual funds | | | | | |
| at fair value | \$ 6,624 | \$ 1,621 | \$ 1,597 | \$ 1,661 | \$ 9,961 |
| Total assets | <u>6,624</u> | <u>1,621</u> | <u>1,597</u> | <u>1,661</u> | <u>9,961</u> |
| Net assets | <u>\$ 6,624</u> | <u>\$ 1,621</u> | <u>\$ 1,597</u> | <u>\$ 1,661</u> | <u>\$ 9,961</u> |
| Net assets | | | | | |
| Accumulation units | \$ 6,624 | \$ 1,621 | \$ 1,597 | \$ 1,658 | \$ 9,905 |
| Contracts in payout (annuitization) | | | | | |
| period | - | - | - | 3 | 56 |
| Total net assets | <u>\$ 6,624</u> | <u>\$ 1,621</u> | <u>\$ 1,597</u> | <u>\$ 1,661</u> | <u>\$ 9,961</u> |
| Accumulation units outstanding: | | | | | |
| IICA I | <u>660,555.047</u> | <u>97,690.003</u> | <u>97,798.216</u> | <u>89,937.991</u> | <u>533,575.962</u> |
| IICA II | <u>71,522.359</u> | <u>10,206.550</u> | <u>6,428.766</u> | <u>21,383.801</u> | <u>323,410.206</u> |
| IICA III | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>4,521.499</u> |
| Accumulation unit value: | | | | | |
| IICA I | <u>\$ 8.96</u> | <u>\$ 15.45</u> | <u>\$ 15.65</u> | <u>\$ 15.62</u> | <u>\$ 13.54</u> |
| IICA II | <u>\$ 9.87</u> | <u>\$ 10.91</u> | <u>\$ 10.31</u> | <u>\$ 11.83</u> | <u>\$ 8.19</u> |
| IICA III | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 6.89</u> |
| Total number of mutual fund shares | <u>854,772</u> | <u>125,145</u> | <u>118,544</u> | <u>133,746</u> | <u>557,398</u> |
| Cost of mutual fund shares | <u>\$ 6,709</u> | <u>\$ 1,533</u> | <u>\$ 1,470</u> | <u>\$ 1,555</u> | <u>\$ 8,483</u> |

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ING INSURANCE COMPANY OF AMERICA
VARIABLE ANNUITY ACCOUNT I
Statements of Assets and Liabilities
September 30, 2004
(Dollars in thousands, except for unit data)
(Unaudited)

| | ING VP Global Science and Technology | ING VP Growth | ING VP Index Plus LargeCap | ING VP Index Plus MidCap | ING VP Index Plus SmallCap |
|-------------------------------------|---|--------------------------|---|---|---|
| Assets | | | | | |
| Investments in mutual funds | | | | | |
| at fair value | \$ 2,129 | \$ 2,946 | \$ 16,991 | \$ 82 | \$ 1 |
| Total assets | <u>2,129</u> | <u>2,946</u> | <u>16,991</u> | <u>82</u> | <u>1</u> |
| Net assets | <u>\$ 2,129</u> | <u>\$ 2,946</u> | <u>\$ 16,991</u> | <u>\$ 82</u> | <u>\$ 1</u> |
| Net assets | | | | | |
| Accumulation units | \$ 2,129 | \$ 2,863 | \$ 16,840 | \$ 82 | \$ 1 |
| Contracts in payout (annuitization) | | | | | |
| period | <u>-</u> | <u>83</u> | <u>151</u> | <u>-</u> | <u>-</u> |
| Total net assets | <u>\$ 2,129</u> | <u>\$ 2,946</u> | <u>\$ 16,991</u> | <u>\$ 82</u> | <u>\$ 1</u> |
| Accumulation units outstanding: | | | | | |
| IICA I | <u>266,064.988</u> | <u>62,669.032</u> | <u>240,023.661</u> | <u>-</u> | <u>-</u> |
| IICA II | <u>14,396.292</u> | <u>28,894.423</u> | <u>113,143.274</u> | <u>-</u> | <u>-</u> |
| IICA III | <u>390,175.838</u> | <u>289,929.708</u> | <u>1,427,412.402</u> | <u>5,525.103</u> | <u>46.073</u> |
| Accumulation unit value: | | | | | |
| IICA I | <u>\$ 3.14</u> | <u>\$ 12.77</u> | <u>\$ 16.81</u> | <u>\$ -</u> | <u>\$ -</u> |
| IICA II | <u>\$ 3.16</u> | <u>\$ 9.36</u> | <u>\$ 11.37</u> | <u>\$ -</u> | <u>\$ -</u> |
| IICA III | <u>\$ 3.20</u> | <u>\$ 6.18</u> | <u>\$ 8.07</u> | <u>\$ 14.82</u> | <u>\$ 14.83</u> |
| Total number of mutual fund shares | <u>637,522</u> | <u>342,184</u> | <u>1,252,132</u> | <u>5,039</u> | <u>47</u> |
| Cost of mutual fund shares | <u>\$ 2,305</u> | <u>\$ 2,914</u> | <u>\$ 15,180</u> | <u>\$ 70</u> | <u>\$ 1</u> |

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ING INSURANCE COMPANY OF AMERICA
VARIABLE ANNUITY ACCOUNT I
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September 30, 2004
(Dollars in thousands, except for unit data)
(Unaudited)

| | ING VP International Equity | ING VP International Value | ING VP Small Company | ING VP Value Opportunity | Janus Aspen Series Balanced |
|-------------------------------------|--|---|-------------------------------------|---|--|
| Assets | | | | | |
| Investments in mutual funds | | | | | |
| at fair value | \$ 770 | \$ 47 | \$ 14,416 | \$ 3,632 | \$ 11,720 |
| Total assets | 770 | 47 | 14,416 | 3,632 | 11,720 |
| Net assets | <u>\$ 770</u> | <u>\$ 47</u> | <u>\$ 14,416</u> | <u>\$ 3,632</u> | <u>\$ 11,720</u> |
| Net assets | | | | | |
| Accumulation units | \$ 770 | \$ 47 | \$ 14,056 | \$ 3,632 | \$ 11,720 |
| Contracts in payout (annuitization) | | | | | |
| period | - | - | 360 | - | - |
| Total net assets | <u>\$ 770</u> | <u>\$ 47</u> | <u>\$ 14,416</u> | <u>\$ 3,632</u> | <u>\$ 11,720</u> |
| Accumulation units outstanding: | | | | | |
| IICA I | 63,660.364 | - | 313,506.840 | 169,544.914 | 403,722.707 |
| IICA II | 9,843.339 | - | 102,562.907 | 62,280.708 | 165,005.238 |
| IICA III | 23,681.970 | 4,429.759 | 516,988.901 | 6,702.892 | 2,587.689 |
| Accumulation unit value: | | | | | |
| IICA I | \$ 8.21 | \$ - | \$ 19.37 | \$ 16.58 | \$ 22.76 |
| IICA II | \$ 8.29 | \$ - | \$ 13.97 | \$ 12.18 | \$ 15.18 |
| IICA III | \$ 7.00 | \$ 10.61 | \$ 12.67 | \$ 9.23 | \$ 10.43 |
| Total number of mutual fund shares | 100,519 | 4,152 | 820,467 | 296,218 | 503,668 |
| Cost of mutual fund shares | <u>\$ 769</u> | <u>\$ 46</u> | <u>\$ 12,765</u> | <u>\$ 3,683</u> | <u>\$ 11,220</u> |

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ING INSURANCE COMPANY OF AMERICA
VARIABLE ANNUITY ACCOUNT I
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| | Janus Aspen Series Flexible Income | Janus Aspen Series Growth | Janus Aspen Series MidCap Growth | Janus Aspen Series Worldwide Growth | Lord Abbett Growth and Income |
|-------------------------------------|---|--|---|--|--|
| Assets | | | | | |
| Investments in mutual funds | | | | | |
| at fair value | \$ 4,124 | \$ 7,107 | \$ 9,962 | \$ 21,305 | \$ 222 |
| Total assets | <u>4,124</u> | <u>7,107</u> | <u>9,962</u> | <u>21,305</u> | <u>222</u> |
| Net assets | <u>\$ 4,124</u> | <u>\$ 7,107</u> | <u>\$ 9,962</u> | <u>\$ 21,305</u> | <u>\$ 222</u> |
| Net assets | | | | | |
| Accumulation units | \$ 4,124 | \$ 7,032 | \$ 9,962 | \$ 21,225 | \$ 222 |
| Contracts in payout (annuitization) | | | | | |
| period | - | 75 | - | 80 | - |
| Total net assets | <u>\$ 4,124</u> | <u>\$ 7,107</u> | <u>\$ 9,962</u> | <u>\$ 21,305</u> | <u>\$ 222</u> |
| Accumulation units outstanding: | | | | | |
| IICA I | <u>189,446.412</u> | <u>387,044.210</u> | <u>331,377.133</u> | <u>968,229.819</u> | <u>-</u> |
| IICA II | <u>61,905.883</u> | <u>100,235.472</u> | <u>63,772.086</u> | <u>205,690.600</u> | <u>-</u> |
| IICA III | <u>1,288.440</u> | <u>4,783.893</u> | <u>833,349.118</u> | <u>272,084.773</u> | <u>21,577.192</u> |
| Accumulation unit value: | | | | | |
| IICA I | <u>\$ 17.14</u> | <u>\$ 15.47</u> | <u>\$ 14.65</u> | <u>\$ 17.81</u> | <u>\$ -</u> |
| IICA II | <u>\$ 13.88</u> | <u>\$ 10.12</u> | <u>\$ 11.49</u> | <u>\$ 10.48</u> | <u>\$ -</u> |
| IICA III | <u>\$ 13.30</u> | <u>\$ 6.23</u> | <u>\$ 5.25</u> | <u>\$ 6.71</u> | <u>\$ 10.31</u> |
| Total number of mutual fund shares | <u>331,754</u> | <u>389,184</u> | <u>444,131</u> | <u>874,964</u> | <u>8,930</u> |
| Cost of mutual fund shares | <u>\$ 4,131</u> | <u>\$ 6,334</u> | <u>\$ 8,011</u> | <u>\$ 20,576</u> | <u>\$ 220</u> |

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ING INSURANCE COMPANY OF AMERICA
VARIABLE ANNUITY ACCOUNT I
Statements of Assets and Liabilities
September 30, 2004
(Dollars in thousands, except for unit data)
(Unaudited)

| | MFS® Strategic Income | MFS® Total Return | Oppenheimer Aggressive Growth | Oppenheimer Global Securities | Oppenheimer Main Street |
|-------------------------------------|--------------------------------------|----------------------------------|--|--|--|
| Assets | | | | | |
| Investments in mutual funds | | | | | |
| at fair value | \$ 1,074 | \$ 17,221 | \$ 3,825 | \$ 16,911 | \$ 7,709 |
| Total assets | 1,074 | 17,221 | 3,825 | 16,911 | 7,709 |
| Net assets | <u>\$ 1,074</u> | <u>\$ 17,221</u> | <u>\$ 3,825</u> | <u>\$ 16,911</u> | <u>\$ 7,709</u> |
| Net assets | | | | | |
| Accumulation units | \$ 1,074 | \$ 17,221 | \$ 3,825 | \$ 16,911 | \$ 7,636 |
| Contracts in payout (annuitization) | | | | | |
| period | - | - | - | - | 73 |
| Total net assets | <u>\$ 1,074</u> | <u>\$ 17,221</u> | <u>\$ 3,825</u> | <u>\$ 16,911</u> | <u>\$ 7,709</u> |
| Accumulation units outstanding: | | | | | |
| IICA I | <u>65,209.143</u> | <u>758,770.602</u> | <u>218,363.234</u> | <u>372,596.004</u> | <u>441,588.009</u> |
| IICA II | <u>15,415.494</u> | <u>238,214.242</u> | <u>80,345.145</u> | <u>86,693.438</u> | <u>214,771.569</u> |
| IICA III | <u>-</u> | <u>-</u> | <u>-</u> | <u>652,145.387</u> | <u>-</u> |
| Accumulation unit value: | | | | | |
| IICA I | <u>\$ 13.38</u> | <u>\$ 18.30</u> | <u>\$ 13.49</u> | <u>\$ 20.02</u> | <u>\$ 12.57</u> |
| IICA II | <u>\$ 13.06</u> | <u>\$ 14.00</u> | <u>\$ 10.95</u> | <u>\$ 17.03</u> | <u>\$ 9.71</u> |
| IICA III | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 12.23</u> | <u>\$ -</u> |
| Total number of mutual fund shares | <u>98,672</u> | <u>860,206</u> | <u>97,849</u> | <u>666,293</u> | <u>402,571</u> |
| Cost of mutual fund shares | <u>\$ 1,057</u> | <u>\$ 16,078</u> | <u>\$ 3,638</u> | <u>\$ 14,778</u> | <u>\$ 6,867</u> |

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ING INSURANCE COMPANY OF AMERICA
VARIABLE ANNUITY ACCOUNT I
Statements of Assets and Liabilities
September 30, 2004
(Dollars in thousands, except for unit data)
(Unaudited)

| | Oppenheimer Strategic Bond |
|-------------------------------------|---|
| Assets | |
| Investments in mutual funds | |
| at fair value | \$ 8,832 |
| Total assets | 8,832 |
| Net assets | \$ 8,832 |
| Net assets | |
| Accumulation units | \$ 8,697 |
| Contracts in payout (annuitization) | |
| period | 135 |
| Total net assets | \$ 8,832 |
| Accumulation units outstanding: | |
| IICA I | 351,315.159 |
| IICA II | 91,990.697 |
| IICA III | 169,246.325 |
| Accumulation unit value: | |
| IICA I | \$ 14.65 |
| IICA II | \$ 13.59 |
| IICA III | \$ 13.59 |
| Total number of mutual fund shares | 1,776,999 |
| Cost of mutual fund shares | \$ 8,276 |

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

ING INSURANCE COMPANY OF AMERICA
VARIABLE ANNUITY ACCOUNT I
Statements of Operations
For the nine months ended September 30, 2004
(Dollars in thousands)
(Unaudited)

| | <u>AIM V.I. Capital Appreciation</u> | <u>AIM V.I. Core Equity</u> | <u>AIM V.I. Growth</u> | <u>AIM V.I. Premier Equity</u> | <u>Alger American Balanced</u> |
|--|--|-------------------------------------|----------------------------|--|--|
| Net investment income (loss) | | | | | |
| Income: | | | | | |
| Dividends | \$ - | \$ - | \$ - | \$ - | \$ 8 |
| Total investment income | - | - | - | - | 8 |
| Expenses: | | | | | |
| Mortality and expense risk and other charges | - | 19 | 13 | 18 | 5 |
| Total expenses | - | 19 | 13 | 18 | 5 |
| Net investment income (loss) | - | (19) | (13) | (18) | 3 |
| Realized and unrealized gain (loss) on investments | | | | | |
| Net realized gain (loss) on investments | - | (6) | (141) | (84) | 5 |
| Capital gains distributions | - | - | - | - | - |
| Total realized gain (loss) on investments and capital gains distributions | - | (6) | (141) | (84) | 5 |
| Net unrealized appreciation (depreciation) of investments | (1) | 39 | 105 | 17 | (22) |
| Net increase (decrease) in net assets resulting from operations | <u>\$ (1)</u> | <u>\$ 14</u> | <u>\$ (49)</u> | <u>\$ (85)</u> | <u>\$ (14)</u> |

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ING INSURANCE COMPANY OF AMERICA
VARIABLE ANNUITY ACCOUNT I
Statements of Operations
For the nine months ended September 30, 2004
(Dollars in thousands)
(Unaudited)

| | Alger American Income & Growth | Alger American Leveraged AllCap | American Century® VP Balanced | American Century® VP International | Calvert Social Balanced |
|--|---|--|--|---|--|
| Net investment income (loss) | | | | | |
| Income: | | | | | |
| Dividends | \$ 8 | \$ - | \$ 3 | \$ 3 | \$ - |
| Total investment income | 8 | - | 3 | 3 | - |
| Expenses: | | | | | |
| Mortality and expense risk and other charges | 16 | 17 | 2 | 5 | 4 |
| Total expenses | 16 | 17 | 2 | 5 | 4 |
| Net investment income (loss) | (8) | (17) | 1 | (2) | (4) |
| Realized and unrealized gain (loss) on investments | | | | | |
| Net realized gain (loss) on investments | (22) | (10) | 3 | - | 6 |
| Capital gains distributions | - | - | - | - | - |
| Total realized gain (loss) on investments and capital gains distributions | (22) | (10) | 3 | - | 6 |
| Net unrealized appreciation (depreciation) of investments | (7) | (56) | (1) | 2 | 6 |
| Net increase (decrease) in net assets resulting from operations | <u>\$ (37)</u> | <u>\$ (83)</u> | <u>\$ 3</u> | <u>\$ -</u> | <u>\$ 8</u> |

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

ING INSURANCE COMPANY OF AMERICA
VARIABLE ANNUITY ACCOUNT I
Statements of Operations
For the nine months ended September 30, 2004
(Dollars in thousands)
(Unaudited)

| | Federated American Leaders | Federated Capital Income | Federated Equity Income | Federated Fund for US Government Securities | Federated High Income Bond |
|--|---|---|--|--|---|
| Net investment income (loss) | | | | | |
| Income: | | | | | |
| Dividends | \$ 1,102 | \$ 340 | \$ 319 | \$ 210 | \$ 965 |
| Total investment income | 1,102 | 340 | 319 | 210 | 965 |
| Expenses: | | | | | |
| Mortality and expense risk and other charges | 804 | 78 | 171 | 48 | 140 |
| Total expenses | 804 | 78 | 171 | 48 | 140 |
| Net investment income (loss) | 298 | 262 | 148 | 162 | 825 |
| Realized and unrealized gain (loss) on investments | | | | | |
| Net realized gain (loss) on investments | 743 | (1,144) | (240) | 42 | (454) |
| Capital gains distributions | - | - | - | 25 | - |
| Total realized gain (loss) on investments and capital gains distributions | 743 | (1,144) | (240) | 67 | (454) |
| Net unrealized appreciation (depreciation) of investments | (1,173) | 1,035 | 432 | (159) | 310 |
| Net increase (decrease) in net assets resulting from operations | <u>\$ (132)</u> | <u>\$ 153</u> | <u>\$ 340</u> | <u>\$ 70</u> | <u>\$ 681</u> |

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

ING INSURANCE COMPANY OF AMERICA
VARIABLE ANNUITY ACCOUNT I
Statements of Operations
For the nine months ended September 30, 2004
(Dollars in thousands)
(Unaudited)

| | Federated International Equity | Federated Mid Cap Growth Strategies | Federated Prime Money | Fidelity® VIP Asset ManagerSM | Fidelity® VIP Contrafund® |
|--|---|--|--------------------------------------|---|--|
| Net investment income (loss) | | | | | |
| Income: | | | | | |
| Dividends | \$ - | \$ - | \$ 15 | \$ 170 | \$ 91 |
| Total investment income | - | - | 15 | 170 | 91 |
| Expenses: | | | | | |
| Mortality and expense risk and other charges | 115 | 199 | 34 | 62 | 274 |
| Total expenses | 115 | 199 | 34 | 62 | 274 |
| Net investment income (loss) | (115) | (199) | (19) | 108 | (183) |
| Realized and unrealized gain (loss) on investments | | | | | |
| Net realized gain (loss) on investments | (742) | 235 | - | 58 | 592 |
| Capital gains distributions | - | - | - | - | - |
| Total realized gain (loss) on investments and capital gains distributions | (742) | 235 | - | 58 | 592 |
| Net unrealized appreciation (depreciation) of investments | 862 | 350 | - | (238) | 785 |
| Net increase (decrease) in net assets resulting from operations | \$ 5 | \$ 386 | \$ (19) | \$ (72) | \$ 1,194 |

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

ING INSURANCE COMPANY OF AMERICA
VARIABLE ANNUITY ACCOUNT I
Statements of Operations
For the nine months ended September 30, 2004
(Dollars in thousands)
(Unaudited)

| | Fidelity® VIP Equity- Income | Fidelity® VIP Growth | Fidelity® VIP High Income | Fidelity® VIP Index 500 | Fidelity® VIP Investment Grade Bond |
|--|---|-------------------------------------|--|--|--|
| Net investment income (loss) | | | | | |
| Income: | | | | | |
| Dividends | \$ 601 | \$ 78 | \$ 963 | \$ 342 | \$ 26 |
| Total investment income | 601 | 78 | 963 | 342 | 26 |
| Expenses: | | | | | |
| Mortality and expense risk and other charges | 386 | 268 | 106 | 258 | 6 |
| Total expenses | 386 | 268 | 106 | 258 | 6 |
| Net investment income (loss) | 215 | (190) | 857 | 84 | 20 |
| Realized and unrealized gain (loss) on investments | | | | | |
| Net realized gain (loss) on investments | 193 | (316) | 582 | (37) | 5 |
| Capital gains distributions | 144 | - | - | - | 19 |
| Total realized gain (loss) on investments and capital gains distributions | 337 | (316) | 582 | (37) | 24 |
| Net unrealized appreciation (depreciation) of investments | (168) | (1,211) | (1,087) | (4) | (33) |
| Net increase (decrease) in net assets resulting from operations | \$ 384 | \$ (1,717) | \$ 352 | \$ 43 | \$ 11 |

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

ING INSURANCE COMPANY OF AMERICA
VARIABLE ANNUITY ACCOUNT I
Statements of Operations
For the nine months ended September 30, 2004
(Dollars in thousands)
(Unaudited)

| | Fidelity® VIP Overseas | ING VP Balanced | ING VP Emerging Markets | ING VP Intermediate Bond | ING VP Money Market |
|--|---------------------------------------|----------------------------|--|---|------------------------------------|
| Net investment income (loss) | | | | | |
| Income: | | | | | |
| Dividends | \$ 36 | \$ 277 | \$ - | \$ 456 | \$ 184 |
| Total investment income | 36 | 277 | - | 456 | 184 |
| Expenses: | | | | | |
| Mortality and expense risk and other charges | 32 | 116 | 2 | 107 | 193 |
| Total expenses | 32 | 116 | 2 | 107 | 193 |
| Net investment income (loss) | 4 | 161 | (2) | 349 | (9) |
| Realized and unrealized gain (loss) on investments | | | | | |
| Net realized gain (loss) on investments | 66 | 89 | 5 | 110 | (52) |
| Capital gains distributions | - | - | - | 266 | - |
| Total realized gain (loss) on investments and capital gains distributions | 66 | 89 | 5 | 376 | (52) |
| Net unrealized appreciation (depreciation) of investments | (125) | (8) | (1) | (469) | (10) |
| Net increase (decrease) in net assets resulting from operations | <u>\$ (55)</u> | <u>\$ 242</u> | <u>\$ 2</u> | <u>\$ 256</u> | <u>\$ (71)</u> |

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

ING INSURANCE COMPANY OF AMERICA
VARIABLE ANNUITY ACCOUNT I
Statements of Operations
For the nine months ended September 30, 2004
(Dollars in thousands)
(Unaudited)

| | ING VP Natural Resources | ING JPMorgan International | ING MFS Capital Opportunities | ING Salomon Brothers Aggressive Growth | ING T. Rowe Price Growth Equity |
|--|---|---|--|---|--|
| Net investment income (loss) | | | | | |
| Income: | | | | | |
| Dividends | \$ 4 | \$ 25 | \$ 13 | \$ - | \$ 29 |
| Total investment income | 4 | 25 | 13 | - | 29 |
| Expenses: | | | | | |
| Mortality and expense risk and other charges | 4 | 22 | 31 | 112 | 199 |
| Total expenses | 4 | 22 | 31 | 112 | 199 |
| Net investment income (loss) | - | 3 | (18) | (112) | (170) |
| Realized and unrealized gain (loss) on investments | | | | | |
| Net realized gain (loss) on investments | 9 | 45 | 93 | (34) | 91 |
| Capital gains distributions | - | - | - | - | - |
| Total realized gain (loss) on investments and capital gains distributions | 9 | 45 | 93 | (34) | 91 |
| Net unrealized appreciation (depreciation) of investments | 17 | - | (72) | 181 | (305) |
| Net increase (decrease) in net assets resulting from operations | \$ 26 | \$ 48 | \$ 3 | \$ 35 | \$ (384) |

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

ING INSURANCE COMPANY OF AMERICA
VARIABLE ANNUITY ACCOUNT I
Statements of Operations
For the nine months ended September 30, 2004
(Dollars in thousands)
(Unaudited)

| | ING UBS U.S. Large Cap Equity | ING VP Strategic Allocation Balanced | ING VP Strategic Allocation Growth | ING VP Strategic Allocation Income | ING VP Growth and Income |
|--|--|---|---|---|---|
| Net investment income (loss) | | | | | |
| Income: | | | | | |
| Dividends | \$ 51 | \$ 19 | \$ 12 | \$ 30 | \$ 101 |
| Total investment income | 51 | 19 | 12 | 30 | 101 |
| Expenses: | | | | | |
| Mortality and expense risk and other charges | 71 | 14 | 13 | 17 | 112 |
| Total expenses | 71 | 14 | 13 | 17 | 112 |
| Net investment income (loss) | (20) | 5 | (1) | 13 | (11) |
| Realized and unrealized gain (loss) on investments | | | | | |
| Net realized gain (loss) on investments | (58) | 15 | 51 | 4 | 242 |
| Capital gains distributions | - | - | - | - | - |
| Total realized gain (loss) on investments and capital gains distributions | (58) | 15 | 51 | 4 | 242 |
| Net unrealized appreciation (depreciation) of investments | 264 | (4) | (27) | 13 | (472) |
| Net increase (decrease) in net assets resulting from operations | \$ 186 | \$ 16 | \$ 23 | \$ 30 | \$ (241) |

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

ING INSURANCE COMPANY OF AMERICA
VARIABLE ANNUITY ACCOUNT I
Statements of Operations
For the nine months ended September 30, 2004
(Dollars in thousands)
(Unaudited)

| | ING VP Global Science and Technology | ING VP Growth | ING VP Index Plus LargeCap | ING VP Index Plus MidCap | ING VP Index Plus SmallCap |
|--|---|--------------------------|---|---|---|
| Net investment income (loss) | | | | | |
| Income: | | | | | |
| Dividends | \$ - | \$ 4 | \$ 173 | \$ - | \$ - |
| Total investment income | - | 4 | 173 | - | - |
| Expenses: | | | | | |
| Mortality and expense risk and other charges | 20 | 26 | 139 | 1 | - |
| Total expenses | 20 | 26 | 139 | 1 | - |
| Net investment income (loss) | (20) | (22) | 34 | (1) | - |
| Realized and unrealized gain (loss) on investments | | | | | |
| Net realized gain (loss) on investments | 293 | (39) | 1 | 1 | 8 |
| Capital gains distributions | - | - | - | - | - |
| Total realized gain (loss) on investments and capital gains distributions | 293 | (39) | 1 | 1 | 8 |
| Net unrealized appreciation (depreciation) of investments | (614) | (85) | 18 | 2 | (5) |
| Net increase (decrease) in net assets resulting from operations | \$ (341) | \$ (146) | \$ 53 | \$ 2 | \$ 3 |

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

ING INSURANCE COMPANY OF AMERICA
VARIABLE ANNUITY ACCOUNT I
Statements of Operations
For the nine months ended September 30, 2004
(Dollars in thousands)
(Unaudited)

| | ING VP International Equity | ING VP International Value | ING VP Small Company | ING VP Value Opportunity | Janus Aspen Series Balanced |
|--|--|---|-------------------------------------|---|--|
| Net investment income (loss) | | | | | |
| Income: | | | | | |
| Dividends | \$ 9 | \$ - | \$ 42 | \$ 33 | \$ 98 |
| Total investment income | 9 | - | 42 | 33 | 98 |
| Expenses: | | | | | |
| Mortality and expense risk and other charges | 7 | - | 137 | 37 | 133 |
| Total expenses | 7 | - | 137 | 37 | 133 |
| Net investment income (loss) | 2 | - | (95) | (4) | (35) |
| Realized and unrealized gain (loss) on investments | | | | | |
| Net realized gain (loss) on investments | 52 | - | 521 | (36) | 43 |
| Capital gains distributions | - | - | - | - | - |
| Total realized gain (loss) on investments and capital gains distributions | 52 | - | 521 | (36) | 43 |
| Net unrealized appreciation (depreciation) of investments | (60) | 1 | (487) | 67 | 125 |
| Net increase (decrease) in net assets resulting from operations | <u>\$ (6)</u> | <u>\$ 1</u> | <u>\$ (61)</u> | <u>\$ 27</u> | <u>\$ 133</u> |

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

ING INSURANCE COMPANY OF AMERICA
VARIABLE ANNUITY ACCOUNT I
Statements of Operations
For the nine months ended September 30, 2004
(Dollars in thousands)
(Unaudited)

| | Janus Aspen Series Flexible Income | Janus Aspen Series Growth | Janus Aspen Series MidCap Growth | Janus Aspen Series Worldwide Growth | Lord Abbett Growth and Income |
|--|---|--|---|--|--|
| Net investment income (loss) | | | | | |
| Income: | | | | | |
| Dividends | \$ 107 | \$ 2 | \$ - | \$ 115 | \$ - |
| Total investment income | 107 | 2 | - | 115 | - |
| Expenses: | | | | | |
| Mortality and expense risk and other charges | 48 | 86 | 94 | 254 | - |
| Total expenses | 48 | 86 | 94 | 254 | - |
| Net investment income (loss) | 59 | (84) | (94) | (139) | - |
| Realized and unrealized gain (loss) on investments | | | | | |
| Net realized gain (loss) on investments | 71 | (74) | 695 | (503) | - |
| Capital gains distributions | 32 | - | - | - | - |
| Total realized gain (loss) on investments and capital gains distributions | 103 | (74) | 695 | (503) | - |
| Net unrealized appreciation (depreciation) of investments | (88) | (346) | (224) | (808) | 2 |
| Net increase (decrease) in net assets resulting from operations | \$ 74 | \$ (504) | \$ 377 | \$ (1,450) | \$ 2 |

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

ING INSURANCE COMPANY OF AMERICA
VARIABLE ANNUITY ACCOUNT I
Statements of Operations
For the nine months ended September 30, 2004
(Dollars in thousands)
(Unaudited)

| | MFS® Strategic Income | MFS® Total Return | Oppenheimer Aggressive Growth | Oppenheimer Global Securities | Oppenheimer Main Street |
|--|--------------------------------------|----------------------------------|--|--|--|
| Net investment income (loss) | | | | | |
| Income: | | | | | |
| Dividends | \$ 59 | \$ 288 | \$ - | \$ 193 | \$ 66 |
| Total investment income | 59 | 288 | - | 193 | 66 |
| Expenses: | | | | | |
| Mortality and expense risk and other charges | 12 | 181 | 45 | 141 | 81 |
| Total expenses | 12 | 181 | 45 | 141 | 81 |
| Net investment income (loss) | 47 | 107 | (45) | 52 | (15) |
| Realized and unrealized gain (loss) on investments | | | | | |
| Net realized gain (loss) on investments | 19 | 113 | 407 | 158 | 1 |
| Capital gains distributions | - | - | - | - | - |
| Total realized gain (loss) on investments and capital gains distributions | 19 | 113 | 407 | 158 | 1 |
| Net unrealized appreciation (depreciation) of investments | (33) | 300 | (156) | 4 | (27) |
| Net increase (decrease) in net assets resulting from operations | \$ 33 | \$ 520 | \$ 206 | \$ 214 | \$ (41) |

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

ING INSURANCE COMPANY OF AMERICA
VARIABLE ANNUITY ACCOUNT I
Statements of Operations
For the nine months ended September 30, 2004
(Dollars in thousands)
(Unaudited)

| | Oppenheimer Strategic Bond |
|--|---|
| Net investment income (loss) | |
| Income: | |
| Dividends | \$ 415 |
| Total investment income | 415 |
| Expenses: | |
| Mortality and expense risk and other charges | 80 |
| Total expenses | 80 |
| Net investment income (loss) | 335 |
| Realized and unrealized gain (loss) on investments | |
| Net realized gain (loss) on investments | 142 |
| Capital gains distributions | - |
| Total realized gain (loss) on investments and capital gains distributions | 142 |
| Net unrealized appreciation (depreciation) of investments | (257) |
| Net increase (decrease) in net assets resulting from operations | \$ 220 |

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

ING INSURANCE COMPANY OF AMERICA
VARIABLE ANNUITY ACCOUNT I
Statements of Changes in Net Assets
For the nine months ended September 30, 2004 and 2003
(Dollars in thousands)
(Unaudited)

| | AIM V.I. Capital Appreciation | AIM V.I. Core Equity | AIM V.I. Growth | AIM V.I. Premier Equity |
|--|-------------------------------------|----------------------------|--------------------|-------------------------------|
| Net assets at January 1, 2003 | \$ 6 | \$ 1,625 | \$ 1,170 | \$ 1,374 |
| Increase (decrease) in net assets | | | | |
| Operations: | | | | |
| Net investment income (loss) | - | (14) | (10) | (13) |
| Net realized gain (loss) on investments and capital gains distributions | - | (16) | (31) | (8) |
| Net unrealized appreciation (depreciation) of investments | 1 | 241 | 258 | 225 |
| Net increase (decrease) in net assets from operations | 1 | 211 | 217 | 204 |
| Changes from principal transactions: | | | | |
| Total unit transactions | 3 | 319 | 154 | 437 |
| Increase (decrease) in net assets derived from principal transactions | 3 | 319 | 154 | 437 |
| Total increase (decrease) | 4 | 530 | 371 | 641 |
| Net assets at September 30, 2003 | <u>\$ 10</u> | <u>\$ 2,155</u> | <u>\$ 1,541</u> | <u>\$ 2,015</u> |
| Net assets at January 1, 2004 | \$ 12 | \$ 2,525 | \$ 1,735 | \$ 2,269 |
| Increase (decrease) in net assets | | | | |
| Operations: | | | | |
| Net investment income (loss) | - | (19) | (13) | (18) |
| Net realized gain (loss) on investments and capital gains distributions | - | (6) | (141) | (84) |
| Net unrealized appreciation (depreciation) of investments | (1) | 39 | 105 | 17 |
| Net increase (decrease) in net assets from operations | (1) | 14 | (49) | (85) |
| Changes from principal transactions: | | | | |
| Total unit transactions | 3 | 37 | (54) | 116 |
| Increase (decrease) in net assets derived from principal transactions | 3 | 37 | (54) | 116 |
| Total increase (decrease) | 2 | 51 | (103) | 31 |
| Net assets at September 30, 2004 | <u>\$ 14</u> | <u>\$ 2,576</u> | <u>\$ 1,632</u> | <u>\$ 2,300</u> |

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

ING INSURANCE COMPANY OF AMERICA
VARIABLE ANNUITY ACCOUNT I
Statements of Changes in Net Assets
For the nine months ended September 30, 2004 and 2003
(Dollars in thousands)
(Unaudited)

| | Alger American Balanced | Alger American Income & Growth | Alger American Leveraged AllCap | American Century® VP Balanced |
|--|--|---|--|--|
| Net assets at January 1, 2003 | \$ 750 | \$ 1,479 | \$ 1,456 | \$ 277 |
| Increase (decrease) in net assets | | | | |
| Operations: | | | | |
| Net investment income (loss) | 8 | (11) | (16) | 4 |
| Net realized gain (loss) on investments and capital gains distributions | (12) | (51) | (62) | (6) |
| Net unrealized appreciation (depreciation) of investments | 80 | 268 | 364 | 25 |
| Net increase (decrease) in net assets from operations | 76 | 206 | 286 | 23 |
| Changes from principal transactions: | | | | |
| Total unit transactions | (226) | (164) | (165) | (99) |
| Increase (decrease) in net assets derived from principal transactions | (226) | (164) | (165) | (99) |
| Total increase (decrease) | (150) | 42 | 121 | (76) |
| Net assets at September 30, 2003 | <u>\$ 600</u> | <u>\$ 1,521</u> | <u>\$ 1,577</u> | <u>\$ 201</u> |
| Net assets at January 1, 2004 | \$ 630 | \$ 1,668 | \$ 1,660 | \$ 177 |
| Increase (decrease) in net assets | | | | |
| Operations: | | | | |
| Net investment income (loss) | 3 | (8) | (17) | 1 |
| Net realized gain (loss) on investments and capital gains distributions | 5 | (22) | (10) | 3 |
| Net unrealized appreciation (depreciation) of investments | (22) | (7) | (56) | (1) |
| Net increase (decrease) in net assets from operations | (14) | (37) | (83) | 3 |
| Changes from principal transactions: | | | | |
| Total unit transactions | (211) | (283) | (155) | (58) |
| Increase (decrease) in net assets derived from principal transactions | (211) | (283) | (155) | (58) |
| Total increase (decrease) | (225) | (320) | (238) | (55) |
| Net assets at September 30, 2004 | <u>\$ 405</u> | <u>\$ 1,348</u> | <u>\$ 1,422</u> | <u>\$ 122</u> |

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

ING INSURANCE COMPANY OF AMERICA
VARIABLE ANNUITY ACCOUNT I
Statements of Changes in Net Assets
For the nine months ended September 30, 2004 and 2003
(Dollars in thousands)
(Unaudited)

| | American Century® VP International | Calvert Social Balanced | Federated American Leaders | Federated Capital Income |
|--|---|--|---|---|
| Net assets at January 1, 2003 | \$ 477 | \$ 182 | \$ 78,300 | \$ 8,714 |
| Increase (decrease) in net assets | | | | |
| Operations: | | | | |
| Net investment income (loss) | (1) | (2) | 420 | 465 |
| Net realized gain (loss) on investments and capital gains distributions | (11) | (5) | (347) | (1,070) |
| Net unrealized appreciation (depreciation) of investments | 50 | 30 | 7,083 | 1,292 |
| Net increase (decrease) in net assets from operations | 38 | 23 | 7,156 | 687 |
| Changes from principal transactions: | | | | |
| Total unit transactions | (41) | 103 | (9,693) | (1,354) |
| Increase (decrease) in net assets derived from principal transactions | (41) | 103 | (9,693) | (1,354) |
| Total increase (decrease) | (3) | 126 | (2,537) | (667) |
| Net assets at September 30, 2003 | <u>\$ 474</u> | <u>\$ 308</u> | <u>\$ 75,763</u> | <u>\$ 8,047</u> |
| Net assets at January 1, 2004 | \$ 532 | \$ 424 | \$ 81,925 | \$ 8,126 |
| Increase (decrease) in net assets | | | | |
| Operations: | | | | |
| Net investment income (loss) | (2) | (4) | 298 | 262 |
| Net realized gain (loss) on investments and capital gains distributions | - | 6 | 743 | (1,144) |
| Net unrealized appreciation (depreciation) of investments | 2 | 6 | (1,173) | 1,035 |
| Net increase (decrease) in net assets from operations | - | 8 | (132) | 153 |
| Changes from principal transactions: | | | | |
| Total unit transactions | (95) | (5) | (13,112) | (1,433) |
| Increase (decrease) in net assets derived from principal transactions | (95) | (5) | (13,112) | (1,433) |
| Total increase (decrease) | (95) | 3 | (13,244) | (1,280) |
| Net assets at September 30, 2004 | <u>\$ 437</u> | <u>\$ 427</u> | <u>\$ 68,681</u> | <u>\$ 6,846</u> |

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

ING INSURANCE COMPANY OF AMERICA
VARIABLE ANNUITY ACCOUNT I
Statements of Changes in Net Assets
For the nine months ended September 30, 2004 and 2003
(Dollars in thousands)
(Unaudited)

| | Federated Equity Income | Federated Fund for US Government Securities | Federated High Income Bond | Federated International Equity |
|--|--|--|---|---|
| Net assets at January 1, 2003 | \$ 15,168 | \$ 7,622 | \$ 14,413 | \$ 11,589 |
| Increase (decrease) in net assets | | | | |
| Operations: | | | | |
| Net investment income (loss) | 144 | 192 | 963 | (112) |
| Net realized gain (loss) on investments and capital gains distributions | (663) | 204 | (965) | (924) |
| Net unrealized appreciation (depreciation) of investments | 2,089 | (335) | 2,048 | 2,465 |
| Net increase (decrease) in net assets from operations | 1,570 | 61 | 2,046 | 1,429 |
| Changes from principal transactions: | | | | |
| Total unit transactions | (1,034) | (1,904) | (1,541) | (2,128) |
| Increase (decrease) in net assets derived from principal transactions | (1,034) | (1,904) | (1,541) | (2,128) |
| Total increase (decrease) | 536 | (1,843) | 505 | (699) |
| Net assets at September 30, 2003 | <u>\$ 15,704</u> | <u>\$ 5,779</u> | <u>\$ 14,918</u> | <u>\$ 10,890</u> |
| Net assets at January 1, 2004 | \$ 17,322 | \$ 5,051 | \$ 14,508 | \$ 11,757 |
| Increase (decrease) in net assets | | | | |
| Operations: | | | | |
| Net investment income (loss) | 148 | 162 | 825 | (115) |
| Net realized gain (loss) on investments and capital gains distributions | (240) | 67 | (454) | (742) |
| Net unrealized appreciation (depreciation) of investments | 432 | (159) | 310 | 862 |
| Net increase (decrease) in net assets from operations | 340 | 70 | 681 | 5 |
| Changes from principal transactions: | | | | |
| Total unit transactions | (2,523) | (1,264) | (2,575) | (2,013) |
| Increase (decrease) in net assets derived from principal transactions | (2,523) | (1,264) | (2,575) | (2,013) |
| Total increase (decrease) | (2,183) | (1,194) | (1,894) | (2,008) |
| Net assets at September 30, 2004 | <u>\$ 15,139</u> | <u>\$ 3,857</u> | <u>\$ 12,614</u> | <u>\$ 9,749</u> |

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

ING INSURANCE COMPANY OF AMERICA
VARIABLE ANNUITY ACCOUNT I
Statements of Changes in Net Assets
For the nine months ended September 30, 2004 and 2003
(Dollars in thousands)
(Unaudited)

| | Federated Mid Cap Growth Strategies | Federated Prime Money | Fidelity® VIP Asset ManagerSM | Fidelity® VIP Contrafund® |
|--|--|--------------------------------------|---|--|
| Net assets at January 1, 2003 | \$ 17,585 | \$ 5,731 | \$ 5,092 | \$ 22,088 |
| Increase (decrease) in net assets | | | | |
| Operations: | | | | |
| Net investment income (loss) | (187) | (25) | 134 | (124) |
| Net realized gain (loss) on investments and capital gains distributions | (560) | - | (104) | (690) |
| Net unrealized appreciation (depreciation) of investments | 4,365 | - | 398 | 3,691 |
| Net increase (decrease) in net assets from operations | 3,618 | (25) | 428 | 2,877 |
| Changes from principal transactions: | | | | |
| Total unit transactions | (2,362) | (1,568) | (219) | (1,029) |
| Increase (decrease) in net assets derived from principal transactions | (2,362) | (1,568) | (219) | (1,029) |
| Total increase (decrease) | 1,256 | (1,593) | 209 | 1,848 |
| Net assets at September 30, 2003 | <u>\$ 18,841</u> | <u>\$ 4,138</u> | <u>\$ 5,301</u> | <u>\$ 23,936</u> |
| Net assets at January 1, 2004 | \$ 20,317 | \$ 3,768 | \$ 5,491 | \$ 26,252 |
| Increase (decrease) in net assets | | | | |
| Operations: | | | | |
| Net investment income (loss) | (199) | (19) | 108 | (183) |
| Net realized gain (loss) on investments and capital gains distributions | 235 | - | 58 | 592 |
| Net unrealized appreciation (depreciation) of investments | 350 | - | (238) | 785 |
| Net increase (decrease) in net assets from operations | 386 | (19) | (72) | 1,194 |
| Changes from principal transactions: | | | | |
| Total unit transactions | (3,510) | (922) | (609) | (1,092) |
| Increase (decrease) in net assets derived from principal transactions | (3,510) | (922) | (609) | (1,092) |
| Total increase (decrease) | (3,124) | (941) | (681) | 102 |
| Net assets at September 30, 2004 | <u>\$ 17,193</u> | <u>\$ 2,827</u> | <u>\$ 4,810</u> | <u>\$ 26,354</u> |

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

ING INSURANCE COMPANY OF AMERICA
VARIABLE ANNUITY ACCOUNT I
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For the nine months ended September 30, 2004 and 2003
(Dollars in thousands)
(Unaudited)

| | Fidelity® VIP Equity- Income | Fidelity® VIP Growth | Fidelity® VIP High Income | Fidelity® VIP Index 500 |
|--|---|-------------------------------------|--|--|
| Net assets at January 1, 2003 | <u>\$ 32,897</u> | <u>\$ 22,175</u> | <u>\$ 6,897</u> | <u>\$ 20,521</u> |
| Increase (decrease) in net assets | | | | |
| Operations: | | | | |
| Net investment income (loss) | 270 | (156) | 492 | 97 |
| Net realized gain (loss) on investments and capital gains distributions | (2,019) | (1,633) | 118 | (1,208) |
| Net unrealized appreciation (depreciation) of investments | <u>5,585</u> | <u>5,686</u> | <u>956</u> | <u>3,625</u> |
| Net increase (decrease) in net assets from operations | <u>3,836</u> | <u>3,897</u> | <u>1,566</u> | <u>2,514</u> |
| Changes from principal transactions: | | | | |
| Total unit transactions | <u>(2,282)</u> | <u>(173)</u> | <u>3,461</u> | <u>(353)</u> |
| Increase (decrease) in net assets derived from principal transactions | <u>(2,282)</u> | <u>(173)</u> | <u>3,461</u> | <u>(353)</u> |
| Total increase (decrease) | <u>1,554</u> | <u>3,724</u> | <u>5,027</u> | <u>2,161</u> |
| Net assets at September 30, 2003 | <u><u>\$ 34,451</u></u> | <u><u>\$ 25,899</u></u> | <u><u>\$ 11,924</u></u> | <u><u>\$ 22,682</u></u> |
| Net assets at January 1, 2004 | <u>\$ 38,898</u> | <u>\$ 29,686</u> | <u>\$ 12,642</u> | <u>\$ 25,584</u> |
| Increase (decrease) in net assets | | | | |
| Operations: | | | | |
| Net investment income (loss) | 215 | (190) | 857 | 84 |
| Net realized gain (loss) on investments and capital gains distributions | 337 | (316) | 582 | (37) |
| Net unrealized appreciation (depreciation) of investments | <u>(168)</u> | <u>(1,211)</u> | <u>(1,087)</u> | <u>(4)</u> |
| Net increase (decrease) in net assets from operations | <u>384</u> | <u>(1,717)</u> | <u>352</u> | <u>43</u> |
| Changes from principal transactions: | | | | |
| Total unit transactions | <u>(4,057)</u> | <u>(677)</u> | <u>(3,920)</u> | <u>(3,514)</u> |
| Increase (decrease) in net assets derived from principal transactions | <u>(4,057)</u> | <u>(677)</u> | <u>(3,920)</u> | <u>(3,514)</u> |
| Total increase (decrease) | <u>(3,673)</u> | <u>(2,394)</u> | <u>(3,568)</u> | <u>(3,471)</u> |
| Net assets at September 30, 2004 | <u><u>\$ 35,225</u></u> | <u><u>\$ 27,292</u></u> | <u><u>\$ 9,074</u></u> | <u><u>\$ 22,113</u></u> |

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

ING INSURANCE COMPANY OF AMERICA
VARIABLE ANNUITY ACCOUNT I
Statements of Changes in Net Assets
For the nine months ended September 30, 2004 and 2003
(Dollars in thousands)
(Unaudited)

| | Fidelity® VIP Investment Grade Bond | Fidelity® VIP Overseas | ING VP Balanced | ING VP Emerging Markets |
|--|--|---------------------------------------|----------------------------|--|
| Net assets at January 1, 2003 | \$ 686 | \$ 2,309 | \$ 10,006 | \$ 164 |
| Increase (decrease) in net assets | | | | |
| Operations: | | | | |
| Net investment income (loss) | 19 | (2) | 132 | (2) |
| Net realized gain (loss) on investments and capital gains distributions | 14 | (157) | (140) | (6) |
| Net unrealized appreciation (depreciation) of investments | (12) | 576 | 986 | 47 |
| Net increase (decrease) in net assets from operations | 21 | 417 | 978 | 39 |
| Changes from principal transactions: | | | | |
| Total unit transactions | (66) | (248) | 743 | (30) |
| Increase (decrease) in net assets derived from principal transactions | (66) | (248) | 743 | (30) |
| Total increase (decrease) | (45) | 169 | 1,721 | 9 |
| Net assets at September 30, 2003 | <u>\$ 641</u> | <u>\$ 2,478</u> | <u>\$ 11,727</u> | <u>\$ 173</u> |
| Net assets at January 1, 2004 | \$ 636 | \$ 3,114 | \$ 13,216 | \$ 190 |
| Increase (decrease) in net assets | | | | |
| Operations: | | | | |
| Net investment income (loss) | 20 | 4 | 161 | (2) |
| Net realized gain (loss) on investments and capital gains distributions | 24 | 66 | 89 | 5 |
| Net unrealized appreciation (depreciation) of investments | (33) | (125) | (8) | (1) |
| Net increase (decrease) in net assets from operations | 11 | (55) | 242 | 2 |
| Changes from principal transactions: | | | | |
| Total unit transactions | (188) | (161) | 583 | (45) |
| Increase (decrease) in net assets derived from principal transactions | (188) | (161) | 583 | (45) |
| Total increase (decrease) | (177) | (216) | 825 | (43) |
| Net assets at September 30, 2004 | <u>\$ 459</u> | <u>\$ 2,898</u> | <u>\$ 14,041</u> | <u>\$ 147</u> |

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ING INSURANCE COMPANY OF AMERICA
VARIABLE ANNUITY ACCOUNT I
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For the nine months ended September 30, 2004 and 2003
(Dollars in thousands)
(Unaudited)

| | ING VP Intermediate Bond | ING VP Money Market | ING VP Natural Resources | ING JPMorgan International |
|--|--------------------------------|---------------------------|--------------------------------|----------------------------------|
| Net assets at January 1, 2003 | \$ 15,106 | \$ 35,752 | \$ 383 | \$ 1,470 |
| Increase (decrease) in net assets | | | | |
| Operations: | | | | |
| Net investment income (loss) | 90 | 267 | (4) | 1 |
| Net realized gain (loss) on investments and capital gains distributions | 281 | (325) | (6) | (72) |
| Net unrealized appreciation (depreciation) of investments | 216 | (48) | 41 | 226 |
| Net increase (decrease) in net assets from operations | 587 | (106) | 31 | 155 |
| Changes from principal transactions: | | | | |
| Total unit transactions | (2,495) | (10,181) | (53) | (223) |
| Increase (decrease) in net assets derived from principal transactions | (2,495) | (10,181) | (53) | (223) |
| Total increase (decrease) | (1,908) | (10,287) | (22) | (68) |
| Net assets at September 30, 2003 | <u>\$ 13,198</u> | <u>\$ 25,465</u> | <u>\$ 361</u> | <u>\$ 1,402</u> |
| Net assets at January 1, 2004 | \$ 11,032 | \$ 19,909 | \$ 423 | \$ 1,701 |
| Increase (decrease) in net assets | | | | |
| Operations: | | | | |
| Net investment income (loss) | 349 | (9) | - | 3 |
| Net realized gain (loss) on investments and capital gains distributions | 376 | (52) | 9 | 45 |
| Net unrealized appreciation (depreciation) of investments | (469) | (10) | 17 | - |
| Net increase (decrease) in net assets from operations | 256 | (71) | 26 | 48 |
| Changes from principal transactions: | | | | |
| Total unit transactions | (1,253) | (1,811) | (69) | 517 |
| Increase (decrease) in net assets derived from principal transactions | (1,253) | (1,811) | (69) | 517 |
| Total increase (decrease) | (997) | (1,882) | (43) | 565 |
| Net assets at September 30, 2004 | <u>\$ 10,035</u> | <u>\$ 18,027</u> | <u>\$ 380</u> | <u>\$ 2,266</u> |

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

ING INSURANCE COMPANY OF AMERICA
VARIABLE ANNUITY ACCOUNT I
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For the nine months ended September 30, 2004 and 2003
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| | ING MFS Capital Opportunities | ING Salomon Brothers Aggressive Growth | ING T. Rowe Price Growth Equity | ING UBS U.S. Large Cap Equity |
|--|--|---|--|--|
| Net assets at January 1, 2003 | \$ 3,984 | \$ 9,494 | \$ 16,326 | \$ 7,353 |
| Increase (decrease) in net assets | | | | |
| Operations: | | | | |
| Net investment income (loss) | (30) | (108) | (147) | (30) |
| Net realized gain (loss) on investments and capital gains distributions | (925) | (1,134) | (503) | (446) |
| Net unrealized appreciation (depreciation) of investments | 1,426 | 3,383 | 3,068 | 1,199 |
| Net increase (decrease) in net assets from operations | 471 | 2,141 | 2,418 | 723 |
| Changes from principal transactions: | | | | |
| Total unit transactions | (1,126) | (524) | (1,185) | (1,221) |
| Increase (decrease) in net assets derived from principal transactions | (1,126) | (524) | (1,185) | (1,221) |
| Total increase (decrease) | (655) | 1,617 | 1,233 | (498) |
| Net assets at September 30, 2003 | <u>\$ 3,329</u> | <u>\$ 11,111</u> | <u>\$ 17,559</u> | <u>\$ 6,855</u> |
| Net assets at January 1, 2004 | \$ 3,225 | \$ 11,703 | \$ 19,372 | \$ 7,314 |
| Increase (decrease) in net assets | | | | |
| Operations: | | | | |
| Net investment income (loss) | (18) | (112) | (170) | (20) |
| Net realized gain (loss) on investments and capital gains distributions | 93 | (34) | 91 | (58) |
| Net unrealized appreciation (depreciation) of investments | (72) | 181 | (305) | 264 |
| Net increase (decrease) in net assets from operations | 3 | 35 | (384) | 186 |
| Changes from principal transactions: | | | | |
| Total unit transactions | (466) | (2,472) | (1,632) | (876) |
| Increase (decrease) in net assets derived from principal transactions | (466) | (2,472) | (1,632) | (876) |
| Total increase (decrease) | (463) | (2,437) | (2,016) | (690) |
| Net assets at September 30, 2004 | <u>\$ 2,762</u> | <u>\$ 9,266</u> | <u>\$ 17,356</u> | <u>\$ 6,624</u> |

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ING INSURANCE COMPANY OF AMERICA
VARIABLE ANNUITY ACCOUNT I
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For the nine months ended September 30, 2004 and 2003
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| | ING VP Strategic Allocation Balanced | ING VP Strategic Allocation Growth | ING VP Strategic Allocation Income | ING VP Growth and Income |
|--|---|---|---|---|
| Net assets at January 1, 2003 | \$ 554 | \$ 710 | \$ 1,561 | \$ 10,865 |
| Increase (decrease) in net assets | | | | |
| Operations: | | | | |
| Net investment income (loss) | 3 | - | 21 | (108) |
| Net realized gain (loss) on investments and capital gains distributions | (36) | (66) | (34) | (1,270) |
| Net unrealized appreciation (depreciation) of investments | 85 | 183 | 118 | 2,430 |
| Net increase (decrease) in net assets from operations | 52 | 117 | 105 | 1,052 |
| Changes from principal transactions: | | | | |
| Total unit transactions | 349 | 276 | (99) | (1,530) |
| Increase (decrease) in net assets derived from principal transactions | 349 | 276 | (99) | (1,530) |
| Total increase (decrease) | 401 | 393 | 6 | (478) |
| Net assets at September 30, 2003 | <u>\$ 955</u> | <u>\$ 1,103</u> | <u>\$ 1,567</u> | <u>\$ 10,387</u> |
| Net assets at January 1, 2004 | \$ 1,035 | \$ 1,094 | \$ 1,648 | \$ 11,684 |
| Increase (decrease) in net assets | | | | |
| Operations: | | | | |
| Net investment income (loss) | 5 | (1) | 13 | (11) |
| Net realized gain (loss) on investments and capital gains distributions | 15 | 51 | 4 | 242 |
| Net unrealized appreciation (depreciation) of investments | (4) | (27) | 13 | (472) |
| Net increase (decrease) in net assets from operations | 16 | 23 | 30 | (241) |
| Changes from principal transactions: | | | | |
| Total unit transactions | 570 | 480 | (17) | (1,482) |
| Increase (decrease) in net assets derived from principal transactions | 570 | 480 | (17) | (1,482) |
| Total increase (decrease) | 586 | 503 | 13 | (1,723) |
| Net assets at September 30, 2004 | <u>\$ 1,621</u> | <u>\$ 1,597</u> | <u>\$ 1,661</u> | <u>\$ 9,961</u> |

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

ING INSURANCE COMPANY OF AMERICA
VARIABLE ANNUITY ACCOUNT I
Statements of Changes in Net Assets
For the nine months ended September 30, 2004 and 2003
(Dollars in thousands)
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| | ING VP Global Science and Technology | ING VP Growth | ING VP Index Plus LargeCap | ING VP Index Plus MidCap |
|--|---|--------------------------|---|---|
| Net assets at January 1, 2003 | \$ 756 | \$ 2,359 | \$ 10,983 | \$ 45 |
| Increase (decrease) in net assets | | | | |
| Operations: | | | | |
| Net investment income (loss) | (11) | (23) | 34 | - |
| Net realized gain (loss) on investments and capital gains distributions | 67 | (147) | (577) | - |
| Net unrealized appreciation (depreciation) of investments | 248 | 582 | 1,937 | 7 |
| Net increase (decrease) in net assets from operations | 304 | 412 | 1,394 | 7 |
| Changes from principal transactions: | | | | |
| Total unit transactions | 688 | 6 | 1,272 | 3 |
| Increase (decrease) in net assets derived from principal transactions | 688 | 6 | 1,272 | 3 |
| Total increase (decrease) | 992 | 418 | 2,666 | 10 |
| Net assets at September 30, 2003 | <u>\$ 1,748</u> | <u>\$ 2,777</u> | <u>\$ 13,649</u> | <u>\$ 55</u> |
| Net assets at January 1, 2004 | \$ 2,897 | \$ 3,073 | \$ 16,152 | \$ 63 |
| Increase (decrease) in net assets | | | | |
| Operations: | | | | |
| Net investment income (loss) | (20) | (22) | 34 | (1) |
| Net realized gain (loss) on investments and capital gains distributions | 293 | (39) | 1 | 1 |
| Net unrealized appreciation (depreciation) of investments | (614) | (85) | 18 | 2 |
| Net increase (decrease) in net assets from operations | (341) | (146) | 53 | 2 |
| Changes from principal transactions: | | | | |
| Total unit transactions | (427) | 19 | 786 | 17 |
| Increase (decrease) in net assets derived from principal transactions | (427) | 19 | 786 | 17 |
| Total increase (decrease) | (768) | (127) | 839 | 19 |
| Net assets at September 30, 2004 | <u>\$ 2,129</u> | <u>\$ 2,946</u> | <u>\$ 16,991</u> | <u>\$ 82</u> |

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ING INSURANCE COMPANY OF AMERICA
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For the nine months ended September 30, 2004 and 2003
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| | ING VP Index Plus SmallCap | ING VP International Equity | ING VP International Value | ING VP Small Company |
|--|---|--|---|-------------------------------------|
| Net assets at January 1, 2003 | \$ 28 | \$ 281 | \$ - | \$ 8,445 |
| Increase (decrease) in net assets | | | | |
| Operations: | | | | |
| Net investment income (loss) | - | 1 | - | (66) |
| Net realized gain (loss) on investments and capital gains distributions | - | (15) | - | (768) |
| Net unrealized appreciation (depreciation) of investments | 6 | 57 | - | 2,994 |
| Net increase (decrease) in net assets from operations | 6 | 43 | - | 2,160 |
| Changes from principal transactions: | | | | |
| Total unit transactions | (1) | 47 | - | 1,844 |
| Increase (decrease) in net assets derived from principal transactions | (1) | 47 | - | 1,844 |
| Total increase (decrease) | 5 | 90 | - | 4,004 |
| Net assets at September 30, 2003 | <u>\$ 33</u> | <u>\$ 371</u> | <u>\$ -</u> | <u>\$ 12,449</u> |
| Net assets at January 1, 2004 | \$ 37 | \$ 492 | \$ - | \$ 15,188 |
| Increase (decrease) in net assets | | | | |
| Operations: | | | | |
| Net investment income (loss) | - | 2 | - | (95) |
| Net realized gain (loss) on investments and capital gains distributions | 8 | 52 | - | 521 |
| Net unrealized appreciation (depreciation) of investments | (5) | (60) | 1 | (487) |
| Net increase (decrease) in net assets from operations | 3 | (6) | 1 | (61) |
| Changes from principal transactions: | | | | |
| Total unit transactions | (39) | 284 | 46 | (711) |
| Increase (decrease) in net assets derived from principal transactions | (39) | 284 | 46 | (711) |
| Total increase (decrease) | (36) | 278 | 47 | (772) |
| Net assets at September 30, 2004 | <u>\$ 1</u> | <u>\$ 770</u> | <u>\$ 47</u> | <u>\$ 14,416</u> |

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

ING INSURANCE COMPANY OF AMERICA
VARIABLE ANNUITY ACCOUNT I
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For the nine months ended September 30, 2004 and 2003
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| | ING VP Value Opportunity | Janus Aspen Series Balanced | Janus Aspen Series Flexible Income | Janus Aspen Series Growth |
|--|---|--|---|--|
| Net assets at January 1, 2003 | \$ 3,282 | \$ 17,715 | \$ 10,027 | \$ 9,846 |
| Increase (decrease) in net assets | | | | |
| Operations: | | | | |
| Net investment income (loss) | (7) | 31 | 103 | (99) |
| Net realized gain (loss) on investments and capital gains distributions | (260) | (329) | 316 | (931) |
| Net unrealized appreciation (depreciation) of investments | 561 | 1,228 | (25) | 2,374 |
| Net increase (decrease) in net assets from operations | 294 | 930 | 394 | 1,344 |
| Changes from principal transactions: | | | | |
| Total unit transactions | (764) | (3,365) | (3,639) | (1,888) |
| Increase (decrease) in net assets derived from principal transactions | (764) | (3,365) | (3,639) | (1,888) |
| Total increase (decrease) | (470) | (2,435) | (3,245) | (544) |
| Net assets at September 30, 2003 | <u>\$ 2,812</u> | <u>\$ 15,280</u> | <u>\$ 6,782</u> | <u>\$ 9,302</u> |
| Net assets at January 1, 2004 | \$ 3,076 | \$ 14,592 | \$ 5,518 | \$ 9,545 |
| Increase (decrease) in net assets | | | | |
| Operations: | | | | |
| Net investment income (loss) | (4) | (35) | 59 | (84) |
| Net realized gain (loss) on investments and capital gains distributions | (36) | 43 | 103 | (74) |
| Net unrealized appreciation (depreciation) of investments | 67 | 125 | (88) | (346) |
| Net increase (decrease) in net assets from operations | 27 | 133 | 74 | (504) |
| Changes from principal transactions: | | | | |
| Total unit transactions | 529 | (3,005) | (1,468) | (1,934) |
| Increase (decrease) in net assets derived from principal transactions | 529 | (3,005) | (1,468) | (1,934) |
| Total increase (decrease) | 556 | (2,872) | (1,394) | (2,438) |
| Net assets at September 30, 2004 | <u>\$ 3,632</u> | <u>\$ 11,720</u> | <u>\$ 4,124</u> | <u>\$ 7,107</u> |

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

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| | Janus Aspen Series MidCap Growth | Janus Aspen Series Worldwide Growth | Lord Abbett Series Fund - Growth and Income | MFS® Strategic Income |
|--|---|--|--|--------------------------------------|
| Net assets at January 1, 2003 | \$ 8,360 | \$ 30,978 | \$ - | \$ 1,134 |
| Increase (decrease) in net assets | | | | |
| Operations: | | | | |
| Net investment income (loss) | (80) | (54) | - | 76 |
| Net realized gain (loss) on investments and capital gains distributions | 303 | (1,955) | - | 35 |
| Net unrealized appreciation (depreciation) of investments | 1,317 | 4,331 | - | (21) |
| Net increase (decrease) in net assets from operations | 1,540 | 2,322 | - | 90 |
| Changes from principal transactions: | | | | |
| Total unit transactions | (688) | (6,264) | - | 365 |
| Increase (decrease) in net assets derived from principal transactions | (688) | (6,264) | - | 365 |
| Total increase (decrease) | 852 | (3,942) | - | 455 |
| Net assets at September 30, 2003 | <u>\$ 9,212</u> | <u>\$ 27,036</u> | <u>\$ -</u> | <u>\$ 1,589</u> |
| Net assets at January 1, 2004 | \$ 10,449 | \$ 28,342 | \$ - | \$ 1,384 |
| Increase (decrease) in net assets | | | | |
| Operations: | | | | |
| Net investment income (loss) | (94) | (139) | - | 47 |
| Net realized gain (loss) on investments and capital gains distributions | 695 | (503) | - | 19 |
| Net unrealized appreciation (depreciation) of investments | (224) | (808) | 2 | (33) |
| Net increase (decrease) in net assets from operations | 377 | (1,450) | 2 | 33 |
| Changes from principal transactions: | | | | |
| Total unit transactions | (864) | (5,587) | 220 | (343) |
| Increase (decrease) in net assets derived from principal transactions | (864) | (5,587) | 220 | (343) |
| Total increase (decrease) | (487) | (7,037) | 222 | (310) |
| Net assets at September 30, 2004 | <u>\$ 9,962</u> | <u>\$ 21,305</u> | <u>\$ 222</u> | <u>\$ 1,074</u> |

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For the nine months ended September 30, 2004 and 2003
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| | MFS® Total Return | Oppenheimer Aggressive Growth | Oppenheimer Global Securities | Oppenheimer Main Street |
|--|----------------------------------|--|--|--|
| Net assets at January 1, 2003 | \$ 17,806 | \$ 2,987 | \$ 7,124 | \$ 6,276 |
| Increase (decrease) in net assets | | | | |
| Operations: | | | | |
| Net investment income (loss) | 137 | (29) | (13) | (3) |
| Net realized gain (loss) on investments and capital gains distributions | (319) | 73 | (191) | (518) |
| Net unrealized appreciation (depreciation) of investments | 1,507 | 332 | 1,931 | 1,260 |
| Net increase (decrease) in net assets from operations | 1,325 | 376 | 1,727 | 739 |
| Changes from principal transactions: | | | | |
| Total unit transactions | (1,360) | 637 | 1,868 | (163) |
| Increase (decrease) in net assets derived from principal transactions | (1,360) | 637 | 1,868 | (163) |
| Total increase (decrease) | (35) | 1,013 | 3,595 | 576 |
| Net assets at September 30, 2003 | <u>\$ 17,771</u> | <u>\$ 4,000</u> | <u>\$ 10,719</u> | <u>\$ 6,852</u> |
| Net assets at January 1, 2004 | \$ 18,622 | \$ 4,366 | \$ 14,349 | \$ 7,918 |
| Increase (decrease) in net assets | | | | |
| Operations: | | | | |
| Net investment income (loss) | 107 | (45) | 52 | (15) |
| Net realized gain (loss) on investments and capital gains distributions | 113 | 407 | 158 | 1 |
| Net unrealized appreciation (depreciation) of investments | 300 | (156) | 4 | (27) |
| Net increase (decrease) in net assets from operations | 520 | 206 | 214 | (41) |
| Changes from principal transactions: | | | | |
| Total unit transactions | (1,921) | (747) | 2,348 | (168) |
| Increase (decrease) in net assets derived from principal transactions | (1,921) | (747) | 2,348 | (168) |
| Total increase (decrease) | (1,401) | (541) | 2,562 | (209) |
| Net assets at September 30, 2004 | <u>\$ 17,221</u> | <u>\$ 3,825</u> | <u>\$ 16,911</u> | <u>\$ 7,709</u> |

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

ING INSURANCE COMPANY OF AMERICA
VARIABLE ANNUITY ACCOUNT I
Statements of Changes in Net Assets
For the nine months ended September 30, 2004 and 2003
(Dollars in thousands)
(Unaudited)

| | Oppenheimer Strategic Bond |
|--|---|
| Net assets at January 1, 2003 | \$ 5,664 |
| Increase (decrease) in net assets | |
| Operations: | |
| Net investment income (loss) | 371 |
| Net realized gain (loss) on investments and capital gains distributions | 85 |
| Net unrealized appreciation (depreciation) of investments | 336 |
| Net increase (decrease) in net assets from operations | 792 |
| Changes from principal transactions: | |
| Total unit transactions | 1,649 |
| Increase (decrease) in net assets derived from principal transactions | 1,649 |
| Total increase (decrease) | 2,441 |
| Net assets at September 30, 2003 | <u>\$ 8,105</u> |
| Net assets at January 1, 2004 | \$ 8,115 |
| Increase (decrease) in net assets | |
| Operations: | |
| Net investment income (loss) | 335 |
| Net realized gain (loss) on investments and capital gains distributions | 142 |
| Net unrealized appreciation (depreciation) of investments | (257) |
| Net increase (decrease) in net assets from operations | 220 |
| Changes from principal transactions: | |
| Total unit transactions | 497 |
| Increase (decrease) in net assets derived from principal transactions | 497 |
| Total increase (decrease) | 717 |
| Net assets at September 30, 2004 | <u>\$ 8,832</u> |

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

ING INSURANCE COMPANY OF AMERICA
VARIABLE ANNUITY ACCOUNT I
Notes to Financial Statements (Unaudited)

1. Organization

ING Insurance Company of America Variable Annuity Account I (the “Account”) was established by ING Insurance Company of America (“IICA” or the “Company”) to support the operations of variable annuity contracts (“Contracts”). The Company is an indirect 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. IICA 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 IICA may conduct, but obligations of the Account, including the promise to make benefit payments, are obligations of IICA. The assets and liabilities of the Account are clearly identified and distinguished from the other assets and liabilities of IICA.

Contracts are identified in the Statement of Assets and Liabilities by the qualifiers IICA I, IICA II, and IICA III. IICA I Contracts represent certain individual and group Contracts issued as non-qualified deferred annuity Contracts or Individual Retirement Annuity Contracts issued since June 28, 1995. IICA II Contracts represent certain individual and group Contracts issued as non-qualified deferred annuity Contracts or Individual Retirement Annuity Contracts issued since May 1, 1998. Contracts are no longer sold under qualifiers IICA I and IICA II. IICA III Contracts represent certain group Contracts issued as fund vehicles for Internal Revenue Code Section 403(b) and 401(e) plans issued since September 24, 2000.

At September 30, 2004, the Account had sixty-one active investment divisions (the “Divisions”), thirty-eight of which invest in independently managed mutual funds and twenty-three of which invest in mutual funds managed by an affiliate, either ING Investments, LLC or ING Life Insurance and Annuity Company. The assets in each Division are invested in shares of a designated fund (“Fund”) of various investment trusts (the “Trusts”). Investment Divisions at September 30, 2004 and related Trusts are as follows:

AIM Variable Insurance Funds:

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

Alger American Funds:

Alger American Balanced Portfolio - Class O
Alger American Income & Growth Portfolio - Class O
Alger American Leveraged AllCap Portfolio - Class O

ING INSURANCE COMPANY OF AMERICA
VARIABLE ANNUITY ACCOUNT I
Notes to Financial Statements (Unaudited)

| | |
|--|--|
| American Century® Investments: | ING Strategic Allocation Portfolios, Inc.: |
| American Century® VP Balanced Fund | ING VP Strategic Allocation Balanced Portfolio - |
| American Century® VP International Fund | Class R |
| Calvert Social Balanced Portfolio | ING VP Strategic Allocation Growth Portfolio - |
| Federated Insurance Series: | Class R |
| Federated American Leaders Fund II | ING VP Strategic Allocation Income Portfolio - |
| Federated Capital Income Fund II | Class R |
| Federated Equity Income Fund II | ING Variable Funds: |
| Federated Fund for US Government Securities II | ING VP Growth and Income Portfolio - Class R |
| Federated High Income Bond Fund II | ING Variable Portfolios, Inc.: |
| Federated International Equity Fund II | ING VP Global Science and Technology |
| Federated Mid Cap Growth Strategies Fund II | Portfolio - Class I |
| Federated Prime Money Fund II | ING VP Growth Portfolio – Class I |
| Fidelity® Investments Variable Insurance | ING VP Index Plus LargeCap Portfolio - Class I |
| Products Funds: | ING VP Index Plus MidCap Portfolio - Class I |
| Fidelity® VIP <i>Asset Manager</i> SM Portfolio - Initial | ING VP Index Plus SmallCap Portfolio - Class I |
| Class | ING VP International Equity Portfolio - Class I |
| Fidelity® VIP Contrafund® Portfolio - Initial | ING VP International Value Portfolio - Class I |
| Class | ING VP Small Company Portfolio - Class I |
| Fidelity® VIP Equity-Income Portfolio - Initial | ING VP Value Opportunity Portfolio - Class I |
| Class | Janus Aspen Series: |
| Fidelity® VIP Growth Portfolio - Initial Class | Janus Aspen Series Balanced Portfolio - |
| Fidelity® VIP High Income Portfolio - Initial | Institutional Shares |
| Class | Janus Aspen Series Flexible Income Portfolio - |
| Fidelity® VIP Index 500 Portfolio - Initial Class | Institutional Shares |
| Fidelity® VIP Investment Grade Bond Portfolio - | Janus Aspen Series Growth Portfolio - |
| Initial Class | Institutional Shares |
| Fidelity® VIP Overseas Portfolio - Initial Class | Janus Aspen Series MidCap Growth Portfolio - |
| ING VP Balanced Portfolio, Inc. - Class R | Institutional Shares |
| ING VP Emerging Markets Fund | Janus Aspen Series Worldwide Growth Portfolio |
| ING VP Intermediate Bond Portfolio - Class R | - Institutional Shares |
| ING VP Money Market Portfolio - Class R | Lord Abbett Series Fund Growth and Income |
| ING VP Natural Resources Trust | Portfolio - Class VC Shares |
| ING Partners, Inc.: | MFS® Variable Insurance Trust: |
| ING JPMorgan International Portfolio - Initial | MFS ® Strategic Income Series |
| Class | MFS® Total Return Series - Initial Class |
| ING MFS Capital Opportunities Portfolio - Initial | Oppenheimer Variable Account Funds: |
| Class | Oppenheimer Aggressive Growth Fund/VA® |
| ING Salomon Brothers Aggressive Growth | Oppenheimer Global Securities Fund/VA® |
| Portfolio - I Class | Oppenheimer Main Street Fund/VA® |
| ING T. Rowe Price Growth Equity Portfolio - | Oppenheimer Strategic Bond Fund/VA® |
| Initial Class | |
| ING UBS U.S. Large Cap Equity Portfolio - | |
| Initial Class | |

ING INSURANCE COMPANY OF AMERICA
VARIABLE ANNUITY ACCOUNT I
Notes to Financial Statements (Unaudited)

The names of certain Divisions were changed during 2004. The following is a summary of current and former names for those Divisions:

| Current Name | Former Name |
|-------------------------------------|-------------------------------------|
| Federated Insurance Series: | Federated Insurance Series: |
| Federated Mid Cap Growth Strategies | Federated Growth Strategies |
| ING VP Intermediate Bond | ING VP Bond |
| ING Partners, Inc.: | ING Partners, Inc.: |
| ING JP Morgan International | ING JP Morgan Fleming International |
| ING UBS U.S. Large Cap Equity | ING MFS Research and Equity |
| MFS® Variable Insurance Trust: | MFS® Variable Insurance Trust: |
| MFS® Strategic Income | MFS® Global Governments |

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-distribution 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 of investments owned on the day of measurement is recorded as unrealized appreciation or depreciation of investments.

Federal Income Taxes

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

ING INSURANCE COMPANY OF AMERICA
VARIABLE ANNUITY ACCOUNT I
Notes to Financial Statements (Unaudited)

Variable Annuity Reserves

Prior to the annuity date, the Contracts are redeemable for the net cash surrender value of the Contracts. The annuity reserves are recorded in the financial statements at the Contractowners' aggregate account values invested in the Account Divisions. Net assets allocated to Contracts in the payout period are computed according to the 1983a and 1983 Group Annuity Mortality tables using various assumed interest rates. The mortality risk is fully borne by IICA and may result in additional amounts being transferred into the Account by IICA to cover greater longevity of Contractowners than expected. Conversely, if amounts allocated exceed amounts required, transfers may be made to IICA.

3. Charges and Fees

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

Mortality and Expense Risk Charges

IICA 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 equal to an annual rate of up to 1.25% of the average daily net asset value of each Division of the Account.

Administrative Charges

A daily charge to cover administrative expenses of the Account is deducted at an annual rate of up to 0.15% of the assets attributable to the Contracts.

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, IICA may deduct the amount of the tax from the purchase payments received or the value of the Contract at annuitization.

Other Charges

Deductions by the Account for other charges may be made in accordance with the terms of the Contracts and paid to IICA.

ING INSURANCE COMPANY OF AMERICA
VARIABLE ANNUITY ACCOUNT I
Notes to Financial Statements (Unaudited)

4. Related Party Transactions

During the nine months ended September 30, 2004, management fees were paid indirectly to ING Investments, LLC, an affiliate of the Company, in its capacity as investment adviser to ING VP Intermediate Bond Portfolio, ING VP Balanced Portfolio, Inc., ING Money Market Portfolio, ING Variable Funds, ING Strategic Allocation Portfolios, Inc., ING VP Natural Resources Trust, ING Variable Portfolios, Inc., and ING VP Emerging Markets Fund, Inc. The annual fee rate ranged from 0.25% to 1.00% of the average net assets of each respective Fund. In addition, management fees were paid to ING Life Insurance and Annuity Company, an affiliate, in its capacity as investment adviser to ING Partners, Inc. The annual fee rate ranged from 0.50% to 1.00% of the average net assets of each respective Fund.

ING INSURANCE COMPANY OF AMERICA
VARIABLE ANNUITY ACCOUNT I
Notes to Financial Statements (Unaudited)

5. Purchases and Sales of Investment Securities

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

| | Nine months ended September 30 | | | |
|--|--------------------------------|--------|-----------|--------|
| | 2004 | | 2003 | |
| | Purchases | Sales | Purchases | Sales |
| | <i>(Dollars In Thousands)</i> | | | |
| AIM Variable Insurance Funds: | | | | |
| AIM V.I. Capital Appreciation | \$ 3 | \$ - | \$ 3 | \$ - |
| AIM V.I. Core Equity | 287 | 269 | 391 | 86 |
| AIM V.I. Growth | 260 | 327 | 185 | 41 |
| AIM V.I. Premier Equity | 386 | 288 | 444 | 20 |
| Alger American Funds: | | | | |
| Alger American Balanced | 56 | 264 | 15 | 233 |
| Alger American Income & Growth | 42 | 333 | 11 | 186 |
| Alger American Leveraged AllCap | 13 | 185 | 6 | 187 |
| American Century® Investments: | | | | |
| American Century® VP Balanced | 3 | 60 | 6 | 101 |
| American Century® VP International | 3 | 100 | 7 | 49 |
| Calvert Social Balanced | 108 | 117 | 138 | 37 |
| Federated Insurance Series: | | | | |
| Federated American Leaders | 1,396 | 14,210 | 1,973 | 11,246 |
| Federated Capital Income | 463 | 1,634 | 604 | 1,493 |
| Federated Equity Income | 808 | 3,183 | 1,227 | 2,117 |
| Federated Fund for US Government Securities | 417 | 1,494 | 646 | 2,324 |
| Federated High Income Bond | 1,235 | 2,985 | 1,706 | 2,284 |
| Federated International Equity | 143 | 2,271 | 156 | 2,396 |
| Federated Mid Cap Growth Strategies | 133 | 3,842 | 442 | 2,991 |
| Federated Prime Money | 1,401 | 2,342 | 1,552 | 3,145 |
| Fidelity® Investments Variable Insurance | | | | |
| Products Fund: | | | | |
| Fidelity® VIP <i>Asset Manager</i> SM | 1,520 | 2,021 | 1,004 | 1,089 |
| Fidelity® VIP Contrafund® | 3,661 | 4,936 | 3,871 | 5,024 |
| Fidelity® VIP Equity–Income | 3,317 | 7,015 | 7,975 | 9,987 |
| Fidelity® VIP Growth | 4,096 | 4,963 | 4,743 | 5,072 |
| Fidelity® VIP High Income | 1,893 | 4,956 | 5,704 | 1,751 |
| Fidelity® VIP Index 500 | 2,920 | 6,350 | 5,103 | 5,359 |
| Fidelity® VIP Investment Grade Bond | 46 | 195 | 39 | 77 |
| Fidelity® VIP Overseas | 532 | 689 | 358 | 608 |
| ING VP Balanced | 2,603 | 1,859 | 2,519 | 1,644 |
| ING VP Intermediate Bond | 2,300 | 2,938 | 2,484 | 4,889 |
| ING VP Emerging Markets | 1 | 48 | - | 32 |
| ING VP Money Market | 16,440 | 18,260 | 34,053 | 43,967 |
| ING VP Natural Resources | 5 | 74 | - | 57 |

ING INSURANCE COMPANY OF AMERICA
VARIABLE ANNUITY ACCOUNT I
Notes to Financial Statements (Unaudited)

| | Nine months ended September 30 | | | |
|--|--------------------------------|--------|-----------|--------|
| | 2004 | | 2003 | |
| | Purchases | Sales | Purchases | Sales |
| | <i>(Dollars In Thousands)</i> | | | |
| ING Partners, Inc.: | | | | |
| ING JPMorgan International | \$ 1,205 | \$ 685 | \$ 182 | \$ 404 |
| ING MFS Capital Opportunities | 163 | 647 | 4,870 | 6,026 |
| ING Salomon Brothers Aggressive Growth | 106 | 2,690 | 3,419 | 4,051 |
| ING T. Rowe Price Growth Equity | 1,786 | 3,588 | 1,052 | 2,384 |
| ING UBS U.S. Large Cap Equity | 805 | 1,701 | 269 | 1,520 |
| ING Strategic Allocation Portfolios, Inc.: | | | | |
| ING VP Strategic Allocation Balanced | 770 | 195 | 570 | 218 |
| ING VP Strategic Allocation Growth | 858 | 379 | 634 | 358 |
| ING VP Strategic Allocation Income | 318 | 322 | 423 | 501 |
| ING Variable Funds: | | | | |
| ING VP Growth and Income | 415 | 1,908 | 3,273 | 4,911 |
| ING Variable Portfolios, Inc.: | | | | |
| ING VP Global Science and Technology | 776 | 1,223 | 1,331 | 654 |
| ING VP Growth | 558 | 561 | 578 | 595 |
| ING VP Index Plus LargeCap | 2,851 | 2,031 | 4,138 | 2,832 |
| ING VP Index Plus MidCap | 20 | 4 | 3 | - |
| ING VP Index Plus SmallCap | - | 39 | - | 1 |
| ING VP International Equity | 718 | 432 | 133 | 85 |
| ING VP International Value | 47 | 1 | - | - |
| ING VP Small Company | 3,158 | 3,964 | 6,208 | 4,430 |
| ING VP Value Opportunity | 974 | 449 | 194 | 965 |
| Janus Aspen Series: | | | | |
| Janus Aspen Series Balanced | 583 | 3,623 | 964 | 4,298 |
| Janus Aspen Series Flexible Income | 923 | 2,300 | 1,782 | 5,318 |
| Janus Aspen Series Growth | 328 | 2,346 | 1,756 | 3,743 |
| Janus Aspen Series MidCap Growth | 1,540 | 2,498 | 4,801 | 5,569 |
| Janus Aspen Series Worldwide Growth | 466 | 6,192 | 601 | 6,919 |
| Lord Abbett Growth and Income | 225 | 5 | - | - |
| MFS® Variable Insurance Trust: | | | | |
| MFS® Strategic Income | 297 | 593 | 1,313 | 872 |
| MFS® Total Return | 2,189 | 4,003 | 2,298 | 3,521 |
| Oppenheimer Variable Account Funds: | | | | |
| Oppenheimer Aggressive Growth | 1,127 | 1,919 | 3,336 | 2,728 |
| Oppenheimer Global Securities | 4,215 | 1,815 | 2,836 | 981 |
| Oppenheimer Main Street | 1,264 | 1,447 | 2,293 | 2,459 |
| Oppenheimer Strategic Bond | 2,134 | 1,302 | 3,603 | 1,583 |

ING INSURANCE COMPANY OF AMERICA
VARIABLE ANNUITY ACCOUNT I
Notes to Financial Statements (Unaudited)

6. Changes in Units

The net changes in units outstanding follow:

| | Nine months ended September 30 | |
|---|--|--|
| | 2004 | 2003 |
| | Net Units Issued (Redeemed) | Net Units Issued (Redeemed) |
| AIM Variable Insurance Funds: | | |
| AIM V.I. Capital Appreciation | 368 | 431 |
| AIM V.I. Core Equity | 5,023 | 50,488 |
| AIM V.I. Growth | (11,149) | 107,227 |
| AIM V.I. Premier Equity | 15,984 | 76,538 |
| Alger American Funds: | | |
| Alger American Balanced | (10,770) | (12,459) |
| Alger American Income & Growth | (14,069) | (9,677) |
| Alger American Leveraged AllCap | (8,178) | (10,833) |
| American Century® Investments: | | |
| American Century® VP Balanced | (3,772) | (7,259) |
| American Century® VP International | (6,662) | (3,425) |
| Calvert Social Balanced | (241) | 10,186 |
| Federated Insurance Series: | | |
| Federated American Leaders | (636,311) | (581,156) |
| Federated Capital Income | (119,205) | (133,132) |
| Federated Equity Income | (198,611) | (102,875) |
| Federated Fund for US Government Securities | (83,142) | (126,884) |
| Federated High Income Bond | (171,207) | (116,168) |
| Federated International Equity | (142,073) | (193,557) |
| Federated Mid Cap Growth Strategies | (183,992) | (164,677) |
| Federated Prime Money | (75,179) | (126,866) |
| Fidelity® Investments Variable Insurance Products Fund: | | |
| Fidelity® VIP <i>Asset Manager</i> SM | (39,691) | (13,698) |
| Fidelity® VIP Contrafund® | (50,847) | (70,632) |
| Fidelity® VIP Equity–Income | (229,805) | (169,121) |
| Fidelity® VIP Growth | 55,840 | 151,871 |
| Fidelity® VIP High Income | (410,845) | 397,091 |
| Fidelity® VIP Index 500 | (195,739) | (55,407) |
| Fidelity® VIP Investment Grade Bond | (11,983) | (4,336) |
| Fidelity® VIP Overseas | (10,804) | (28,914) |
| ING VP Balanced | 89,668 | 109,425 |
| ING VP Intermediate Bond | 503,963 | (170,887) |
| ING VP Emerging Markets | (4,922) | (4,227) |
| ING VP Money Market | (137,980) | (820,716) |
| ING VP Natural Resources | (4,774) | (4,568) |

ING INSURANCE COMPANY OF AMERICA
VARIABLE ANNUITY ACCOUNT I
Notes to Financial Statements (Unaudited)

| | Nine months ended September 30 | |
|--|--|--|
| | 2004 | 2003 |
| | Net Units Issued (Redeemed) | Net Units Issued (Redeemed) |
| ING Partners, Inc.: | | |
| ING JPMorgan International | 44,771 | (23,685) |
| ING MFS Capital Opportunities | (41,833) | (124,298) |
| ING Salomon Brothers Aggressive Growth | (274,079) | (80,708) |
| ING T. Rowe Price Growth Equity | (91,898) | (84,422) |
| ING UBS U.S. Large Cap Equity | 643,634 | (169,860) |
| ING Strategic Allocation Portfolios, Inc.: | | |
| ING VP Strategic Allocation Balanced | 38,071 | 22,855 |
| ING VP Strategic Allocation Growth | 30,180 | 23,595 |
| ING VP Strategic Allocation Income | 2,170 | (6,200) |
| ING Variable Funds: | | |
| ING VP Growth and Income | (114,996) | (152,202) |
| ING Variable Portfolios, Inc.: | | |
| ING VP Global Science and Technology | (113,212) | 240,692 |
| ING VP Growth | 13,663 | 10,581 |
| ING VP Index Plus LargeCap | 142,191 | 221,720 |
| ING VP Index Plus MidCap | 1,126 | 240 |
| ING VP Index Plus SmallCap | (2,642) | (1) |
| ING VP International Equity | 33,158 | 8,330 |
| ING VP International Value | 4,430 | |
| ING VP Small Company | (7,408) | 171,187 |
| ING VP Value Opportunity | 34,228 | (55,364) |
| Janus Aspen Series: | | |
| Janus Aspen Series Balanced | (138,668) | (174,897) |
| Janus Aspen Series Flexible Income | (89,384) | (229,203) |
| Janus Aspen Series Growth | (128,797) | (156,518) |
| Janus Aspen Series MidCap Growth | (21,020) | 3,304 |
| Janus Aspen Series Worldwide Growth | (347,185) | (402,101) |
| Lord Abbett Growth and Income | 21,577 | - |
| MFS® Variable Insurance Trust: | | |
| MFS® Strategic Income | (26,484) | 30,361 |
| MFS® Total Return | (105,453) | (93,590) |
| Oppenheimer Variable Account Funds: | | |
| Oppenheimer Aggressive Growth | (57,907) | 37,788 |
| Oppenheimer Global Securities | 155,933 | 181,431 |
| Oppenheimer Main Street | (15,252) | 397,163 |
| Oppenheimer Strategic Bond | 37,211 | 133,880 |

ING INSURANCE COMPANY OF AMERICA
VARIABLE ANNUITY ACCOUNT I
Notes to Financial Statements (Unaudited)

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 nine months ended September 30, 2004 and 2003, and 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 (000's) | Unit Fair Value (lowest to highest) | Net Assets (000's) | Investment | | Expense Ratio ^B (lowest to highest) | Total Return ^C (lowest to highest) |
|-------------------------------|----------|------------------|--|-----------------------|------------------------------|--------------------|---|--|
| | | | | | Income Ratio ^A | Ratio ^A | | |
| AIM V.I. Capital Appreciation | | | | | | | | |
| 2004* | | 2 | \$7.40 | \$ | 14 | - | 1.00% | -3.77% |
| 2003* | | 1 | \$6.90 | | 10 | - | 1.00% | 15.00% |
| 2002 | | 1 | \$6.00 | | 6 | - | 1.00% | -25.11% |
| 2001 | | 1 | \$8.01 | | 4 | 12.41 | 1.00% to 1.25% | -24.05% |
| 2000 | | - | \$10.55 | | 1 | (a) | (a) | (a) |
| AIM V.I. Core Equity | | | | | | | | |
| 2004* | | 339 | \$7.58 | | 2,576 | - | 1.00% to 1.25% | 0.53% |
| 2003* | | 315 | \$6.82 | | 2,155 | - | 1.00% to 1.25% | 11.44% |
| 2002 | | 265 | \$6.12 | | 1,625 | 0.40 | 1.00% | -16.42% |
| 2001 | | 174 | \$7.32 | | 1,281 | 0.09 | 1.00% to 1.25% | -23.61% |
| 2000 | | - | \$9.58 | | 1 | (a) | (a) | (a) |
| AIM V.I. Growth | | | | | | | | |
| 2004* | | 331 | \$4.93 | | 1,632 | - | 1.00% | -2.76% |
| 2003* | | 336 | \$4.58 | | 1,541 | - | 1.00% | 17.14% |
| 2002 | | 299 | \$3.91 | | 1,170 | - | 1.00% | -31.66% |
| 2001 | | 256 | \$5.71 | | 1,463 | 0.43 | 1.00% to 1.25% | -34.56% |
| 2000 | | 16 | \$8.73 | | 140 | (a) | (a) | (a) |
| AIM V.I. Premier Equity | | | | | | | | |
| 2004* | | 352 | \$6.54 | | 2,300 | - | 1.00% | -3.25% |
| 2003* | | 328 | \$6.14 | | 2,015 | - | 1.00% | 12.45% |
| 2002 | | 252 | \$5.46 | | 1,374 | 0.41 | 1.00% | -30.95% |
| 2001 | | 159 | \$7.91 | | 1,257 | 4.22 | 1.00% to 1.25% | -13.44% |
| 2000 | | - | \$9.13 | | 2 | (a) | (a) | (a) |

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VARIABLE ANNUITY ACCOUNT I
Notes to Financial Statements (Unaudited)

| Division | Units (000's) | Unit Fair Value (lowest to highest) | Investment | | Expense Ratio ^B (lowest to highest) | Total Return ^C (lowest to highest) |
|------------------------------------|------------------|--|-----------------------|------------------------------|---|--|
| | | | Net Assets (000's) | Income Ratio ^A | | |
| Alger American Balanced | | | | | | |
| 2004* | 21 | \$19.08 | \$ 405 | 1.55 % | 1.40% | -3.05% |
| 2003* | 32 | \$18.58 | 600 | 2.22 | 1.40% | 10.86% |
| 2002 | 45 | \$16.76 | 750 | 1.56 | 1.40% | -13.52% |
| 2001 | 68 | \$19.39 | 1,314 | 3.23 | 1.25% to 1.40% | -3.31% |
| 2000 | 77 | \$20.05 | 1,538 | (a) | (a) | (a) |
| Alger American Income & Growth | | | | | | |
| 2004* | 69 | \$19.40 | 1,348 | 0.53 | 1.40% | -2.85% |
| 2003* | 85 | \$17.86 | 1,521 | 0.33 | 1.40% | 14.49% |
| 2002 | 95 | \$15.60 | 1,479 | 0.60 | 1.40% | -32.07% |
| 2001 | 131 | \$22.96 | 3,004 | 7.41 | 1.25% to 1.40% | -15.53% |
| 2000 | 159 | \$27.19 | 4,315 | (a) | (a) | (a) |
| Alger American Leveraged AllCap | | | | | | |
| 2004* | 78 | \$18.15 | 1,422 | - | 1.40% | -5.37% |
| 2003* | 90 | \$17.52 | 1,577 | - | 1.40% | 21.33% |
| 2002 | 101 | \$14.44 | 1,456 | 0.01 | 1.40% | -34.84% |
| 2001 | 121 | \$22.16 | 2,671 | 3.44 | 1.25% to 1.40% | -17.11% |
| 2000 | 142 | \$26.74 | 3,803 | (a) | (a) | (a) |
| American Century® VP Balanced | | | | | | |
| 2004* | 8 | \$15.62 | 122 | 2.01 | 1.40% | 2.02% |
| 2003* | 14 | \$14.36 | 201 | 2.93 | 1.40% | 10.55% |
| 2002 | 21 | \$12.99 | 277 | 2.74 | 1.40% | -10.82% |
| 2001 | 23 | \$14.57 | 336 | 6.24 | 1.25% to 1.40% | -4.89% |
| 2000 | 25 | \$15.32 | 383 | (a) | (a) | (a) |
| American Century® VP International | | | | | | |
| 2004* | 31 | \$14.13 | 437 | 0.62 | 1.40% | -0.14% |
| 2003* | 38 | \$12.48 | 474 | 0.84 | 1.40% | 8.24% |
| 2002 | 41 | \$11.53 | 477 | 0.84 | 1.40% | -21.49% |
| 2001 | 67 | \$14.69 | 979 | 10.52 | 1.25% to 1.40% | -30.17% |
| 2000 | 90 | \$21.03 | 1,882 | (a) | (a) | (a) |

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| | Division | Units (000's) | Unit Fair Value (lowest to highest) | Net Assets (000's) | Investment | | Expense Ratio ^B (lowest to highest) | Total Return ^C (lowest to highest) |
|---|----------|------------------|--|-----------------------|------------------------------|--------------------|---|--|
| | | | | | Income Ratio ^A | Ratio ^A | | |
| Calvert Social Balanced | | | | | | | | |
| 2004* | | 37 | \$9.63 to \$11.44 | \$ 427 | - | % | 1.00% to 1.40% | 1.24% to 1.48% |
| 2003* | | 29 | \$8.88 to \$10.59 | 308 | - | - | 1.00% to 1.40% | -3.27% to 10.35% |
| 2002 | | 19 | \$8.03 to \$9.61 | 182 | 2.65 | | 1.00% to 1.40% | -13.38% to -12.46% |
| 2001 | | 20 | \$10.92 to \$11.09 | 222 | 5.66 | | 1.00% to 1.40% | -8.25% to -8.10% |
| 2000 | | 18 | \$11.88 to \$12.09 | 220 | (a) | | (a) | (a) |
| Federated American Leaders | | | | | | | | |
| 2004* | | 3,355 | \$20.45 | 68,681 | 1.46 | | 1.25% to 1.40% | -0.24% |
| 2003* | | 4,219 | \$17.93 | 75,763 | 1.58 | | 1.25% to 1.40% | 10.14% |
| 2002 | | 4,801 | \$16.28 | 78,300 | 1.15 | | 1.25% to 1.40% | -21.33% |
| 2001 | | 5,677 | \$20.70 | 117,754 | 2.00 | | 1.25% to 1.40% | -5.56% |
| 2000 | | 6,137 | \$21.92 | 134,796 | (a) | | (a) | (a) |
| Federated Capital Income | | | | | | | | |
| 2004* | | 563 | \$12.10 | 6,846 | 4.54 | | 1.25% to 1.40% | 2.11% |
| 2003* | | 737 | \$10.86 | 8,047 | 6.57 | | 1.25% to 1.40% | 9.04% |
| 2002 | | 870 | \$9.96 | 8,714 | 5.53 | | 1.25% to 1.40% | -25.01% |
| 2001 | | 1,123 | \$13.28 | 14,993 | 3.52 | | 1.25% to 1.40% | -14.94% |
| 2000 | | 1,282 | \$15.61 | 20,076 | (a) | | (a) | (a) |
| Federated Equity Income | | | | | | | | |
| 2004* | | 1,199 | \$12.58 | 15,139 | 1.97 | | 1.25% to 1.40% | 1.94% |
| 2003* | | 1,432 | \$10.92 | 15,704 | 1.98 | | 1.25% to 1.40% | 11.09% |
| 2002 | | 1,535 | \$9.83 | 15,168 | 2.03 | | 1.25% to 1.40% | -21.85% |
| 2001 | | 1,809 | \$12.58 | 22,899 | 1.95 | | 1.25% to 1.40% | -12.24% |
| 2000 | | 1,963 | \$14.34 | 28,257 | (a) | | (a) | (a) |
| Federated Fund for US Government Securities | | | | | | | | |
| 2004* | | 252 | \$15.33 | 3,857 | 4.71 | | 1.40% | 1.59% |
| 2003* | | 383 | \$15.09 | 5,779 | 3.97 | | 1.40% | 0.94% |
| 2002 | | 510 | \$14.95 | 7,622 | 3.39 | | 1.40% | 7.52% |
| 2001 | | 414 | \$13.90 | 5,750 | 5.53 | | 1.25% to 1.40% | 5.53% |
| 2000 | | 395 | \$13.18 | 5,208 | (a) | | (a) | (a) |

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| Division | Units (000's) | Unit Fair Value (lowest to highest) | Net Assets (000's) | Investment Income Ratio ^A | Expense Ratio ^B (lowest to highest) | Total Return ^C (lowest to highest) |
|---|------------------|--|-----------------------|--|---|--|
| Federated High Income Bond | | | | | | |
| 2004* | 811 | \$15.54 | \$ 12,614 | 7.12 % | 1.25% to 1.40% | 5.28% |
| 2003* | 1,059 | \$14.07 | 14,918 | 7.63 | 1.25% to 1.40% | 14.86% |
| 2002 | 1,175 | \$12.25 | 14,413 | 10.18 | 1.25% to 1.40% | -0.03% |
| 2001 | 1,465 | \$12.25 | 17,955 | 10.78 | 1.25% to 1.40% | -0.05% |
| 2000 | 1,630 | \$12.26 | 19,988 | (a) | (a) | (a) |
| Federated International Equity | | | | | | |
| 2004* | 691 | \$14.07 | 9,749 | - | 1.25% to 1.40% | 0.00% |
| 2003* | 874 | \$12.42 | 10,890 | - | 1.25% to 1.40% | 14.79% |
| 2002 | 1,068 | \$10.82 | 11,589 | - | 1.25% to 1.40% | -23.84% |
| 2001 | 1,436 | \$14.21 | 20,460 | 13.04 | 1.25% to 1.40% | -30.42% |
| 2000 | 1,699 | \$20.42 | 34,741 | (a) | (a) | (a) |
| Federated Mid Cap Growth Strategies | | | | | | |
| 2004* | 895 | \$19.21 | 17,193 | - | 1.40% | 2.02% |
| 2003* | 1,126 | \$16.74 | 18,841 | - | 1.40% | 22.82% |
| 2002 | 1,290 | \$13.63 | 17,585 | - | 1.40% | -27.38% |
| 2001 | 1,710 | \$18.77 | 32,104 | 1.60 | 1.25% to 1.40% | -23.48% |
| 2000 | 1,926 | \$24.53 | 47,248 | (a) | (a) | (a) |
| Federated Prime Money | | | | | | |
| 2004* | 231 | \$12.24 | 2,827 | 0.45 | 1.40% | -0.57% |
| 2003* | 335 | \$12.34 | 4,138 | 0.57 | 1.40% | -0.48% |
| 2002 | 462 | \$12.40 | 5,731 | 1.41 | 1.40% | -0.01% |
| 2001 | 417 | \$12.41 | 5,175 | 3.90 | 1.25% to 1.40% | 2.28% |
| 2000 | 343 | \$12.13 | 4,159 | (a) | (a) | (a) |
| Fidelity® VIP Asset Manager SM | | | | | | |
| 2004* | 329 | \$11.43 to \$15.99 | 4,810 | 3.30 | 1.25% to 1.40% | -1.17% to -1.12% |
| 2003* | 377 | \$10.90 to \$15.27 | 5,301 | 3.54 | 1.25% to 1.40% | 9.78% to 9.88% |
| 2002 | 391 | \$9.92 to \$13.91 | 5,092 | 3.86 | 1.25% to 1.40% | -10.01% to -9.87% |
| 2001 | 428 | \$11.01 to \$15.46 | 6,147 | 5.71 | 1.25% to 1.40% | -5.44% to -5.30% |
| 2000 | 438 | \$11.62 to \$16.35 | 6,672 | (a) | (a) | (a) |

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| | Division | Investment | | | | Expense Ratio ^B (lowest to highest) | Total Return ^C (lowest to highest) |
|-----------------------------|----------|------------------|--|-----------------------|------------------------------|---|--|
| | | Units (000's) | Unit Fair Value (lowest to highest) | Net Assets (000's) | Income Ratio ^A | | |
| Fidelity® VIP Contrafund® | | | | | | | |
| 2004* | | 1,298 | \$10.62 to \$21.94 | \$ 26,354 | 0.35 % | 1.00% to 1.40% | 4.68% to 4.94% |
| 2003* | | 1,361 | \$9.10 to \$18.87 | 23,936 | 0.46 | 1.00% to 1.40% | 14.02% to 14.47% |
| 2002 | | 1,431 | \$7.95 to \$16.55 | 22,088 | 0.88 | 1.00% to 1.40% | -10.62% to -10.25% |
| 2001 | | 1,631 | \$8.86 to \$18.52 | 28,132 | 3.67 | 1.00% to 1.40% | -13.48% to -9.81% |
| 2000 | | 1,941 | \$9.82 to \$21.40 | 38,834 | (a) | (a) | (a) |
| Fidelity® VIP Equity-Income | | | | | | | |
| 2004* | | 2,068 | \$10.90 to \$18.40 | 35,225 | 1.62 | 1.00% to 1.40% | 0.99% to 1.30% |
| 2003* | | 2,316 | \$9.43 to \$15.98 | 34,451 | 1.81 | 1.00% to 1.40% | 12.69% to 13.07% |
| 2002 | | 2,485 | \$8.34 to \$14.18 | 32,897 | 1.80 | 1.00% to 1.40% | -18.11% to -17.77% |
| 2001 | | 2,801 | \$10.14 to \$17.31 | 45,509 | 6.50 | 1.00% to 1.40% | -6.30% to 2.48% |
| 2000 | | 2,821 | \$9.90 to \$18.47 | 49,034 | (a) | (a) | (a) |
| Fidelity® VIP Growth | | | | | | | |
| 2004* | | 2,813 | \$6.92 to \$15.06 | 27,292 | 0.27 | 1.00% to 1.40% | -5.70% to -5.46% |
| 2003* | | 2,626 | \$6.60 to \$14.42 | 25,899 | 0.26 | 1.00% to 1.40% | 18.29% to 18.71% |
| 2002 | | 2,474 | \$5.56 to \$12.19 | 22,175 | 0.25 | 1.00% to 1.40% | -31.09% to -30.80% |
| 2001 | | 2,207 | \$8.04 to \$17.69 | 31,764 | 7.38 | 1.00% to 1.40% | -18.81% to -18.48% |
| 2000 | | 1,925 | \$9.86 to \$21.79 | 39,717 | (a) | (a) | (a) |
| Fidelity® VIP High Income | | | | | | | |
| 2004* | | 805 | \$8.75 to \$11.75 | 9,074 | 8.87 | 1.25% to 1.40% | 3.62% to 3.67% |
| 2003* | | 1,187 | \$8.03 to \$10.79 | 11,924 | 6.24 | 1.25% to 1.40% | 19.36% to 19.67% |
| 2002 | | 790 | \$6.71 to \$9.04 | 6,897 | 11.08 | 1.25% to 1.40% | 2.00% to 2.15% |
| 2001 | | 945 | \$6.57 to \$8.86 | 7,979 | 17.37 | 1.25% to 1.40% | -12.98% to -12.85% |
| 2000 | | 1,106 | \$7.54 to \$10.18 | 10,694 | (a) | (a) | (a) |
| Fidelity® VIP Index 500 | | | | | | | |
| 2004* | | 1,277 | \$11.09 to \$18.88 | 22,113 | 1.43 | 1.25% to 1.40% | 0.27% to 0.45% |
| 2003* | | 1,457 | \$9.88 to \$16.86 | 22,682 | 1.45 | 1.25% to 1.40% | 13.38% to 13.43% |
| 2002 | | 1,512 | \$8.71 to \$14.87 | 20,521 | 1.36 | 1.25% to 1.40% | -23.34% to -23.22% |
| 2001 | | 1,830 | \$11.34 to \$19.40 | 32,591 | 1.19 | 1.25% to 1.40% | -13.34% to -13.20% |
| 2000 | | 2,149 | \$13.07 to \$22.38 | 44,133 | (a) | (a) | (a) |

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| | Division | Units (000's) | Unit Fair Value (lowest to highest) | Net Assets (000's) | Investment Income Ratio ^A | Expense Ratio ^B (lowest to highest) | Total Return ^C (lowest to highest) |
|-------------------------------------|----------|------------------|--|-----------------------|--|---|--|
| Fidelity® VIP Investment Grade Bond | | | | | | | |
| | 2004* | 29 | \$15.92 | \$ 459 | 4.75 % | 1.40% | 2.18% |
| | 2003* | 41 | \$15.52 | 641 | 3.92 | 1.40% | 3.33% |
| | 2002 | 46 | \$15.02 | 686 | 4.49 | 1.40% | 8.80% |
| | 2001 | 67 | \$13.81 | 919 | 5.53 | 1.25% to 1.40% | 6.94% |
| | 2000 | 75 | \$12.91 | 963 | (a) | (a) | (a) |
| Fidelity® VIP Overseas | | | | | | | |
| | 2004* | 231 | \$10.08 to \$13.34 | 2,898 | 1.20 | 1.25% to 1.40% | -1.62% to -1.56% |
| | 2003* | 222 | \$8.83 to \$11.70 | 2,478 | 0.84 | 1.25% to 1.40% | 22.00% to 22.13% |
| | 2002 | 251 | \$7.23 to \$9.59 | 2,309 | 0.83 | 1.25% to 1.40% | -21.40% to -21.28% |
| | 2001 | 244 | \$9.19 to \$12.20 | 2,834 | 14.13 | 1.00% to 1.40% | -22.28% to -22.16% |
| | 2000 | 279 | \$11.80 to \$15.70 | 4,168 | (a) | (a) | (a) |
| ING VP Balanced | | | | | | | |
| | 2004* | 1,182 | \$10.44 to \$17.93 | 14,041 | 2.03 | 1.00% to 1.40% | 1.64% to 1.95% |
| | 2003* | 1,029 | \$9.56 to \$16.48 | 11,727 | 2.08 | 1.00% to 1.40% | 9.50% to 9.89% |
| | 2002 | 919 | \$8.70 to \$15.05 | 10,006 | 0.98 | 1.00% to 1.40% | -11.56% to -11.20% |
| | 2001 | 737 | \$9.80 to \$17.02 | 9,754 | 6.16 | 1.00% to 1.40% | -5.56% to -5.17% |
| | 2000 | 474 | \$10.33 to \$18.02 | 7,942 | (a) | (a) | (a) |
| ING VP Emerging Markets | | | | | | | |
| | 2004* | 15 | \$9.96 | 147 | - | 1.40% | 3.21% |
| | 2003* | 20 | \$8.43 | 173 | - | 1.40% | 26.77% |
| | 2002 | 25 | \$6.65 | 164 | - | 1.40% | -10.60% |
| | 2001 | 42 | \$7.43 | 313 | 21.63 | 1.25% to 1.40% | -11.68% |
| | 2000 | 53 | \$8.42 | 446 | (a) | (a) | (a) |
| ING VP Intermediate Bond | | | | | | | |
| | 2004* | 661 | \$13.45 to \$15.55 | 10,035 | 4.33 | 1.00% to 1.40% | 2.50% to 2.65% |
| | 2003* | 893 | \$13.47 to \$15.06 | 13,198 | 1.73 | 1.25% to 1.40% | 4.08% to 4.18% |
| | 2002 | 1,064 | \$12.93 to \$14.47 | 15,106 | 3.62 | 1.25% to 1.40% | 6.82% to 6.98% |
| | 2001 | 784 | \$12.09 to \$13.55 | 10,374 | 6.63 | 1.00% to 1.40% | 7.22% to 7.38% |
| | 2000 | 568 | \$11.26 to \$12.64 | 7,033 | (a) | (a) | (a) |

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|--|------------------|--|-----------------------|--|---|--|
| ING VP Money Market | | | | | | |
| 2004* | 1,492 | \$10.95 to \$12.53 | \$ 18,027 | 0.97 % | 1.00% to 1.40% | -0.40% to -0.09% |
| 2003* | 2,089 | \$10.96 to \$12.60 | 25,465 | 1.89 | 1.00% to 1.40% | -0.40% to -0.09% |
| 2002 | 2,909 | \$10.97 to \$12.65 | 35,752 | 3.44 | 1.00% to 1.40% | 0.20% to 0.61% |
| 2001 | 2,991 | \$10.91 to \$12.62 | 36,764 | 4.11 | 1.00% to 1.40% | 1.41% to 2.63% |
| 2000 | 2,417 | \$10.76 to \$12.32 | 29,041 | (a) | (a) | (a) |
| ING VP Natural Resources | | | | | | |
| 2004* | 24 | \$16.10 | 380 | 1.00 | 1.40% | 7.76% |
| 2003* | 28 | \$12.70 | 361 | - | 1.40% | 9.39% |
| 2002 | 33 | \$11.61 | 383 | 0.18 | 1.40% | -3.47% |
| 2001 | 42 | \$12.02 | 506 | - | 1.25% to 1.40% | -17.12% |
| 2000 | 51 | \$14.51 | 742 | (a) | (a) | (a) |
| ING JPMorgan International | | | | | | |
| 2004* | 204 | \$10.54 to \$11.06 | 2,266 | 1.26 | 1.25% to 1.40% | 3.27% to 3.43% |
| 2003* | 153 | \$8.79 to \$9.24 | 1,402 | 1.11 | 1.25% to 1.40% | 10.13% to 10.29% |
| 2002 | 176 | \$7.97 to \$8.39 | 1,470 | 0.62 | 1.25% to 1.40% | -19.23% to -19.10% |
| 2001 | 141 | \$9.86 to \$10.38 | 1,456 | 24.41 | 1.00% to 1.40% | -27.96% to -27.84% |
| 2000 | 111 | \$13.66 to \$14.42 | 1,602 | (a) | (a) | (a) |
| ING MFS Capital Opportunities | | | | | | |
| 2004* | 248 | \$10.65 to \$11.16 | 2,762 | 0.43 | 1.25% to 1.40% | 0.00% to 0.09% |
| 2003* | 329 | \$9.67 to \$10.14 | 3,329 | 0.19 | 1.25% to 1.40% | 14.71% to 14.85% |
| 2002 | 453 | \$8.42 to \$8.84 | 3,984 | - | 1.25% to 1.40% | -31.14% to -31.04% |
| 2001 | 456 | \$12.20 to \$12.84 | 5,817 | 16.63 | 1.00% to 1.40% | -25.82% to -25.70% |
| 2000 | 681 | \$16.42 to \$17.30 | 11,714 | (a) | (a) | (a) |
| ING Salomon Brothers Aggressive Growth | | | | | | |
| 2004* | 1,037 | \$5.65 to \$9.04 | 9,266 | - | 1.00% to 1.40% | 0.11% to 0.36% |
| 2003* | 1,369 | \$5.11 to \$8.21 | 11,111 | - | 1.00% to 1.40% | 23.83% to 24.03% |
| 2002 | 1,450 | \$4.12 to \$6.63 | 9,494 | - | 1.00% to 1.40% | -36.21% to -35.95% |
| 2001 | 1,978 | \$6.43 to \$10.40 | 20,338 | 6.42 | 1.00% to 1.40% | -26.26% to -25.96% |
| 2000 | 2,360 | \$8.68 to \$14.10 | 32,921 | (a) | (a) | (a) |

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|--------------------------------------|----------|------------------|--|-----------------------|------------------------------|--------|---|--|
| | | | | | Income Ratio ^A | Income | | |
| ING T. Rowe Price Growth Equity | | | | | | | | |
| 2004* | | 1,023 | \$9.27 to \$17.54 | \$ 17,356 | 0.16 | % | 1.00% to 1.40% | -1.96% to -1.59% |
| 2003* | | 1,122 | \$8.45 to \$16.06 | 17,559 | 0.16 | | 1.00% to 1.40% | -7.24% to 15.96% |
| 2002 | | 1,207 | \$7.27 to \$13.85 | 16,326 | 0.18 | | 1.00% to 1.40% | -24.37% to -20.23% |
| 2001 | | 1,421 | \$12.80 to \$18.32 | 25,447 | 15.48 | | 1.00% to 1.40% | -11.48% to -11.35% |
| 2000 | | 1,650 | \$14.43 to \$20.69 | 33,378 | (a) | | (a) | (a) |
| ING UBS U.S. Large Cap Equity | | | | | | | | |
| 2004* | | 732 | \$8.96 to \$9.87 | 6,624 | 0.73 | | 1.25% to 1.40% | 2.52% to 2.71% |
| 2003* | | 856 | \$7.92 to \$8.71 | 6,855 | 0.58 | | 1.25% to 1.40% | 11.71% to 11.81% |
| 2002 | | 1,026 | \$7.09 to \$7.79 | 7,353 | 0.19 | | 1.25% to 1.40% | -25.95% to -25.83% |
| 2001 | | 1,315 | \$9.57 to \$10.50 | 12,718 | 20.94 | | 1.00% to 1.40% | -22.00% to -21.88% |
| 2000 | | 1,567 | \$12.27 to \$13.44 | 19,399 | (a) | | (a) | (a) |
| ING VP Strategic Allocation Balanced | | | | | | | | |
| 2004* | | 108 | \$10.91 to \$15.45 | 1,621 | 1.43 | | 1.25% to 1.40% | 1.51% to 1.68% |
| 2003* | | 69 | \$9.96 to \$14.13 | 955 | 1.19 | | 1.25% to 1.40% | 9.37% to 9.57% |
| 2002 | | 47 | \$9.09 to \$12.92 | 554 | 2.39 | | 1.25% to 1.40% | -10.81% to -10.67% |
| 2001 | | 52 | \$10.18 to \$14.48 | 675 | 2.79 | | 1.00% to 1.40% | -8.30% to -8.16% |
| 2000 | | 56 | \$11.08 to \$15.79 | 801 | (a) | | (a) | (a) |
| ING VP Strategic Allocation Growth | | | | | | | | |
| 2004* | | 104 | \$10.31 to \$15.65 | 1,597 | 0.89 | | 1.25% to 1.40% | 1.16% to 1.28% |
| 2003* | | 82 | \$9.25 to \$14.07 | 1,103 | 1.10 | | 1.25% to 1.40% | 11.49% to 11.58% |
| 2002 | | 58 | \$8.29 to \$12.62 | 710 | 2.15 | | 1.25% to 1.40% | -14.97% to -14.84% |
| 2001 | | 64 | \$9.73 to \$14.84 | 914 | 1.58 | | 1.00% to 1.40% | -12.79% to -12.65% |
| 2000 | | 83 | \$11.14 to \$17.02 | 1,319 | (a) | | (a) | (a) |
| ING VP Strategic Allocation Income | | | | | | | | |
| 2004* | | 111 | \$11.83 to \$15.62 | 1,661 | 1.81 | | 1.25% to 1.40% | 1.76% to 1.89% |
| 2003* | | 109 | \$11.02 to \$14.58 | 1,567 | 2.43 | | 1.25% to 1.40% | 6.42% to 6.47% |
| 2002 | | 115 | \$10.35 to \$13.70 | 1,561 | 2.72 | | 1.25% to 1.40% | -5.69% to -5.54% |
| 2001 | | 143 | \$10.95 to \$14.52 | 2,048 | 3.63 | | 1.00% to 1.40% | -3.75% to -3.60% |
| 2000 | | 104 | \$11.36 to \$15.09 | 1,581 | (a) | | (a) | (a) |

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|--------------------------------------|----------|------------------|--|-----------------------|--|---|--|
| ING VP Growth and Income | | | | | | | |
| | 2004* | 862 | \$6.89 to \$13.54 | \$ 9,961 | 0.93 % | 1.00% to 1.40% | -2.45% to -2.13% |
| | 2003* | 978 | \$6.25 to \$12.33 | 10,387 | - | 1.00% to 1.40% | 10.48% to 10.82% |
| | 2002 | 1,131 | \$5.64 to \$11.16 | 10,865 | 0.83 | 1.00% to 1.40% | -26.04% to -25.74% |
| | 2001 | 1,285 | \$7.59 to \$15.10 | 17,195 | 0.62 | 1.00% to 1.40% | -19.55% to -15.90% |
| | 2000 | 1,435 | \$9.03 to \$18.77 | 23,995 | (a) | (a) | (a) |
| ING VP Global Science and Technology | | | | | | | |
| | 2004* | 671 | \$3.14 to \$3.20 | 2,129 | - | 1.00% to 1.40% | -14.44% to -14.21% |
| | 2003* | 534 | \$3.25 to \$3.29 | 1,748 | - | 1.00% to 1.40% | 26.95% to 27.24% |
| | 2002 | 293 | \$2.56 to \$2.59 | 756 | - | 1.00% to 1.40% | -42.10% to -41.87% |
| | 2001 | 166 | \$4.42 to \$4.45 | 735 | - | 1.00% to 1.40% | -24.04% to -23.75% |
| | 2000 | 41 | \$5.82 to \$5.84 | 238 | (a) | (a) | (a) |
| ING VP Growth | | | | | | | |
| | 2004* | 381 | \$6.18 to \$12.77 | 2,946 | 0.13 | 1.00% to 1.40% | -4.42% to -4.19% |
| | 2003* | 362 | \$5.86 to \$12.15 | 2,777 | - | 1.00% to 1.40% | 16.83% to 17.20% |
| | 2002 | 351 | \$5.00 to \$10.40 | 2,359 | - | 1.00% to 1.40% | -29.94% to -29.65% |
| | 2001 | 348 | \$7.11 to \$14.84 | 3,638 | 10.59 | 1.00% to 1.40% | -28.09% to -27.79% |
| | 2000 | 363 | \$9.84 to \$20.64 | 6,861 | (a) | (a) | (a) |
| ING VP Index Plus LargeCap | | | | | | | |
| | 2004* | 1,781 | \$8.07 to \$16.81 | 16,991 | 1.04 | 1.00% to 1.40% | 0.18% to 0.50% |
| | 2003* | 1,517 | \$7.19 to \$15.04 | 13,649 | 1.16 | 1.00% to 1.40% | 11.49% to 11.82% |
| | 2002 | 1,296 | \$6.43 to \$13.49 | 10,983 | 0.23 | 1.00% to 1.40% | -22.63% to -22.31% |
| | 2001 | 905 | \$8.25 to \$17.44 | 11,476 | 4.80 | 1.00% to 1.40% | -14.84% to -14.48% |
| | 2000 | 649 | \$9.68 to \$20.48 | 12,035 | (a) | (a) | (a) |
| ING VP Index Plus MidCap | | | | | | | |
| | 2004* | 6 | \$14.82 | 82 | - | 1.00% | 3.56% |
| | 2003* | 4 | \$12.72 | 55 | - | 1.00% | 16.48% |
| | 2002 | 4 | \$10.92 | 45 | 0.41 | 1.00% | -12.97% |
| | 2001 | 3 | \$12.54 | 39 | 8.59 | 1.00% | (b) |
| | 2000 | (b) | (b) | (b) | (b) | (b) | (b) |

ING INSURANCE COMPANY OF AMERICA
VARIABLE ANNUITY ACCOUNT I
Notes to Financial Statements (Unaudited)

| Division | | Units (000's) | Unit Fair Value (lowest to highest) | Net Assets (000's) | Investment | | Expense Ratio ^B (lowest to highest) | Total Return ^C (lowest to highest) |
|-----------------------------|--|------------------|--|-----------------------|------------|-------|---|--|
| ING VP Index Plus SmallCap | | | | | | | | |
| 2004* | | - | \$14.83 | \$ | 1 | - | 1.00% | 7.08% |
| 2003* | | 3 | \$12.17 | | 33 | - | 1.00% | 18.50% |
| 2002 | | 3 | \$10.27 | | 28 | 0.14 | 1.00% | -14.07% |
| 2001 | | 2 | \$11.95 | | 32 | 10.40 | 1.00% | (b) |
| 2000 | | (b) | (b) | | (b) | (b) | (b) | (b) |
| ING VP International Equity | | | | | | | | |
| 2004* | | 97 | \$7.00 to \$8.29 | | 770 | 1.43 | 1.00% to 1.40% | 1.61% to 1.89% |
| 2003* | | 55 | \$5.95 to \$7.06 | | 371 | 1.23 | 1.00% to 1.40% | 12.90% to 13.12% |
| 2002 | | 46 | \$5.26 to \$6.25 | | 281 | 0.22 | 1.00% to 1.40% | -27.71% to -27.41% |
| 2001 | | 46 | \$7.24 to \$8.63 | | 383 | 0.09 | 1.00% to 1.40% | -24.95% to -24.64% |
| 2000 | | 59 | \$9.61 to \$11.48 | | 676 | (a) | (a) | (a) |
| ING VP International Value | | | | | | | | |
| 2004* | | 4 | \$10.61 | | 47 | (c) | 1.00% | (c) |
| 2003* | | (c) | (c) | | (c) | (c) | (c) | (c) |
| 2002 | | (c) | (c) | | (c) | (c) | (c) | (c) |
| 2001 | | (c) | (c) | | (c) | (c) | (c) | (c) |
| 2000 | | (c) | (c) | | (c) | (c) | (c) | (c) |
| ING VP Small Company | | | | | | | | |
| 2004* | | 933 | \$12.67 to \$19.37 | | 14,416 | 0.28 | 1.00% to 1.40% | -0.26% to 0.00% |
| 2003* | | 847 | \$11.44 to \$17.56 | | 12,449 | 0.28 | 1.00% to 1.40% | 22.54% to 22.88% |
| 2002 | | 676 | \$9.31 to \$14.33 | | 8,445 | 0.64 | 1.00% to 1.40% | -24.30% to -23.99% |
| 2001 | | 507 | \$12.25 to \$18.93 | | 9,047 | 3.07 | 1.00% to 1.40% | 2.54% to 2.96% |
| 2000 | | 455 | \$11.89 to \$18.46 | | 8,152 | (a) | (a) | (a) |
| ING VP Value Opportunity | | | | | | | | |
| 2004* | | 239 | \$9.23 to \$16.58 | | 3,632 | 0.98 | 1.00% to 1.40% | 1.28% to 1.65% |
| 2003* | | 209 | \$8.10 to \$14.62 | | 2,812 | 0.82 | 1.00% to 1.40% | 9.76% to 10.05% |
| 2002 | | 264 | \$7.36 to \$13.32 | | 3,282 | 0.50 | 1.00% to 1.40% | -27.00% to -26.70% |
| 2001 | | 390 | \$10.05 to \$18.25 | | 6,718 | 5.60 | 1.00% to 1.40% | -10.89% to -8.87% |
| 2000 | | 352 | \$11.02 to \$20.48 | | 6,820 | (a) | (a) | (a) |

ING INSURANCE COMPANY OF AMERICA
VARIABLE ANNUITY ACCOUNT I
Notes to Financial Statements (Unaudited)

| | Division | Units (000's) | Unit Fair Value (lowest to highest) | Net Assets (000's) | Investment | | Expense Ratio ^B (lowest to highest) | Total Return ^C (lowest to highest) |
|-------------------------------------|----------|------------------|--|-----------------------|------------------------------|--|---|--|
| | | | | | Income Ratio ^A | | | |
| Janus Aspen Series Balanced | | | | | | | | |
| 2004* | | 571 | \$10.43 to \$22.76 | \$ 11,720 | 0.74 % | | 1.00% to 1.40% | 1.02% to 1.36% |
| 2003* | | 793 | \$9.66 to \$21.16 | 15,280 | 1.24 | | 1.00% to 1.40% | 5.59% to 5.92% |
| 2002 | | 968 | \$9.12 to \$20.04 | 17,715 | 2.38 | | 1.00% to 1.40% | -7.76% to -7.38% |
| 2001 | | 989 | \$9.84 to \$21.72 | 19,636 | 2.54 | | 1.00% to 1.40% | -6.05% to 0.72% |
| 2000 | | 1,104 | \$9.77 to \$23.12 | 23,240 | (a) | | (a) | (a) |
| Janus Aspen Series Flexible Income | | | | | | | | |
| 2004* | | 253 | \$13.30 to \$17.14 | 4,124 | 2.22 | | 1.00% to 1.40% | 1.90% to 1.98% |
| 2003* | | 420 | \$13.58 to \$16.79 | 6,782 | 2.30 | | 1.25% to 1.40% | 4.74% to 4.86% |
| 2002 | | 649 | \$12.95 to \$16.03 | 10,027 | 4.31 | | 1.25% to 1.40% | 8.93% to 9.10% |
| 2001 | | 512 | \$11.87 to \$14.72 | 7,279 | 5.65 | | 1.00% to 1.40% | 6.22% to 6.38% |
| 2000 | | 356 | \$11.16 to \$13.86 | 4,666 | (a) | | (a) | (a) |
| Janus Aspen Series Growth | | | | | | | | |
| 2004* | | 492 | \$6.23 to \$15.47 | 7,107 | 0.02 | | 1.00% to 1.40% | -6.01% to -5.75% |
| 2003* | | 679 | \$5.86 to \$14.61 | 9,302 | - | | 1.00% to 1.40% | 15.31% to 17.43% |
| 2002 | | 836 | \$5.07 to \$12.67 | 9,846 | | | 1.00% to 1.40% | -27.54% to 1.52% |
| 2001 | | 1,166 | \$11.40 to \$17.49 | 19,187 | 0.26 | | 1.00% to 1.40% | -25.80% to -25.68% |
| 2000 | | 1,406 | \$15.34 to \$23.57 | 31,014 | (a) | | (a) | (a) |
| Janus Aspen Series MidCap Growth | | | | | | | | |
| 2004* | | 1,228 | \$5.25 to \$14.65 | 9,962 | - | | 1.00% to 1.40% | 3.75% to 4.17% |
| 2003* | | 1,201 | \$4.55 to \$12.76 | 9,212 | - | | 1.00% to 1.40% | 20.38% to 20.69% |
| 2002 | | 1,197 | \$3.77 to \$10.60 | 8,360 | - | | 1.00% to 1.40% | -28.95% to -28.65% |
| 2001 | | 1,243 | \$5.28 to \$14.92 | 13,647 | - | | 1.00% to 1.40% | -40.31% to -40.06% |
| 2000 | | 1,110 | \$8.82 to \$25.00 | 25,895 | (a) | | (a) | (a) |
| Janus Aspen Series Worldwide Growth | | | | | | | | |
| 2004* | | 1,446 | \$6.71 to \$17.81 | 21,305 | 0.46 | | 1.00% to 1.40% | -6.21% to -6.02% |
| 2003* | | 1,908 | \$6.34 to \$16.87 | 27,036 | 0.82 | | 1.00% to 1.40% | 8.63% to 9.12% |
| 2002 | | 2,310 | \$5.81 to \$15.53 | 30,978 | 0.83 | | 1.00% to 1.40% | -26.55% to -26.24% |
| 2001 | | 2,897 | \$7.88 to \$21.14 | 54,632 | 0.44 | | 1.00% to 1.40% | -23.53% to -23.22% |
| 2000 | | 3,253 | \$10.27 to \$27.65 | 84,022 | (a) | | (a) | (a) |

ING INSURANCE COMPANY OF AMERICA
VARIABLE ANNUITY ACCOUNT I
Notes to Financial Statements (Unaudited)

| | Division | Units (000's) | Unit Fair Value (lowest to highest) | Net Assets (000's) | Investment | | Expense Ratio ^B (lowest to highest) | Total Return ^C (lowest to highest) |
|-------------------------------|----------|------------------|--|-----------------------|------------------------------|-------|---|--|
| | | | | | Income Ratio ^A | | | |
| Lord Abnett Growth and Income | | | | | | | | |
| 2004* | | 22 | \$10.31 | \$ | 222 | (c) % | 1.00% | (c) |
| 2003* | | (c) | (c) | | (c) | (c) | (c) | (c) |
| 2002 | | (c) | (c) | | (c) | (c) | (c) | (c) |
| 2001 | | (c) | (c) | | (c) | (c) | (c) | (c) |
| 2000 | | (c) | (c) | | (c) | (c) | (c) | (c) |
| MFS ® Strategic Income | | | | | | | | |
| 2004* | | 81 | \$13.06 to \$13.38 | | 1,074 | 4.80 | 1.25% to 1.40% | 3.16% |
| 2003* | | 126 | \$12.36 to \$12.68 | | 1,589 | 6.83 | 1.25% to 1.40% | 6.38% to 6.46% |
| 2002 | | 95 | \$11.61 to \$11.92 | | 1,134 | 2.57 | 1.25% to 1.40% | 6.89% to 7.05% |
| 2001 | | 50 | \$10.85 to \$11.15 | | 559 | 3.16 | 1.25% to 1.40% | 3.28% to 3.43% |
| 2000 | | 61 | \$10.49 to \$10.80 | | 651 | (a) | (a) | (a) |
| MFS® Total Return | | | | | | | | |
| 2004* | | 997 | \$14.00 to \$18.30 | | 17,221 | 1.61 | 1.25% to 1.40% | 2.87% to 3.02% |
| 2003* | | 1,123 | \$12.73 to \$16.67 | | 17,771 | 1.82 | 1.25% to 1.40% | 7.48% to 7.61% |
| 2002 | | 1,217 | \$11.83 to \$15.51 | | 17,806 | 1.87 | 1.25% to 1.40% | -6.50% to -6.35% |
| 2001 | | 1,281 | \$12.63 to \$16.59 | | 20,066 | 5.25 | 1.25% to 1.40% | -1.17% to -1.01% |
| 2000 | | 1,070 | \$12.76 to \$16.78 | | 16,787 | (a) | (a) | (a) |
| Oppenheimer Aggressive Growth | | | | | | | | |
| 2004* | | 299 | \$10.95 to \$13.49 | | 3,825 | - | 1.25% to 1.40% | 5.39% to 5.49% |
| 2003* | | 340 | \$9.95 to \$12.27 | | 4,000 | - | 1.25% to 1.40% | 18.67% to 18.88% |
| 2002 | | 302 | \$8.37 to \$10.34 | | 2,987 | 0.68 | 1.25% to 1.40% | -28.80% to -28.69% |
| 2001 | | 400 | \$11.74 to \$14.52 | | 5,569 | 15.42 | 1.25% to 1.40% | -32.24% to -32.14% |
| 2000 | | 474 | \$17.30 to \$21.42 | | 9,743 | (a) | (a) | (a) |
| Oppenheimer Global Securities | | | | | | | | |
| 2004* | | 1,111 | \$12.23 to \$20.02 | | 16,911 | 1.23 | 1.00% to 1.40% | 1.42% to 1.75% |
| 2003* | | 837 | \$10.31 to \$16.95 | | 10,719 | 0.71 | 1.00% to 1.40% | 21.07% to 21.44% |
| 2002 | | 656 | \$8.49 to \$14.00 | | 7,124 | 0.52 | 1.00% to 1.40% | -23.23% to -22.91% |
| 2001 | | 376 | \$11.01 to \$18.23 | | 5,455 | 8.61 | 1.00% to 1.40% | -13.28% to -12.92% |
| 2000 | | 308 | \$12.65 to \$21.02 | | 6,287 | (a) | (a) | (a) |

ING INSURANCE COMPANY OF AMERICA
VARIABLE ANNUITY ACCOUNT I
Notes to Financial Statements (Unaudited)

| | Division | Units (000's) | Unit Fair Value (lowest to highest) | Net Assets (000's) | Investment | | Expense Ratio ^B (lowest to highest) | Total Return ^C (lowest to highest) |
|----------------------------|----------|------------------|--|-----------------------|------------------------------|-----|---|--|
| | | | | | Income Ratio ^A | | | |
| Oppenheimer Main Street | | | | | | | | |
| 2004* | | 656 | \$9.71 to \$12.57 | \$ 7,709 | 0.84 % | | 1.25% to 1.40% | -0.48% to -0.41% |
| 2003* | | 645 | \$8.67 to \$11.35 | 6,852 | 0.96 | | 1.25% to 1.40% | 12.38% to 12.45% |
| 2002 | | 665 | \$7.79 to \$10.10 | 6,276 | 0.78 | | 1.25% to 1.40% | -19.94% to -19.81% |
| 2001 | | 788 | \$9.71 to \$12.62 | 9,280 | 0.55 | | 1.25% to 1.40% | -11.43% to -11.29% |
| 2000 | | 886 | \$10.95 to \$14.25 | 11,851 | (a) | (a) | | (a) |
| Oppenheimer Strategic Bond | | | | | | | | |
| 2004* | | 613 | \$13.59 to \$14.65 | 8,832 | 4.90 | | 1.00% to 1.40% | 2.52% to 2.95% |
| 2003* | | 594 | \$12.69 to \$13.74 | 8,105 | 6.39 | | 1.00% to 1.40% | 11.98% to 12.30% |
| 2002 | | 460 | \$11.30 to \$12.27 | 5,664 | 6.30 | | 1.00% to 1.40% | 5.94% to 6.37% |
| 2001 | | 364 | \$10.62 to \$11.58 | 4,138 | 5.71 | | 1.00% to 1.40% | 1.72% to 3.52% |
| 2000 | | 317 | \$10.33 to \$11.21 | 3,479 | (a) | (a) | | (a) |

* Data for 2004 and 2003 is presented as of September 30. The Investment Income Ratio and Total Return are calculated for the preceeding nine month period.

(a) Not provided for 2000.

(b) As this investment Division was not available until 2001, this data is not meaningful and therefore is not presented.

(c) As this investment Division was not available until 2004*, this data is not meaningful and therefore is not presented.

A The Investment Income Ratio represents dividends received by the Division, excluding capital gains distributions, divided by the average net assets. The recognition of investment income is determined by the timing of the declaration of dividends by the underlying fund in which the Division invests.

B The Expense Ratio considers only the expenses borne directly by the Account and is equal to the mortality and expense charge, as defined in Note 3. Certain items in this table are presented as a range of minimum and maximum values; however, such information is calculated independently for each column in the table.

C Total Return is calculated as the change in unit value for each Contract presented in the Statements of Assets and Liabilities. Certain items in this table are presented as a range of minimum and maximum values; however, such information is calculated independently for each column in the table.

ING Insurance Company of America
(A wholly-owned subsidiary of ING Life Insurance and Annuity Company)
For the period ended September 30, 2004

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ING Insurance Company of America
(A wholly-owned subsidiary of ING Life Insurance and Annuity Company)
Form 10-Q for the period ended September 30, 2004

Condensed Statements of Income
(Unaudited)
(Millions)

| | Three months ended September 30, | | Nine months ended September 30, | |
|--|---|---------------|--|---------------|
| | 2004 | 2003 | 2004 | 2003 |
| Revenue: | | | | |
| Fee income | \$ 2.2 | \$ 2.4 | \$ 7.0 | \$ 7.7 |
| Net investment income | 2.3 | 2.0 | 7.2 | 7.1 |
| Net realized capital gains | 0.9 | 0.4 | 1.1 | 1.4 |
| Total revenues | <u>5.4</u> | <u>4.8</u> | <u>15.3</u> | <u>16.2</u> |
| Benefits, losses and expenses: | | | | |
| Benefits: | | | | |
| Interest credited and other benefits to policyholders | 0.9 | 1.9 | 3.9 | 5.7 |
| Underwriting, acquisition, and insurance expenses: | | | | |
| General expenses | 0.4 | 0.6 | 1.1 | 1.5 |
| Commissions | 0.5 | 0.4 | 1.4 | 1.3 |
| Policy acquisition costs deferred | (0.1) | - | (0.4) | (0.3) |
| Amortization of deferred policy acquisition costs and value of business acquired | 1.4 | (1.1) | 4.0 | 2.0 |
| Total benefits, losses and expenses | <u>3.1</u> | <u>1.8</u> | <u>10.0</u> | <u>10.2</u> |
| Income before income taxes | 2.3 | 3.0 | 5.3 | 6.0 |
| Income tax (benefit) expense | (0.1) | 0.8 | 0.8 | 1.3 |
| Net income | <u>\$ 2.4</u> | <u>\$ 2.2</u> | <u>\$ 4.5</u> | <u>\$ 4.7</u> |

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

ING Insurance Company of America
(A wholly-owned subsidiary of ING Life Insurance and Annuity Company)

Condensed Balance Sheets
(Unaudited)
(Millions, except share data)

| | September 30, 2004 | December 31, 2003 |
|---|-------------------------------|------------------------------|
| | (Unaudited) | |
| Assets | | |
| Investments: | | |
| Fixed maturities, available for sale, at fair value (amortized cost of \$193.6 at 2004 and \$127.9 at 2003) | \$ 198.2 | \$ 133.1 |
| Securities pledged (amortized cost of \$0.7 at 2004) | 0.7 | - |
| Total investments | 198.9 | 133.1 |
| Cash and cash equivalents | 5.9 | 4.8 |
| Short term investments under securities loan agreement | 0.7 | - |
| Accrued investment income | 1.6 | 1.3 |
| Deferred policy acquisition costs | 1.0 | 0.9 |
| Value of business acquired | 28.7 | 31.6 |
| Other assets | 2.8 | 20.3 |
| Assets held in separate accounts | 522.6 | 660.7 |
| Total assets | <u>\$ 762.2</u> | <u>\$ 852.7</u> |
| Liabilities and Shareholder's Equity | | |
| Policy liabilities and accruals: | | |
| Other policyholder's funds | \$ 128.7 | \$ 86.6 |
| Due to affiliates | 2.7 | 0.6 |
| Payables under securities loan agreement | 0.7 | - |
| Current income taxes | 2.1 | 1.7 |
| Deferred income taxes | 8.0 | 7.9 |
| Other liabilities | 2.2 | 2.6 |
| Liabilities related to separate accounts | 522.6 | 660.7 |
| Total liabilities | <u>667.0</u> | <u>760.1</u> |
| Shareholder's equity: | | |
| Common stock (35,000 shares authorized, 25,500 issued and outstanding; \$100 per share par value) | 2.5 | 2.5 |
| Additional paid-in capital | 181.2 | 181.2 |
| Accumulated other comprehensive income | 0.3 | 2.2 |
| Retained deficit | (88.8) | (93.3) |
| Total shareholder's equity | <u>95.2</u> | <u>92.6</u> |
| Total liabilities and shareholder's equity | <u>\$ 762.2</u> | <u>\$ 852.7</u> |

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

ING Insurance Company of America
(A wholly-owned subsidiary of ING Life Insurance and Annuity Company)

Condensed Statements of Changes in Shareholder's Equity
(Unaudited)
(Millions)

| | Nine months ended September 30, | |
|---|--|-------------|
| | 2004 | 2003 |
| Shareholder's equity, beginning of period | \$ 92.6 | \$ 85.9 |
| Comprehensive income: | | |
| Net income | 4.5 | 4.7 |
| Other comprehensive (loss) income net of tax: Unrealized (loss) gain on securities (\$2.9) and \$0.3, pretax year to date) | (1.9) | 0.2 |
| Total comprehensive income | 2.6 | 4.9 |
| Other | - | (0.1) |
| Shareholder's equity, end of period | \$ 95.2 | \$ 90.7 |

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

ING Insurance Company of America
(A wholly-owned subsidiary of ING Life Insurance and Annuity Company)

Condensed Statements of Cash Flows
(Unaudited)
(Millions)

| | Nine months ended September 30, | |
|---|--|-------------|
| | 2004 | 2003 |
| Net cash (used for) provided by operating activities | \$ (4.7) | \$ 2.5 |
| Cash flows provided by (used for) investing activities | | |
| Proceeds from the sale, maturity or repayment of fixed maturities, available for sale | 201.5 | 191.9 |
| Acquisition of fixed maturities, available for sale | (195.9) | (200.5) |
| Net cash provided by (used for) investing activities | 5.6 | (8.6) |
| Cash flows provided by financing activities | | |
| Deposits and interest credited for investment contracts | 0.2 | 5.9 |
| Maturities and withdrawals from investment contracts | - | (1.5) |
| Other, net | - | (3.5) |
| Net cash provided by financing activities | 0.2 | 0.9 |
| Net change in cash and cash equivalents | 1.1 | (5.2) |
| Cash and cash equivalents, beginning of period | 4.8 | 5.2 |
| Cash and cash equivalents, end of period | <u>\$ 5.9</u> | <u>\$ -</u> |

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

ING Insurance Company of America
(A wholly-owned subsidiary of ING Life Insurance and Annuity Company)
Notes to Condensed Financial Statements (Unaudited)

1. Basis of Presentation

ING Insurance Company of America ("IICA" or the "Company"), is a provider of financial products and services in the United States. The Company is a wholly-owned subsidiary of ING Life Insurance and Annuity Company ("ILIAC"). ILIAC is a wholly-owned subsidiary of Lion Connecticut Holdings Inc. ("Lion Connecticut"). Lion Connecticut's ultimate parent is ING Groep N.V. ("ING"), a financial services company based in The Netherlands.

The condensed financial statements and notes as of September 30, 2004 and December 31, 2003 and for the three and nine months ended September 30, 2004 and 2003 ("interim periods") have been prepared in accordance with U.S. generally accepted accounting principles and are unaudited. The condensed financial statements reflect all adjustments (consisting only of normal recurring accruals) which are, in the opinion of management, necessary for the fair presentation of the financial position, results of operations and cash flows for the interim periods. These condensed financial statements and notes should be read in conjunction with the financial statements and related notes as presented in the Company's 2003 Annual Report on Form 10-K. The results of operations for the interim periods may not be considered indicative of results to be expected for the full year.

The Company has one operating segment, U.S. Financial Services ("USFS"), and all revenue reported by the Company comes from external customers.

2. Recently Adopted Accounting Standards

Accounting and Reporting by Insurance Enterprises for Certain Nontraditional Long-Duration Contracts and for Separate Accounts

The Company adopted Statement of Position ("SOP") 03-1, "Accounting and Reporting by Insurance Enterprises for Certain Nontraditional Long-Duration Contracts and for Separate Accounts," on January 1, 2004. SOP 03-1 establishes several new accounting and disclosure requirements for certain nontraditional long-duration contracts and for separate accounts including, among other things, a requirement that assets and liabilities of separate account arrangements that do not meet certain criteria be accounted for as general account assets and liabilities, and that revenues and expenses related to such arrangements be consolidated with the respective revenue and expense lines in the Condensed Statement of Operations. In addition, the SOP requires additional liabilities be established for certain guaranteed death and other benefits and for Universal Life products with certain patterns of cost of insurance charges, and that sales inducements provided to contractholders be recognized on the balance sheet separately from deferred acquisition costs and amortized as a component of benefits expense using methodology and assumptions consistent with those used for amortization of deferred policy acquisition costs.

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The Company evaluated all requirements of SOP 03-1 and determined that it is affected by the SOP's requirements to account for certain separate account arrangements as general account arrangements. Requirements to establish additional liabilities for minimum guarantee benefits are applicable to the Company, however, the Company's policies on policy liabilities have historically been, and continue to be, in conformity with the requirements newly established. Requirements for recognition of additional liabilities for Universal Life products with certain patterns of cost of insurance charges are not applicable to the Company.

The adoption of SOP 03-1 did not have a significant effect on the Company's results of operations, and had no impact on the Company's net income.

The implementation of SOP 03-1 raised questions regarding the interpretation of the requirements of Financial Accounting Standard ("FAS") No. 97, concerning when it is appropriate to record an unearned revenue liability related to the insurance benefit function. To clarify its position, the Financial Accounting Standards Board ("FASB") issued FASB Staff Position No. FAS 97-1 ("FSP FAS 97-1"), "Situations in Which Paragraphs 17(b) and 20 of FASB Statement No. 97, 'Accounting and Reporting by Insurance Enterprises for Certain Long-Duration Contracts and for Realized Gains and Losses from the Sale of Investments,' Permit or Require Accrual of an Unearned Revenue Liability," effective for fiscal periods beginning subsequent to the date the guidance was issued, June 18, 2004. The Company adopted FSP FAS 97-1 on July 1, 2004 and has evaluated the impact of the guidance on whether the Company is required to establish an unearned revenue reserve on its existing and new business. The adoption of FSP FAS 97-1 did not have an impact on the Company's financial position, results of operations or cash flows.

The Meaning of Other Than Temporary Impairment and its Application to Certain Investments

In March 2004, the Emerging Issues Task Force ("EITF") reached a consensus on EITF Issue No. 03-1 ("EITF 03-1"), "The Meaning of Other Than Temporary Impairment and Its Application to Certain Investments," requiring that a three-step impairment model be applied to securities within its scope. The three-step model is to be applied on a security-by-security basis as follows:

- Step 1: Determine whether an investment is impaired. An investment is impaired if the fair value of the investment is less than its cost basis.
- Step 2: Evaluate whether an impairment is other than temporary.
- Step 3: If the impairment is other than temporary, recognize an impairment loss equal to the difference between the investment's cost and its fair value.

On September 30, 2004, the FASB issued FASB Staff Position No. EITF Issue 03-1-1 ("FSP EITF 03-1-1"), "Effective Date of Paragraphs 10-20 of EITF Issue No. 03-1, 'The Meaning of Other Than Temporary Impairment and Its Application to Certain

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Investments," which delayed EITF 03-1's original effective date of July 1, 2004 for the paragraphs of the guidance surrounding steps two and three of the impairment model introduced. The delay is in effect until a final consensus can be reached on such guidance. Despite the delay of the implementation of steps two and three, other than temporary impairments are still to be recognized as required by existing guidance.

Earlier consensus reached by the EITF on this issue required that certain quantitative and qualitative disclosures be made for unrealized losses on debt and equity securities that have not been recognized as other than temporary impairments. These disclosures were adopted by the Company, effective December 31, 2003, and included in the Investments footnote of the Notes to Financial Statements included in the Company's December 31, 2003 Form 10-K. In addition to the disclosure requirements adopted by the Company effective December 31, 2003, the final consensus of EITF 03-1 reached in March 2004 included additional disclosure requirements that are effective for annual financial statements for fiscal years ending after June 15, 2004.

3. New Accounting Pronouncements

In September 2004, the AICPA issued Technical Practice Aid 6300.05-6300.08 "Q&As Related to the Implementation of SOP 03-1, Accounting and Reporting by Insurance Enterprises for Certain Nontraditional Long-Duration Contracts and for Separate Accounts" (the "TPA"). The TPA provides additional guidance regarding certain implicit assessments that may be used in testing of the base mortality function on contracts, which is performed to determine whether additional liabilities are required in conjunction with SOP 03-1. In addition, the TPA provides additional guidance surrounding the allowed level of aggregation of additional liabilities determined under the SOP. The Company is currently evaluating the impact of the TPA and anticipates it will have no impact on the Company's financial position, results of operations or cash flows.

4. Deferred Policy Acquisition Costs and Value of Business Acquired

Deferred Policy Acquisition Costs ("DAC") is an asset, which represents certain costs of acquiring certain insurance business, which are deferred and amortized. These costs, all of which vary with and are primarily related to the production of new and renewal business, consist principally of commissions, certain underwriting and contract issuance expenses, and certain agency expenses. Value of business acquired ("VOBA") is an asset, which represents the present value of estimated net cash flows embedded in the Company's contracts, which existed at the time the Company was acquired by ING. DAC and VOBA are evaluated for recoverability at each balance sheet date and these assets would be reduced to the extent that gross profits are inadequate to recover the asset.

The amortization methodology varies by product type based upon two accounting standards: FAS No. 60, "Accounting and Reporting by Insurance Enterprises" ("FAS No.

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60") and FAS No. 97, "Accounting and Reporting by Insurance Enterprises for Certain Long-Duration Contracts and Realized Gains and Losses from the Sale of Investments" ("FAS No. 97").

Under FAS No. 60, acquisition costs for traditional life insurance products, which primarily include whole life and term life insurance contracts, are amortized over the premium payment period in proportion to the premium revenue recognition.

Under FAS No. 97, acquisition costs for universal life and investment-type products, which include universal life policies and fixed and variable deferred annuities, are amortized over the life of the blocks of policies (usually 25 years) in relation to the emergence of estimated gross profits from surrender charges, investment margins, mortality and expense margins, asset-based fee income, and actual realized gains (losses) on investments. Amortization is adjusted retrospectively when estimates of current or future gross profits to be realized from a group of products are revised.

VOBA activity for the nine month periods ended September 30, 2004 and 2003 was as follows:

| <u>(Millions)</u> | <u>2004</u> | <u>2003</u> |
|---------------------------------------|----------------|----------------|
| Balance at December 31 | \$ 31.6 | \$ 34.2 |
| Interest accrued at 5% - 7% | 1.3 | 1.8 |
| Amortization | (4.9) | (3.6) |
| Adjustment for unrealized gain (loss) | 0.7 | (0.3) |
| Balance at September 30 | <u>\$ 28.7</u> | <u>\$ 32.1</u> |

5. Separate Accounts

Separate Account assets and liabilities generally represent funds maintained to meet specific investment objectives of contractholders who bear the investment risk, subject, in limited cases, to minimum guaranteed rates. Investment income and investment gains and losses generally accrue directly to such contractholders. The assets of each account are legally segregated and are not subject to claims that arise out of any other business of the Company.

Separate Account assets supporting variable options under universal life and annuity contracts are invested, as designated by the policyholder or participant (who bears the investment risk subject, in limited cases, to minimum guaranteed rates) under a contract in shares of mutual funds which are managed by the Company, or in other selected mutual funds not managed by the Company.

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Separate Account assets and liabilities are carried at fair value and shown as separate captions in the Condensed Balance Sheets. Deposits, investment income and net realized and unrealized capital gains and losses of the Separate Accounts are not reflected in the Condensed Financial Statements (with the exception of realized and unrealized capital gains and losses on the assets supporting the guaranteed interest option). The Condensed Statements of Cash Flows do not reflect investment activity of the Separate Accounts.

Assets and liabilities of separate account arrangements that do not meet the criteria in SOP 03-1 for separate presentation in the Condensed Balance Sheets (those arrangements supporting the guaranteed interest option), and revenues and expenses related to such arrangements, were reclassified to the general account on January 1, 2004, in accordance with the SOP requirements.

6. Additional Insurance Benefits and Minimum Guarantees

Under SOP 03-1, the Company calculates an additional liability (the "SOP reserve") for certain guaranteed benefits in order to recognize the expected value of death benefits in excess of the projected account balance over the accumulation period based on total expected assessments.

The SOP reserve calculated is the minimum guaranteed death benefits ("MGDB") reserve and is determined each period by estimating the expected value of death benefits in excess of the projected account balance and recognizing the excess ratably over the accumulation period based on total expected assessments. The Company regularly evaluates estimates used to adjust the additional liability balance, with a related charge or credit to benefit expense, if actual experience or other evidence suggests that earlier assumptions should be revised. The following assumptions and methodology were used to determine the MGDB SOP reserve at September 30, 2004:

| Area | Assumptions/Basis for Assumptions |
|-----------------------------|---|
| Data used | Based on 101 investment performance scenarios stratified based on 10,000 random generated scenarios |
| Mean investment performance | 8.5% |
| Volatility | 18.0% |
| Mortality | 60.0% of the 90-95 ultimate mortality table |
| Lapse rates | Vary by contract type and duration; range between 1.0% and 40.0% |
| Discount rates | 6.5%, based on the portfolio earned rate of the general account |

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As of September 30, 2004, the separate account liability subject to SOP 03-1 for minimum guaranteed benefits and the additional liability recognized related to minimum guarantees is \$496.5 million and \$0.2 million, respectively. During the nine months ended September 30, 2004, there were no incurred guaranteed benefits or paid guaranteed benefits. The net amount at risk (net of reinsurance) and the weighted average attained age of contractholders is \$7.5 million and 72, respectively, as of September 30, 2004.

The aggregate fair value of equity securities (including mutual funds) supporting separate accounts with additional insurance benefits and minimum investment return guarantees as of September 30, 2004 is \$496.5 million.

7. Income Taxes

The Company's effective tax rates for the three months ended September 30, 2004 and 2003 were (4.3)% and 26.7%, respectively. Effective tax rates for the nine months ended September 30, 2004 and 2003 were 15.1% and 21.7%, respectively. The decrease in effective rates for both the three and nine months ended September 30, 2004, is primarily due to the tax benefit associated with the settlement of the 1998-2000 IRS audit. The benefit, which relates primarily to the separate account dividends received deduction, reduced the three month and nine month year over year effective rates by 37.5% and 15.3%, respectively. Additionally, the prior year nine months results include an increase in tax due to a non-recurring prior year refinement of the deferred tax balance.

8. Commitments and Contingent Liabilities

Litigation

The Company is a party to threatened or pending lawsuits/arbitrations 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 such lawsuits/arbitrations, in light of existing insurance, reinsurance and established reserves, it is the opinion of management that the disposition of such lawsuits/arbitrations will not have a materially adverse effect on the Company's operations or financial position.

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9. Reclassification and Changes to Prior Year Presentation

Certain reclassifications have been made to prior year quarterly financial information as stated in the Company's 2003 Form 10-K to conform to the current year classifications.

The changes were made to the 2003 classification of MGDB excess claims, which previously were included as a reduction to fee income. These changes had no impact on net income or shareholder's equity of the Company. The following summarizes the change in classification to each financial statement line item (in millions):

| Three months ended March 31, 2003 | <u>Previously Reported 2003</u> | <u>Adjustment</u> | <u>Restated 2003</u> |
|---|--|--------------------------|---------------------------------|
| Fee income | \$ 1.9 | \$ 0.6 | \$ 2.5 |
| Total revenue | 4.7 | 0.6 | 5.3 |
| Interest credited and other benefits to policyholders | 1.8 | 0.6 | 2.4 |
| Total expense | 4.5 | 0.6 | 5.1 |

| Six Months ended June 30, 2003 | <u>Previously Reported 2003</u> | <u>Adjustment</u> | <u>Restated 2003</u> |
|---|--|--------------------------|---------------------------------|
| Fee income | \$ 3.6 | \$ 1.7 | \$ 5.3 |
| Total revenue | 9.7 | 1.7 | 11.4 |
| Interest credited and other benefits to policyholders | 2.1 | 1.7 | 3.8 |
| Total expense | 6.7 | 1.7 | 8.4 |

| Nine Months ended September 30, 2003 | <u>Previously Reported 2003</u> | <u>Adjustment</u> | <u>Restated 2003</u> |
|---|--|--------------------------|---------------------------------|
| Fee income | \$ 5.0 | \$ 2.7 | \$ 7.7 |
| Total revenue | 13.5 | 2.7 | 16.2 |
| Interest credited and other benefits to policyholders | 3.0 | 2.7 | 5.7 |
| Total expense | 7.5 | 2.7 | 10.2 |

| Twelve Months ended December 31, 2003 | <u>Previously Reported 2003</u> | <u>Adjustment</u> | <u>Restated 2003</u> |
|---|--|--------------------------|---------------------------------|
| Fee income | \$ 6.7 | \$ 3.0 | \$ 9.7 |
| Total revenue | 15.6 | 3.0 | 18.6 |
| Interest credited and other benefits to policyholders | 0.3 | 3.0 | 3.3 |
| Total expense | 7.3 | 3.0 | 10.3 |