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FILER

IDS LIFE ACCOUNT RE OF IDS LIFE INSURANCE CO

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SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM S-1
POST-EFFECTIVE AMENDMENT NO. 13
TO REGISTRATION STATEMENT NO. 33-13375

Under

The Securities Act of 1933

IDS Life Account RE
of
IDS Life Insurance Company
(Exact name of registrant as specified in charter)

Minnesota
(State or other jurisdiction of incorporation or organization)

63
(Primary Standard Industrial Classification Code Number)

41-0823832
(I.R.S. Employer Identification No.)

IDS Tower 10, Minneapolis, MN 55440-0010
(612) 671-3131
(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

Mary Ellyn Minenko, Counsel
IDS Life Insurance Company
IDS Tower 10, Minneapolis, Minnesota 55440-0010
(612) 671-3678
(Name, address, including zip code, and telephone number, including area code, of agent for service)

It is proposed that this filing become effective on April 29, 1994.

If any of the Securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box. [X]

<TABLE><CAPTION>

Calculation of Registration Fee

<S> Title of each class of securities to be registered	<C> Amount to be registered	<C> Proposed maximum offering price per unit	<C> Proposed maximum aggregate offering price	<C> Amount of registration fee
N/A				

</TABLE>

IDS LIFE ACCOUNT RE
ISSUED BY
IDS LIFE INSURANCE COMPANY

Cross-Reference Sheet
Pursuant to Regulation S-K
Item 501(b)

<TABLE><CAPTION>

Form S-1 Item Number and Caption <C> <S>	Location in Prospectus <C>	Page Number in Prospectus <C>
1. Forepart of the Registration Statement and Outside Front Cover Page of Prospectus................	Outside Front Cover	5
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</TABLE>

PART I.

INFORMATION REQUIRED IN PROSPECTUS

Attached hereto and made a part hereof is the Prospectus.

Real Estate Variable Annuity

Prospectus/April 29, 1994

This prospectus describes Individual Deferred Variable Annuity Contracts (the Contracts) offered by IDS Life Insurance Company (IDS Life), in which purchase payments accumulate on a variable basis and pay retirement benefits to the owner. The Contracts are available for non-qualified retirement plans only. The Contracts are not available for Individual Retirement Annuities (IRAs), 401(k) plans, 403(b) plans or other qualified plans.

The minimum initial purchase payment for a Contract is $5,000; or $2,000 if concurrently the owner agrees to make additional monthly purchase payments of not less than $100 each by means of a bank authorization. Additional purchase payments may be made in amounts of at least $2,000 each or, if made by means of a bank authorization, of not less than $100 per month. The maximum aggregate additional purchase payments in any one contract year after the first may not exceed $50,000. Purchase payments are allocated to IDS Life Account RE (the Account), a segregated asset account of IDS Life. See The Account section. Contract values of the Account and annuity payments from the Account will vary with the performance of the investments of the Account. There is no guaranteed minimum contract value. Owners of the Contracts bear the complete investment risk of the Account.

IDS Life Account RE
Individual Deferred Variable
Annuity Contracts

Sold by:
IDS Life Insurance Company
IDS Tower 10
Minneapolis, MN 55440-0010
Telephone: (612) 671-3733

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES

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COMMISSION, NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE. THIS PROSPECTUS SHOULD BE RETAINED FOR FUTURE REFERENCE.

IDS LIFE IS NOT A BANK, AND THE SECURITIES IT OFFERS ARE NOT DEPOSITS OR OBLIGATIONS OF, OR GUARANTEED OR ENDORSED BY ANY BANK NOR ARE THEY INSURED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION, THE FEDERAL RESERVE BOARD OR ANY OTHER AGENCY.

The assets of the Account will be invested primarily in real estate related investments. It is currently anticipated that approximately 50 percent to 70 percent of the Account's assets will be invested in income-producing real property such as office buildings, shopping centers, apartment complexes and other real properties, and approximately 15 percent to 40 percent of the Account's assets will be invested in mortgage loans and land sale-leaseback investments, which may include participations in the appreciation or the gross revenues or income of the real properties that are the subject of the mortgage loans or land sale-leaseback investments. Such percentages may vary from time to time at the discretion of IDS Life. The remaining assets of the Account will be invested in short-term debt instruments and intermediate-term bonds with maturities of up to five years, in order to meet the liquidity needs of the Account.

The investment objectives of the Account are to (i) preserve and protect the Account's assets in real (i.e., inflation-adjusted) terms; (ii) provide for compounding of income through the reinvestment of cash flow from investments; and (iii) provide for increases in income through capital appreciation of the real property owned by the Account or, to the extent available, through participations in the capital appreciation or gross revenues or income of the real properties subject to mortgage loans or land sale-leaseback investments of the Account. There is no assurance that the investment objectives of the Account will be achieved.

IDS Life will furnish to each owner an annual report showing the current number of accumulation or annuity units, the value per unit and the contract value. In addition, IDS Life will send to each owner annual financial statements for the Account audited by independent auditors.

Any Contract may be returned for cancellation at any time within 10 days after it has been delivered to the owner, and the full contract value will be returned.

The Contracts involve a substantial degree of risk, particularly due to the illiquidity of the assets of the Account. Over the past few years the Account has experienced substantial contract surrenders in excess of contract purchase payments. The Account has therefore obtained a revolving line of credit of up to $10 million from IDS Life to pay contract surrenders and other obligations under the Contracts. See the Other Investment Policies--Borrowing Policies, Risk Factors, Conflicts of Interest-Borrowings from IDS Life; and Management's Discussion and Analysis of Financial Condition and Results of Operations sections. The ability of an owner of a Contract to withdraw the contract value is subject to certain restrictions and, under certain circumstances, payments under the Contracts may be suspended. See the Contract Charges and Deductions and the Suspension and Delay of Payments sections. In addition, the investment and operation of the assets of the Account involve certain conflicts of interest. See the Conflicts of Interest section.

Summary of Contents

This prospectus offers Individual Deferred Variable Annuity Contracts designed primarily to allow owners to participate in the investment performance of a pool of real estate related investments held or owned by the Account. An owner will receive variable retirement payments depending upon his choice of annuity.

See the Definitions section, page 7, for the definition of many of the terms used in this prospectus.

The Account is a segregated asset account of IDS Life established pursuant to the laws of the State of Minnesota. The assets of the Account are not subject to any liabilities arising out of any other assets or business of IDS Life. Income, gains and losses of the Account are credited to or charged against the Account without regard to any other income, gains or losses of IDS Life. IDS Life

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is not liable for any obligations of the Account. IDS Life is liable for fulfillment of the terms of the Contracts, including the obligations to pay death benefits and to guarantee the annuity purchase rates in the Contracts. See The Account section.

The minimum initial purchase payment for a Contract is $5,000; or $2,000 if concurrently the owner agrees to make additional monthly purchase payments of not less than $100 each by means of a bank authorization. Additional purchase payments may be made in amounts of at least $2,000 each or, if made by means of a bank authorization, of not less than $100 per month. The maximum aggregate additional purchase payments in any one contract year after the first may not exceed $50,000. The maximum aggregate purchase payments for the first contract year depend upon the issue age on the effective date. Up to age 75, the maximum is $1 million. For ages 76-85, it is $500,000 and for ages 86-90, the maximum is $50,000. IDS Life, at its discretion, may permit greater maximum initial or additional purchase payments in certain instances. No sales charge is deducted from any purchase payment when made. See The Contract -- Accumulation Period section.

A Contract may be returned for cancellation at any time within 10 days after it is delivered to the owner, in which event the entire contract value (without assessment of any charges or deductions) will be refunded. However, if applicable state law so requires, the full amount of the aggregate purchase payments received by IDS Life will be refunded. After the initial 10-day period of the Contract and during the first eight years after any purchase payment, surrender of the Contract will be subject to assessment of a surrender charge, based upon the number of payment years that have elapsed since the purchase payment. The surrender charge, which is a contingent deferred sales charge, is 8 percent of the amount surrendered during the first payment year and decreases by 1 percent per year thereafter to 1 percent in the eighth payment year. There is no surrender charge on amounts surrendered after the eighth payment year. See The Contract -- Accumulation Period section.

IDS Life assesses the Account a daily charge for mortality and expense risks that amounts to an aggregate of 1 percent on an annual basis of the average daily asset value. IDS Life assesses the Account a daily charge for an asset management fee that amounts to an aggregate of 1.25 percent on an annual basis of the average daily asset value of the Account, subject to increase by not more than 0.25 percent per year in the event the Account's real property investments exceed a certain rate of return on an annual basis. IDS Life also assesses the Account an acquisition and mortgage placement fee that amounts to 3.75 percent of the total cash investment to be paid or advanced by the Account in connection with each real property investment, mortgage loan and land sale-leaseback investment. Portions of the asset management and acquisition and mortgage placement fees will be paid by IDS Life to the Investment Adviser, JMB Annuity Advisers. See the Contract Charges and Deductions section.

The investment objectives of the Account are to provide for payment of retirement income under the Contracts by seeking to preserve and protect the Account's assets in real (i.e., inflation-adjusted) terms; to provide for compounding of income through the reinvestment of cash flow from investments; and to provide for increases in income through capital appreciation of real property investments and, to the extent available, through participations in the capital appreciation or gross revenues or income of the real properties subject to mortgage loans or land sale-leaseback investments of the Account. IDS Life will seek to achieve these objectives by investing approximately 50 percent to 70 percent of the Account's assets in such income-producing real property investments as office buildings, shopping centers, apartment complexes and other real properties, and approximately 15 percent to 40 percent of the Account's assets in mortgage loans and land sale-leaseback investments. However, IDS Life is permitted to alter such percentages in accordance with changing market conditions or under other circumstances. To enable the Account to meet its needs for liquidity, it is expected that approximately 5 percent to 20 percent of the Account's assets will be invested in short-term debt instruments and intermediate-term bonds with maturities of up to five years. See the Investment Objectives of the Account section.

There is no assurance that enough suitable investments will be found or that the investment objectives of the Account will be achieved. Owners bear the complete investment risk of the Contracts. Contract values will fluctuate depending upon the

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investment performance of the Account, which will reflect the performance of the Account's portfolio of investments and the charges and deductions assessed under the Contracts.

Under present law, an owner is not taxed on the increases in contract value until distributions occur, either through the surrender of the Contract or the receipt of annuity payments, or until a change of ownership occurs. Under certain circumstances,

a tax penalty of 10 percent of the portion of a distribution representing income to the owner may be assessed for distributions made prior to age 59-1/2. See the Certain Federal Income Tax Considerations section.

Because the assets of the Account will be invested primarily in real estate related investments, the investment performance of the Account will be subject to all of the risks generally incident to investments in real estate, such as the uncertainty of cash flow to meet obligations, the uncertainty in making market valuations of properties, adverse changes in national or local economic conditions, the cost of funds and other factors affecting real estate. See the Risk Factors -- General Risks of Real Property Investments section. Owners will bear all investment risk of the Account's portfolio. In addition, the real estate related investments made or to be made by the Account are illiquid investments. Accordingly, owners will bear the risk that benefits under the Contracts will not be immediately payable in the event that a substantial portion of the Account's assets is required to be used to redeem Contracts. It is generally expected that the Account will have approximately 5 percent to 20 percent of its assets invested in liquid assets and the Account has obtained a revolving line of credit from IDS Life to pay for contract surrenders and other obligations under the Contracts. However, it is possible that necessary funds for the payment of benefits under the Contracts may not be readily obtainable by the Account either through borrowings by the Account or through the disposition of real estate related investments on commercially reasonable terms. In such event, payments may be suspended for up to six months. In the event of any suspension of payments, the cash available will be used first to pay any obligations of the Account (other than contract obligations); second, to make annuity payments; third, to pay death benefits; and finally, to pay any contract surrenders. See the Suspension and Delay of Payments section. For information regarding certain other risk factors that may affect the operation and performance of the Account and the value of its investments, see the Risk Factors section. IDS Life, the Investment Adviser and their respective affiliates may have potential conflicts of interest with respect to operating the Account, including the fact that the arrangements relating to the compensation of IDS Life under the Contracts are not the result of arm's-length negotiations and that IDS Life, the Investment Adviser and their affiliates may make real estate investments for their own accounts or those of other entities and may render real estate investment services to other entities that may have the same or substantially similar investment objectives as those of the Account. See the Conflicts of Interest section.

Premium or other taxes that may be payable to a state or other government agency in connection with the purchase of Contracts may be deducted from purchase payments or from the contract value.

See page 17, where a description of the real estate related investments made for IDS Life Account RE begins.

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Definitions

Some terms used in this prospectus:

Account -- IDS Life Account RE, a segregated asset account of IDS Life.

Accumulation Unit -- An accumulation unit is an accounting unit of measure. It is used to calculate the contract value prior to settlement.

Accumulation Unit Value -- The accumulation unit value is determined by dividing the Account's net asset value by the number of accumulation units outstanding at the end of the valuation period.

Annuitant -- The person on whose life monthly payments depend.

Annuity Unit -- An annuity unit is an accounting unit of measure. It is used to calculate the value of annuity payments from the Account on and after the retirement date.

Asset Value -- The Account's asset value is determined by calculating (i) the total value of the Account's assets less (ii) the amount of any accrued expenses or liabilities other than any borrowings in connection with the purchase, financing, improvement, development or refinancing of real property investments.

Beneficiary -- The beneficiary is the party entitled to receive the benefits to be paid at the death of the annuitant or owner.

Contract -- An Individual Deferred Variable Annuity Contract offered by means of this prospectus.

Contract Value -- The sum of the value of the accumulation units attributable to the Contract.

Contract Year -- A period of 12 months, starting on the effective date of the Contract and on each anniversary of the effective date.

Land Sale-Leaseback -- Land sale-leaseback means a transaction involving the purchase of land on which improvements are constructed, are under construction or are under contract to be constructed, and the lease of such land pursuant to a land or ground lease generally to the owner or developer of the improvements on the land. Such land sale-leasebacks may be subordinated to a first mortgage and other liens or security interests (whether or not also held by the Account) that are liens on the entire property including the land.

Mortgage Loan -- Mortgage loan means a first mortgage loan, subordinated or junior mortgage loan or wrap-around mortgage evidenced by notes, bonds, debentures and other evidences of indebtedness, and which is secured by a mortgage, trust deed, deed of trust, deed to secure debt or other liens on interests, including leasehold interests in land and/or improvements that are constructed, are being constructed or are under contract to be constructed.

Net Asset Value -- The Account's net asset value is determined by calculating the total value of the Account's assets, less the amount of any expenses or liabilities, including tax liabilities, mortgage indebtedness, administrative expenses, that portion of organizational and offering expenses being amortized and the

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accrued but unpaid daily charges for mortality and expense risk and asset management fees.

Organizational and Offering Expenses -- Organizational and offering expenses means the following expenses that are incurred in connection with the formation and qualification of the Account, in the registration of the Contracts under applicable Federal and state law, and in marketing the Contracts: (a) registration fees, filing fees and taxes, (b) the costs of qualifying, printing, amending, supplementing, mailing and distributing the registration statement and prospectus, (c) direct expenses (including salaries and related salary expenses) of officers and employees of IDS Life, the Investment Adviser and their affiliates while directly engaged in organizing the Account and in registering and qualifying the Contracts, and (d) accounting and legal fees and expenses (including those fees and expenses of the Investment Adviser's attorneys and accountants) incurred in connection therewith, provided, however, that organizational and offering expenses will not include selling commissions or any other costs or expenses relating to marketing the Contracts.

Owner -- The person or party having ownership of the annuity and who is entitled to receive its benefits.

Purchase Payment -- Payment made to IDS Life for the annuity.

Real Property Investments -- Real property investments are equity interests in existing real properties that are completed at the time of commitment for purchase and, to a lesser extent, properties that are under construction or under contract for development.

Retirement Date -- The date shown on the Contract on which annuity payments are to begin. The date may be changed as provided in the Contract.

Surrender Charge -- A deferred sales charge is applied if the annuity is surrendered within a certain number of years from when a purchase payment is made.

Surrender Value -- The total value of the annuity after any applicable surrender charge has been deducted.

Valuation Date -- A normal business day, Monday through Friday, except for the following holidays: New Year's Day, Presidents' Day, Good Friday, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day.

Valuation Period -- The interval of time commencing at the close of business on each valuation date and ending at the close of business on the next valuation date.

IDS Life

IDS Life is a stock life insurance company organized in 1957 under the laws of the State of Minnesota. IDS Life is a wholly owned subsidiary of IDS Financial Corporation (IDS), which itself is a wholly owned subsidiary of the American Express Company. IDS Life acts as a direct writer of life insurance policies and annuities and as the investment manager of various investment companies. IDS Life is licensed to write life insurance and annuity contracts in 49 states and the District of Columbia. The headquarters of IDS Life is IDS Tower 10, Minneapolis, MN 55440-0010. For information concerning the directors and principal executive officers of IDS Life, see Appendix A. For information concerning the financial statements of IDS Life, see Index to Financial Statements.

The Account

The Account was established in March 1987 by a resolution of the Board of Directors of IDS Life as a segregated asset account, pursuant to Minnesota law, and commenced operations in August 1987. IDS Life purchased the initial 200,000 accumulation units of the Account. Such units were subsequently redeemed by IDS Life at the then current accumulation unit value. The Account holds assets that are segregated from all of IDS Life's other assets and is not chargeable with liabilities arising out of any other business of IDS Life. The Account is not registered as an investment company under the Investment Company Act of 1940 (the 1940 Act).

The Account is under the control and management of IDS Life. The board of directors and officers of IDS Life are responsible for management of the Account. The owners of the Contracts have no voting rights with respect to the Account. For information

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regarding the directors and principal executive officers of IDS Life, see Appendix A. For information concerning the financial statements of IDS Life, see Index to Financial Statements.

IDS Life does not guarantee the investment performance of the Account and is not responsible for the liabilities of the Account. However, IDS Life is responsible for fulfillment of the terms of each Contract, including payment of the death benefits and the guarantee of the minimum annuity purchase rates contained in the Contracts.

Description of the Investment Adviser and Affiliates

IDS Life will provide services in connection with the acquisition or placement and management of the assets of the Account. IDS Life, in turn, has contracted with JMB Annuity Advisers (the Investment Adviser), an Illinois general partnership, to provide investment selection, management, disposition and consulting services with respect to the real estate related investments of the Account. The Investment Adviser is primarily responsible for the identification, evaluation, investigation, negotiation, selection and recommendation for purchase or placement of any real estate related assets for the Account. IDS Life maintains an investment committee that is responsible for approving all real estate related investments or dispositions on behalf of the Account. A quorum of such investment committee consists of any two members, who may act on behalf of the committee.

The partners of the Investment Adviser are JMB Realty Corporation (JMB), which is the managing partner of the Investment Adviser, and an affiliate of JMB. The Investment Adviser is responsible for the day-to-day administration and management of the real estate related investments of the Account. For information regarding the directors and principal executive officers of JMB, see Appendix B. JMB has been engaged principally in real estate investment, brokerage, management and sales since December 1968. Through Dec. 31, 1993, JMB has managed or advised, directly or through affiliates, real estate investment partnerships that had purchased real estate (directly or through other entities) for an aggregate purchase price (including mortgage indebtedness), plus other initial cash payments, of approximately $11.3 billion. Through Dec. 31, 1993, JMB, directly or through affiliates, had purchased real estate for its own corporate accounts and affiliated accounts having an aggregate purchase price (including mortgage indebtedness) of approximately $5.3 billion. In addition, officers and affiliates of JMB are the trustees, advisers, officers and general partners of five qualified tax-exempt trusts and a corporation formed for investment in commercial real estate by qualified pension and profit-sharing plans, a partnership and four corporate real estate investment trusts formed for investment in commercial real estate by tax-exempt foundations and endowments and other investors and two partnerships formed for investment in residential rental property by qualified tax-exempt entities. Affiliates of the Investment Adviser also provide investment advisory services for individual accounts of institutional investors. Through Dec. 31, 1993, these group trusts, corporation,

partnerships, corporate real estate investment trusts and individual accounts, as well as certain other real estate investment entities previously advised or managed by affiliates of the Investment Adviser, had purchased or had commitments to purchase real estate (directly or through other entities) for an aggregate purchase price (including mortgage indebtedness) of approximately $8.4 billion.

See the Conflicts of Interest section for a description of conflicts of interest arising out of the activities of the Investment Adviser and its affiliates.

The Investment Adviser is not liable for any error of investment selection, judgment or law except for willful misfeasance, bad faith or negligence on the part of the Investment Adviser in the performance of its obligations or duties under the investment advisory agreement. See the Conflicts of Interest -- Limitation on Liability section.

Compensation of IDS Life, the Investment Adviser and their Affiliates in Connection with Real Estate Related Services

IDS Life is paid an asset management fee for its services in connection with the management of the assets of the Account. This fee is accrued on a daily basis and deducted on a monthly basis and

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is equal on an annual basis to 1.25 percent of the average daily asset value of the Account, subject to increase as described below. A portion of the asset management fee equal to 0.95 percent of the average daily asset value is paid by IDS Life to the Investment Adviser for its services in connection with the management of the real estate related assets of the Account. In the event that the Account's real property investments have produced a rate of return for the Account (measured for each calendar year) that exceeds the rate of return as measured for such period by the FRC Property Index (which is released in April of each year for the preceding calendar year) by 0.5 percent per year, then the Investment Adviser shall be entitled to an additional amount equal to 0.05 percent of the average daily asset value of the Account for such calendar year. The Investment Adviser also will be entitled to an additional amount equal to 0.01 percent (up to a maximum of 0.2 percent) of the average daily asset value of the Account for each 0.1 percent by which the rate of return of the Account's real property investments for such calendar year exceeds the rate of return as measured for such period by such index plus 0.5 percent per year. Rate of return shall be calculated on a quarterly basis and in general shall mean the sum of all net income from operations of the Account's real property investments (without deducting any asset management fees or certain other expenses of the Account) and realized and unrealized capital appreciation on the Account's real property investments (net of all acquisition and mortgage placement fees) for the calendar quarter taken as a percentage of the aggregate asset value of such investments (net of all acquisition and mortgage placement fees) as of the beginning of such calendar quarter. Additionally, IDS Life and the Investment Adviser will

not be entitled to, and will forego, that portion of the asset management fee, as calculated above, attributable to the use of indebtedness in excess of 40 percent of the aggregate value of all of the Account's real property investments.

IDS Life receives an acquisition and mortgage placement fee of 3.75 percent of the total cash investment to be paid or advanced by the Account, including all cash down payments, interest, points, special reserves and all other initial cash payments in connection with each real property investment, mortgage loan and land sale-leaseback made by the Account. The amount paid to IDS Life is measured by the cash investment to be paid by the Account for real property investments or land sale-leasebacks or the amount to be borrowed under a mortgage loan by the borrower for mortgage loans. A portion of the acquisition and mortgage placement fee equal to 3.50 percent of the total cash investment to be paid or advanced by the Account in connection with each real property investment, mortgage loan and land sale-leaseback made by the Account is paid to the Investment Adviser in consideration of the services of the Investment Adviser and its affiliates in connection with the identification, evaluation, investigation, negotiation, selection and recommendation for purchase or placement of real estate related investments for the Account. In addition, certain expenses of IDS Life, the Investment Adviser and their affiliates are reimbursed as described under the Contract Charges and Deductions section. At its discretion, the Investment Adviser may provide any or all of its services to the Account through affiliates, in which event fees may be payable to such affiliates.

In some instances, some or all of the acquisition and mortgage placement fee may be paid by the sellers of properties or borrowers. This fee will indirectly affect the Account because the payment of the fee by the seller of property or borrower may affect the terms on which the seller of property or borrower is willing to close the transaction. To the extent that the seller or borrower pays less than 3.75 percent, the additional amount will be paid directly by the Account to IDS Life. Fees and expenses paid to IDS Life or the Investment Adviser and its affiliates will reduce the assets of the Account for purposes of calculating the accumulation or annuity unit value.

Property Management, Insurance Brokerage and Mortgage Brokerage

Certain of the Account's properties may be managed by JMB or affiliates of JMB such as JMB Properties Company or JMB Retail Properties Co. Under property management agreements, the company employed to manage the property usually collects the rental income on the property and deducts its fee and the costs of operating the property such as insurance premiums, taxes, repairs and improvements and other costs related to the maintenance and operation of the property. The balance of rental income is remitted to the owner of the property.

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To the extent agreements are entered into with JMB affiliates to manage the real property investments owned directly by the Account, such agreements are subject to the approval of IDS Life and are expected to be on terms no less favorable to the Account than those customarily charged for similar services in the relevant geographical area. For real property investments in which the Account owns an interest through a joint venture, such agreements are subject to the approval of the joint venture.

JMB Insurance Agency, Inc., which is engaged in the insurance brokerage business, may provide insurance brokerage services in connection with certain of the Account's investments. JMB Insurance Agency, Inc. will receive commissions and/or fees for such services at rates that are set by the insurance companies for the classes of coverage involved. JMB or its affiliates may provide mortgage brokerage services in connection with the financing or refinancing of certain of the Account's real property investments. To the extent that services are provided, such affiliates will receive a fee equal to 1 percent of the proceeds advanced under such financing or refinancing.

JMB or its affiliates also may provide other real estate related services to the Account. Any such additional services and the terms thereof with respect to real estate related investments owned directly by the Account will be subject to the approval of IDS Life.

Investment Objectives of the Account

The investment objectives of the Account are to provide for payment of retirement income under the Contracts by seeking to: (1) preserve and protect the Account's assets in real (i.e., inflation-adjusted) terms; (2) provide for compounding of income through reinvestment of cash flow from investments; and (3) provide for increases in income through capital appreciation of real property investments and, to the extent available, through participations in the capital appreciation, gross revenues or income of the real properties subject to mortgage loans or land sale-leasebacks. There is no guarantee that the investment objectives of the Account will be attained. The assets of the Account will be invested primarily in real estate related investments. It is anticipated that approximately 50 percent to 70 percent of the Account's assets will be invested in such income-producing real property investments as office buildings, shopping centers, apartment complexes and other real properties, and approximately 15 percent to 40 percent of the Account's assets will be invested in mortgage loans and land sale-leaseback investments, which may include participations in the appreciation or the gross revenues or income of the real properties that are the subject of the mortgage loans or land sale-leaseback investments. However, IDS Life will have the discretion to alter such percentages in accordance with changing market conditions or under

certain other circumstances if it deems it advisable given the Account's investment objectives and portfolio or the liquidity considerations of the Account. IDS Life expects to diversify the Account's investments consistent with the Treasury regulations regarding diversification for variable annuities. Other than meeting the diversification requirements of Section 817(h) of the Internal Revenue Code of 1986, as amended, there are no limits on the percentage of Account assets that may be invested in one property. See the Certain Federal Income Tax Considerations -- Diversification Requirements section.

Real Property Investments

The Account will seek to diversify its investments geographically and will consider and review investments in areas throughout the United States. Some of the Account's real property investments may be owned jointly by the Account, on one hand, and the seller of a property (or an affiliate of the seller), on the other hand. The Account also may enter into joint investments with affiliates of the Investment Adviser. Such joint ownership may take the form of joint venture partnerships, tenancies-in-common or other legal arrangements. The Account may acquire existing properties that are debt-financed, thereby assuming leverage, or may incur indebtedness in connection with the acquisition of such real property investments, but it is currently anticipated that the aggregate indebtedness on all real property investments of the Account will not exceed 50 percent of the purchase price (i.e., total consideration paid for properties including all liens and mortgages on the properties, but excluding points and prepaid interest) plus other initial cash payments in connection with the purchase of all

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properties. However, in connection with the refinancing of real property investments, the aggregate indebtedness of the Account may exceed the maximum level currently contemplated. See the Risk Factors -- Risks of Leverage section.

Types of Real Property Investments. The Account is expected to acquire real property investments only of the following types: shopping centers, office buildings, multi-use complexes and other commercial properties, apartment complexes and buildings, mobile home parks and industrial properties. The Account does not intend to invest in agricultural properties or single family dwellings.

To attain the Account's stated objectives, it will be necessary for the Account to acquire properties that will generate cash in excess of that required to meet the gross operating expenses of the Account. To do this it is currently anticipated that a significant portion of the Account's assets will be invested in existing real properties that are completed at the time of commitment for purchase or investment. The Account also may acquire recently constructed properties that may in some instances be subject to agreements with sellers (or affiliates of sellers) providing for

certain minimum levels of income or funding of cash deficits during the early years of the Account's ownership. In the event such agreements are negotiated, there can be no guarantee that the sellers or other parties will be able to carry out such obligations. Upon the expiration of or default under such agreements, there can be no assurance that the Account will be able to maintain the level of operating income that is necessary to produce the return it was previously experiencing or anticipated.

It is currently anticipated that the property acquired by the Account generally will be real estate that is ready for occupancy. Additionally, the Account may, to a lesser extent, invest in developmental real estate deemed consistent with the Account's objectives, and the Account then will be subject to the risks inherent in such properties.

Mortgage Loans

Types of Mortgage Loans. Mortgage loans made by the Account may include conventional mortgage loans that pay fixed or variable rates of interest and, to the extent available, mortgage loans that have a participation (as defined below).

The properties to be subject to mortgage loans are anticipated to consist of commercial properties (such as office buildings and shopping centers), residential properties (such as garden apartment complexes, high-rise apartment buildings and mobile home parks) and industrial properties. The mortgage loans generally will be secured by properties with an income producing potential based on historical or projected data. Mortgage loans generally will not be personal obligations of the borrower and generally will not be insured or guaranteed by governmental agencies or otherwise. The Account will not make mortgage loans to IDS Life, the Investment Adviser or their affiliates.

First Mortgage Loans. It is expected that the Account may make first mortgage loans secured by mortgages on existing income-producing property. Such first mortgage loans may provide for interest-only payments and a balloon payment at maturity.

The yield on a traditional first mortgage loan has historically been less than that of a wrap-around mortgage loan on the same property. However, because of innovations involving the terms and conditions of first mortgage loans, such as the use of variable interest rates, equity participations and similar devices, the yield on a first mortgage loan may, in certain instances, be greater than that of a wrap-around mortgage loan on the same property.

Wrap-around Mortgage Loans. The Account also may make wrap-around mortgage loans on income-producing real properties that are already subject to prior mortgage indebtedness. A wrap-around mortgage

loan is one having a principal amount equal to the outstanding balance under the prior existing mortgage loan plus the amount actually to be advanced by the lender under the wrap-around mortgage loan, thereby providing the owner of a property with additional funds without disturbing the existing loan. The terms of a wrap-around mortgage loan made by the Account typically will require the borrower to make all principal and interest payments on the underlying loan to the Account, which in turn will pay the

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holder of the existing first mortgage loan. Because the existing first mortgage loan is preserved, the lien of the wrap-around mortgage loan is necessarily junior to it.

Junior Mortgage Loans. The Account also may invest in other junior mortgage loans. Junior mortgage loans will be secured by mortgages that are subordinate to one or more prior liens on the real property and generally, but not in all cases, will provide for repayment in full prior to the end of the amortization period or maturity of the senior mortgages. Recourse on such loans will include the real property encumbered by the Account's mortgage and additionally may, in some instances, include other collateral or personal guarantees by the borrower or its affiliates.

The Account generally will make junior or wrap-around mortgage loans only if the senior mortgage or mortgages, when combined with the amount of the mortgage loan, would not exceed the maximum amount that the Account would be willing to commit to a first mortgage loan and only under such circumstances and on such property as to which the Account would otherwise make a first mortgage loan.

Participations. The Account will seek to make mortgage loans that, in addition to charging a base rate of interest, will include provisions permitting the Account to participate (a participation) in the economic benefits of the underlying property through the receipt of additional interest in the form of a percentage of the gross or net revenues derived from operation of the property and/or of the increase in the value of the property realized by the borrower, such as through sale or refinancing of the property. Such arrangements also may involve the grant to the Account of an option to acquire the property or an undivided interest in the property securing the loan. To the extent that the Account negotiates the right to receive additional interest in the form of a percentage of the gross revenues or otherwise, the current fixed cash return to the Account from such an investment generally will be less than would otherwise be the case. It is expected that the Account generally will be entitled to such percentage participations when the gross or net revenues derived from operation of the property exceed a certain base amount, which may be subject to adjustment upon an increase in real estate taxes or other similar operating expenses. The form and extent of such additional interest to be received by the Account will vary with each transaction depending on such factors as the equity investment of the owner or developer of the property, other financing or credit obtained by the owner or developer, the fixed base interest rate on the mortgage loan by the Account, any other security

arrangement and the cash flow and pro forma cash flow from the property. It is intended that the Account would utilize such additional interest as a hedge against inflation on the assumption that as prices increase in the economy generally, the rental prices obtained by properties, such as shopping centers or office buildings, will increase and that there should be a corresponding increase in the value of such properties. There can be no assurance, however, that participations will be negotiated on behalf of the Account or, if obtained, that, even allowing for inflation, such additional interest or increased values will in fact be received. In that event, the Account would be entitled to receive only the fixed portion of its return.

Standards for Mortgage Loan Investments. In making mortgage loans, the Investment Adviser will consider, among other things, a loan-to-value ratio, operating cash income from the property, the real estate management and operating experience of the borrower, the financial strength of the borrower, and expectations for the property in the market. In addition, the Investment Adviser will analyze any available historical expenses and the projected expenses of the property, present and expected levels of rentals and occupancy rates, general economic conditions in the area where the property is located, competition and potential competition from other properties in the area, compatibility with the general investment objectives of the Account and any other factors that the Investment Adviser believes are relevant. In general, the amount of each mortgage loan made by the Account will not exceed, when added to the amount of any existing indebtedness, 90 percent of the estimated or appraised value of the property mortgaged.

Investments in Land Sale-Leasebacks

A portion of the Account's investments may consist of real property land sale-leasebacks. In a transaction of this type, the Account will typically purchase the land on which income-producing improvements are constructed and simultaneously lease the land,

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generally to the seller, under a long-term lease (sometimes known as a ground lease). The Account's land sale-leasebacks will involve properties similar to those as to which it will make mortgage loans. Ground leases may be for terms ranging up to 99 years and may provide for payments from the ground leases in escalating amounts.

Generally, under the terms of a ground lease, the tenant will operate, or provide for the operation of, the property and be responsible for the payment of all costs, including taxes, mortgage debt service, maintenance and repair of the improvements and insurance. Upon termination of the ground lease and any renewals thereof, the improvements may become the property of the Account, although the ground lease may be for a substantial period of time, and there can be no assurance as to the value of the improvements at the end of such period.

The Investment Adviser often will seek to obtain for the Account, in addition to base rents in its land sale-leasebacks, participations in the appreciation of the improvements or the gross revenues or income therefrom. The participations may take such forms as a percentage of the gross revenues of the ground lessee above a base amount (which may be subject to adjustment upon an increase in real property taxes or upon other events), a share of the proceeds of future mortgage financings or refinancings that are not used for construction or the reduction of existing mortgage indebtedness, a share of the proceeds from the eventual sale of the improvements, or other interests.

The Account may invest in land sale-leasebacks that are subordinated to other interests in the land or improvements, such as a first or other mortgage or lien. In those situations, the Account's land sale-leaseback interest will be subject to greater risks. In general, the aggregate amount of such first or other mortgage or lien and the value of the land subject to the land sale-leaseback will not exceed 90 percent of the estimated or appraised value of the land and improvements thereon at the time of financing. In some cases, the Account may grant to the ground lessee an option to acquire the land from the Account after a period of years. The option exercise price would generally be based upon the fair market value of the land, considering such factors as the increase in the gross revenues from the property, the rental payments actually received by the Account or other objective criteria reflecting the increased value of the property. In making investments in land sale-leasebacks, the Investment Adviser will consider factors similar to those described under the Standards for Mortgage Loan Investments section above.

Liquid Assets

It is expected that the Account will invest approximately 5 percent to 20 percent of its assets in short-term liquid instruments such as U.S. government securities, securities issued or fully guaranteed by U.S. government agencies, securities issued or fully guaranteed by states or municipalities, certificates of deposit and time or demand deposits in commercial banks, bankers' acceptances, savings and loan association deposits, deposits in members of the Federal Home Loan Bank System or commercial paper. The Account also may invest in intermediate-term bonds with maturities of up to five years when IDS Life determines the extension of the maturity period for the liquid assets is warranted. (For information regarding the valuation of the liquid asset investments, see the Valuation of Assets -- Liquid Assets section.)

Investment Restrictions

The Account may not:

1. Purchase common stock, warrants, or other equity securities or invest in any company for the purpose of exercising control or management (except for joint ventures or partnerships relating to real estate related investments as described herein or

except where real property is the principal asset of a company and its acquisition can best be effected by the acquisition of the securities of the company).

2. Engage in underwriting of securities issued by others.

3. Purchase or sell oil, gas or other mineral exploration or development programs.

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These investment restrictions may be changed only by a resolution adopted by the Board of Directors of IDS Life. The Account intends to make only investments that will not result in the Account being deemed to be an investment company under the 1940 Act.

Other Investment Policies

Borrowing Policies

It is contemplated that the Account will incur indebtedness in connection with the purchase, improvement, development and refinancing of properties. Generally, the Account will attempt to make real property investments in which aggregate mortgage indebtedness of all real property investments does not exceed approximately 50 percent of the purchase price (i.e., total consideration paid for the properties including all liens and mortgages on the properties but excluding points and prepaid interest) plus other initial cash payments in connection with the purchase of all properties. There can be no assurance, however, that such a degree of leverage will be obtained, and the Account may acquire some properties that, when completed, will be owned on an unleveraged basis or on a basis of leverage substantially in excess of 50 percent. There is no limit on the amount of leverage that can be used to acquire any one property.

The Account also may acquire real property investments for which no permanent financing has been obtained and for which the Investment Adviser, subject to market conditions, intends to obtain permanent financing on behalf of the Account in the future. There is no assurance that the Investment Adviser will be successful in obtaining such financing on favorable terms. The proceeds of such financings may be invested in additional investments of the Account.

The Account also may borrow in order to meet working capital or liquidity requirements. Some of those borrowings may be secured by mortgages or liens on real property investments or other investments made by the Account. The Account will not obtain permanent mortgage financing from IDS Life or its affiliates, but may obtain short-term borrowings from IDS Life or its affiliates for working capital, liquidity or other purposes.

In March 1994 the Account obtained a revolving line of credit for up to $10 million from IDS Life to pay for contract surrenders and other obligations under the Contracts. The line of credit is for a one-year term and is automatically renewed at each anniversary for

an additional one-year term subject to termination by one party giving 30 days' prior written notice of termination to the other party. Borrowings under the line of credit must be made in increments (or multiples) of $100,000. Outstanding borrowings under the line of credit will bear interest at a floating rate equal to the 30-day London Interbank Offered Rate (LIBOR), changing with a change in such interest rate determined on a monthly basis. The line of credit requires monthly payments of interest only until the earlier of maturity or termination of the line of credit, when the entire outstanding principal plus any accrued and unpaid interest on the line of credit will be due and payable. Outstanding principal may be repaid in whole or in part in increments (or multiples) of $100,000, together with any accrued and unpaid interest thereon, at any time without premium or penalty. Borrowings under the line of credit are generally unsecured, although IDS Life has a right of set off against any deposits or credits of the Account held by IDS Life for outstanding borrowings. See the Management's Discussion and Analysis of Financial Condition and Results of Operations section.

Borrowing requires the Account to pay interest to the lender and thus may, in certain instances, inhibit the Account from achieving its investment objectives and may increase the Account's risk.

In addition, to the extent that borrowing is incurred, the Account's income may be reduced because of the need to service any such indebtedness. Also, the amount of fees paid to IDS Life and the Investment Adviser and its affiliates may be increased due to the fact that certain of such fees are calculated as a percentage of the Account's assets, including those attributable to the Account's mortgage indebtedness. See the Conflicts of Interest -- Receipt of Commissions, Fees and Other Compensation by IDS Life, the Investment Adviser and Affiliates section.

Joint Venture Investments

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The Account may invest in real property investments, land sale-leaseback transactions or mortgage loans jointly with others, including affiliates of IDS Life or the Investment Adviser, through joint venture partnerships or otherwise. See the Conflicts of Interest -- Possible Joint Venture Investments with Affiliates of the Investment Adviser or IDS Life section. The Account reserves the right to participate in such joint investments either at the initiation of investment or during the time it holds an investment.

Real Estate Related Investments

The Account has made the real estate related investments described below. There is no assurance that additional real estate related investments will be obtained.

Summary of Investments

The following is a table which sets forth all real estate related investments presently made or committed to be made by the Account as of the date of this prospectus.

Real Property Investments

	Cash payments made or to be made (a)	Long-Term Indebtedness Amount	Rate
Shopping Centers			
Northridge Mall			
Milwaukee, Wis. (b)........	$5,838,000	$914,000	9.125%
		22,000	10.00
Southridge Mall			
Greendale/Greenfield			
Milwaukee, Wis. (b)........	6,170,000	941,000	8.42
Office Building			
1225 Connecticut Avenue			
Washington, D.C. (b)........	9,000,000	1,141,000	6.98
Apartment Complex			
West Springfield Terrace			
Fairfax County, VA..........	9,214,000	7,903,000	9.50
	$30,222,000	$10,921,000	

Mortgage Loan and Land Sale-Leaseback Investments

	Cash payments made or to be made (a)
Shopping Centers	
Monmouth Mall	
Eatontown, New Jersey (b)......................	$11,986,000
Riverpoint Center	
Chicago, Illinois (c)..........................	2,876,000
	$14,862,000

(a) Includes cash down payments, amounts funded or committed to be funded for mortgage loans, prepayment premiums, special reserves and other cash payments made or expected to be made out of the Account's net assets but does not include acquisition and mortgage placement fees, mortgage financing fees and other acquisition, placement or financing costs.

(b) The interest of the Account in this investment is owned by the Account through a joint venture. The amount shown for the property under "Cash payments made or to be made" includes only the cash investment of the Account in the joint venture for this investment and does not reflect any investment by any other joint venturers in the investment owned by the joint venture. For real property investments in which the Account has an equity interest, the amount shown for the investment under Long-Term Indebtedness reflects the Account's proportionate share, based upon its percent interest in the joint venture, of the amount of financing which is encumbering the property held by the joint venture.

(c) The interest of the Account in this investment is as a participant in the funding of a mortgage loan secured by the property.

The Account's investments in Northridge Mall and Southridge Mall and in the land sale-leaseback investment and first leasehold mortgage loan secured by Monmouth Mall have been made through two joint venture partnerships, the other partners of which include institutional investors advised or managed by affiliates of the Investment Adviser. The percent interest of each partner in these

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two joint ventures is determined generally based on the timing and amount of capital contributed by all partners.

The Account has contributed approximately $12,008,000 as its capital contribution in return for an approximate 5.92 percent interest in N/S Associates, which owns interests in Northridge Mall and Southridge Mall, and has contributed $10,000,000 as its capital contribution in return for an approximate 6.97 percent interest in Monmouth Associates, which owns the underlying land subject to a ground lease of, and holds a first leasehold mortgage on, Monmouth Mall. JMB Group Trust IV, which is managed by an affiliate of the Investment Adviser, owns the majority percent interest in each of N/S Associates and Monmouth Associates.

Monmouth Associates has agreed in principle to finance the cost of a proposed renovation of Monmouth Mall. The renovation is currently expected to cost approximately $28,500,000, which would be funded by additional capital contributions made pro rata based upon the respective interests of the joint venture partners. The Account's share of such additional capital contributions would be approximately $1,986,000 based on its approximate 6.97 percent interest in Monmouth Associates. The proposed renovation of the shopping center contemplates, among other things, the addition of a food court and cinema and the renovation of a former certain anchor tenant's space into smaller tenant spaces.

In general, these joint venture partnership agreements provide that decisions concerning the joint ventures and their real property investments are to be made by the vote or approval of the joint venture partner or partners holding a majority of the percent interests in the respective joint ventures.

Under the respective joint venture partnership agreements, in the event that one or more, but less than all, of the joint venture partners propose to sell the joint venture's entire interest in a real estate related investment during a specified period commencing generally not earlier than the end of the fourth year after the funding of the investment and ending 10 years after such funding, each other joint venture partner not approving such sale will have a right of first offer to purchase such investment on the terms set forth in a notice of the proposed sale from the joint venture partners desiring such sale. If more than one joint venture partner elects to exercise a right of first offer, each of the joint venture partners making such election will have the right to purchase an interest in such investment based upon the proportion of its percent interest in the respective joint venture to the aggregate percent interests of all joint venture partners making such election. If no joint venture partner elects to exercise the

right of first offer, the joint venture partners approving the sale may effect such sale on behalf of the respective joint venture for a sales price of not less than 90 percent of the proposed sales price and on other terms at least as favorable to the respective joint venture as those set forth in the notice of proposed sale.

In general, each joint venture partner may sell its interest in the respective joint venture subject to each other joint venture partner's right of first refusal to purchase the interest, and any such sale may not be made without the consent of all other joint venture partners unless it is to be made to an affiliate of the selling joint venture partner or to certain institutional investors, a "Fortune 500" corporation or an affiliate thereof, or to an entity of similar financial standing or sophistication of the foregoing or of the selling joint venture partner.

Northridge Mall
Milwaukee, Wisconsin

Northridge Mall, located in Milwaukee, Wisconsin, was completed in 1972. The mall shops and four adjacent department stores comprising the shopping center contain approximately 1,053,000 square feet of gross leasable area, of which N/S Associates owns approximately 399,000 square feet. The remaining 654,000 square feet of gross leasable area are occupied by four department stores, three of which own their own stores and a portion of the parking area. These four stores are Younkers, which leases its store from an unaffiliated third party (approximately 166,000 square feet), J.C. Penney (approximately 168,000 square feet), Sears (approximately 169,000 square feet) and Boston Store (approximately 151,000 square feet). Existing operating covenants for occupancy of their stores by Younkers extend through January 1999 and by Boston Store through 2000. J.C. Penney and Sears, whose operating covenants expired in August 1992, continue to operate their respective stores at the shopping center.

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During the third quarter of 1992, Younkers acquired the twenty-five unit department store division of H.C. Prange Co., including the two department stores that had been operating at the Northridge and Southridge Malls. These two former Prange's stores are now operating as Younkers department stores.

In October 1993, Carson Pirie Scott & Co. (formerly known as P.A. Bergner), the parent company of the Boston Store, completed its plan of reorganization under Chapter 11 of the United States Bankruptcy Code. The Boston Store continued to operate at the shopping center during the bankruptcy proceeding, and in November 1993 completed a renovation of its store, which included the installation of new marble flooring, carpeting, ceilings and lighting.

The shopping center is located on an approximate 105-acre site, of which N/S Associates owns approximately 32 acres, at the northwest corner of West Brown Deer Road and North 76th Street on the north side of Milwaukee. The shopping center is a two-level center of masonry construction and contains a large center court atrium with a fountain and skylights. The entire parking lot contains parking for approximately 7,800 automobiles.

Real estate taxes on the portion of the shopping center owned by N/S Associates were approximately $3,845,000 for the 1993 tax year and are estimated to decrease to approximately $3,334,000 for the 1994 tax year as a result of a recent successful appeal of the property's assessed valuation. In 1988 real estate taxes for the property increased by more than 110 percent over the prior year's taxes as a result of a reassessment of the property. Although N/S Associates had previously sought a reduction in the property's tax assessment, it was able to obtain only a modest reduction in the real estate taxes for 1991.

The shopping center is subject to competition from other retail properties in the vicinity. In the opinion of the Investment Adviser, the portion of the shopping center owned by N/S Associates is adequately insured.

The portion of the shopping center owned by N/S Associates consists of approximately 388,000 square feet of mall space and 11,000 square feet of storage space. The mall space is currently approximately 85 percent leased and occupied by 126 tenants. Tenant leases for mall space have minimum terms, not including renewal options, ranging from one to 20 years, with current annual base rents ranging from approximately $4 to $150 per square foot. The current average annual base rent for mall space is approximately $22.10 per square foot. The average annual occupancy rates (based upon occupancy at the end of each month during the year) and approximate average annual base rents per square foot for the mall space for the past five years are as follows:

Year	Average Annual Occupancy Rate	Average Annual Base Rent Per Square Foot
1989	91%	$19.50
1990	93	20.60
1991	93	21.50
1992	87	22.10
1993	87	22.30

Substantially all of the leases contain provisions pursuant to which N/S Associates is entitled to participate in tenant gross receipts above fixed minimum amounts and to receive tenants' contributions for operating expenses and real estate taxes, subject in some instances to certain limitations for tenant contributions for real estate taxes due to the 1988 reassessment of the property previously described.

N/S Associates acquired its interest in the shopping center in April 1988 for a purchase price of approximately $89,653,000 paid in cash at closing, subject to the existing mortgage loans with a then outstanding aggregate balance of approximately $18,454,000. At closing, N/S Associates established a reserve of approximately $8.9 million that has been used to pay for certain capital improvements made at the shopping center, including certain asbestos removal, construction of a food court and center and side court improvements. It is expected that additional asbestos removal will be undertaken from time to time. For 1994 N/S Associates has currently budgeted approximately $1,630,000 for certain capital improvements, including improving the interior lighting and partial

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roof replacement, tenant improvements and asbestos abatement for certain tenant spaces. Such amount is expected to be paid out of cash flow from the property.

The portion of the shopping center owned by N/S Associates is subject to an existing first mortgage securing two loans from an institutional lender with outstanding principal balances at April 30, 1994, of approximately $15,446,000 and $368,000, respectively. The first loan bears interest at a rate of 9.125 percent per annum and requires monthly payments of principal and interest aggregating approximately $1,975,000 per annum until maturity in January 2008, when the outstanding principal balance will have been fully amortized. The second loan bears interest at a rate of 10 percent per annum and requires monthly payments of principal and interest aggregating approximately $44,000 per annum until maturity in September 2012, when the outstanding principal balance will have been fully amortized. Prepayment of either loan in full is permitted subject to the payment of a premium calculated as a percentage of the outstanding principal balance of the loan being prepaid. The remedies under the first mortgage securing the loans are limited to the property securing such obligations.

The portion of the shopping center owned by N/S Associates is being managed by an affiliate of the Investment Adviser under an agreement pursuant to which it is obligated to manage the property and collect all receipts from operations of the property. The affiliate of the Investment Adviser is paid an annual fee equal to 3.75 percent of the gross receipts of the property plus reimbursement of certain direct expenses in connection with the management of the property.

The following is a schedule of expiration of leases (exclusive of storage space and assuming no renewals or cancellations) and current annual base rents allocable thereto as of April 1994:

Year of Expiration of Leases	Number of Tenants	Square Feet	Current Annual Base Rent	Percentage of Current Annual Base Rent
1994..........	22	26,738	$ 502,314	6.9%
1995..........	9	24,175	362,098	4.9
1996..........	9	15,940	472,393	6.5
1997..........	8	42,162	394,938	5.4
1998..........	25	63,736	1,699,748	23.3
1999..........	18	51,000	1,254,155	17.2
2000..........	12	29,138	787,762	10.8
2001..........	6	16,358	359,215	4.9
2002..........	10	31,204	704,988	9.7
2003..........	4	17,903	485,638	6.6
2004..........	2	4,463	128,502	1.8
2008..........	1	7,500	146,160	2.0

Southridge Mall
Greendale/Greenfield (Milwaukee),
Wisconsin

Southridge Mall, completed in 1970, is located in the Village of Greendale and City of Greenfield south of Milwaukee, Wisconsin. The mall shops and five adjacent department stores comprising the shopping center contain approximately 1,301,000 square feet of gross leasable area, of which N/S Associates owns approximately 441,000 square feet, including the space leased to Kohl's Department Store, one of the anchor tenants, and approximately 2,000 square feet of storage space. The remaining approximately 860,000 square feet of gross leasable area are occupied by four department stores, three of which own their own stores and a portion of the parking area. These four stores are Younkers, which leases its store from an unaffiliated third party (approximately 203,000 square feet), Boston Store (approximately 221,000 square feet), Sears (approximately 251,000 square feet) and J.C. Penney (approximately 185,000 square feet). Existing operating covenants for occupancy of their stores by Younkers extend through January 1999 and by Boston Store through 2000. J.C. Penney and Sears, whose operating covenants have expired, continue to operate their respective stores at Southridge Mall.

During the third quarter of 1992, Younkers acquired the twenty-five unit department store division of H.C. Prange Co., including the two department stores that had been operating at the Northridge and Southridge Malls. These two former Prange's stores are now operating as Younkers department stores. Under a prior commitment made by the previous owner, Younkers is obligated to renovate its department store at the Southridge Mall. The renovation is expected to include replacements of the upper level ceiling and the

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carpeting, removal of certain barrier walls to increase visibility and enhancement of the lighting fixtures.

In October 1993, Carson Pirie Scott & Co. (formerly known as P.A. Bergner), the parent company of the Boston Store, completed its plan of reorganization under Chapter 11 of the United States Bankruptcy Code. The Boston Store continued to operate at the shopping center during the bankruptcy proceeding.

The shopping center is located on an approximately 105-acre site, of which N/S Associates owns approximately 34 acres, at the intersection of West Grange Avenue and South 76th Street in Milwaukee County. It is a two-level center of masonry construction and contains a large center court atrium with a fountain and skylights. The entire parking lot contains parking for approximately 6,900 automobiles.

Real estate taxes on the portion of the shopping center owned by N/S Associates were approximately $4,014,000 for the 1993 tax year and are estimated to be approximately $4,215,000 for the 1994 tax year. In 1989 real estate taxes for the property increased by approximately 60 percent over the prior year's taxes as a result of a reassessment of the property. Although N/S Associates had sought a reduction in the property's tax assessment, it was able to negotiate only a modest reduction for the 1991 taxes for the property with the local taxing authority.

The shopping center is subject to competition from other retail properties in the vicinity. In the opinion of the Investment Adviser, the portion of the shopping center owned by N/S Associates is adequately insured.

The portion of the shopping center owned by N/S is currently approximately 94 percent leased by 135 tenants with current occupancy at 92%. Kohl's Department Store occupies approximately 66,000 square feet pursuant to a lease that has an original term of 30 years and requires annual base rent of $120,000. Other tenant leases (exclusive of storage space) have minimum terms, not including renewal options, ranging from 3 to 15 years, with current annual base rents ranging from $8.00 to $116.00 per square foot. The current average annual base rent (exclusive of storage space) is approximately $21.55 per square foot. The average annual occupancy rates (based upon occupancy at the end of each month during the year) and approximate average annual base rents per square foot for tenant space (inclusive of Kohl's Department Store but exclusive of storage space) for the past five years are as follows:

Year	Average Annual Occupancy Rate	Average Annual Base Rent Per Square Foot
1989	92%	$15.80
1990	93	16.60
1991	94	19.30
1992	87	20.90
1993	90	21.20

Substantially all of the leases contain provisions pursuant to which N/S Associates is entitled to participate in tenant gross receipts above fixed minimum amounts and to receive tenants' contributions for operating expenses and real estate taxes, subject in some instances to certain limitations for tenant contributions for real estate taxes due to the reassessment of the property previously described.

N/S Associates acquired its interest in the shopping center in April 1988 for a purchase price of approximately $96,865,000 paid in cash at closing, subject to the existing first mortgage loan with a then outstanding balance of approximately $18,536,000. N/S Associates established a reserve of approximately $7,250,000, most of which has been used for certain capital improvements at the shopping center including, among other things, asbestos removal and center and side court improvements. It is expected that additional asbestos removal will be undertaken from time to time. For 1994 N/S Associates has currently budgeted approximately $950,000 for replacement of escalators, tenant improvement costs and asbestos abatement for certain tenant spaces. Such amount is expected to be paid out of remaining reserves and cash flow from the property.

The portion of the shopping center owned by N/S Associates is subject to a first mortgage loan from an institutional lender with

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an outstanding principal balance at April 30, 1994, of approximately $15,891,000. The loan bears interest at the rate of 8.42 percent per annum and requires monthly payments of principal and interest aggregating approximately $1,901,000 per annum until maturity in October 2008, when the outstanding principal balance will have been fully amortized. The first mortgage loan permits only a prepayment in full, subject to the payment of a premium of 1 percent of the outstanding principal balance of the loan. The remedies under the first mortgage loan are limited to the property securing the obligation.

The portion of the shopping center owned by N/S Associates is being managed by an affiliate of the Investment Adviser under an agreement pursuant to which it is obligated to manage the property and collect all receipts from operations of the property. The affiliate of the Investment Adviser is paid a fee equal to 3.75 percent of the gross receipts of the property plus reimbursement of certain direct expenses in connection with the management of the property.

The following is a schedule of expiration of leases (inclusive of Kohl's Department Store but exclusive of storage space and assuming no renewals or cancellations) and current annual base rents allocable thereto as of April 1994:

Year of Expiration of Leases	Number of Tenants	Square Feet	Current Annual Base Rent	Percentage of Current Annual Base Rent
1994..........	14	22,720	$ 674,988	7.6%
1995..........	11	27,494	650,025	7.3
1996..........	18	34,499	927,584	10.5
1997..........	8	24,358	612,176	6.9
1998..........	17	40,578	1,188,529	13.4
1999..........	9	24,750	520,450	5.9
2000..........	20	49,521	1,340,730	15.1
2001..........	17	102,908	1,021,034	11.5
2002..........	8	16,879	522,979	5.9
2003..........	8	32,651	722,316	8.1
2004..........	3	22,423	409,782	4.6
2006..........	1	6,000	120,000	1.3
2009..........	1	7,507	165,154	1.9

Monmouth Mall
Eatontown, New Jersey

In October 1988 Monmouth Associates (i) acquired certain land underlying a super regional shopping center in Eatontown, New Jersey known as Monmouth Mall, (ii) leased the land to the owner of the shopping center pursuant to a long-term ground lease, and (iii) made a first mortgage loan to the owner of the shopping center secured by the leasehold estate and the improvements thereon. The borrower under the first leasehold mortgage loan and lessee under the ground lease (hereinafter the "borrower/lessee") is a partnership whose partners are not affiliated with Monmouth Associates or any of its joint venture partners.

The shopping center contains approximately 1,520,000 square feet of gross leasable area, of which approximately 505,000 square feet consist of mall shops (approximately 411,000 square feet), outparcel buildings (approximately 46,000 square feet) and storage area (approximately 48,000 square feet). The remaining gross leasable area currently includes four department stores, which are Macy's (approximately 262,000 square feet), J.C. Penney (approximately 221,000 square feet), Abraham & Straus (approximately 265,000 square feet) and Lord & Taylor (approximately 159,000 square feet), which opened its store in July 1990. Other department store space (approximately 108,000 square feet), which had been leased to Caldor at an annual base rent of approximately $583,000 until its lease termination in July 1990 and currently is vacant, is expected to be renovated for additional mall space in connection with a proposed renovation of the shopping center. Existing operating covenants of the anchor department stores for reimbursement of common area maintenance expenses and operation of a retail business at their stores (which may be different from the current retail business), generally extend to 1998 for Abraham & Straus, 2005 for Macy's and Lord & Taylor, and 2006 for J.C. Penney, with certain option or renewal rights thereafter in favor of Abraham & Straus and Lord & Taylor.

The shopping center is located on an approximately 104-acre site located at the intersection of Routes 35 and 36 and Wyckoff Road in Eatontown, New Jersey. Macy's owns its own department store and

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approximately 2.4 acres of underlying land, and J.C. Penney owns its own store, including an outparcel building, and approximately 13.1 acres of underlying land. The remaining approximately 88.5 acres of land underlying the shopping center were acquired by Monmouth Associates subject to the right of Abraham & Straus to acquire the land underlying its store. Abraham & Straus, which currently leases its store and the approximately 14 acres of underlying land for nominal rent, has the right to acquire the underlying land at any time after 1998 and to acquire its store at any time after 2028, in each case for nominal consideration. The shopping center is a multi-level super regional center constructed of structural steel framing with concrete block facing. The entire parking lot (a portion of which is owned by certain of the department stores) contains combined surface and deck parking for approximately 8,225 automobiles.

The Lord & Taylor lease provides for annual base rent of approximately $60,400 and an initial term of 16 years with six 10-year renewal options at the same annual base rent. In January 1992, R.H. Macy and Company, the owner of Macy's, filed for protection from creditors under Chapter 11 of the United States Bankruptcy Code. While the long-term effect of the bankruptcy filing cannot currently be determined, Macy's continues to operate its department store. Macy's also leases approximately 36,400 square feet of space from the borrower/lessee for its children's store at the shopping center.

Real estate taxes on the portion of the shopping center owned by the borrower/lessee were approximately $2,051,000 for the 1993 tax year and are expected to be approximately $2,134,000 for the 1994 tax year. The shopping center is subject to competition from other retail properties in the area, including an approximately 1,300,000 square foot shopping center that opened in the general vicinity in August 1990. In the opinion of the Investment Adviser, the portion of the shopping center owned by the borrower/lessee is adequately insured.

The shopping center, excluding the anchor department store tenant and storage space, is currently 81 percent leased and occupied by 111 tenants with current annual base rents ranging from approximately $1.00 to $97.00 per square foot and a current average annual base rent of approximately $21.05 per square foot. Leases for mall shops and outparcel space have minimum terms, not including renewal options, ranging from 5 to 15 years. Due to the proposed renovation of the shopping center discussed below, approximately 14 percent of the total mall and outparcel space is being held vacant of long-term tenants and certain tenants (which are reflected in the above leasing and occupancy information) have short-term leases for the occupancy of space on a temporary basis. The average annual occupancy rates (based upon occupancy at the end of each month during the year) and approximate average annual base rents per square foot for the mall and outparcel space for the past five years are as follows:

Year	Average Annual Occupancy Rate	Average Annual Base Rent Per Square Foot
1989	89%	$15.95
1990	91	15.50
1991	83	18.25
1992	82	19.85
1993	81	19.95

Substantially all of the leases contain provisions pursuant to which tenants are required to pay specified percentages of their gross receipts above certain minimum amounts as additional rent and to pay their pro rata share of the operating expenses and real estate taxes of the shopping center.

At the closing, Monmouth Associates (i) purchased approximately 88.5 acres of land underlying the shopping center (subject to the right of Abraham & Straus to acquire the approximately 14 acres underlying its store) for $13,000,000 paid in cash; (ii) leased the land back to the borrower/lessee pursuant to a long-term ground lease; and (iii) made a first mortgage loan in the principal amount of $128,920,000 to the borrower/lessee secured by the leasehold estate and the improvements thereon. The ground lease, which has a term of 75 years commencing in October 1988 (subject to earlier termination in the event of a sale of the land as described below), provides for monthly base rent aggregating $780,000 per annum for the first two lease years, $1,040,000 per annum for the third lease year, and $650,000 per annum for each lease year thereafter. The ground lease also provides for contingent rent (payable quarterly

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out of the excess, if any, of substantially all of the gross receipts from the operations of the shopping center received by the borrower/lessee over certain base amounts) equal to the sum of (x) a specified annual amount (commencing in the fourth lease year at $390,000 per annum and increasing in the sixth lease year to $520,000 per annum), increased until paid at the "applicable rate" of interest payable under the first leasehold mortgage loan described below (such amount as so increased herein called the "rent shortfall amount"), plus (y) 15 percent of the balance of such excess gross receipts remaining after deducting the aggregate amount paid at such time of the rent shortfall amount under the ground lease and the "interest shortfall amount" under the first leasehold mortgage loan as described below.

Under the terms of the ground lease, upon a joint sale or refinancing of the land and the improvements thereon, Monmouth Associates will be entitled to receive out of the proceeds of such sale or refinancing the sum of (a) any accrued and unpaid rent shortfall amount plus $13,000,000, plus (b) after payment of principal and any accrued and unpaid interest on the first leasehold mortgage loan and payment of any outstanding additional loans by Monmouth Associates and any advances by the borrower/lessee to pay the cost of certain capital or tenant improvements described below, together with any accrued and unpaid interest thereon, 15 percent of such remaining sale or refinancing proceeds until Monmouth Associates has received aggregate payments

under the ground lease equal to an internal rate of return of 11 percent per annum on its investment in the land, plus (c) thereafter, 12.5 percent of any such remaining sale or refinancing proceeds. In general, the remedies under the ground lease are limited to the property securing such obligation.

The first leasehold mortgage loan has a term of 15 years commencing in October 1988, which may be extended from time to time at the option of Monmouth Associates for up to an additional 20 years, subject to acceleration of the loan in the event of a joint sale of the property or a purchase by either Monmouth Associates or the borrower/lessee of the other party's entire interest in the property.

The loan provides for monthly payments of base interest at a base rate of 5.98 percent per annum for the first two loan years, 7.97 percent per annum for the third loan year and 5 percent per annum for each loan year thereafter. The first leasehold mortgage loan also provides for quarterly payments of contingent interest (payable out of the excess, if any, of substantially all of the gross receipts from the operations of the shopping center received by the borrower/lessee over certain base amounts) equal to the sum of (x) the difference between the amount of interest payable on the loan at the "applicable rate" and that payable at the base rate described above, increased until paid at the applicable rate (such amount as so increased herein called the "interest shortfall amount"), plus (y) 45 percent of the balance of such excess gross receipts remaining after deducting the aggregate amount paid at such time of the rent shortfall amount under the ground lease and the interest shortfall amount under the first leasehold mortgage loan. The "applicable rate" under the loan is 5.98 percent per annum for the first two loan years, 7.97 percent per annum for the next three loan years and 8.97 percent per annum for each loan year thereafter. In connection with the termination of the Caldor lease, Monmouth Associates has agreed with the borrower/lessee that it may defer payment of approximately $729,000 of base interest. This amount, which bears interest at 13 percent per annum, is payable out of available cash flow from the property.

Under the terms of the first leasehold mortgage loan, upon a joint sale or refinancing of the land and the improvements thereon, Monmouth Associates will be entitled to receive out of the proceeds of such sale or refinancing, after deducting the accrued and unpaid rent shortfall amount plus $13,000,000 payable to Monmouth Associates pursuant to the terms of the ground lease, the sum of (a)(i) any accrued and unpaid interest shortfall amount, (ii) the outstanding principal amount of the loan plus any accrued and unpaid base interest thereon, and (iii) after repayment of any additional loans by Monmouth Associates and any advances by the borrower/lessee to pay the cost of certain capital or tenant improvements described below, together with any accrued and unpaid interest thereon, 45 percent of such remaining sale or refinancing proceeds until Monmouth Associates has received aggregate payments under the first leasehold mortgage loan equal to an internal rate of return of 11 percent per annum on the principal amount of such loan, plus (b) thereafter, 37.5 percent of any such remaining sale

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or refinancing proceeds. In the event that the loan continues until its stated maturity date (as it may be extended from time to time) without a joint sale of the property or a sale of Monmouth Associates' entire interest in the property, Monmouth Associates will be entitled to receive an amount that would provide it the same consideration payable to it as the first leasehold mortgage lender (but not as the ground lessor) under a joint sale of the property described above, assuming that the property were sold for its appraised fair market value. Aggregate interest payable may not exceed a specified simple interest rate per annum.

In general, except for a prepayment in connection with a joint sale of the property or a sale to the borrower/lessee of Monmouth Associates' entire interest in the property as described below, no prepayment of the first leasehold mortgage loan may be made. In general, the remedies under the first leasehold mortgage loan are limited to the property securing such obligation. The borrower/lessee is obligated, at its own expense, to remove any asbestos from the portion of the shopping center owned by the borrower/lessee under certain circumstances.

Monmouth Associates has agreed in principle to finance the cost of a proposed renovation of the shopping center. The current renovation proposal contemplates, among other things, the elimination of certain outparcels, the addition of a food court and cinema, and the reconfiguration of the former Caldor department store space into smaller tenant spaces for national retail tenants. As currently contemplated, it is expected that the renovation would reposition the shopping center against its competition by adding a more upscale tenant component, utilizing the former Caldor space and adding food and entertainment uses. The renovation is currently expected to commence in the second quarter of 1994 and to be completed in late 1995.

It is expected that the costs of the renovation would be financed by a loan from Monmouth Associates to the borrower/lessee that would bear a fixed interest rate of 10.5 percent per annum. In addition, Monmouth Associates' participation in certain levels of sale or refinancing proceeds from the property would be increased until Monmouth Associates had received aggregate payments equal to an internal rate of return of 11 percent per annum on its original investments in the first leasehold mortgage loan and ground lease. The amount of financing for the renovation is currently estimated to be $28,500,000, which would be provided by additional capital contributions made pro rata based upon the respective interests of the joint venture partners in Monmouth Associates. As currently contemplated, under certain circumstances Monmouth Associates could be required to loan up to an additional $600,000 for the renovation.

Required approvals of department stores as well as zoning approvals for the proposed renovation have been obtained. However, finalization of the renovation plan is subject to, among other things, obtaining certain other governmental approvals including building permits, as well as negotiation and execution of final

documentation, and the terms of the financing for the renovation are subject to, among other things, negotiation and execution of final documentation. There is no assurance that the renovation plan will be approved and implemented or that the final terms of the financing therefor will be agreed upon or that any final plan and/or the financing therefor will be on the terms described.

Monmouth Associates also is required to make other additional loans to finance the cost of 60 percent of tenant improvements or other ordinary capital expenditures that exceed the amounts reserved by the borrower/lessee for such expenditures, provided that the borrower/lessee advances the remaining 40 percent of such expenditures.

The interest payable on any such additional loans (as well as on any advances made by the borrower/lessee) is to be at the greater of the applicable rate under the first leasehold mortgage loan as in effect from time to time or the market rate of interest charged by institutional lenders for similar loans. These additional loans generally require payments of interest only until maturity of the first leasehold mortgage loan (including any extension thereof described above), at which time the outstanding principal and any accrued and unpaid interest under the additional loans will be due and payable. The additional loans may be prepaid prior to maturity without a prepayment charge. Pursuant to such requirements, Monmouth Associates has loaned the borrower/lessee an aggregate of approximately $2,737,000 at fixed interest rates ranging from 8.25

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percent to 10.5 percent per annum in connection with the cost of tenant improvements and ordinary capital expenditures, including tenant lease expenditures and termination payments. Monmouth Associates has also advanced an additional $1,250,000 as an expansion/renovation loan in connection with the termination of the Caldor lease, which together with accrued interest through October 1991, bears interest at 13 percent per annum. These amounts have been advanced out of interest and lease payments received under the leasehold mortgage loan and ground lease along with the reserves of Monmouth Associates.

Under the terms of the ground lease, at any time after the thirteenth year of the lease Monmouth Associates has the right, and at any time after the fourteenth year the borrower/lessee has the right, to cause a joint sale of the land and the portion of the shopping center owned by the borrower/lessee, subject to the right of first refusal of the other party to the ground lease to acquire the entire interest in the property of the party proposing such joint sale. In the event that the first leasehold mortgage loan continues until its stated maturity date (including any extension of such maturity date described above), the borrower/lessee has the option to purchase Monmouth Associates' interest in both the land and the first leasehold mortgage loan for an aggregate amount that would provide Monmouth Associates the same consideration payable to it as ground lessor and first leasehold mortgage lender under a joint sale of the property described above, assuming that the property were sold for its appraised fair market value.

In general, except for certain transfers by Monmouth Associates to an affiliate, neither Monmouth Associates nor the borrower/lessee may transfer its entire interest in the property (including its interest in the first leasehold mortgage loan) during the first five years after the closing, and thereafter may only transfer its entire interest in the property, subject to the consent of the other party and the other party's right of first refusal to acquire such interest. In general, neither Monmouth Associates nor the borrower/lessee may transfer a portion of its interest in the property.

The portion of the shopping center owned by the borrower/lessee is being managed by an affiliate of the borrower/lessee under a long-term agreement pursuant to which it is obligated to manage the property and collect all receipts from operations of the property for a fee equal to 3.5 percent of the base and percentage rents from the property. In addition, the manager is entitled to compensation for leasing and re-leasing services at the shopping center. The following is a schedule of expiration of present leases (other than those of any anchor department store tenants and exclusive of storage space and assuming no renewals or cancellations) and current annual base rents allocable thereto as of April 1994:

Year of Expiration of Leases	Number of Tenants	Square Feet	Current Annual Base Rent	Percentage of Current Annual Base Rent
1994..........	27	64,897	$1,131,654	14.6%
1995..........	4	25,776	153,993	2.0
1996..........	9	17,449	476,726	6.1
1997..........	8	18,430	398,074	5.1
1998..........	9	29,616	729,403	9.4
1999..........	6	11,503	271,856	3.5
2000..........	8	54,849	889,129	11.5
2001..........	16	34,446	1,290,610	16.6
2002..........	13	68,081	1,382,510	17.8
2003..........	10	34,995	964,517	12.4
2006..........	1	9,169	77,391	1.0

1225 Connecticut Avenue
Washington, D.C.

In May 1990 the Account acquired an interest in a newly formed Delaware corporation (the Corporation) owned jointly with certain other persons, as described below. The Corporation has acquired an office building located in Washington, D.C. known as 1225 Connecticut Avenue, N.W. (1225 Connecticut), an eight-story reinforced concrete frame building containing 184,432 square feet of rentable office space, 18,498 square feet of rentable retail space, 6,416 square feet of below grade storage space and 100,024 square feet of subsurface parking space for over 300 automobiles. The building is located on an approximately 33,000 square foot site that fronts Connecticut Avenue, 18th Street and "N" Street, N.W. 1225 Connecticut was completed in 1968.

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The office and retail space of 1225 Connecticut is currently approximately 95 percent leased and occupied under leases having original minimum terms (not including renewal options) which vary in duration from 1-1/2 to 29 years with current annual base rents ranging from approximately $17.50 to $45.00 per rentable square foot. The current average annual base rent for the office and retail space is approximately $33.25 per square foot. The storage space is currently 80 percent leased and occupied under leases having original minimum terms (not including renewal options) that vary in duration from 5 to 12 years with the current annual base rents ranging from approximately $10.00 to $16.25 per square foot. The current average annual base rent for the storage space is approximately $11.80 per square foot. The average annual occupancy rates (based upon occupancy at the end of each month during the year) and approximate average annual base rents per square foot for the office and retail space for the past three years are as follows:

Year	Average Annual Occupancy Rate	Average Annual Base Rent Per Square Foot
1991	99%	$20.05
1992	99	20.35
1993	95	28.60

Substantially all of the office and retail leases contain provisions, subject to certain limitations, requiring tenants to pay, in addition to their annual base rent, their pro-rata share of real estate taxes and operating expenses over certain base amounts. In addition, leases covering a majority of the office and retail space contain provisions, subject to certain limitations, pursuant to which rents may be increased based upon changes in a consumer price index from a base year.

During 1993 and 1994 the annual base rents under the Ernst & Young leases were scheduled to increase to $34 per square foot from rates ranging from $8.75 to $29.00 per square foot. In 1993 Ernst & Young agreed to extend the original term of a majority of its existing leased space from June 2000 to June 2007, subject to the termination of approximately 9,000 square feet of this space in December 1994, and to increase the rent for all of the space to $34 per square foot effective upon the agreement. Ernst & Young also agreed to lease an additional approximately 17,000 square feet of space through December 1994 and an additional approximately 1,700 square feet of first floor space through June 2007. As a result, the Ernst & Young leases generally are as follows:

Tenant	Square Feet	Current Annual Base Rent	Expiration Date
Ernst & Young.......... (1st Floor)	1,676	$17.50	June 2007
Ernst & Young.......... (2nd, 5th, 6th, 7th and 8th Floors)	131,640	34.00	June 2007
Ernst & Young.......... (4th Floor)	26,328	34.00	December 1994

The primary lease for Ernst & Young (which does not include the first and fourth floor space) provides for two optional renewal periods of five years each with annual base rent to be based on 90 percent of the fair market rent as determined at such time. Ernst & Young also has a right of first opportunity and certain expansion options to lease any space on the third floor.

The real estate and vault taxes on 1225 Connecticut were approximately $912,000 for the tax year ended June 30, 1993 and are expected to decrease to approximately $877,000 for the tax year ended September 30, 1994 as a result of assessment appeals. 1225 Connecticut is subject to competition from several other commercial projects in its vicinity, including a number of office buildings owned by entities either sponsored or advised by an affiliate of the Investment Adviser. In the opinion of the Investment Adviser, the building is adequately insured.

The Corporation has elected to qualify as a real estate investment trust (REIT) pursuant to sections 856 through 860 of the Internal Revenue Code of 1986, as amended (the Code). For each taxable year that the Corporation qualifies as a REIT, the Corporation in general will not be subject to federal corporate income tax or the District of Columbia corporate franchise tax on its regular taxable

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income and will not be taxable on long-term capital gain income to the extent its income is distributed as dividends. If the Corporation were to fail to qualify as a REIT, it would be taxed at rates applicable to corporations on its taxable income, whether or not distributed. Because the Corporation is a corporation, it will not be subject to the District of Columbia franchise tax on unincorporated businesses, which is imposed on any trade or business conducted within the District by an unincorporated person, including a partnership.

The officers and directors of the Corporation are persons affiliated with the Investment Adviser or its affiliates. The Account owns approximately 16.3 percent of the outstanding shares of common stock of the Corporation. The outstanding shares of common stock of the Corporation not owned by the Account are owned by persons who are affiliated or associated with, or are advised or

managed by affiliates of, the Investment Adviser. There is no other class of stock of the Corporation authorized or outstanding, and no other shares of common stock may be issued without the consent of shareholders owning at least 96 percent of the then outstanding shares of common stock of the Corporation. The major shareholders of the Corporation (including the Account) owning in excess of 99 percent of the Corporation's outstanding stock have entered into a shareholders' agreement which provides, among other things, that upon a proposed sale of shares the non-selling major shareholders shall have a right of first refusal to buy out the selling major shareholders' shares in the Corporation; the approval of shareholders owning at least 96 percent of the outstanding common stock of the Corporation is required to make certain major decisions; and, in the event of a disagreement regarding a proposed sale of 1225 Connecticut, the major shareholders not desiring to sell would have a right of first refusal to purchase the other major shareholders' shares in the Corporation and if all of such shares are not acquired pursuant to the exercise of such right of first refusal, the Corporation may conclude a sale of the property.

The Corporation purchased 1225 Connecticut from the seller for a purchase price of approximately $54,125,000, consisting of $51,425,000 paid in cash and approximately $2,700,000 of mortgage indebtedness then encumbering the property. In connection with the acquisition of the property, the Corporation paid approximately $2,130,000 for real estate brokerage commissions to an independent third party and certain closing costs. In addition, the Corporation has created reserves in the amount of approximately $1,500,000 for working capital and certain possible capital improvements to the property, including removal of asbestos from the building. The Account contributed $9,000,000 for its interest in the Corporation.

In January 1994 the Corporation refinanced its mortgage loan, which had an outstanding principal balance of approximately $1,667,000 at the time of refinancing, with a new first mortgage loan in the principal amount of $7,000,000 that bears interest at 6.98 percent per annum. The new loan requires monthly payments of interest only aggregating $488,600 per annum until maturity in February 2001 when the entire outstanding principal amount together with accrued interest will be due and payable. Under certain circumstances, the principal amount of the loan may be prepaid in whole (but not in part), subject to a prepayment premium based upon the present value of the difference, if any, between the remaining scheduled monthly payments on the loan at the date of prepayment and the amount such monthly payments would be if the interest rate on the loan were equal to the yield on a U.S. government security with a comparable maturity date. Pursuant to the deed of trust securing the mortgage loan, the Corporation is prohibited from modifying Ernst & Young's primary lease or from entering into certain other tenant leases without the lender's consent. Prior to selling the property or encumbering the property with any additional debt, the Corporation must obtain the consent of the lender, which may be arbitrarily withheld. However, subject to certain restrictions, the Corporation has a one-time right to transfer title to the property

together with an assumption of the mortgage loan. The Corporation intends to use the excess proceeds from the refinancing in the amount of approximately $5,300,000 to pay for lobby and other common area renovation costs, a sprinkler system and certain tenant improvement costs related to the Ernst & Young lease extension as well as a reserve for additional tenant improvement costs and lease commissions anticipated to be incurred upon the expiration of certain existing leases.

An affiliate of the Investment Adviser has entered into a

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management agreement under which it is obligated to manage 1225 Connecticut, collect all of the receipts from operations and, to the extent available from such receipts, pay all of the expenses of the property. The manager is paid a fee equal to 2.5 percent of the gross revenues of the property, plus reimbursement for certain direct expenses of the manager.

An unaffiliated third party leases and operates the entire parking garage (subject to certain parking rights provided for tenants of the property) for a term extending until November 1997. The lease provides for a fixed rent payment of $485,000 a year (which reflects an increase at the end of 1993 from $430,000 a year), provides that the lessee shall pay the operating expenses of the parking garage and does not provide such lessee with an option to extend the term of the lease.

The following is a schedule of expiration of leases for office and retail space (assuming no renewals or cancellations) and current annual base rents allocable thereto as of April 1994:

Year of Expiration of Leases	Number of Tenants	Square Feet	Current Annual Base Rent	Percentage of Current Annual Base Rent
1994..........	2	31,591	$1,055,150	16.6%
1995..........	1	2,023	40,965	0.6
1996..........	1	3,071	138,195	2.2
2000..........	3	21,783	633,753	9.9
2007..........	1	133,316	4,505,090	70.7

Riverpoint Center
Chicago, Illinois

The Account entered into a participation agreement to fund up to $3,000,000 of a first mortgage loan in the maximum principal amount of $29,250,000. The remaining portion of the loan has been funded by JMB Mortgage Partners, Ltd.-IV and JMB Mortgage Partners, Ltd.-III, which are affiliates of the Investment Adviser. (The Account, JMB Mortgage Partners, Ltd.-IV and JMB Mortgage Partners, Ltd.-III are collectively called the Lenders). The loan is secured by a first mortgage on a shopping center known as Riverpoint Center and located on an approximately 17-acre site at the intersection of Wood Street and Fullerton Avenue in Chicago, Illinois. The shopping center is owned by a partnership (the Borrower) whose general partners are not affiliated with any of the Lenders and is managed by an affiliate of the Borrower.

The initial funding (the Initial Funding) of the loan, in the amount of $26,000,000 (of which the Account's share was $2,666,660), occurred in August 1989. Additional amounts, aggregating approximately $2,040,000 (of which the Account's share was approximately $209,000), have been funded since the Initial Funding. The Borrower did not qualify for any additional fundings above the $28,040,000 which has been funded to date, and no additional fundings will be made by the Lenders. The shopping center, which was completed in June 1989, has masonry walls with interior steel frames and a brick facade with metal detailing and includes a parking lot for approximately 860 cars. Real estate taxes on the shopping center were approximately $1,092,000 for the 1992 tax year and are expected to be approximately $1,056,000 for the 1993 tax year, the most recent year of assessment.

In the opinion of the Investment Advisor, the shopping center is adequately insured. The shopping center is subject to competition from other retail properties in the area.

The shopping center, which is currently approximately 97 percent leased and occupied by 26 tenants, consists of approximately 200,800 square feet of gross leasable area. Existing tenant leases have minimum terms, not including renewal options, ranging from 3 to 20 years with current annual base rents ranging from $11.60 to $25.00 per square foot. The current average annual base rent is approximately $14.75 per square foot.

Substantially all existing leases contain provisions pursuant to which each tenant is required to pay its pro-rata share of operating expenses and real estate taxes of the shopping center and additional rent in the form of a percentage of tenant gross receipts above a certain base amount. The following is a schedule of major tenant leases:

	Square	Current Annual Base	Original

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Tenant	Feet	Rent	Term
Dominick's Omni Superstore (grocery store)..........	85,498	$992,496	20 years
Marshalls (clothing)...............	36,157	506,198	15 years
Silo Electronics (consumer electronics)...	12,100	229,900	10 years

The first mortgage loan requires periodic payments of interest only, matures 10 years after the date of the Initial Funding, and bears interest as follows:

(1) Basic Interest: Basic Interest is payable monthly in advance at the rates per annum set forth below:

Loan Years	Interest Rate
1...........	8.84%
2-3.........	8.75
4-6.........	9.25
7-10.........	9.50

(2) Accrual Interest: In addition to Basic Interest, interest accrues at a simple rate of 2.0 percent per annum. The Accrual Interest is due at maturity (subject to earlier payment upon sale of the shopping center or prepayment of the loan). The Accrual Interest is reduced dollar-for-dollar by the amount of Additional Interest paid as described below.

(3) Additional Interest: The Lenders are entitled to receive Additional Interest for each calendar year (or portion thereof) equal to 50 percent of the gross income (exclusive of tenant reimbursements of expenses) from the shopping center in excess of a base amount of $2,737,000. The Lenders are also entitled to receive Additional Interest equal to 50 percent of the amount by which the value of the shopping center exceeds $28,040,000, to be paid as follows: (i) upon sale (if any) of the shopping center, an amount equal to 50 percent of the amount by which the gross sale proceeds from such sale (net of customary closing prorations and seller's closing expenses) exceed the greater of (A) $28,040,000, or (B) the highest gross proceeds from any single prior sale made after the Initial Funding in connection with which Additional Interest was paid, and (ii) at maturity or upon prepayment, an amount equal to 50 percent of the amount by which the then current fair market value of the shopping center (determined by appraisal) exceeds the greater of (A) $28,040,000, or (B) the highest gross proceeds from any single prior sale made after the Initial Funding in connection with which Additional Interest was paid. Aggregate interest payable over the term of the loan may not exceed that which would be obtained from a certain specified simple interest rate per annum.

The loan is generally non-recourse to the Borrower and its partners. The entire principal balance of the loan and all Accrual and Additional Interest not previously paid will be due at maturity. In the event that the Borrower sells or further encumbers the shopping center without the Lenders' consent, the Lenders will have the option to accelerate the loan. The loan is not prepayable by the Borrower for eight years following the Initial Funding. Thereafter, the loan may be prepaid in full upon payment of a prepayment charge in an amount equal to 7 percent of the loan's principal balance in the ninth loan year and 4 percent in the first six months of the tenth loan year. Thereafter, no prepayment charge will be due. Any action taken or consent to be given by the Lenders under the loan documents generally requires

the vote or consent of the Lenders representing a majority of the principal amount of the loan outstanding. In general, in the event that a Lender proposes to sell or transfer its interest in the loan, the other Lenders will have a right of first refusal to acquire such interest. The following is a schedule of expiration of leases (assuming no renewals or cancellations) and current annual base rents allocable thereto as of April 1994:

Year of Expiration of Leases	Number of Tenants	Square Feet	Current Annual Base Rent	Percentage of Current Annual Base Rent
1994.........	3	6,210	$130,665	4.5%
1995.........	1	1,067	19,393	0.7
1996.........	2	3,630	57,310	2.0
1997.........	4	4,988	92,000	3.2
1998.........	2	13,530	267,740	9.3

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1999..........	4	13,490	305,978	10.6
2000..........	2	7,374	114,507	4.0
2001..........	3	6,930	116,688	4.0
2002..........	2	6,707	112,485	3.9
2003..........	1	9,460	162,617	5.7
2007..........	1	36,157	506,198	17.6
2009..........	1	85,498	992,496	34.5

West Springfield
Terrace Apartments
Fairfax County, Virginia

In August 1989, the Account acquired a 244-unit garden apartment complex known as the West Springfield Terrace Apartments, which is located on an approximately 13.2-acre site at the intersection of Old Keene Mill Road and Bauer Road in Springfield, Fairfax County, Virginia.

The apartment complex, which was completed in 1978, consists of 17 separate three- and four-story buildings of wood frame with brick veneer construction containing 52 one-bedroom units, 22 one-bedroom and den units, 118 two-bedroom units, 22 two-bedroom and den units and 30 three-bedroom units. Each unit has either a patio or balcony and a washer/dryer. The complex contains a swimming pool, tennis court, clubhouse and approximately 380 parking spaces. The complex at present is approximately 98 percent occupied. The average annual occupancy rates (based upon occupancy at the end of each week during the year) and approximate average annual rents per unit for the past four years are as follows:

Year	Average Annual Occupancy Rate	Average Annual Base Rent Per Square Foot
1990	90%	$780
1991	92	793
1992	95	797
1993	96	806

Current monthly rentals range from $720 to $1,005 per unit.

Real estate taxes on the complex were approximately $186,000 for the 1993 tax year and are expected to be approximately $186,000 for the 1994 tax year.

The complex is subject to competition from other apartment complexes in the area. The Investment Adviser estimates that there is at present an approximate 4 percent vacancy rate in the area for apartment complexes that have sufficient operating experience after initial rent-up and that might be deemed competitive. In the opinion of the Investment Adviser, the apartment complex is adequately insured.

The Account paid $15,222,278 for the apartment complex in cash at closing (exclusive of closing costs and prorations). In connection with the acquisition of the property, the Account paid a prepayment charge at closing of $92,221 to the lender that held the mortgage loan on the property at the time of its purchase. At the time of the acquisition it was anticipated that an additional amount of approximately $1,450,000 would be used by the Account to pay the cost of upgrading kitchens and bathrooms and certain other upgrades and capital improvements at the complex. The renovation project was subsequently increased to include replacing certain carpets in units as they were renovated and to increase the number of units that received certain upgrades. The renovation project was completed in 1992 at a cost of approximately $1,900,000.

In November 1989 the Account obtained a loan from an institutional lender in the principal amount of $8,000,000 secured by a first mortgage on the property. The current outstanding balance of the loan is approximately $7,903,000. The loan has a term of seven years and bears interest at a rate of 9.50 percent per annum. The loan required monthly payments of interest only until November 1992 and thereafter is amortizable over a 27-year schedule through monthly payments of principal and interest aggregating $824,400 per annum through November 1996 when the remaining principal balance of approximately $7,690,000, together with accrued and unpaid interest, is due and payable. The loan permits a prepayment in whole or in part upon payment of a prepayment charge equal to the present value of the difference, if any, between the remaining scheduled monthly payments on the loan at the date of prepayment and the amount such monthly payments would be if the interest rate on the loan were equal to the yield on a U.S. Treasury obligation with a comparable maturity date, plus 1 percent per annum. In

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general, the remedies under the first mortgage loan are limited to the property securing such obligation.

The apartment complex is being managed by an affiliate of the Investment Adviser for a fee equal to 5 percent of the gross revenues from the property, plus reimbursement of certain direct expenses. Under the terms of the management agreement, the manager is obligated to manage the complex, collect all receipts from operations and, to the extent available from such receipts, pay all expenses of the property.

For a description of all types of fees and compensation payable by the Account to IDS Life or the Investment Adviser in connection with the acquisition or placement of real estate related investments on behalf of the Account, see Compensation of IDS Life, the Investment Adviser and their Affiliates in Connection with Real Estate Related Services under the Description of the Investment Adviser and Affiliates section.

For further information regarding the Account's real estate related investments and their operations see the Management's Discussion and Analysis of Financial Condition and Results of Operations section.

Risk Factors

There are certain risk factors that may affect owners participating in the Account or the Account's investments.

General Risks of Real Property Investments

A portion of the liquid assets of the Account and purchase payments that may be made in the future may be invested in properties that, as of the date of this prospectus, have not been selected. The uncertainty and risk of investment in the Account will be increased to the extent that owners are unable to evaluate for themselves the economic merit of the real estate related assets that may be acquired. In addition, the real property investments will be subject to the risks generally incident to the ownership of real property, including the uncertainty of cash flow to meet obligations, adverse changes in national economic conditions, changes in the investment climate for real estate investment, adverse changes in local market conditions due to changes in general or local economic conditions and neighborhood characteristics, changes affecting rental rates and property values arising from changes in interest rates and in the availability, cost and terms of mortgage funds, the need for unanticipated renovations, particularly in older structures, changes in real estate tax rates and other operating expenses, adverse changes in governmental rules and fiscal policies, acts of God such as earthquakes or other natural disasters or man-made events such as environmental hazards (that may result in uninsured losses), the financial condition of the sellers and tenants of properties and other factors that are beyond the control of the Account. The holding of real estate is also subject to increases in the cost of ownership. For example, unexpected increases in the cost of energy that could not be passed through to tenants could reduce the operating income for some properties. Currently, earthquake insurance coverage for the full value of real properties is generally not available on economic terms. Earthquake insurance for the Account's real property investments is generally provided under a blanket policy that includes coverage for various properties in which the Account or entities affiliated with, or sponsored, advised or managed by, the Investment Adviser or its affiliates have an interest, and coverage may be diluted over time

as a result of the acquisition of additional properties. In certain areas, it is possible that real estate taxes or other expenses will increase at more rapid rates than in the past. Most of the Account's real property investments will be in rental properties and are subject to the risk of inability to attract or retain tenants, with a consequent decline in rental income, as a result of adverse changes in local real estate markets or other factors and the risk of inability of tenants to meet their lease obligations, with a consequent decline in rental income, as a result of adverse conditions or events affecting their business operations. In certain real estate markets, available space currently exceeds the demand for such space. Consequently, Account investments in these markets may rent-up or release more slowly, and operating income for such investments may be less than anticipated.

To the extent that the Account's rental income is based on a

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percentage of the gross receipts of retail tenants, its cash flow is dependent on the retail success achieved by such tenants.

While one of the Account's objectives is to obtain reinvestment of cash flow from investments, there can be no guarantee that the Account's investments will generate sufficient revenue to cover operating and other expenses of the Account. The opportunities for sale, and the profitability of any sale, of any particular investment by the Account will be subject to the risk of adverse changes in real estate market conditions, which may vary by the size, location and type of such investments.

Mortgage Loans

All mortgage loans are subject to the risk of default by the borrowers, in which event the Account may be required to foreclose, or pursue other remedies, on the underlying property to protect the value of its investment. The borrower's ability to make mortgage payments and the amount realizable by the Account upon default depend on the risks generally associated with real estate investments as described above under the General Risks of Real Property Investments section, as well as under the Uninsured Losses section below.

Generally, mortgage loans will not be personal obligations of the borrower, so the Account will generally rely solely on the value of the property as security for the obligations of the borrower to the Account. If the Account must foreclose, there can be no assurance as to the amount of investment that will be recovered. Also, there may be additional delays in receiving payments during any period of default or foreclosure.

The principal amount due under a mortgage loan typically will be payable in a lump sum payment at the end of the loan term, and the borrower's ability to make such repayment may, particularly in the absence of a borrower with substantial additional assets, be dependent upon the borrower's ability to refinance the mortgage

loan with another lender. A borrower's inability to obtain such refinancing may require a modification or extension of the existing loan made by the Account or a foreclosure by the Account.

Volatility in interest rates during the investment period may result in a delay in the making of mortgage loans or possibly a lower yield to the Account on its mortgage loans. Because a mortgage loan is a long-term investment, the receipt of interest payments by the Account during the term of the loan might be below what it would otherwise be able to receive under the then prevailing market conditions. Volatility in interest rates after investment by the Account may result in prepayment of mortgage loans to the extent not prohibited by the terms of such investments.

Mortgage loans made by the Account to finance an owner or developer of a property that is newly constructed, under construction or under contract for development will generally involve greater risks than mortgage loans made to finance a property with an operating history. The Account's commitment to make a mortgage loan may be permitted to be pledged to a construction lender, and the proceeds to be disbursed under the commitment may be placed in escrow at a fixed interest rate in connection with such pledge.

The Investment Adviser will obtain an independent appraisal of the appraised value of the real estate subject to each mortgage loan in connection with the placement of such loan. It should be noted, however, that appraisals are only estimates of value, and there can be no assurance that, in the event of a default, the Account will realize an amount equal to the amount of its mortgage loan. In the event of a default by a borrower that requires the Account to foreclose upon the property or otherwise pursue its remedies in order to protect the Account's investment, the Investment Adviser may seek to obtain a purchaser for the property upon such terms as the Investment Adviser deems reasonable. However, there can be no assurance that the amount realized upon any such sale of the property underlying a mortgage loan will result in financial profit or prevent loss to the Account. In addition, because of potential adverse changes in the real estate market for residential, commercial or industrial properties, locally or nationally, the Account may be forced to operate the property for a period of time to protect the value of its investment. In that event, the Account may be required to invest additional sums to maintain and manage the property. Under certain circumstances, the Account may retain and operate the property on its own behalf.

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Wrap-around and junior mortgage loans and subordinated land sale-leaseback transactions of the Account, if any, will be subject to greater risks than first mortgage loans and unsubordinated land sale-leaseback transactions because such investments are subordinate to the liens of senior mortgages or ground leases. All mortgage loans, including first mortgage loans, may in certain circumstances be subordinate to mechanics', materialmen's, brokers' or government liens. The Account may elect to make payments, if it has the legal right to do so, on a prior lien, including a senior

mortgage, in the event of a default by the borrower, in order to prevent a default on such prior lien or to discharge it entirely. In the event that the Account forecloses upon a junior or wrap-around mortgage loan or subordinated land sale-leaseback after a default by the borrower or lessee, it is possible that a "due on sale" clause contained in a senior mortgage or ground lease, which accelerates the outstanding principal balance under such senior mortgage or terminates a ground lease in the case of a sale of property, may be deemed to apply, increasing the risk of an insufficient amount of funds being available to the Account after a foreclosure sale. To the extent that the Account invests in leasehold mortgage loans that are subordinate to ground leases not owned by the Account, a default by the tenant in its payments under the lease to the lessor may result in the Account losing all or part of its investment.

The Account, as the holder of a preferred position in the event of a default, should be entitled to foreclose a mortgage and/or terminate a lease. However, debt moratoria and other restrictions on lenders (such as those in some jurisdictions on "due on sale" clauses) may restrict the Account's ability to enforce specifically the terms of the obligations of its borrowers. In addition, under some circumstances the Account might be treated as liable, along with the owner-borrower, to third parties. Further, the amount of interest that may be charged by the Account may be limited by state usury laws, the violation of which may result in various remedies, including restitution of excessive interest and unenforceability of loans. While the Investment Adviser will use diligence in determining whether interest rates comply with applicable laws, uncertainties may exist with respect to interest payable to the Account, including additional interest based upon a percentage of the gross revenues, income or sale or refinancing proceeds from the underlying property.

Land Sale-Leaseback Transactions

In land sale-leaseback transactions, land and improvements may be subject to the lien of a first mortgage and other mortgages that may have priority over the Account's equity interest in the land. If the ground lessee is unable to meet its mortgage payments, the Account may be forced to make such payments to prevent foreclosure and possible loss of investment. If the ground lessee subleases space to subtenants, the ground lessee's ability to meet its mortgage payments and rental obligations is subject to the risk that subtenants may be unable to meet their sublease payments to the ground lessee. In addition, subleases with subtenants may have shorter terms than the ground lease and the ground lessee's ability to meet its mortgage payments and rental obligations may be subject to its ability to obtain renewals of existing subtenant leases or to enter into new subtenant leases. The financial stability, business judgment and management skill of the ground lessee may provide additional risks.

As with mortgage loans, in the event of default under a ground lease the Account may be unable to recover its investment and,

additionally, there may be a delay in receipt of payments and loss of revenues in the event of default or subsequent exercise of default remedies. Also, because the ground lessee's ability to repay the Account may be affected by the ground lessee's recovery of rental payments from subtenants, the Account's ultimate ability to collect will be affected by all normal rental risks, as set forth in the General Risks of Real Property Investments section and by all other risks routinely inherent in real estate investments.

Because a land sale-leaseback is a long-term investment, the receipt of payments by the Account during the lease term might be below what it would otherwise be able to receive under the then prevailing market conditions. However, to the extent the Account is able to enter into participating ground leases, such risks may be reduced.

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Participations

In seeking participations as described under Mortgage Loans -- Participations in the Investment Objectives of the Account section, the Account may accept a lower base interest or rental rate in order to obtain such participations and the potential benefit that could result therefrom. Such benefit could be in the form of a participation in property appreciation or increases in rental income. The value of any participations depends on the success of the borrower or lessee in the leasing of the underlying property, the management and operation of such property by the borrower or lessee, the market value of such property and the factors generally affecting real estate investments described in the General Risks of Real Property Investments section. As a result, there can be no assurance as to how much may be realized by the Account from participations. Additionally, it is possible that the Account's interest through participations in certain proceeds may result in the characterization of the Account as a partner or a joint venturer with the borrower or lessee, and the Account could, accordingly, lose the priority of its security interest or position as lender or lessor that it would otherwise have and may be subject to liabilities that it would otherwise not have as a lender or lessor. Care will be exercised in the negotiation of participations to reduce this risk, but there may be a greater risk in these situations than if there were no participations.

Liquidity Considerations

Real property investments, mortgage loans and land sale-leaseback investments generally are illiquid compared to investments more commonly made by insurance company annuity separate accounts. The investments of the Account will produce income on a periodic basis. Additionally, the liquid assets (see the Investment Objectives of the Account -- Liquid Assets section) and the Account's line of credit with IDS Life will provide certain protection against illiquidity. However, there can be no assurance that such short-term investments and borrowings under the Account's line of credit with IDS Life will be sufficient to meet the requirements of the Account. Over the past few years the Account has experienced

substantial contract surrenders in excess of contract purchase payments. In addition, contract charges and deductions (except for surrender charges) and interest paid on borrowings under the line of credit will deplete the Account's liquid assets, while income from the Account's investments will increase the Account's liquid assets. To the extent that the Account's liquid assets are depleted, the Account may have to borrow money under its line of credit or pledge its real estate related investments for additional borrowings or dispose of those assets in order to replenish its liquid assets. See the Management's Discussion and Analysis of Financial Condition and Results of Operations section.

If such a disposition should be required, the Account may not be able to dispose of its investments promptly or on commercially reasonable terms. To avoid a sale on unreasonable terms or if a sale cannot be made on a timely basis, it may be necessary to suspend payments to be made under the Contracts. See the Suspension and Delay of Payments section. During the period of any suspension, the mortality and expense risk fee, the asset management fee and other charges provided for in the Contracts will continue to accrue. Even with a suspension of payments, it may not be possible to generate sufficient cash to replenish the Account's liquid assets or to meet its obligations, and a forced liquidation of assets might be necessary. A liquidation in these circumstances could result in a realization of less than the full value of the assets so liquidated. Therefore the Account could experience substantial losses.

Although IDS Life believes that the existence of the liquid assets and line of credit of the Account provide additional flexibility and protection for owners, it is possible that the return on the liquid assets may be substantially less than that available from real estate related investments. It is also possible that it could be higher. Thus, the Account, because of the liquid assets, will not be completely invested in real estate investments at any time. See the Management's Discussion and Analysis of Financial Condition and Results of Operations -- Liquidity and Capital Resources section for additional information on the Account's liquidity situation.

Competition for Investments

The Account will be competing for real property investments, mortgage loans and land sale-leasebacks with numerous other

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entities, as well as with individuals, corporations, real estate partnerships and other entities engaged in real estate investment activities, including certain affiliates of the Investment Adviser and IDS Life. See the Conflicts of Interest -- Competition by the Account with Affiliates of the Investment Adviser and IDS Life for Real Property Investments, Mortgage Loans and Land Sale-Leasebacks section.

Competition among private and institutional investors of real property investments, mortgage loans and land sale-leasebacks has increased substantially over the years, with resulting increases in

the purchase price paid for real property and consequent higher fixed costs in the case of equity investments in real property and potentially greater credit risks assumed and reduced yields available in connection with mortgage lending and land sale-leaseback investments for such properties. There is no assurance that the Account will be successful in obtaining suitable investments for the purchase payments or will be able to obtain alternative investments in the event any investment that may be subject to an agreement in principle, a letter of intent or commitment, a contract to acquire or other agreement should not be consummated or retained for any reason.

Risks of Leverage

The real property investments of the Account may be leveraged, i.e., the Account may finance a portion of the cost of the acquisition of properties by borrowing. See the Other Investment Policies -- Borrowing Policies section.

The Account may refinance various properties, consequently increasing the aggregate leverage of the Account's investments beyond that currently contemplated. Such borrowing permits the acquisition of properties of greater aggregate cost than could have been financed solely from the Account's capital, but it also increases the Account's exposure to losses. The degree of risk associated with leverage could increase if the Account were to purchase a property subject to an indebtedness that had a non-fixed interest rate or a shorter maturity with a resulting balloon payment. Mortgages requiring balloon payments involve greater risks than mortgages in which the principal amount is fully amortized over the term of the loan, since the ability of the Account to repay at maturity the outstanding principal amount of the balloon loan may be dependent upon the Account's ability to obtain adequate refinancing. This ability will in turn be dependent upon economic conditions and the availability of mortgage money in general and the value of the underlying properties in particular, all of which will be beyond the control of the Account. There is no assurance that financing will be available to refinance such balloon payments or that any such financing available will be on favorable terms. Principal and interest payments on such indebtedness will generally have to be made regardless of rental income from the Account's investment. If mortgage payments are not paid when due, the Account may sustain a loss on its investment as a result of foreclosure by the mortgagee. See the Other Investment Policies -- Borrowing Policies and Conflicts of Interest -- Receipt of Commissions, Fees and Other Compensation by IDS Life, the Investment Adviser and Affiliates sections.

In addition, the Account has a revolving line of credit with IDS Life to pay contract surrenders and other obligations under the Contracts. Amounts drawn under the line of credit increase the leverage of the Account, with the attendant requirement that a portion of the Account's income will be required to service its debt. The existence of an unpaid balance on the line of credit also could result in a required repayment which could force the

liquidation of an investment under circumstances which could result in a realization of less than the full value of the asset so liquidated. See the Management's Discussion and Analysis of Financial Condition and Results of Operation, Liquidity and Capital Resources section for additional information on the Account's liquidity situation.

At the time of acquisition of real property investments, aggregate mortgage indebtedness in connection with the purchase of all real property investments by the Account is not expected to exceed 50 percent of the purchase price (i.e., total consideration paid for properties including all liens and mortgages on the properties, but excluding points and prepaid interest) plus other initial cash payments in connection with the purchase of all properties.

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Risks of Joint Ownership

Some of the Account's investments may be owned jointly by the Account and the seller of the property (or an affiliate of the seller), and/or through investments in which entities sponsored, advised or managed by the Investment Adviser, IDS Life or their affiliates own an interest in the property.

The investment by the Account in joint venture partnerships or other entities that own properties or through other forms of joint ownership, instead of investing directly in the properties themselves, may under certain circumstances involve risks not otherwise present, including, for example, risks associated with the possibility that the Account's co-venturer in a property might become bankrupt, that such co-venturer may at any time have economic or business interests or goals that are inconsistent with the business interests or goals of the Account, that the co-venturer may be in a position to take actions contrary to the instructions or requests of the Account or contrary to the Account's policies or objectives that may subject the properties and consequently the Account to liabilities greater than those contemplated or that the joint ownership arrangement or a co-venturer may limit the Account's ability to transfer its interest in the joint form of ownership. In connection with such joint ownership arrangements, the co-venturer may have the right to take certain actions with respect to the jointly owned property, including under some circumstances the right to determine whether and when the property will be sold. Ownership of real estate related investments through joint ownership arrangements may be even more illiquid than direct ownership of such investments, and as a consequence the Account may experience difficulties or delays in attempting to sell such joint ownership investments when such time comes. The Account may enter into joint ownership arrangements with entities sponsored, advised or managed by the Investment Adviser, IDS Life or their affiliates. See the Conflicts of Interest -- Possible Joint Venture Investments with Affiliates of the Investment Adviser or IDS Life section.

In connection with such an investment, both parties may be required to approve some or all of the major decisions concerning the

investment by voting on the basis of their respective capital contributions to, or shareholdings or ownership interests in, the joint venture or otherwise. Thus, there exists the possibility of an impasse in the event the joint owners disagree. The Investment Adviser, on behalf of the Account, will attempt to negotiate a right of first offer or refusal to enable the Account, in the event of a disagreement regarding a proposed sale of the investment, to purchase the joint owner's interest in the investment in the event the Account does not wish to sell the investment. However, there is no assurance that a right of first offer or refusal can be obtained in all cases. The exercise of any right of first offer or refusal would be subject to the Account's having the financial resources to effect such a purchase, and there can be no assurance that it would have such resources.

Reliance on IDS Life and the Investment Adviser

The owner of a Contract does not have a vote in determining any policy of the Account. IDS Life, acting with the advice of the Investment Adviser with respect to real estate related investments, will make all decisions with respect to the management of the Account, including the determination as to what real estate related investments to make, subject to the investment restrictions. See the Investment Restrictions section. Owners will have no right or power to take part in the management of the Account. No person should purchase the Contracts offered hereby unless such purchaser is willing to entrust all aspects of the management of the Account to IDS Life acting with advice from the Investment Adviser.

Evaluation and Appraisal Risk

There are risks associated with the method of valuing the assets of the Account, including the fact that the valuations are based substantially on appraisals to be made by independent real estate appraisers and the application of formulae by the Investment Adviser. Appraisals represent only the opinions of experts as to the value of the property and may not represent the true or realizable value of the investment. The Investment Adviser also will make certain determinations regarding valuation of assets. There may be variations between the amount realizable upon disposition and the stated value of assets. Owners may be adversely affected if the valuation method results in either

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overvaluing or undervaluing the Account's investments. Both the number of accumulation units credited at purchase and the amount payable under a Contract are based on the value of the assets of the Account. See the Valuation of Assets -- Real Property Investments, Mortgage Loans and Land Sale-Leasebacks section.

If the Account investments are overvalued or undervalued, the fees paid to IDS Life and the Investment Adviser and its affiliates will be greater or less than the amount that should have been paid to them.

Continuous Offering

IDS Life intends to offer Contracts participating in the Account continuously. If there are substantial and continuing future sales in excess of redemptions, the Account will have additional funds to invest. These funds will provide the Account with the opportunity to purchase additional investments, but there is no assurance that the ability to purchase such future investments will be of an incremental economic benefit to the owners. Nevertheless, the continuity of offering provides an opportunity for the Account to purchase more advantageous investments if they are available. If additional purchase payments are received at an accelerated rate, delays in the investment of the Account's funds or in the receipt of a return from real estate related investments may result, with the consequence that the percentage of assets of the Account held in liquid assets may be increased. However, to the extent that additional purchase payments are received, the Account may have greater liquidity during certain periods and, at such times, it is less likely that either premature sale of investments will be forced or the suspension-of-payments provision will be invoked.

Size of Account

In the event that IDS Life is able to sell a greater amount of Contracts, the Account will be more diversified than would be the case if fewer Contracts were sold, and the owners will be proportionately less exposed to the risks of any particular investment. In such case, the risk of loss to the Account and owners from defaults by borrowers or tenants will be proportionately smaller than if the Account's investments are less diversified.

A significant amount of subsequent contract surrenders has the effect of reducing the amount available for investments and limiting diversification. Over the past few years the Account has experienced substantial contract surrenders in excess of contract purchase payments. As a result the Account does not expect to acquire additional real estate related investments until contract purchase proceeds exceed contract termination payments. See the Management's Discussion and Analysis of Financial Condition and Results of Operations -- Liquidity and Capital Resources section.

Uninsured Losses

The Investment Adviser will arrange for, or require proof of, comprehensive insurance including liability, fire and extended coverage, which is customarily obtained by owners of similar properties for the real property investments and properties which are security for the mortgage loans or subject to the land sale-leaseback transactions of the Account. Generally, under the terms of the mortgage or ground lease, such insurance will be required to be maintained at the expense of the mortgagor or ground lessee. However, there are certain types of losses, generally of a catastrophic nature such as earthquakes, floods, wars or environmental hazards or accidents, which are either uninsurable or

not economically insurable. Should such a disaster occur, the Account could lose both its invested principal and anticipated profits from investments.

Environmental and Regulatory Problems

The availability of suitable investments and the cost of construction and operation of properties in which the Account may invest may be adversely affected by legislative, regulatory, administrative and enforcement action at the local, state and national levels in the areas, among others, of housing and environmental controls. In addition to possible increasingly restrictive zoning regulations and related land use controls, such restrictions may relate to air and water quality standards, noise pollution and indirect environmental impacts such as increased

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motor vehicle activity. In addition, the cost of, or liability arising from, investments in properties (whether as owner, lender or lessor) may be increased or incurred as a result of current or future environmental laws or regulations at the national or local level, or environmental concerns, relating to, among other matters, the use or presence of hazardous or toxic materials or waste; and the ownership, sale, financing or refinancing of such properties, or an interest therein held through a mortgage loan or land sale-leaseback, may be adversely affected by such increased costs or environmental liabilities.

Federal Income Tax Matters

IDS Life believes that the Contracts will be treated as annuities under the Code, and that an owner will not be subject to Federal income tax on any income or earnings of the Account until distributions are made or a change of ownership of the Contract occurs. However, an owner generally will be subject to Federal income taxation on the portion of distributions received that represents income to the owner and may be subject to an additional 10 percent penalty in certain circumstances related to early withdrawals. IDS Life has not sought a ruling from the Internal Revenue Service regarding any of the Federal income tax consequences relevant to the ownership of the Contracts. See the Certain Federal Income Tax Considerations section.

Investment Company Act of 1940

IDS Life proposes to operate the Account so that it will not be subject to registration under the 1940 Act. This will require monitoring the proportion of the Account's funds to be placed in various investments so that the Account does not become subject to the 1940 Act. As a result, the Account may forgo certain investments that could produce a more favorable return for the Account.

Conflicts of Interest

Competition by the Account with Affiliates of the Investment Adviser and IDS Life for Real Property Investments, Mortgage Loans and Land Sale-Leasebacks

IDS Life and the Investment Adviser will be subject to various conflicts of interest in carrying out their responsibilities to the Account. Affiliates of the Investment Adviser and IDS Life also may be in competition with the Account in connection with the acquisition, sale or operation of properties or the making of mortgage loan or land sale-leaseback investments under some circumstances.

The Investment Adviser, its affiliates and affiliates of IDS Life currently perform investment management and advisory and other services for other real estate investment funds (e.g., pension and profit sharing trusts, corporations, partnerships and segregated asset accounts) similar to the services to be performed for the Account and expect to provide such services to additional real estate investment funds in the future. Affiliates of the Investment Adviser and IDS Life also invest in real estate for their own accounts. IDS Life, the Investment Adviser and their affiliates may sponsor, advise or manage real estate investment funds that have investment objectives nearly identical to the Account's. The Investment Adviser, IDS Life or their affiliates also may make investments meeting such investment objectives for their own accounts. The Investment Adviser, IDS Life and such affiliates and real estate investment funds sponsored, advised or managed by the Investment Adviser, IDS Life or their affiliates may be in competition with the Account for investments under certain circumstances. Competition in the acquisition or placement of real estate related investments could arise, for example, between the Account and either the Investment Adviser, IDS Life or their affiliates seeking to make an investment for their own account or between the Account and another real estate investment fund sponsored, advised or managed by the Investment Adviser, IDS Life or their affiliates having investment objectives substantially identical to the Account or even with different investment objectives. The Account also may acquire properties adjacent to properties owned by entities affiliated with, or advised or managed by, the Investment Adviser or IDS Life or purchase a phase of a multi-phase development in which an affiliated entity has or subsequently acquires an investment interest in another phase. The Account and one or more entities affiliated with, or advised or managed by, the Investment Adviser or IDS Life may be competing in certain geographical markets for commercial tenants. There also

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may be similar sorts of competition for the sale of properties in certain markets. The Investment Adviser, IDS Life and their affiliates may provide services to, and otherwise deal or do business with, persons who may be engaged in transactions with the Account. In addition, the Account may borrow from, purchase goods and services from and otherwise do business with persons who may be engaged in transactions with the Investment Adviser, IDS Life and their affiliates.

In the event the Investment Adviser, IDS Life or their affiliates are presented with a potential investment that might be made by the Account and another investment fund that the Investment Adviser, IDS Life or an affiliate sponsors, advises or manages, the decision as to the suitability of the investment by a particular fund may take into account such factors as its cash flow, the effect of the acquisition on diversification of its portfolio, the estimated income tax effects of the investment on it, its policies relating to leverage, any regulatory restrictions upon investment policies, funds available for investment and other factors. Neither the Investment Adviser, IDS Life nor any of their affiliates will be obligated to present to the Account any particular investment opportunity that comes to its attention, even if such opportunity is of a character that might be suitable for investment by the Account, and each of the Investment Adviser, IDS Life and their affiliates shall have the right to take for its own account (individually or otherwise) or to take for, or recommend to, others any such particular investment opportunity.

Except as described under the Conflicts of Interest -- Possible Joint Venture Investments with Affiliates of the Investment Adviser or IDS Life section, the Account will not purchase from or sell to IDS Life, the Investment Adviser or their affiliates any real estate related investments. The Account will not make mortgage loans to IDS Life, the Investment Adviser or their affiliates and will not obtain permanent mortgage financing from IDS Life or its affiliates. The Account may obtain short-term financing from IDS Life for working capital, liquidity or other purposes.

Other activities of the Investment Adviser, IDS Life and their affiliates may utilize the time, effort, financial or other resources of the Investment Adviser and IDS Life and their personnel that might otherwise be available to the Account.

The Investment Adviser, IDS Life, their affiliates and any of their employees, directors or officers, may engage from time to time for their own account, or for the account of others, in other business ventures of any nature, or render services of any kind to other business ventures of any nature. No owner, by virtue of his interest in the Account, will have any interest or be entitled to participate in such other ventures.

Receipt of Commissions, Fees and Other Compensation by IDS Life, the Investment Adviser and Affiliates

The Investment Adviser, its affiliates and IDS Life will receive, directly or indirectly, acquisition and mortgage placement fees from the Account for services and advice in connection with the identification, evaluation, investigation, negotiation, selection and acquisition or placement of the Account's initial investments and in connection with any reinvestment of income and sale, financing or refinancing proceeds of real property investments and proceeds on the principal and interest or rent payments on mortgage loans or land sale-leaseback investments. Since the Account is a segregated asset account of IDS Life, the agreements and

arrangements relating to the compensation of IDS Life under the Contracts are not the result of arm's-length negotiations. Because the Investment Adviser, its affiliates and IDS Life will be entitled to acquisition and mortgage placement fees upon reinvestment of funds in real estate related investments, there may be conflicts of interest in determining whether to invest in shorter-term or longer-term investments, since the shorter the term of investment the sooner funds will be available for reinvestment. Conflicts of interest could arise between the Investment Adviser and IDS Life, on the one hand, and the Account, on the other, because the receipt of fees and other compensation by the Investment Adviser, its affiliates and IDS Life may be affected by various determinations made by IDS Life, with the advice of the Investment Adviser, including whether to sell, finance or refinance any real property investment and the timing of any such sale, financing or refinancing.

Certain Account properties may be managed by JMB or affiliates of

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JMB such as JMB Properties Company or JMB Retail Properties Co. Under property management agreements, the company employed to manage the property usually collects the rental income on the property and deducts from such income its fee and the costs of operating the property such as insurance premiums, taxes, repairs and improvements and other costs related to the maintenance and operation of the property. The balance of rental income is remitted to the owner of the property. To the extent agreements are entered into with JMB affiliates to manage properties owned directly by the Account, such agreements are subject to the approval of IDS Life and are expected to be on terms no less favorable to the Account than those customarily charged for similar services in the relevant geographical area. For real property investments in which the Account owns an interest through a joint venture, such agreements are subject to the approval of the joint venture.

JMB Insurance Agency, Inc., an affiliate of JMB engaged in the insurance brokerage business, may provide insurance brokerage services in connection with the Account's investments. JMB Insurance Agency, Inc. will receive commissions and/or fees for such services at rates that are set by the insurance companies for the classes of coverage involved.

In addition, JMB or its affiliates may provide mortgage brokerage services in connection with the financing or refinancing of the Account's real property investments. Since JMB or its affiliates may receive a mortgage brokerage fee, conflicts of interest could arise in determining whether any of the Account's real property investments should be debt-financed or whether any such property should be refinanced prior to its sale and the amount of any such financing or refinancing.

The compensation of IDS Life and the Investment Adviser may be affected by the timing of acquisitions, the valuation of the assets of the Account, the amount of leverage employed in connection with the Account's investments, the timing of the sale of properties of

the Account or other factors that are subject to the influence or determination of the Investment Adviser and IDS Life, and as to which the interests of the Investment Adviser, its affiliates or IDS Life may under certain circumstances be different from those of the Account.

In addition, to the extent that the investments of the Account are overvalued at any time, the fees paid to IDS Life and the Investment Adviser (including the incentive portion of the asset management fee) and its affiliates will be greater than the amount that should have been paid to them.

Affiliates of JMB also may provide other real estate related services to the Account that may result in conflicts of interest with respect to the provision of such services.

Possible Joint Venture Investments with Affiliates of the Investment Adviser or IDS Life

The Account may enter into joint ownership arrangements with entities sponsored, advised or managed by IDS Life, the Investment Adviser or their affiliates, including other segregated asset accounts established by IDS Life or its affiliates or advised or managed by the Investment Adviser or its affiliates. Other than as described in the preceding sentence, the Account will not enter into joint venture investments with IDS Life, the Investment Adviser or their affiliates investing for their own account except for investments expected to be made on a temporary basis to facilitate the making of the joint venture investment. IDS Life, the Investment Adviser or their respective affiliates, as a result of their relationships with more than one joint owner, may be involved in various conflicts of interests with respect to the acquisition, financing, operation or sale of any such joint investment, including making decisions or rendering advice regarding the timing of any financing, refinancing or sale of such joint investment.

In connection with such an investment, both joint owners may be required to approve some or all of the major decisions concerning the property by voting on the basis of their respective capital contributions to, or shareholdings or ownership interests in, the joint venture or otherwise. Thus, there exists the possibility of an impasse in the event the joint owners disagree or that a joint owner may be able to take certain actions with respect to the jointly owned investment. Additionally, there exists the possibility under limited circumstances that at some future time a

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joint owner would no longer be affiliated with or advised or managed by either IDS Life or the Investment Adviser, as the case may be. The Investment Adviser, on behalf of the Account, generally will attempt to negotiate a right of first offer or refusal to enable the Account, in the event of a disagreement regarding a proposed sale of the investment, to purchase the joint owner's interest in the investment in the event the Account does not wish to sell the investment. However, there is no assurance that such a right of first offer or refusal can be obtained. The

exercise of any right of first offer or refusal would be subject to the Account having the financial resources to effect such a purchase, and there can be no assurance that it would have such resources.

Borrowings From IDS Life

The Account has obtained a revolving line of credit for up to $10 million from IDS Life to pay for contract surrenders and other obligations under the Contracts. Borrowings under the line of credit bear interest at a floating rate equal to the 30-day London Interbank Offered Rate (LIBOR), changing with a change in such interest rate determined monthly. The term of the line of credit is for one year and is automatically renewed on its anniversary date for a succeeding one-year period, subject to termination by either the Account or IDS Life on 30 days' prior written notice of termination to the other. IDS Life may have a conflict of interest in causing amounts to be repaid under, or in determining whether or when to terminate, the line of credit at any time, particularly since borrowings under the line of credit are generally unsecured.

Limitation on Liability

The Investment Advisory Agreement between IDS Life and the Investment Adviser provides that the Investment Adviser will be liable only for willful misfeasance, bad faith or negligence on the part of the Investment Adviser in the performance of its obligations or duties to the Account.

In addition, IDS Life has agreed to indemnify the Investment Adviser and its affiliates, including their officers and directors, against certain liabilities, including liabilities under the Securities Act of 1933 (the 1933 Act). Any such indemnification by IDS Life may be made out of the assets of the Account.

IDS Life as Distributor of the Contracts

IDS Life is the principal distributor of the Contracts, and accordingly there will be no independent review of the structure, formation or operation of the Account conducted by a non-affiliated broker-dealer acting as distributor.

The Contract -- Accumulation Period

The Contract accumulation period commences with the date on which the Contract is issued and ends on the retirement date.

Purchase Payments

The minimum initial purchase payment for a Contract is $5,000; or $2,000 if concurrently the owner agrees to make additional monthly purchase payments of not less than $100 each by means of a bank authorization. Additional purchase payments may be made by means of a bank authorization, if not less than $100 per month. The

maximum aggregate purchase payment in the first contract year depends upon the issue age on the effective date. Up to age 75, the maximum is $1 million. For ages 76-85, it is $500,000 and for ages 86-90, the maximum is $50,000. Additional purchase payments of at least $2,000 each may be made, and the maximum aggregate additional purchase payment in any one contract year after the first year may not exceed $50,000. However, additional purchase payments are not required under a Contract. IDS Life, in its discretion, may agree to permit a greater maximum initial purchase payment or greater maximum aggregate additional purchase payments in certain instances.

Allocation of Purchase Payment and Contract Value

An IDS Life representative will assist an applicant in preparing an application for a Contract. The contract application, together with the initial purchase payment, must be sent to IDS Life, IDS Tower 10, Minneapolis, MN 55440-0010. If the contract application

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is complete, IDS Life will allocate the initial purchase payment to the Account at the price determined for accumulation units as of the end of the valuation period during which IDS Life has either accepted the completed contract application or received the initial purchase payment, whichever is later. Upon acceptance of a contract application and allocation of the initial purchase payment to the Account, IDS Life will issue the Contract. Subsequent purchase payments, if any, will be allocated to the Account at the price determined for accumulation units as of the end of the valuation period during which IDS Life receives each such purchase payment. If IDS Life does not accept a contract application within five days after its receipt, IDS Life will decline to accept the contract application and will return it together with the amount of the initial purchase payment to the applicant.

When a purchase payment is allocated to the Account, it is converted into accumulation units. The number of accumulation units to be credited to a Contract as a result of a purchase payment is determined by dividing that purchase payment, after deducting any applicable premium taxes, by the accumulation unit value on the date that the purchase payment is allocated to the Account. The contract value on any valuation date can be determined by multiplying the number of accumulation units credited to the Contract by the value of an accumulation unit on that valuation date.

Contract Surrender

An election to surrender a Contract may be made in writing to the home office of IDS Life in Minneapolis, MN. If required by IDS Life, the request for surrender must be accompanied by the Contract if a request for the full surrender value is being made. An election to surrender a Contract can be made only while the Contract is in force prior to the earlier of the retirement date or the death of the first to die of the annuitant or owner. The surrender value is determined on the basis of the accumulation unit value in effect on the date on which a request for surrender is

received by IDS Life in proper order. A partial surrender request not exceeding $50,000 may be made by contacting IDS Life by telephone.

IDS Life has the authority to honor any telephone partial surrender request it believes to be authentic and will use reasonable procedures to confirm that they are. This includes asking identifying questions and tape recording calls. As long as the procedures are followed, neither IDS Life nor its affiliates will be liable for any loss resulting from fraudulent requests. At times when the volume of telephone requests is unusually high, IDS Life will take special measures to ensure your call is answered as promptly as possible. A telephone surrender request will not be allowed within 30 days of a phoned-in address change. You may request that telephone withdrawals not be authorized from your account by writing IDS Life. The surrender value will be paid within seven days after the date on which a proper request is received by IDS Life, except that under certain circumstances IDS Life may delay or suspend payments. See the Suspension and Delay of Payments section.

An owner may surrender all or a portion of the contract value. Any partial surrender must be for at least $250, and no partial surrender can be made if it would reduce the contract value after such surrender to less than $600.

Automated partial surrenders may be made through a one-time written request (or other method acceptable to IDS Life). The minimum surrender amount from the Contract is $50, and such surrender can be made on a monthly, quarterly, semi-annual or annual basis. You may start or stop this service at any time, but you must give IDS Life 30 days' notice to change any automated surrender instructions that are currently in place. Automated partial surrenders are subject to all of the other contract provisions and terms. Automated partial surrenders may be restricted by applicable law. In addition, the payment of additional purchase payments, if allowed under the Contract, while automated partial surrenders are in effect, may not be appropriate and therefore is not permitted. Automated partial surrenders may result in taxes and penalties being applied to all or a portion of the amount surrendered. See the Certain Federal Income Tax Considerations section. You should consult your tax adviser if you have any questions about the taxation of your annuity.

No surrender can be made after the retirement date or the death of the first to die of the annuitant or owner. Any amounts

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surrendered and charges that may apply cannot be repaid. A surrender charge, which is a contingent deferred sales charge, will be imposed for any surrender made during the first eight payment years of any purchase payment. The surrender charge applies separately to the initial purchase payment and to each additional purchase payment. Regardless of when a purchase payment is made, the contract year in which a purchase payment is made is the first payment year for that purchase payment, and succeeding payment years continue to be measured separately for that purchase payment.

For a partial surrender, accumulation units attributable to the earliest payment year are surrendered first. The surrender charge is 8 percent of the amount surrendered during the first payment year and decreases by 1 percent per year thereafter to 1 percent in the eighth payment year. There is no surrender charge on amounts surrendered after the eighth payment year. In no event will the aggregate surrender charges imposed exceed 8.5 percent of the aggregate purchase payments received. IDS Life may, in its discretion, reduce or eliminate surrender charges for certain group sales of the Contracts. See the Contract Charges and Deductions -- Surrender Charges section. Owners should also be aware that, under certain circumstances, a surrender before the owner has reached the age of 59-1/2 may be subject to a penalty under the Code. See the Certain Federal Income Tax Considerations section.

An owner may return his Contract for cancellation and receive a full refund of the contract value within 10 days after the Contract has been delivered to the owner and no fees or charges will be deducted. The owner will bear the investment risk of his Contract until the contract value is determined at the next valuation date after the Contract has been received by IDS Life for cancellation. However, if applicable state law so requires, the full amount of the aggregate purchase payments received by IDS Life will be refunded. A Contract may be returned for cancellation to the owner's IDS Life representative or to the IDS Life home office.

Contract Charges and Deductions

The following sets forth the deductions from purchase payments and the charges against the Account provided for in the Contract. See the Notes to the Financial Statements of the Account for further information concerning fees paid by the Account to IDS Life and the Investment Adviser.

Mortality and Expense Risk Fee

This charge is applied daily to the Account. The fee equals 1 percent of the average daily asset value of the Account on an annual basis. It covers the mortality risk and expense risk. IDS Life estimates that approximately two-thirds of this fee is for assumption of the mortality risk, and one-third is for assumption of the expense risk. IDS Life will not be entitled to, and will forgo, that portion of the mortality and expense risk fee attributable to the use of indebtedness in excess of 40 percent of the aggregate value of all of the Account's real property investments.

The mortality risk is IDS Life's guarantee to make retirement payments according to the terms of the Contract, no matter how long a specific annuitant lives and no matter how long the entire group of IDS Life annuitants live. If, as a group, IDS Life annuitants outlive the life expectancy assumed in IDS Life's actuarial tables, then IDS Life must take money from its general assets to meet its obligations. If, as a group, IDS Life annuitants do not live as long as expected, IDS Life will profit from the mortality risk fee.

The expense risk portion of the mortality and expense risk fee is paid to IDS Life for its guarantee that the mortality and expense risk fee, asset management fee and acquisition and mortgage placement fee will not increase over the life of the Account and that no new fees payable to IDS Life will be added to the Account. To the extent such fee does not cover IDS Life's expenses (other than any expenses that may be reimbursed as described under the Organizational and Offering Expenses and Operational Expenses section below), any deficit would have to be made up from IDS Life's general assets. IDS Life also could profit from the expense risk fee if it is more than sufficient to meet such expenses.

Asset Management Fee

IDS Life is paid an asset management fee for its services in connection with the management of the assets of the Account. This

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fee is accrued on a daily basis and deducted on a monthly basis and is equal on an annual basis to 1.25 percent of the average daily asset value of the investments of the Account, subject to increase as described below. A portion of the asset management fee equal to 0.95 percent of the average daily asset value is paid by IDS Life to the Investment Adviser for its services in connection with the management of the assets of the Account. In the event that the Account's real property investments have produced a rate of return for the Account (measured for each calendar year) that exceeds the rate of return as measured for such period by the FRC Property Index (which is released in April of each year for the preceding calendar year) by 0.5 percent per year, then the Investment Adviser shall be entitled to an additional amount equal to 0.05 percent of the average daily asset value of the Account for such calendar year. The Investment Adviser also will be entitled to an additional amount equal to 0.01 percent (up to a maximum of 0.2 percent) of the average daily asset value of the Account for each 0.1 percent by which the rate of return of the Account's real property investments for such calendar year exceeds the rate of return as measured for such period by such index plus 0.5 percent per annum. Rate of return will be calculated on a quarterly basis and in general will be the sum of all net income from operations of the Account's real property investments (without deducting any asset management fees or certain other expenses of the Account) and realized and unrealized capital appreciation on the Account's real property investments (net of all acquisition and mortgage placement fees) for the calendar quarter taken as a percentage of the aggregate asset value of such investments (net of all acquisition and mortgage placement fees) as of the beginning of such calendar quarter.

IDS Life and the Investment Adviser will not be entitled to, and will forgo, that portion of the asset management fee, as calculated above, attributable to the use of indebtedness in excess of 40 percent of the aggregate value of all the Account's real property investments.

The initial term of the investment advisory agreement extended through the period ending July 1, 1993 and was renewed at the option of the Investment Adviser for an additional five-year term. The investment advisory agreement may be renewed at the option of the Investment Adviser for additional three-year terms for as long as the Account's real property investments have produced a rate of return for the Account for the 10-year period (or, in the case of the initial term, the five-year period) ending at the end of any expiring term equal to or in excess of 90 percent of the rate of return for such period as measured by the FRC Property Index or a successor index. IDS Life may terminate the investment advisory agreement upon six months' prior written notice in the event the Account's rate of return does not equal or exceed 90 percent of the rate of the return of such index as calculated above. Based upon the performance of the Account's real property investments vis a vis the FRC Property Index, the Investment Adviser had the option, which it exercised, to extend the investment advisory agreement for an additional five-year term upon expiration of the initial term.

The investment advisory agreement may be terminated by IDS Life in the event there is change in control of JMB under certain circumstances or in the event there is a determination that the Investment Adviser has acted with gross negligence, bad faith or willful misfeasance in the performance of the duties of the Investment Adviser under the terms of the investment advisory agreement.

Acquisition and Mortgage Placement Fee

IDS Life will receive an acquisition and mortgage placement fee of 3.75 percent of the total cash investment to be paid or advanced by the Account in connection with each real property investment, mortgage loan and land sale-leaseback made by the Account. The amount paid to IDS Life is measured by the cash investment to be paid by the Account (including all cash down payments, interest, points, special reserves and all other cash payments) for real property investments or land sale-leasebacks or the amount to be borrowed under a mortgage loan by the borrower for mortgage loans. A portion of the acquisition and mortgage placement fee equal to 3.5 percent of the total cash investment to be paid or advanced by the Account in connection with each real property investment, mortgage loan and land sale-leaseback will be paid to the Investment Adviser in consideration of the Investment Adviser's services in connection with the identification, evaluation, investigation, negotiation, selection and recommendation for

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purchase or placement of real estate related investments for the Account. In some instances, some or all of this fee may be paid by the sellers of properties or borrowers. However, to the extent that the seller or borrower pays less than 3.75 percent, that amount will be paid directly by the Account to IDS Life.

Organizational and Offering Expenses and Operational Expenses

All organizational and offering expenses are charged to the Account. All costs of acquisition, administration and disposition

of investments are charged to the Account. These costs include brokerage fees and commissions, appraisal fees, attorneys' fees, accountants' fees and other similar fees and expenses (such as travel and travel-related expenses) incurred in connection with the investment process.

Expenses incurred by IDS Life because of the existence of the Account -- such as regulatory fees and reports, and taxes -- also are charged to the Account. Under current law, IDS Life does not expect to incur any tax because of the Account's investment income, but IDS Life reserves the right to charge the Account for any taxes IDS Life does incur. Finally, IDS Life will charge the Account for expenses incurred in administering the assets of the Account. These expenses include periodic valuation appraisal costs, legal, accounting and auditing fees and expenses, interest, insurance costs, data processing costs, taxes, mortgage servicing, mortgage brokerage, property management, travel and travel-related expenses and litigation costs. To the extent such services are provided by officers or employees of IDS Life, the Investment Adviser or their affiliates, the Account will reimburse such entities for specifically identified direct costs (including salary and salary related expenses) associated with administering the assets of the Account.

Operational income and expenses will be estimated periodically and credited or deducted ratably on a daily basis in determining accumulation and annuity unit values with periodic adjustments, if necessary, to credit or charge the differences between actual and estimated operational income and expenses.

Premium Taxes

Certain state and local governments impose premium taxes. These taxes generally range in an amount of up to 3.5 percent and depend on the owner's state of residence or the state in which the Contract was sold. In some cases, the premium taxes will be deducted from the purchase payment before it is allocated to the Account. In other cases, the deduction will not be made until the owner surrenders the Contract or retirement payments begin.

Surrender Charges

A surrender charge, which is a contingent deferred sales charge payable to IDS Life, will be assessed against the Contract after the initial 10-day period of the Contract and during the first eight years after any purchase payment. The surrender charge is 8 percent of the amount surrendered during the first payment year and decreases by 1 percent per year thereafter to 1 percent in the eighth payment year. There is no surrender charge on amounts surrendered after the eighth payment year. See the Contract Surrender section.

Suspension and Delay of Payments

IDS Life will attempt to make payments under the Contracts within seven days whenever the Account has cash available. However, IDS

Life reserves the right to defer making any such payments under the Contracts for up to six months. This reservation of the right to suspend payments is only intended to be utilized in the emergency circumstances set forth in the remainder of this section. Subject to any suspension of payments described below, IDS Life guarantees that payments on death of the first to die of the annuitant or owner prior to the retirement date will be made within seven days of receipt by IDS Life of its death claim requirements after the death of the annuitant or owner, whichever occurs first. In addition, payment of surrender values may be delayed if a check for a purchase payment has not cleared the bank on which it was drawn.

IDS Life may suspend any payments due under the Contracts beyond the seven-day period for up to six months when IDS Life determines

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that there is insufficient cash available to meet all current surrender requests and other payment obligations of the Account and the sale of the real estate related assets of the Account could not be made on a timely basis on commercially reasonable terms. In the event of any suspension of payments, the cash available will be used in the following order of priority:

First -- to meet any obligations the Account has other than Contract obligations. Such obligations would include those expenses necessary to continue the operation of the Account, other than fees to IDS Life, which fees will be deferred until ALL Contract obligations are satisfied.

Second -- to make annuity payments in full or pro rata depending on the cash available. All annuitants will be treated as a class, including those who annuitize during the suspension. No other payments will be made until all unpaid annuity payments are made.

Third -- to make payments due on the death of the annuitant or the owner that became due and payable after the declaration of suspension. All payees of payments on death will be treated as a class and payments may be made pro rata depending upon the cash available.

Finally -- no payments of surrender values will be permitted during such a suspension while any annuity payments or payments on death remain unpaid. Depending upon the cash available, any payments of surrender values during such suspension will be made in accordance with the order in which surrender requests are received by IDS Life.

If a payment of a surrender or an annuity payment is deferred, the amount will be determined as of the end of the valuation period during which the surrender request was received or the annuity payment was due, and, with respect to such amount, participation in the investment experience of the Account will cease. If IDS Life defers a payment of a surrender or an annuity payment for 30 days or more, IDS Life will credit interest on the amount of the payment

at a rate of 3 percent per year or such higher rate as IDS Life, in its discretion, establishes. If IDS Life defers payment on death for more than seven days, IDS Life will credit interest on the amount of payment at a rate of 3 percent per year or such higher rate as IDS Life, in its discretion, establishes or that which is required by law.

Owners who remain in the Account will bear the investment risk that real estate related investments of the Account will have to be sold under emergency circumstances that could result in the realization by the Account of less than the investment value of such investments notwithstanding any suspension or delay in payments as permitted under the Contracts.

Transfer of Ownership

The owner may transfer ownership of his Contract, at any time while the annuitant is living, by filing a transfer of ownership with IDS Life at its home office. IDS Life will not be bound by any transfer of ownership until the written transfer in form and substance acceptable to IDS Life is received by it. IDS Life is not responsible for the validity of any transfer. A transfer will be effective as of the date of request for the transfer, subject to any action taken or payment made by IDS Life prior to receipt of the transfer. IDS Life is not liable as to any payment or other settlement made by it before receipt of the transfer.

INASMUCH AS A TRANSFER MAY BE A TAXABLE EVENT, OWNERS SHOULD CONSULT THEIR OWN TAX ADVISERS SHOULD THEY WISH TO TRANSFER THEIR CONTRACTS.

Beneficiary

The beneficiary is the party named by the owner, in a form satisfactory to IDS Life, to receive the benefits of the Contract if the owner or the annuitant dies while the Contract is in force. Only those beneficiaries who are living when death benefits become payable may share in the benefits, if any. If no beneficiary is then living, IDS Life will pay the benefits to the owner, if living, otherwise to the owner's estate. The owner may change the beneficiary anytime while the annuitant is living by satisfactory written request to IDS Life. Once the change is received by IDS Life, it will take effect as of the date of the owner's request, subject to any action taken or payment made by IDS Life before such receipt.

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If the annuitant or owner dies before the retirement date while the Contract is in force, IDS Life will pay to the beneficiary:

1. the greater of the contract value or the purchase payments paid less any amounts surrendered (if death occurred prior to the annuitant's attaining age 75); otherwise

2. the contract value (if death occurred on or after the annuitant reached age 75).

3. if, under a Contract issued to a resident of Pennsylvania, an annuitant or owner dies before the retirement date while the Contract is in force, IDS Life will pay to the beneficiary the contract value only. This is true whether or not death occurs prior to the annuitant attaining age 75 or after the annuitant reaches age 75.

These amounts will be payable in a lump sum upon the receipt of IDS Life's death claim requirements after the death of the annuitant or owner, whichever occurs first.

In lieu of a lump sum payment, the beneficiary may elect to receive payment under any annuity option available under the Contract provided:

1. the beneficiary elects the plan within 60 days after IDS Life receives due proof of death; and

2. payments begin no later than one year after the date of death; and

3. the plan provides payments over a period which does not exceed the life of the beneficiary or the life expectancy of the beneficiary.

In this event, the reference to annuitant in the annuity provisions shall apply to the beneficiary. Any amounts payable or applied by IDS Life as described in this section will be based on the contract value as of the valuation period during which IDS Life's death claim requirements are fulfilled.

In order for the beneficiary to receive the death benefit, the beneficiary must send, or have sent, due proof of death of the annuitant or owner to IDS Life, IDS Tower 10, Minneapolis, MN 55440-0010. The beneficiary should clearly indicate whether a lump sum payment is desired or if the beneficiary is selecting one of the available annuity options under the Contract.

If the owner's death occurs prior to the retirement date, the owner's spouse, if designated as sole beneficiary, may elect in writing to forgo receipt of the death benefit and instead continue the Contract in force as its owner. The election by the spouse must be made within 60 days after IDS Life receives due proof of death.

If the annuitant dies after the retirement date, the amount payable, if any, will be as provided in the annuity option then in effect.

Annuity Period

Variable Annuity

A variable annuity is an annuity with payments that are not predetermined as to dollar amount. Payments will vary according to

the investment results of the Account. Annuity payments will be made to the owner unless different instructions are specified in writing. The owner may or may not be the annuitant. The choice is made by the owner in the application for the Contract.

Retirement Date and Annuity Options

A retirement date is established at the time of application. An owner must give IDS Life written instructions for paying retirement benefits at least 30 days before the annuitant's retirement date. In the event no instructions are given, IDS Life will make payments under Plan B described below with 120 monthly payments guaranteed.

The retirement date may not be after the later of the annuitant's 85th birthday or the tenth Contract anniversary. The retirement date cannot be earlier than the fifth Contract anniversary.

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Change of Retirement Date or Annuity Option

An owner may change the retirement date or the annuity option on written notice received at IDS Life's home office at least 30 days prior to the current retirement date.

Settlement Value of Annuity

Retirement payments generally are made to the owner, who may be the same as the annuitant. The amount available on the retirement date is called the settlement value. The settlement value equals the current value of your investment, called the contract value. Before annuity payments begin, IDS Life will require satisfactory proof that the annuitant is living. IDS Life also may require that an owner exchange his Contract for a supplemental contract that provides for annuity payments.

Because the investments of the Account fluctuate in value each day, IDS Life will not guarantee that the settlement value or the total of the retirement payments will exceed or even equal the amount of the purchase payments.

The owners will receive statements on the value of their investments and any other required information at least annually. An owner has the right to determine whether annuity payments are to be made on a fixed-dollar or variable basis, or a combination of fixed and variable. A fixed annuity is one with payments that are guaranteed by IDS Life as to dollar amount. Fixed annuity payments after the first payment will never be less than the amount of the first payment. At settlement, subject to the conditions then set by IDS Life as to minimum dollar amounts and settlement rates, part or all of the contract value may be used to provide a fixed-dollar annuity. Only variable payments are described in the remainder of this section.

Annuity Options

The owner of a Contract has the right to decide how retirement payments are to be made. The owner may select one of the

retirement payment plans outlined below, or IDS Life and the owner may mutually agree on other payment arrangements. Amounts of variable payments depend on:

` the annuity table in the Contract;
` the annuitant's age;
` the retirement payment plan selected; and
` the investment performance of the Account.

Because the performance of the Account will fluctuate, payments will vary from month to month. The assumed investment rate referred to in the following annuity options is 5 percent per year.

`Plan A -- Life Annuity -- No Refund -- Monthly payments are made until the annuitant's death. Payments end with the last monthly payment before the annuitant's death. No further payments will be made. An owner should understand that if the annuitant dies after even the first monthly payment, no more payments would be made.

`Plan B -- Life Annuity with Five, 10 or 15 Years Certain -- Monthly payments are made until the annuitant's death. However, payments are guaranteed for five, 10 or 15 years, depending upon the term selected by the owner. If the annuitant dies before those guaranteed payments have been made, then IDS Life will keep on making payments to a designated secondary payee. If a secondary payee is not named, or if the secondary payee dies before the annuitant, then the value of the remaining guaranteed payments, based on the assumed investment rate, will be paid to the annuitant's estate.

`Plan C -- Life Annuity -- Installment Refund -- Monthly payments are made until the annuitant's death, with IDS Life's guarantee that payments will continue for at least the number of months determined by dividing the amount of the contract value being applied under the plan by the amount of the first monthly payment. If the annuitant dies before those guaranteed payments have been made, IDS Life will continue to make payments to the designated secondary payee. If a secondary payee is not named, or if the secondary payee dies before the annuitant, then the value of the remaining guaranteed payments, based on the assumed investment rate, will be paid to the annuitant's estate.

`Plan D -- Joint and Last Survivor Life Annuity -- No Refund --

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Monthly payments are made to the annuitant and a joint annuitant while both are living. If either annuitant dies, monthly payments continue at the full amount until the death of the surviving annuitant. Payments end with the death of the second annuitant, and no further payments will be made.

Minimum Annuity Payments

Annuity payments will be made monthly. The annuity's contract value will be calculated at the retirement date. If the calculations show that monthly payments would be under $20, IDS

Life reserves the right to pay the contract value in one lump sum. For tax consequences of a lump sum payment, see the Certain Federal Income Tax Considerations section.

First Variable Annuity Payment

When retirement payments are to begin, IDS Life will compute the number of annuity units to be credited to the owner. This is accomplished by determining the contract value of the annuity as of the valuation date on or next preceding the seventh calendar day before the retirement date and then deducting any applicable premium tax.

The result is applied to the annuity table contained in the Contract or another table at least as favorable. The lifetime variable annuity payments are then calculated according to the retirement payment plan chosen. The annuity table assumes an investment rate of 5 percent and shows the amount of the first monthly payment for each $1,000 of value according to the age and, when applicable, sex of the annuitant (unisex table of settlement rates will apply when the annuity is being purchased by a resident of Montana or Massachusetts).

These calculations give the total of the first monthly payment. This amount is divided by the annuity unit value on the valuation date on or next preceding the seventh calendar day before the retirement date. The result is the number of annuity units to be credited to the owner.

Annuity Unit Value

The annuity unit value for the Account was originally set at $1. IDS Life determines current annuity unit values by multiplying the last annuity unit value by the product of:

`the net investment factor and
`the neutralizing factor.

The net investment factor measures the change in the Account's net asset value from one valuation period to the next and is equal to the quotient of the net asset value determined as of the current valuation date divided by the net asset value on the immediately preceding valuation date. See the Valuation of Assets section. The purpose of the neutralizing factor is to offset the effect of the assumed investment rate built into the annuity table. With an assumed investment rate of 5 percent, the neutralizing factor is 0.999866 for a one-day valuation period.

The value of an annuity unit reflects the investment performance of the Account and will vary.

Substitution of 3.5 Percent Annuity

If requested at least 30 days before the retirement date, IDS Life will substitute an annuity table based upon an assumed 3.5 percent

investment rate for the 5 percent investment rate annuity table contained in the Contract.

The assumed investment rate affects both the amount of the first payment and the extent to which subsequent payments increase or decrease. Using the 5 percent table results in a higher initial payment, but later payments will increase more slowly when annuity unit values are rising and decrease more rapidly when they are declining.

Subsequent Variable Annuity Payments

The method of calculation of the first monthly payment is explained in the First Variable Annuity Payment section above. Subsequent variable payments will vary according to the investment performance

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of the Account. Amounts of later monthly payments are calculated by multiplying:

`the annuity unit value on the valuation date on or immediately preceding the seventh calendar day before the payment is due; by

`the fixed number of annuity units credited to the owner.

Certain Federal Income Tax Considerations

The following summary is a general discussion of certain Federal income tax consequences under present law that may involve owners. This summary does not discuss all aspects of Federal income taxation that may be relevant. Each prospective investor should consult his own tax adviser as to the specific Federal income tax consequences of the ownership of the Contracts, as well as the application of other Federal, state, local and foreign income and other tax laws. IDS Life believes that the Contracts will be treated as annuities under the Code, and, therefore, an owner should not be subject to Federal income tax on any income or earnings of the Account until distributions are made to such owner or a change of ownership of the Contract occurs. IDS Life has not sought a ruling from the Internal Revenue Service (the Service) regarding the tax status of the Account. See the Risk Factors -- Federal Income Tax Matters section.

In addition, the qualification of the Contracts as annuities depends upon IDS Life and the Account meeting the detailed factual and legal requirements of the Code and regulations on a continuing basis, including the maintenance of certain diversification requirements as discussed below. No assurance can be given that the actual operations of IDS Life and the Account will satisfy such requirements or that the applicable law will not change and adversely affect IDS Life, the Account or the owners.

Taxation of the Account

The Account is not a separate taxpayer for purposes of Federal income taxation. Although investment income derived by the Account is technically includable in IDS Life's gross income for Federal

income tax purposes, IDS Life is not expected to have any income tax payable as a result of such investment income provided it continues to comply with certain requirements. In the event IDS Life does incur Federal or state income taxes attributable to the Account, IDS Life will receive appropriate reimbursement from the Account for such taxes.

Diversification Requirements

In order for the Contracts to be treated as annuities for Federal income tax purposes, the Account must meet certain diversification requirements regarding variable annuities contained in Section 817(h) of the Code and regulations promulgated thereunder. If the Account does not satisfy these requirements, the owners would be subject to current Federal income taxation on any earnings or income derived by the Account.

IDS Life intends to maintain the Account's investments in such a manner as to satisfy the diversification requirements contained in Section 817(h) of the Code and regulations thereunder. In order to do so, the Account must meet the following requirements: (i) no more than 55 percent of its assets may be invested in any one investment; (ii) no more than 70 percent of its assets may be invested in any two investments; (iii) no more than 80 percent of its assets may be invested in any three investments; and (iv) no more than 90 percent of its assets may be invested in any four investments. All interests in the same real property project will be treated as a single investment for purposes of these requirements. In addition, in the case of government securities, each government agency or instrumentality shall be treated as a separate issuer for purposes of these requirements. After an initial start-up period, the Account must satisfy the above requirements within 30 days after the end of each calendar quarter.

Taxation of Distributions

Section 72 of the Code governing distributions from annuity contracts provides that the recipient of an annuity distribution does not include in gross income that part of any amount received as an annuity that bears the same ratio to such amount as the investment in the contract on the annuity starting date (as adjusted for any refund feature) bears to the expected return under the contract. In the event that the total amount of payments to be

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received under an annuity contract varies in accordance with the investment experience of the variable annuity account after the recipient's annuity starting date, the recipient will not include in gross income any amount received in a taxable year to the extent such amount does not exceed the recipient's investment in the contract (as adjusted for any refund feature) divided by the number of years over which the payments are anticipated to be received. Such exclusion from the recipient's gross income, however, cannot exceed the recipient's unrecovered investment in the contract immediately prior to the receipt of such amount. Any amount received upon the surrender of an annuity contract (that may include the proceeds of a loan when the annuity contract is used as

collateral) generally is included in the gross income of the recipient to the extent that the cash value of the contract (determined without regard to any surrender charge) exceeds the investment in the contract.

In addition, the owner of an annuity contract may be subject to an IRS penalty equal to 10 percent of the amount of a distribution that is includable in gross income (in addition to income taxes), unless, among other things, the distribution (1) is made on or after the owner reaches the age 59-1/2; (2) is made on or after the death of the owner of the contract or the primary annuitant if the owner is not an individual; (3) is attributable to the owner becoming disabled; or (4) is part of a series of substantially equal periodic payments made at least annually for the life or life expectancy of the owner.

Valuation of Assets

Accumulation unit value is determined as of the close of the business day on each day that IDS Life is open for business.

The accumulation unit value for the Account was originally set at $1. The current accumulation unit value is determined by taking the last accumulation unit value for the Account and multiplying it by the current net investment factor. The net investment factor measures the Account's investment performance for the valuation period. The net investment factor is determined by first calculating the net investment income for the period (i.e., the Account's income, net realized and unrealized capital gains or losses on investments and expenses), items that may be estimated periodically and credited or deducted ratably on a daily basis with periodic adjustments to credit or charge the differences between actual and estimated items of income, gains or losses as described below. The Account's net investment income then is divided by the Account's net asset value at the beginning of the valuation period to determine the net investment rate. The Account's net asset value is determined by calculating the total gross value of the Account's assets and reducing that amount by any expenses or liabilities, including tax liabilities, mortgage indebtedness, administrative expenses, that portion of organizational and offering expenses being amortized and the accrued but unpaid daily charges for mortality and expense risk and asset management fees. Finally, the net investment factor is calculated. The net investment factor for any valuation period is the sum of one plus the net investment rate. If the Account has a negative net investment rate for the period, the net investment factor will be less than one. Because the net investment factor may be greater or less than one, the accumulation unit value may increase or decrease.

Accumulation unit value will vary with the value of the underlying assets in the Account and in accordance with the charges and deductions assessed. These charges and deductions will be assessed directly against the assets of the Account itself rather than by

liquidating accumulation units. Assessments of premium taxes and the surrender charges are made separately for each Contract and do not affect the accumulation unit value.

The amount of the Account's net income from its real estate and other investments will be based upon estimates of the Account's revenues and expenses for its real estate and other investments and the Account's operations on a monthly basis. The value of the Account's assets will be increased on a daily basis by a proportionate amount of the estimated net income for the month. The Account will receive on a periodic basis reports of the actual operating results for its real estate and other investments, and appropriate adjustments to credit or charge the differences between actual and estimated operating results will be made to the Account's assets. Because the daily accrual of estimated net

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income is based on estimates that may not reflect the actual revenues and expenses of the Account, owners will bear the risk that this procedure will result in an overvaluing or undervaluing of the Account's assets.

Real Property Investments, Mortgage Loans and Land Sale-Leasebacks

The asset values of the Account's real property investments and mortgage loans and land sale-leaseback investments initially will be their cost (including the acquisition and mortgage placement fees, legal fees and expenses, closing costs and other acquisition or placement expenses), unless circumstances otherwise indicate that a different asset value should be used. Thereafter, periodically or upon the occurrence of events that indicate a change in the asset value of a real property investment, mortgage loan or land sale-leaseback investment held by the Account, the Investment Adviser will determine the asset value of such investments in accordance with the procedures described below. The Account's asset value will take into account the current values of any notes receivable held by the Account in connection with the previous sale of any real estate related investments. Such values will be estimated by the application of discount rate or rates deemed appropriate by the Investment Adviser in light of the then current market conditions. The Account's asset value also will include the income and expenses attributable to the real estate related assets which will be determined or estimated periodically and credited or deducted ratably on a daily basis with periodic adjustments to credit or charge the differences between actual and estimated income or expenses as described above. At the time of purchase, and at least once every two years thereafter, the Investment Adviser shall cause each real estate related investment (other than fixed interest rate mortgage loans) owned by the Account or the real property underlying such investment to be appraised by an independent appraiser or appraisers or an existing appraisal to be updated. The cost of such appraisals will be charged to the Account.

The Investment Adviser will determine the asset values of the Account's real property investments and its mortgage loans and land

sale-leaseback investments with participation features based upon certain methodologies and various other factors. A discounted cash flow methodology used by the Investment Adviser is based upon various assumptions, including, but not limited to, occupancy rates, rental rates, expense levels and capitalization rates upon sale, which are used to make projections of each such investment's estimated cash flow (including the fixed interest or fixed rental income from a mortgage loan or land sale-leaseback with a participation feature) over an 11-year period. For this purpose, it also is assumed that the real property comprising or underlying each such investment is sold at the end of the tenth year based on the anticipated cash flow of the real property for the eleventh year. (The use of this time period does not mean that such investments will be held for any specific period but was chosen as an acceptable frame of reference for estimating asset values.) After these estimated cash flow and sale proceeds amounts are calculated, they are discounted to their present value (using a rate or rates then deemed appropriate by the Investment Adviser based upon the current market conditions) in order to estimate what a buyer would be willing to pay for each such real property on a current basis.

Given the decline in the real estate markets generally over the past few years and the consequent difficulty in estimating, among other things, occupancy rates and rental rates over extended periods of time, the Investment Adviser also employs a "direct capitalization" methodology. Under this methodology, the Investment Adviser generally determines the preliminary asset values of the Account's real property investments and its mortgage loans and land sale-leaseback investments with participation features by estimating the stabilized annual Net Operating Income After Average Capital Costs for the real property comprising or underlying each such investment and applying a current capitalization rate (as deemed appropriate by the Investment Adviser for the particular real property and the relevant market conditions) to such Net Operating Income After Average Capital Costs. A preliminary asset value determined for a particular real property as described above is reduced by the aggregate deficiency (if any) in the estimated net operating income after capital costs relative to the stabilized annual Net Operating Income After Average Capital Costs of such real property for any year(s) preceding the year in which the stabilized annual Net Operating Income After Average Capital Costs is expected to be achieved in order to estimate what a buyer would pay for such real property on

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a current basis.

In addition to using the foregoing methodologies, the Investment Adviser also considers a number of other factors, including, among others, periodic independent appraisals of the real properties and comparisons of existing rental rates relative to estimated market rental rates. The relative weight to be given a particular methodology or any other relevant factors in determining the estimated asset value of a particular real property will depend upon the Investment Adviser's assessment of the existing and anticipated market conditions and property specific factors

relevant to such real property. In the case of real property investments jointly owned with other entities and mortgage loans and land sale-leaseback investments with participation features, the asset value of any such investment will be based on the Account's share of the current asset value of each such real property determined by its joint ownership or equity participation arrangement.

The Account's fixed interest mortgage loans and fixed rental rate land sale-leaseback investments without participation features are valued by the Investment Adviser. The Investment Adviser determines the value by comparing the interest rates on the Account's mortgage loans or the rentals under the Account's ground leases with interest rates on U.S. Treasury debt instruments, plus an additional amount determined by the Investment Adviser representing its judgment as to the differential between the amount at which commercial lenders would make similar mortgage loans or land sale-leaseback investments of such duration and the rate on U.S. Treasury debt instruments. The differential is selected by the Investment Adviser based upon the Investment Adviser's evaluation of both the activities of commercial mortgage lenders at such time and the features of the particular investment, including the underlying property, its rent structure and the nature of its tenants.

A formula is applied periodically to adjust the value based upon changes in the U.S. Treasury debt instrument rates originally used to value the investments. The valuation resulting from the formula generally will continue in effect until the next periodic application of the formula. The Investment Adviser will evaluate quarterly (unless the Investment Adviser becomes aware of circumstances that would warrant a more frequent evaluation) the interest differential at which commercial lenders are making fixed interest rate mortgage loans or fixed rental rate land sale-leaseback investments to determine whether an adjustment needs to be made in the formula. The Investment Adviser will obtain information relative to commercial lenders by surveys of lending institutions considered to be representative, as well as from other sources.

It should be noted that the determination of the Account's asset value will not necessarily reflect the true or realizable value of the Account's assets. Although IDS Life and the Investment Adviser believe that the assumptions, estimates and methodologies used in determining the asset values of the Account's investments are reasonable, there can be no assurance that such assumptions, estimates and methodologies will in fact prove correct or that such values would in fact be realized. In addition, it is unlikely that all real properties in which the Account has an interest would be sold for cash, but rather certain properties may in fact be sold for cash and notes. Furthermore, although at least once every two years the Investment Adviser will use independent appraisals of the real properties in determining asset values, appraisals are only estimates and do not necessarily reflect the true or realizable value of an investment. Moreover, such appraisals are only one

factor that is considered by the Investment Adviser to determine the value of the real estate related investments of the Account. In addition, the expenses that may be borne by the Account in connection with the acquisition, placement or disposition of a real estate related investment will not be deducted in determining asset value by the Investment Adviser. The valuation of investments made by the Account also may be adjusted by the Investment Adviser based upon events that come to its attention affecting the real property investments or the properties subject to mortgage loans or land sale-leaseback investments, which it believes will increase or decrease realizable value, or events or market conditions generally affecting the values of the real property investments, mortgage loans or land sale-leaseback investments. For example, adjustments may be made for the events that affect the property comprising a real property investment or the surrounding area or events

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indicating an impairment of the borrower's or lessee's ability to make payments with respect to a mortgage loan or land sale-leaseback investment.

There can be no assurance that the factors for which an adjustment should be made will come to the attention of the Investment Adviser. Additionally, because the evaluation of such factors may be subjective, there can be no assurance that adjustments will be made in all cases in which the value of the real property investments, mortgage loans or land sale-leaseback investments may be affected. If the Investment Adviser believes it to be necessary, more frequent appraisals will be conducted.

The above method of valuation may be changed by IDS Life (after consultation with the Investment Adviser) should it determine that another method would more accurately reflect the value of the Account's investments. Changes in the method of valuation could result in a change in the contract value that may have an adverse effect on either or both existing owners and new purchasers of Contracts. As a result of a change in the valuation method, there may be variations between the values at which owners purchase Contracts based upon a different valuation method adopted by IDS Life. Written notice (included in this section of the prospectus or otherwise) of any material change in the valuation method will be mailed to all owners. Although the valuation method has been selected because IDS Life and the Investment Adviser believe it will provide a reasonable approximation of the value of the Account's investments, there may be variations between the amount realizable upon disposition and the stated value of such assets. Owners may be adversely affected if the valuation method results in either overvaluing or undervaluing the Account's investments. Both the number of accumulation units credited to an owner at the time a Contract is purchased and the amount payable under the Contract are based on the value of the assets of the Account. Should the valuation method overstate the value of the investments, a new owner at the time of purchase will be credited with fewer accumulation units than if the value were correctly stated and a person receiving payments under the Contract during the time such valuation is in effect will receive payments in excess of those to which the person was entitled, to the detriment of other owners.

Alternatively, if the valuation method understates the value of the assets, a new owner will be credited with more accumulation units at the time of purchase, to the detriment of other owners, and a person receiving payments under a Contract will receive less than the person otherwise would receive had the assets been correctly valued. See also the Risk Factors -- Evaluation and Appraisal Risk and the Conflicts of Interest -- Receipt of Commissions, Fees and Other Compensation by IDS Life, the Investment Adviser and Affiliates sections.

Liquid Assets

The liquid assets of the Account, including accrued income, gains or losses on such investments, also will be taken into account in determining the Account's asset value. Short-term investments of the Account will be held to maturity unless the circumstances warrant otherwise. Instruments for which market quotations are readily available are valued at the last reported sales price on the principal market for the instrument. Other instruments are valued at fair market value as determined in good faith by IDS Life.

IDS Life has concluded that for short-term instruments with remaining maturities of 60 days or less, including instruments with penalties for early withdrawal, the fair market value shall be their amortized cost value unless the particular circumstances of an instrument indicate otherwise. If any short-term instrument containing early withdrawal penalties is redeemed prior to maturity, the related expense will be recorded as incurred.

Distribution of Contracts

The Contracts are offered by IDS Life. IDS Life is a broker-dealer registered under the Securities Exchange Act of 1934 and a member of the National Association of Securities Dealers, Inc. Sales of the Contracts will be made by registered representatives of IDS Life who are also licensed insurance agents. IDS Life will pay from its general account commissions which may vary, but in the aggregate are not anticipated to exceed an amount equal to 6 percent of the purchase payments. Registered representatives of IDS Life may receive direct sales incentive items and may participate in marketing incentive programs in connection with the sale of the Contracts. It is possible that certain marketing

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incentive programs may be based in part on the sale of Contracts and in part on the sale of other securities. IDS Life will pay the costs (or an allocable share of such costs) incurred for such sales incentive items and marketing incentive programs.

State Regulation

IDS Life is subject to the laws of the State of Minnesota governing insurance companies and to the regulations of the Department of Commerce of the State of Minnesota. An annual statement in the prescribed form is filed with the Department of Commerce of the State of Minnesota each year covering IDS Life's operation for the

preceding year and its financial condition at the end of such year. Regulation by the Department of Commerce of the State of Minnesota includes periodic examination to determine IDS Life's contract liabilities and reserves so that the Department of Commerce of the State of Minnesota may certify that these items are correct. IDS Life's books and accounts are subject to review by the Department of Commerce of the State of Minnesota at all times. A full examination of IDS Life's operations is conducted periodically by the National Association of Insurance Commissioners. Such regulation does not, however, involve any supervision of the Account's management or IDS Life's investment practices or policies. In addition, IDS Life is subject to regulation under the insurance laws of other jurisdictions in which it operates.

Experts

The financial statements of the Account as of Dec. 31, 1993 and 1992 and for each of the years in the three-year period ended Dec. 31, 1993, were audited by KPMG Peat Marwick.

The financial statements of N/S Associates (an unconsolidated joint venture of the Account) as of Dec. 31, 1993 and 1992 and for each of the years in the three-year period ended Dec. 31, 1993, were audited by KPMG Peat Marwick.

The consolidated balance sheet of IDS Life as of Dec. 31, 1993 and 1992 and the related consolidated statements of income and cash flows for each of the three years in the period ended Dec. 31, 1993, were audited by Ernst & Young.

All of the above financial statements have been included herein in reliance on the reports of the respective independent auditors, appearing elsewhere herein, and given upon their authority as experts in accounting and auditing.

Registration Statement

A registration statement has been filed with the Securities and Exchange Commission under the 1933 Act with respect to the Contracts. This prospectus does not contain all information set forth in the registration statement, its amendments and exhibits, to all of which reference is made for further information concerning the Account, IDS Life and the Contract. Statements contained in this prospectus as to the content of the Contract and other legal instruments are summaries. For a complete statement of the terms thereof, reference is made to such instruments as filed.

Reports

Owners will receive a confirmation of each purchase payment made with respect to the Contracts. Additionally, IDS Life will, at least annually, mail a report containing such information as may be required by any applicable law or regulation and a statement showing the owner's current number of accumulation units or annuity units, the accumulation unit value or annuity unit value and the total contract value.

Financial Statements

The contract values under a Contract will be affected solely by the investment results of the Account. Financial statements of IDS Life included herein should be considered only as bearing on the ability of IDS Life to meet its obligations under the Contract.

Legal Proceedings

There are no material legal proceedings to which the Account is a party or to which the assets of the Account are subject. IDS Life is engaged in various kinds of routine litigation that, in IDS Life's judgment, are not of material importance in relation to its

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total assets. None of such litigation relates to the Account.

Appendix A

The members of the Board of Directors and the principal executive officers of IDS Life,* together with the principal occupation of each during the last five years, are as follows:

Louis C. Fornetti, 44
Director since March 1994; Senior Vice President and Director, IDS, since February 1985.

David R. Hubers, 51
Director since September 1989; President and Chief Executive Officer, IDS, since August 1993, and Director, IDS, since January 1984. Senior Vice President, Finance and Chief Financial Officer, IDS, from January 1984 to August 1993.

Richard W. Kling, 53
Director since February 1984; President since March 1994. Executive Vice President from January 1988 to March 1994. Vice President, IDS, since January 1988. Director of IDS Life Series Fund, Inc. and Manager of IDS Life Variable Annuity Funds A & B.

Paul F. Kolkman, 47
Director since May 1984; Executive Vice President since March 1994; Vice President, Finance from May 1984 to March 1994; Vice President, IDS, since January 1987.

Peter A. Lefferts, 52
Director and Executive Vice President, Marketing since March 1994; Senior Vice President and Director, IDS, since February 1986.

Janis E. Miller, 42
Director and Executive Vice President, Variable Assets since March 1994; Vice President, IDS, since June 1990; Director, Mutual Funds Product Development and Marketing, IDS, from May 1987 to May 1990; Director of IDS Life Series Fund, Inc. and Manager of IDS Life Variable Annuity Funds A & B.

James A. Mitchell, 52
Chairman of the Board since March 1994; Director since July 1984; Chief Executive Officer since November 1986; President from July 1984 to March 1994; Executive Vice President, IDS, since March 1994; Director, IDS, since July 1984; Senior Vice President, IDS, from July 1984 to March 1994.

Barry J. Murphy, 43
Director and Executive Vice President, Client Service since March 1994; Senior Vice President, Operations, Travel Related Services (TRS), a subsidiary of American Express Company, since July 1992; Vice President, TRS, from November 1989 to July 1992; Chief Operating Officer, TRS, from March 1988 to November 1989.

Stuart A. Sedlacek, 36
Director and Executive Vice President, Assured Assets since March 1994; Vice President, IDS, since September 1988.

Melinda S. Urion, 40
Director and Controller since September 1991; Executive Vice President since March 1994; Vice President and Treasurer from September 1991 to March 1994; Vice President, IDS, since September 1991; Chief Accounting Officer, IDS, from July 1988 to September 1991.

Officers Other Than Directors

Morris Goodwin Jr., 42
Vice President and Treasurer since March 1994; Vice President and Corporate Treasurer, IDS, since July 1989; Chief Financial Officer and Treasurer, IDS Bank & Trust, from January 1988 to July 1989.

William A. Stoltzmann, 45
Vice President, General Counsel and Secretary since 1985.

*The address for all of the directors and principal officers is: IDS Tower 10, Minneapolis, MN 55440-0010.

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Appendix B

The directors, executive officers and certain other officers of JMB Realty Corporation (JMB), the managing partner of the Investment Adviser, and certain executive officers of JMB Institutional Realty Corporation, an affiliate of JMB that participates in rendering acquisition and placement services, are set forth below. Many of such persons are also officers and/or directors of numerous affiliated companies of JMB and/or partners of certain partnerships (herein collectively referred to as the Associate Partnerships) which are partners, directly or indirectly, in publicly offered real estate limited partnerships sponsored by JMB.

Judd D. Malkin, 56, is Chairman and Director of JMB, an officer and/or director of various JMB affiliates and a partner of the Associate Partnerships. He is also a trustee of JMB Group Trust I, JMB Group Trust II, JMB Group Trust III, JMB Group Trust IV and JMB Group Trust V. Mr. Malkin has been associated with JMB since October 1969. He is a Certified Public Accountant.

Neil G. Bluhm, 56, is President and Director of JMB, an officer and/or director of various JMB affiliates and a partner of the Associate Partnerships. He is also a trustee of JMB Group Trust I, JMB Group Trust II, JMB Group Trust III, JMB Group Trust IV and JMB Group Trust V. Mr. Bluhm has been associated with JMB since August 1970. He is a member of the Bar of the State of Illinois and a Certified Public Accountant.

Burton E. Glazov, 55, is Director of JMB and until December 1990 served as an Executive Vice President of JMB. Mr. Glazov has been associated with JMB since June 1971. He is a member of the Bar of the State of Illinois and a Certified Public Accountant.

Stuart C. Nathan, 52, is Executive Vice President and Director of JMB, an officer and/or director of various JMB affiliates and a partner of the Associate Partnerships. Mr. Nathan has been associated with JMB since July 1972. He is a member of the Bar of the State of Illinois.

John G. Schreiber, 47, is Director of JMB and until December 1990 served as an Executive Vice President of JMB. Mr. Schreiber has been associated with JMB since December 1970. He holds a master's degree in business administration from the Harvard University Graduate School of Business.

Jerome J. Claeys III, 51, is Director of JMB, Chairman and Director of JMB Institutional Realty Corporation, an officer and/or director of various other JMB affiliates and a partner of various Associate Partnerships. He is also a trustee of JMB Group Trust I, JMB Group Trust II, JMB Group Trust III, JMB Group Trust IV and JMB Group Trust V. Mr. Claeys has been associated with JMB since September 1977. He holds a master's degree in business administration from the University of Notre Dame.

A. Lee Sacks, 60, is Director of JMB, President and Director of JMB Insurance Agency, Inc. and a partner of various Associate Partnerships. Mr. Sacks has been associated with JMB since December 1972.

H. Rigel Barber, 45, is Chief Executive Officer and Executive Vice President of JMB, an officer of various JMB affiliates and a partner of various Associate Partnerships. Mr. Barber has been associated with JMB since March 1982. He holds a law degree from the Northwestern University Law School and is a member of the Bar of the State of Illinois.

Ira J. Schulman, 42, is Executive Vice President of JMB, an officer of various JMB affiliates and a partner of various Associate Partnerships. Mr. Schulman has been associated with JMB since February 1983. He holds a master's degree in business administration from the University of Pittsburgh.

Gary Nickele, 41, is Executive Vice President and General Counsel of JMB, an officer and/or director of various JMB affiliates and a partner of various Associate Partnerships. Mr. Nickele has been associated with JMB since February 1984. He holds a law degree from the University of Michigan Law School and is a member of the Bar of the State of Illinois.

Jeffrey R. Rosenthal, 43, is Chief Financial Officer and Managing Director -- Corporate of JMB, an officer of various JMB affiliates and a partner of various Associate Partnerships. Mr. Rosenthal has

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been associated with JMB since December 1987. He is a Certified Public Accountant.

Charles H. Wurtzebach, 44, has been President and Director of JMB Institutional Realty Corporation and an officer and/or director of various other JMB affiliates since March 1994. He also became a trustee of JMB Group Trust I, JMB Group Trust II, JMB Group Trust III, JMB Group Trust IV and JMB Group Trust V in March 1994. Prior to March 1994, Mr. Wurtzebach was Managing Director/Director of Investment Research of JMB Institutional Realty Corporation. He has been associated with JMB Institutional Realty Corporation since July 1991. Prior to joining JMB Institutional Realty Corporation, Mr. Wurtzebach was Senior Research Professional for Prudential Real Estate Investors, Inc. Mr. Wurtzebach has a doctorate degree in finance and real estate from the University of Illinois.

Kelley A. Bergstrom, 51, is Senior Vice President of JMB, President of JMB Properties Company, an officer and/or director of various other JMB affiliates and a partner of various Associate Partnerships. Mr. Bergstrom has been associated with JMB since April 1972. He is a Certified Property Manager.

Summary of Selected Financial Information

The following selected financial information of the Account has been derived from the audited financial statements and should be read in conjunction with those statements and the related notes to financial statements.

<TABLE>
<CAPTION>

	Years ended Dec. 31,				
	1993	1992	1991	1990	1989
<S>	<C>	<C>	<C>	<C>	<C>
Contract Purchase Payments (Terminations) net......................	$(6,873,380)	$(6,257,432)	$ (575,134)	$ 4,740,257	$16,532,329
Net Income (loss).......................	$ 1,816,417	$(5,761,830)	$ 628,297	$ 1,835,465	$ 1,736,522
Total Contract Owners' Equity...........	$42,124,648	$47,181,611	$59,200,873	$59,147,710	$52,571,988
Accumulation Units Outstanding..........	39,000,431	45,475,432	51,202,112	51,693,083	47,458,468
Accumulation Unit Value.................	$ 1.08	$ 1.04	$ 1.16	$ 1.14	$ 1.11

</TABLE>

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Financial Condition and Results of Operations

For the Year Ended December 31, 1993

Net assets decreased from $47,181,611 at the beginning of the year to $42,124,648 at December 31, 1993. During this same time period the accumulation unit value increased from $1.04 to $1.08. The Account experienced net terminations amounting to $6,873,380 for the year ended December 31, 1993, compared to $6,257,432 for the prior year.

Total income (loss) for the year ended December 31, 1993, was $5,069,388 compared to $(2,202,884) for the year ended December 31, 1992. The difference was primarily due to the Account's recognition of unrealized depreciation on its participation in a mortgage loan, investments in unconsolidated joint ventures and wholly-owned real estate property in the aggregate amount during 1992 of approximately $7,206,000.

Interest income represents income earned on the Account's investment in short-term securities and the participation in a mortgage loan. Interest generated from short-term investments decreased to $161,880 from $470,565 for the years ended December 31, 1993 and 1992, respectively. This decrease reflects the lower yields earned on these investments during the year as well as a lower average amount invested in short-term securities. Income generated from participation in the mortgage loan was $266,600 for the year ended December 31, 1993, compared to $256,846 for the prior year. This increase is due to an increase in the mortgage interest rate in August 1992.

For the year ended December 31, 1993, the Account's equity in earnings of its unconsolidated joint ventures (N/S Associates, Monmouth Associates and 1225 Connecticut) was $2,097,089 which represents a slight increase from the prior year's amount of $2,072,715.

The Account generated rental income of $2,251,285 from its

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wholly-owned real estate investment for the year ended December 31, 1993, compared to rental income from the prior year of $2,202,548. The increase is due to higher average occupancy and higher rental rates. Expenses related to the wholly-owned real estate investment totaled $1,770,999 for the year ended December 31, 1993, compared to $1,730,533 for the year ended December 31, 1992.

The unrealized appreciation of participation in mortgage loan in the amount of approximately $172,000 for the year ended December 31, 1993 was primarily due to the application of a lower discount rate and capitalization rate used in valuing the Riverpoint Center loan during 1993 as a result of an improvement in leasing at the property. The unrealized depreciation of investments in unconsolidated joint ventures is primarily due to the Account's share of approximately $370,000 in a write down of the estimated value of Northridge Mall. Sales per square foot at the mall

declined approximately 5 percent for 1992 from the previous year and declined approximately 5.4 percent for 1993 as compared to 1992. In part, the decrease is attributable to a negative image for Northridge Mall among shoppers. The property is also subject to high real estate taxes and to increasing competition from other malls in the area. As a result, it is expected that either occupancy rates or rental rates may decline moderately while the other remains relatively flat. Currently, the mall space at Northridge Mall, including short-term temporary tenants, is approximately 85 percent leased and occupied. Southridge Mall, including short-term temporary tenants, is approximately 95 percent leased and 92 percent occupied. The Account's share of the unrealized depreciation recorded by N/S Associates has been partially offset by the Account's share of unrealized appreciation of approximately $120,000 attributable to a slight adjustment in the capitalization rate used in valuing the 1225 Connecticut office building. The Account also recorded unrealized appreciation of approximately $60,000 in order to adjust the carrying value of Monmouth Mall to its present current value. Additionally, the Account recognized unrealized appreciation of investment in wholly-owned real estate property of approximately $310,000 related to the West Springfield Apartment property. The increase in carrying value is primarily due to an increase in rental rates at the property.

The Account paid asset management fees of $773,849 and $988,698 for the years ended December 31, 1993 and 1992, respectively. The decrease in asset management fees was due to a decrease in the Account's assets.

The mortality and expense risk fee was $549,250 for the year ended December 31, 1993, compared to $649,173 for the corresponding period in 1992, which decreased due to the decrease in the Account's assets.

For the Year Ended December 31, 1992

Net assets decreased from $59,200,873 at the beginning of the year to $47,181,611 at December 31, 1992. During this same time period the accumulation unit value decreased from $1.16 to $1.04. The Account experienced net terminations amounting to $6,257,432 for the year ended December 31, 1992, compared to $575,134 for the prior year.

Total income (loss) for the year ended December 31, 1992, was $(2,202,884) compared to $4,356,932 for the year ended December 31, 1991. The primary reason for the decrease was the Account's recognition of unrealized depreciation on its participation in a mortgage loan, investments in unconsolidated joint ventures and wholly-owned real estate property in the aggregate amount during 1992 of approximately $7,206,000. The Account recognized unrealized depreciation with respect to its investments in unconsolidated joint ventures during 1992 in an aggregate amount of approximately $5,560,000, of which $3,272,000, $1,230,000 and $1,058,000 were attributable to its investment in N/S Associates, Monmouth Associates and 1225 Connecticut, respectively. These devaluations were primarily attributable to increases in the

capitalization rates used to determine the estimated current values of the Northridge, Southridge and Monmouth Malls and the 1225 Connecticut office building. They also reflect, in the case of Monmouth Mall, the competition in the market area for that property and, in the case of Northridge Mall, a greater than five percent decrease in comparable 1992 sales per square foot versus the year earlier period, which has resulted in a decrease in demand for space at that property. The Account also recognized unrealized

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depreciation in 1992 of approximately $1,570,000 related to its wholly owned real estate investment, West Springfield Terrace Apartments, and $76,000 related to its participation in the Riverpoint Center mortgage loan. The devaluation relating to West Springfield Terrace Apartments also reflects an increase in the capitalization rate used by the Investment Adviser in deriving its estimated current value.

Interest income represents income earned on the Account's investment in short-term securities and the participation in a mortgage loan. Interest generated from short-term investments decreased to $470,565 from $871,680 for the years ended December 31, 1992 and 1991, respectively. This decrease reflects the lower yields earned on these investments during the year as well as a lower average amount invested in short-term securities. Income generated from participation in the mortgage loan was $256,846 for the year ended December 31, 1992, compared to $286,986 for the prior year. The decrease is due to the Account's suspension in August 1991, for financial reporting purposes, of the recognition of income related to the simple accrual interest receivable (payment of which is deferred until maturity) on the loan secured by Riverpoint Center, partially offset by an increase in the base rate of interest on the loan from 8.75 percent to 9.25 percent per annum commencing in August, 1992.

For the year ended December 31, 1992, $2,072,715 of total income was derived from the Account's equity in earnings of its unconsolidated joint ventures (N/S Associates, Monmouth Associates and 1225 Connecticut) which represents a slight decrease from the prior year's amount of $2,103,315.

In addition, the Account generated rental income of $2,202,548 for the year ended December 31, 1992, which increased compared to rental income from the prior year of $2,113,539, from its wholly-owned real estate investment. The increase is primarily due to higher average occupancy and higher rental rates. Expenses related to the wholly-owned real estate investment totaled $1,730,533 for the year ended December 31, 1992, compared to $1,829,863 for the year ended December 31, 1991. The decrease in expense was primarily due to a reduction in repairs and maintenance and other operating expenses.

The Account paid asset management fees of $988,698 and $1,053,490 for the years ended December 31, 1992 and 1991, respectively. The decrease in asset management fees was due to a decrease in the Account's assets.

The mortality and expense risk fee was $649,173 for the year ended December 31, 1992, compared to $708,856 for the corresponding

period in 1991, which also decreased due to the decrease in the Account's assets.

Liquidity and Capital Resources

For the Year Ended December 31, 1993

At December 31, 1993, the Account had cash and investments in short-term securities of approximately $2,665,000 as compared to $8,369,000 at December 31, 1992. The decrease is primarily attributable to net contract terminations during the year ended December 31, 1993. Both a decrease in contract sales and an increase in contract terminations contributed to an increase of $616,000 in net contract terminations for the year ended December 31, 1993 over the prior year. The Account has experienced net contract terminations in each of the last nine quarters. As of March 15, 1994, net contract terminations were $807,472 for 1994 and the Account had cash and short-term securities of approximately $1,944,220.

The liquidity requirements of the Account are generally met by funds provided from the Account's short-term investments, cash distributions from unconsolidated joint ventures, operating cash flow, interest income and proceeds from sales of contracts. The primary uses of funds currently are expected to be for property operating expenses, asset management and mortality and expense risk fees, payments for contract terminations and contributions to pay the Account's share of the financing of the Monmouth Mall renovation discussed below.

In March 1994 the Account obtained a revolving line of credit for up to $10 million from IDS Life to pay for contract surrenders and other obligations under the Contracts. The line of credit is for a one-year term and is automatically renewed at each anniversary for

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an additional one-year term subject to termination by one party giving 30 days' prior written notice of termination to the other party. Borrowings under the line of credit must be made in increments (or multiples) of $100,000. Outstanding borrowings under the line of credit will bear interest at a floating rate equal to the 30-day London Interbank Offered Rate (LIBOR), adjusted on a monthly basis. The line of credit requires monthly payments of interest only until the earlier of maturity or termination of the line of credit, when the entire outstanding principal plus any accrued and unpaid interest on the line of credit will be due and payable. Outstanding principal may be repaid in whole or in part in increments (or multiples) of $100,000, together with any accrued and unpaid interest thereon, at any time without premium or penalty. Borrowings under the line of credit are generally unsecured, although IDS Life will have a right of set off against any deposits or credits of the Account held by IDS Life for outstanding borrowings.

If borrowings under the line of credit do not provide sufficient liquidity, the Account expects to consider additional options, which could include, among other things, the sale of real estate related investment(s). In such event, a sale or sales of real

estate related assets may be required under circumstances that could result in a realization of less than the full value of the asset or assets sold. The Account does not expect to acquire additional real estate related investments until contract purchase proceeds exceed contract termination payments.

During the year ended December 31, 1993, the Account incurred capital improvement costs of approximately $25,000 in relation to its wholly-owned real estate property. These capital improvements included the cost of upgrading kitchens, bathrooms and certain other areas in West Springfield Terrace Apartments.

Monmouth Associates has agreed in principle to finance the cost of a proposed renovation of Monmouth Mall. As currently contemplated, the renovation plan is intended to reposition the shopping center against its competition by adding a more upscale component to the tenant base, adding a food court and cinema and reconfiguring the former Caldor anchor tenant space into smaller tenant spaces. It is expected that the costs of the renovation would be financed by a loan from Monmouth Associates that would bear interest at a fixed rate of 10.5 percent per annum. In addition, Monmouth Associates' participation in certain levels of sale or refinancing proceeds from the property would be increased until Monmouth Associates has received aggregate payments equal to an internal rate of return of 11 percent per annum on its original investments in the first leasehold mortgage loan and ground lease. The estimated cost of the renovation is $28,500,000, which would be provided by additional capital contributions to Monmouth Associates made pro rata based upon the respective interests of its joint venture partners. Based upon its 6.97 percent interest in Monmouth Associates, the Account's share of the additional capital contributions would be approximately $1,986,000. Required approvals of department stores as well zoning approvals for the renovation have been obtained. It is currently expected that the renovation will commence in the second quarter of 1994 and not be completed until 1995. However, the renovation plan and its proposed financing are subject to various conditions, and there is no assurance that either will be finalized or will be on the terms as described. In addition to financing the renovation, Monmouth Associates may be required to make certain additional loans to pay a portion of the costs of certain tenant improvements or other ordinary capital expenditures. Such additional loans for tenant or other ordinary capital improvements are expected to be provided from ground rent and interest payments received by the joint venture with respect to Monmouth Mall.

Until the renovation is finished, it is expected that there will be lower than normal leasing and occupancy at the shopping center, primarily as a result of the need to hold some tenant spaces vacant and to have certain tenants occupy spaces on a temporary basis. The current leasing and occupancy of the mall and outparcel space, including short-term leases with tenants on a temporary basis, is approximately 81 percent. Approximately 14 percent of the space at the mall continues to be held vacant of long-term tenants pending renovation of the mall.

The Account has a loan outstanding in the principal amount of approximately $7,927,000 as of December 31, 1993, secured by its wholly-owned real estate investment. The loan has an original term

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of seven years and bears interest at a rate of 9.5 percent per annum. The loan requires monthly payments of principal and interest aggregating $824,000 per annum until August of 1996 when the remaining principal balance of approximately $7,690,000 and any accrued and unpaid interest will be due and payable.

In January 1994, 1225 Investment Corporation refinanced its mortgage loan, which had an outstanding principal balance of approximately $1,667,000, with a new first mortgage loan in the principal amount of $7,000,000 that bears interest at 6.98 percent per annum. The new loan requires monthly payments of interest only aggregating approximately $489,000 per annum until maturity in February 2001 when the entire principal amount together with accrued and unpaid interest will be due and payable. 1225 Investment Corporation intends to use the approximately $5,300,000 of excess proceeds from the refinancing to pay for lobby and other common area renovation costs, a sprinkler system and certain tenant improvement costs related to the Ernst & Young lease extension, as well as a reserve for additional tenant improvement costs and leasing commissions anticipated to be incurred upon the expiration of certain existing leases. Leases for approximately 17 percent of the office and retail space at the building expire in 1994.

Ernst & Young agreed to an extension of the original term of a majority (approximately 132,000 square feet) of its existing leased space at the 1225 Connecticut office building from June 2000 to June 2007, subject to the termination of approximately 9,000 square feet of its existing space in December 1994, and to increase the annual base rent for all its existing space to $34 per square foot effective with the extension agreement. Ernst & Young also agreed to lease an additional approximately 17,000 square feet of space through December 1994 at $34 per square foot. Prior to the lease extension agreement, the annual base rents under the Ernst & Young leases were scheduled to increase to $34 per square foot at different times during 1993 and 1994 from annual base rents ranging from $8.75 to $29.00 per square foot.

N/S Associates undertakes asbestos removal from time to time at portions of the Northridge and Southridge Malls as tenant spaces are vacated and prior to occupancy by new tenants. The cost of such asbestos removal is provided out of cash flows from the properties and, in the case of Southridge, out of its remaining reserves (approximately $167,000) for capital improvements. For 1994, N/S Associates has budgeted approximately $2,600,000 for certain capital improvements at its malls, including replacement of escalators at Southridge Mall, tenant improvements and asbestos removal at both properties. Such amount also includes funds for a continuation of a program at Northridge Mall to enhance its appearance in an effort to reverse its negative perception among shoppers. To date, parking lot lighting and painting of the interior of the mall have been completed. During 1994 it is expected that additional improvements at Northridge Mall will include improving the interior lighting and partial roof replacement.

At December 31, 1993, real property investments (through two unconsolidated joint ventures, N/S Associates and 1225 Connecticut and a wholly-owned property, West Springfield Terrace Apartments), mortgage loan and land sale-leaseback investments (through an unconsolidated joint venture, Monmouth Associates, and a participation in the loan for Riverpoint Center) and short-term investments represented 69 percent, 26 percent and 5 percent of total assets, respectively. The Account currently intends to maintain an asset mix of 50 percent to 70 percent in real property investments, 15 percent to 40 percent in mortgage loans or sale-leaseback investments, and the remaining portion in short-term or intermediate-term liquid debt securities.

For the Year Ended December 31, 1992

At December 31, 1992, the Account had cash and investments in short-term securities of approximately $8,369,000 as compared to $14,040,000 at December 31, 1991. The decrease was primarily attributable to net contract terminations during the year ended December 31, 1992.

The liquidity requirements of the Account were met by the funds provided from the Account's cash distributions from unconsolidated joint ventures, operating cash flow from its wholly owned real estate investment, interest income and from sales of short-term investments. The primary uses of such funds were for property operating expenses, asset management and mortality and expense risk fees and payments for contract terminations.

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During the year ended December 31, 1992, the Account incurred capital improvement costs of approximately $448,000 in relation to its wholly-owned real estate property. During the year ended December 31, 1991, the Account incurred capital improvements costs of approximately $861,000 related to the property. These capital improvements included the cost of upgrading kitchens, bathrooms and certain other upgrades in West Springfield Terrace Apartments. During 1992, the renovation program at the property was virtually completed at an aggregate cost of approximately $1,900,000.

The Account had a loan outstanding in the principal amount of approximately $7,995,000 as of December 31, 1992, secured by its wholly-owned real estate investment.

At December 31, 1992, real property investments, mortgage loan and land sale-leaseback investments and short-term investments represented 62 percent, 23 percent and 15 percent of total assets, respectively. At December 31, 1991, real property investments, mortgage loan and land sale-leaseback investments and short-term investments represented 58 percent, 20 percent, and 21 percent of total assets, respectively.

Index to Financial Statements

Independent Auditors' Report

The Board of Directors of
IDS Life Insurance Company and
Contract Owners of IDS Life Account RE:

We have audited the financial statements of IDS Life Account RE as listed in the accompanying index. These financial statements are the responsibility of the management of IDS Life Insurance Company. Our responsibility is to express an opinion on these financial statements based on our audits.

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

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In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of IDS Life Account RE at December 31, 1993 and 1992 and the results of its operations and its cash flows for each of the years in the three-year period ended December 31, 1993 in conformity with generally accepted accounting principles.

As discussed in Note 2, the financial statements include real estate related investments which represent 94% and 84% of total assets at December 31, 1993 and 1992, respectively, that are stated at fair value as estimated by the investment adviser. Such fair value estimates involve subjective judgments and the actual market price of real estate can only be determined by negotiation between independent third parties in a sales transaction.

KPMG PEAT MARWICK
Minneapolis, Minnesota
March 18, 1994

IDS LIFE ACCOUNT RE
of
IDS LIFE INSURANCE COMPANY

BALANCE SHEETS

December 31,

<TABLE><CAPTION>

	1993	1992
Assets:		
<S>	<C>	<C>
Cash	$ 171,242	$ 321,420
Investments in short-term securities, at amortized cost	2,493,649	8,047,678
Receivable from IDS Life for contracts sold	600	11,941
Investments in unconsolidated joint ventures, at fair value (cost of $34,115,612 and $33,763,863 at Dec. 31, 1993 and 1992, respectively) (Note 4)	28,769,085	28,605,415
Participation in mortgage loan, at fair value (cost of $3,047,188 at Dec. 31, 1993 and 1992) (Note 4)	2,995,600	2,823,227
Accrued interest on participation in mortgage loan	-	21,977
Investment in wholly-owned real estate property (Note 5):		
Building, at fair value (cost of $13,899,674 and $13,874,849 at Dec. 31, 1993 and 1992, respectively)	11,966,920	11,633,855
Land, at fair value (cost of $3,915,263 at December 31, 1993 and 1992)	3,915,263	3,915,263
Deferred borrowing costs, net of accumulated amortization of $105,874 and $79,952 at Dec. 31, 1993 and 1992, respectively	75,582	101,504
Other assets	36,012	103,720
Total assets	$ 50,423,953	$ 55,586,000

See accompanying notes to financial statements.
</TABLE>

IDS LIFE ACCOUNT RE
of
IDS LIFE INSURANCE COMPANY

BALANCE SHEETS (continued)

December 31,

<TABLE><CAPTION>

	1993	1992
Liabilities:		
Payable to IDS Life for:		

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<S> <C> <C>

Operating expenses	$ 62,289	$ 68,035
Contract terminations	47,077	61,752
Accrued mortality and expense risk fee	44,667	50,470
Accrued asset management fee	55,834	63,087
Liabilities related to wholly-owned real estate property (Note 5):		
Accounts payable and other liabilities	162,617	166,412
Mortgage payable	7,926,821	7,994,633
Total liabilities	8,299,305	8,404,389
Contract Owners' Equity:		
Net assets applicable to Variable Annuity contracts in accumulation period	$ 42,124,648	$ 47,181,611
Accumulation units outstanding	39,000,431	45,475,432
Net asset value per accumulation unit	$ 1.08	$ 1.04

See accompanying notes to financial statements.
</TABLE>

<TABLE><CAPTION>
IDS LIFE ACCOUNT RE
of
IDS LIFE INSURANCE COMPANY
STATEMENTS OF OPERATIONS
Years ended December 31,

<S> <C> <C> <C>

	1993	1992	1991
Income:			
Interest income	$ 428,480	$ 727,411	$1,158,666
Account's equity in earnings of unconsolidated joint ventures (Note 4)	2,097,089	2,072,715	2,103,315
Rental income	2,251,285	2,202,548	2,113,539
Unrealized appreciation (depreciation) of participation in mortgage loan	172,373	(75,735)	(199,705)
Unrealized depreciation of investments in unconsolidated joint ventures	(188,079)	(5,560,069)	(147,643)
Unrealized appreciation (depreciation) of investment in wholly-owned real estate property	308,240	(1,569,754)	(671,240)
Total income (loss)	5,069,388	(2,202,884)	4,356,932
Expenses (Note 3):			
Asset management fee	773,849	988,698	1,053,490
Mortality and expense risk fee	549,250	649,173	708,856
Professional services	49,829	64,748	46,691
Amortization of deferred organizational and borrowing costs	25,922	60,504	84,249
Salaries	37,980	43,929	4,913
Other operating expenses	45,142	21,361	573
Operating expenses related to wholly-owned real estate property (Note 5):			
Interest	756,051	759,957	760,000
Utilities	139,974	141,924	161,894
Repairs and maintenance	177,047	147,667	195,651
Property and other taxes	197,478	197,847	169,404
Salaries	243,220	217,948	221,460
Management fees	112,765	108,762	105,509
Other	144,464	156,428	215,945
Total expenses	3,252,971	3,558,946	3,728,635
Net income (loss)	$ 1,816,417	$(5,761,830)	$ 628,297

See accompanying notes to financial statements.
</TABLE>

<TABLE><CAPTION>
IDS LIFE ACCOUNT RE
of
IDS LIFE INSURANCE COMPANY
STATEMENTS OF CHANGES IN CONTRACT OWNERS' EQUITY

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Years ended December 31,	1993	1992	1991
<S>	<C>	<C>	<C>
Net income (loss)	$ 1,816,417	$(5,761,830)	$ 628,297
Contract purchase proceeds	1,766,368	1,865,041	3,673,323
Contract termination payments	(8,639,748)	(8,122,473)	(4,248,457)
Increase (decrease) in net assets	(5,056,963)	(12,019,262)	53,163
Contract owners' equity at beginning of year	47,181,611	59,200,873	59,147,710
Contract owners' equity at end of year	$42,124,648	$47,181,611	$59,200,873
Accumulation Unit Activity			
Units purchased with proceeds from sale of contracts	1,661,478	1,622,774	3,164,203
Units redeemed for contract terminations	(8,136,479)	(7,349,454)	(3,655,174)
Net decrease in units	(6,475,001)	(5,726,680)	(490,971)
Units outstanding at beginning of year	45,475,432	51,202,112	51,693,083
Units outstanding at end of year	39,000,431	45,475,432	51,202,112

See accompanying notes to financial statements.
</TABLE>

<TABLE><CAPTION>

IDS LIFE ACCOUNT RE
of
IDS LIFE INSURANCE COMPANY
STATEMENTS OF CASH FLOWS
Years ended December 31,

	1993	1992	1991
Cash flows from operating activities:			
<C>	<C>	<C>	<C>
Net Income (loss)	$ 1,816,417	$(5,761,830)	$ 628,297
Adjustments to reconcile net income (loss) to net cash used in operating activities:			
Account's equity in earnings of unconsolidated joint ventures	(2,097,089)	(2,072,715)	(2,103,315)
Change in accrued interest on participation in mortgage loan	21,977	(21,977)	(33,199)
Amortization of organizational and borrowing	25,922	60,504	84,249
Change in cumulative discount amortization on short-term investments	94,160	(43,632)	39,314
Change in unrealized depreciation of investments in unconsolidated joint ventures	188,079	5,560,069	147,643
Change in unrealized (appreciation) depreciation of participation in mortgage loan	(172,373)	75,735	199,705
Change in unrealized (appreciation) depreciation of investment in wholly-owned real estate	(308,240)	1,569,754	671,240
Change in other assets	67,708	39,064	(22,419)
Change in payable to IDS Life for operating expenses	(5,746)	(8,052)	(59,412)
Change in accrued mortality and expense risk fee	(5,803)	(67,688)	58,881
Change in accrued asset management fee	(7,253)	(84,612)	73,603
Change in payables and other liabilities related to wholly-owned real estate property	(3,795)	7,724	26,324
Total adjustments to net income (loss)	(2,202,453)	5,014,174	(917,386)
Net cash used in operating activities	(386,036)	(747,656)	(289,089)
Cash flows from investing activities:			
Net sales (purchases) of short-term securities	5,459,869	5,900,549	(113,715)
Capital contribution for participation in mortgage loan	-	-	(71,968)
Capital improvements to wholly-owned real estate property	(24,825)	(448,422)	(860,960)
Acquisition and mortgage placement fees paid	-	-	(23,922)
Distributions received from joint ventures	1,745,340	1,685,350	1,851,652
Net cash provided by investing activities	7,180,384	7,137,477	781,087
Cash flows from financing activities:			
Proceeds from sales of contracts	1,777,709	1,862,285	3,702,475
Payments for contract terminations	(8,654,423)	(8,060,721)	(4,264,677)
Decrease in mortgage payable	(67,812)	(5,367)	-
Net cash used in financing activities	(6,944,526)	(6,203,803)	(562,202)
Net increase (decrease) in cash	(150,178)	186,018	(70,204)
Balance of cash at beginning of year	321,420	135,402	205,606

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Balance of cash at end of year	$ 171,242	$ 321,420	$ 135,402
Supplemental cash flow disclosure:			
Cash paid for mortgage interest	$ 756,051	$ 759,957	$ 760,000

See accompanying notes to financial statements.
</TABLE>

IDS LIFE ACCOUNT RE
of
IDS LIFE INSURANCE COMPANY

DECEMBER 31, 1993

NOTES TO FINANCIAL STATEMENTS

1. Organization

IDS Life Account RE (the Account) is a segregated asset account of IDS Life Insurance Company (IDS Life) under Minnesota law. A registration statement under the Securities Act of 1933 relative to the deferred variable annuity contracts (the Contracts) issued by the Account became effective on August 6, 1987. The assets of the Account are held for the exclusive benefit of contract owners and are not chargeable with liabilities arising out of any other business conducted by IDS Life.

2. Summary of Significant Accounting Policies

The accompanying financial statements have been prepared on the accrual basis of accounting. Significant accounting policies followed by the Account are summarized below.

Investments in Securities
Investments in short-term securities maturing more than 60 days from the valuation date are valued at the market price or approximate fair value based on current interest rates; those maturing in 60 days or less are valued at amortized cost. The Account also may invest in intermediate- term bonds with maturities of up to five years which are valued at fair value as determined by reference to market quotations, market indices, matrices and data from independent brokers.

Security transactions are accounted for on the date securities are purchased or sold. Interest income, including amortization of premium and discount, is accrued daily.

Consolidation and Unconsolidated Joint Ventures
The Account's policy is to consolidate the underlying assets, liabilities and operations of property investments where 50 percent or greater ownership position is maintained. Investments in unconsolidated joint ventures with less than 50 percent ownership interest are accounted for on the equity method of accounting.

Investments in Real Property, Mortgage Loans and Land/Sale-Leasebacks
The Account will initially value real estate related investments at their cost (including acquisition or mortgage placement fees and other acquisition or placement expenses) unless circumstances otherwise indicate that a different value should be used. Subsequently, the value of these investments will be periodically determined by JMB Annuity Advisers (the Investment Adviser). Procedures utilized to determine the value include the following:

(i) at the time of purchase and once every two years thereafter, each real property investment will be appraised by an independent appraiser or an existing appraisal will be updated, (ii) various assumptions including, but not limited to, occupancy and rental rates, expense levels, net operating income, average capital costs and capitalization rates upon sale will be used in determining the discounted present value of an investment's estimated cash flow and its estimated sale proceeds or its asset value under a direct capitalization methodology, and (iii) for fixed interest rate mortgage loans and fixed rental rate land sale-leaseback investments, values will be determined by comparison to current interest rates on U.S. Treasury debt as adjusted for a risk differential of the Account's investments.

Because the Account values its real property investments at estimated fair values, no provision for depreciation expense is recorded.

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Each day the Account will record estimated income and expenses attributable to real estate related assets. Periodically, adjustments to reflect the difference between estimates and actual income and expenses will be made.

Federal Income Taxes
IDS Life is taxed as a life insurance company. The Account is treated as part of IDS Life for federal income tax purposes. Under existing federal income tax law, no income taxes are payable with respect to any income of the Account.

3. Fees and Expenses

The Account pays a mortality and expense risk fee to IDS Life which is accrued daily and is equal, on an annual basis, to 1.00 percent of the average daily asset value, as defined, of the Account. The mortality risk is IDS Life's guarantee to make retirement payments according to the terms of the Contract, no matter how long annuitants live. The expense risk portion of the fee is paid to IDS Life for its guarantee that the various fees paid by the Account to IDS Life will not be increased in the future. For the years ended December 31, 1993, 1992 and 1991, the Account paid IDS Life a mortality and expense risk fee of $549,250, $649,173 and $708,856, respectively.

The Account also pays IDS Life an asset management fee equal, on an annual basis, to 1.25 percent of the average daily asset value, as defined, of the Account. A portion of this fee, equal to 0.95 percent of the average daily asset value, is paid by IDS Life to the Investment Adviser. The total fee may be adjusted upward to a maximum of 1.50 percent depending upon the performance of the Account's real property investments as measured against the FRC Property Index. The performance-related portion of the fee is calculated and recorded on an annual basis when the FRC Property Index is released each year for the preceding calendar year. The performance fee paid by the Account in 1993 for 1992 was $87,287. The performance fee paid by the Account in 1992 for 1991 was

$177,202. The performance fee paid by the Account in 1991 for 1990 was $167,418. Any performance fee adjustment will be paid to the Investment Adviser. For the years ended December 31, 1993, 1992 and 1991, the Account paid total asset management fees of $773,849, $988,698, and $1,053,490, respectively.

IDS Life will receive from the Account an acquisition and mortgage placement fee equal to 3.75 percent of the total cash to be paid or advanced by the Account (net of any borrowings in the case of real property investments) in connection with each real property investment, mortgage loan or land sale-leaseback investment made by the Account. A portion of this fee, equal to 3.50 percent, will be paid to the Investment Adviser in consideration for its services in connection with the acquisition or placement of real estate related investments of the Account. No acquisition and mortgage placement fees were paid in 1993 and 1992. The Account paid acquisition and mortgage placement fees amounting to $23,922 in 1991.

The Account will pay for all operational expenses incurred on behalf of the Account. For the years ended December 31, 1993, 1992 and 1991, IDS Life was reimbursed $83,122, $65,290, and $5,486, respectively, for personnel related expenses incurred in the administration of the Account.

4. Investments in Unconsolidated Joint Venture Partnerships and Participation in Mortgage Loan

Joint Venture Partnership - N/S Associates

IDS Life, on behalf of the Account, entered into a joint venture partnership called N/S Associates, which on April 4, 1988 acquired interests in two enclosed super regional shopping malls that are described below.

The terms of N/S Associates partnership agreement provide that its annual net cash flows and net sales or refinancing proceeds generally will be distributed among all of the partners in accordance with their respective percentage ownership interests in N/S Associates.

The Account contributed approximately $12,008,000 to N/S Associates as its capital contribution. The percentage interest of the Account in N/S Associates is 5.92 percent. In connection with the purchase of the shopping malls, the Account paid to IDS Life and the Investment Adviser their respective portions of the acquisition

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fee amounting to approximately $450,000.

Summary of Real Estate Investments Made Through N/S Associates

Milwaukee, Wisconsin - Northridge Mall

The Account, through N/S Associates, owns an interest in an existing enclosed super regional shopping center in Milwaukee, Wisconsin, known as Northridge Mall. The mall shops and four adjacent department stores comprising the shopping center contain

approximately 1,053,000 square feet of gross leasable area, of which N/S Associates owns approximately 399,000 of mall shops (approximately 388,000 square feet) and storage space (approximately 11,000 square feet). The remaining 654,000 square feet of gross leasable area are occupied by four department stores, three of which own their own stores and a portion of the parking area. The fourth department store leases its space from an unaffiliated third party.

N/S Associates acquired its interest in the shopping center in April 1988 for a purchase price of approximately $108,107,000, of which $89,653,000 was paid in cash at closing, subject to the existing mortgage loans with a then outstanding aggregate balance of approximately $18,454,000. The property is encumbered by two mortgage loans with outstanding principal balances at December 31, 1993 of approximately $15,631,000 and $371,000, respectively. In addition to the purchase price, a reserve of $8,900,000 was established, all of which has been used to pay for certain capital improvements made at the shopping center.

The shopping center is being managed by an affiliate of the Investment Adviser under a management agreement. The affiliate of the Investment Adviser receives an annual fee equal to 3.75 percent of the gross receipts of the property plus reimbursement of certain direct expenses in connection with the property management.

Greendale, Wisconsin - Southridge Mall

The Account, through N/S Associates, owns an interest in an existing enclosed super regional shopping center in Greendale, Wisconsin, known as Southridge Mall. The mall shops and five adjacent department stores comprising the shopping center contain approximately 1,301,000 square feet of gross leasable area, of which N/S Associates owns approximately 441,000 square feet, including the space leased to one of the department stores. The remaining 860,000 square feet of gross leasable area are occupied by four other department stores, three of which own their own stores and a portion of the parking area. The fourth department store leases its space from an unaffiliated third party.

N/S Associates acquired its interest in the shopping center for a purchase price of approximately $115,401,000, of which $96,865,000 was paid in cash at closing. The property is encumbered by a first mortgage loan with an outstanding principal balance at December 31, 1993 of approximately $16,075,000. In addition to the purchase price, a reserve of approximately $7,250,000 was established for capital improvements, of which approximately $7,017,000 has been spent as of December 31, 1993.

The shopping center is being managed by an affiliate of the Investment Adviser under a management agreement. The affiliate of the Investment Adviser will receive an annual fee equal to 3.75 percent of the gross receipts of the property plus reimbursement of certain direct expenses in connection with the property management.

Joint Venture Partnership - Monmouth Associates

IDS Life, on behalf of the Account, entered into a joint venture partnership called Monmouth Associates, which on October 27, 1988 (i) acquired certain land underlying a super regional shopping center in Eatontown, New Jersey known as Monmouth Mall, (ii) leased the land to the owner of the shopping center pursuant to a long-term ground lease, and (iii) executed a first leasehold mortgage loan to the owner of the shopping center secured by the leasehold real estate and the improvements thereon as more fully described below. The owner of the shopping center (the Borrower/Lessee) is a partnership whose partners are not affiliated with Monmouth Associates.

The terms of Monmouth Associates' partnership agreement provide that its annual net cash flows and net sales or refinancing

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proceeds generally will be distributed among all of the partners in accordance with their respective percentage interests in Monmouth Associates. The Account contributed approximately $10,000,000 to Monmouth Associates as its capital contribution. The percentage interest of the Account in Monmouth Associates is 6.97 percent. In connection with the investment, the Account paid to IDS Life and the Investment Adviser their respective portions of the acquisition and mortgage placement fee amounting to approximately $375,000.

Summary of Real Estate Investment Made Through Monmouth Associates

Eatontown, New Jersey - Monmouth Mall

The Account, through Monmouth Associates, acquired an interest in the land underlying a shopping center in Eatontown, New Jersey known as Monmouth Mall. The mall is located on approximately 104 acres of land, of which Monmouth Associates owns approximately 88.5 acres, subject to the rights of one of the department store tenants to acquire the land underlying its store and the improvements thereon for nominal consideration. The remaining acres are owned by 2 department stores. Monmouth Associates acquired its interest in the land for a purchase price of approximately $13,000,000 which was paid in cash at the time of closing.

Monmouth Associates entered into an agreement whereby the land underlying the mall is leased back to the Borrower/Lessee under a long-term ground lease. The long-term ground lease, which has a term of 75 years, provides for monthly base rent aggregating $780,000 per annum for the first two lease years, $1,040,000 per annum for the third lease year, and $650,000 per annum for each lease year thereafter. The long-term ground lease also provides for contingent rent, payable quarterly out of the excess, if any, of substantially all of the gross receipts from the shopping center received by the Borrower/Lessee over certain base amounts, equal to the sum of (x) a specified annual amount (commencing in the fourth lease year at $390,000 per annum and increasing in the sixth lease year to $520,000 per annum), increased until paid at the "applicable rate" of interest payable under the first leasehold mortgage loan described below (such amount as so increased herein

called the "rent shortfall amount"), plus (y) 15 percent of the balance of such excess gross receipts remaining after deducting the aggregate amount paid at such time of the rent shortfall amount under the long-term ground lease and the "interest shortfall amount" under the first leasehold mortgage loan as described below.

In addition, Monmouth Associates made a first leasehold participating mortgage loan in the principal amount of $128,920,000 to the Borrower/Lessee which is secured by the leasehold real estate and the improvements thereon. The loan has a term of 15 years, which may be extended from time to time at the option of Monmouth Associates for up to an additional 20 years. The loan provides for monthly payments of base interest at a base rate of approximately 5.98 percent per annum for the first two loan years, approximately 7.97 percent per annum for the third loan year and approximately 5.00 percent per annum for each loan year thereafter. The first leasehold mortgage also provides for quarterly payments of contingent interest, payable out of the excess, if any, of substantially all of the gross receipts from the shopping center received by the Borrower/Lessee over certain base amounts, equal to the sum of (x) the difference between the amount of interest payable on the loan at the "applicable rate" and that payable at the base rate described above, increased until paid at the applicable rate (such amount as so increased herein called the "interest shortfall amount"), plus (y) 45 percent of the balance of such excess gross receipts remaining after deducting the aggregate amount paid at such time of the rent shortfall amount under the ground lease and the interest shortfall amount under the first leasehold mortgage loan. The "applicable rate" under the loan is 5.98 percent per annum for the first two loan years, 7.97 percent per annum for the next three loan years and 8.97 percent per annum for each loan year thereafter. No contingent rent or interest was accrued as of December 31, 1993 or 1992. In April 1992, Monmouth Associates discontinued the accrual of contingent interest on the leasehold mortgage loan as a result of uncertainty as to the collectibility of such contingent interest in light of the previous decrease in the estimated value of Monmouth Mall. In addition no contingent rent was accrued under the ground lease for 1993 or 1992.

Monmouth Associates is obligated to make certain additional loans to the Borrower/Lessee under certain circumstances to finance the cost of 60 percent of tenant improvements or other ordinary capital expenditures. In addition, Monmouth Associates has agreed in

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principle to finance the cost of a proposed renovation of the shopping center. The current plan contemplates the elimination of certain outparcels, the addition of a food court and cinema, and the reconfiguration of a former anchor tenant's space into smaller tenant spaces. It is expected that the costs of the renovation would be financed by a loan from Monmouth Associates that would bear interest at a fixed interest rate of 10.5 percent per annum. In addition, Monmouth Associates' participation in certain levels of sale or refinancing proceeds from the property would be increased until Monmouth Associates had received aggregate payments equal to an internal rate of return of 11 percent per annum on its

original investments in the first leasehold mortgage loan and ground lease. The amount of financing for the renovation is currently estimated to be $28,500,000, which would be provided by additional capital contributions made pro rata based upon the respective interests of the joint venture partners in Monmouth Associates. The renovation plan and its proposed financing are subject to various conditions, and there is no assurance that either will be finalized or will be on the terms described.

Joint Venture - 1225 Connecticut Avenue, N.W.

Washington, D.C. - 1225 Connecticut Avenue, N.W.

In May 1990, IDS Life, on behalf of the Account, acquired an interest in a newly formed Delaware corporation, 1225 Investment Corporation (the Corporation) owned jointly with certain other persons described below. The Corporation acquired an office building located in Washington, D.C. known as 1225 Connecticut Avenue, N.W. (1225 Connecticut).

The office building, which was completed in 1968, is an eight-story reinforced concrete frame building containing 184,432 square feet of rentable office space, 18,498 square feet of rentable retail space, 6,416 square feet of below grade storage space and 100,024 square feet of subsurface parking space for over 300 automobiles.

The Corporation has elected to qualify as a real estate investment trust (REIT) pursuant to sections 856 through 860 of the Internal Revenue Code of 1986, as amended (the Code). For each taxable year that the Corporations qualifies as a REIT, the Corporation in general will not be subject to federal corporate income tax or the District of Columbia corporate franchise tax on its regular taxable income and will not be taxed on long-term capital gain income to the extent its income is distributed as dividends. If the Corporation were to fail to qualify as a REIT, it would be taxed at rates applicable to a corporation on its taxable income, whether or not distributed.

The officers and directors of the Corporation are persons affiliated with the Investment Adviser or its affiliates. The Account owns approximately 16.3 percent of the outstanding shares of common stock of the Corporation. The outstanding shares of common stock of the Corporation not owned by the Account are owned by persons that are affiliated or associated with, or are advised or managed by affiliates of, the Investment Adviser.

The Corporation purchased 1225 Connecticut from the seller for a purchase price of approximately $54,125,000, consisting of $51,425,000 paid in cash and assumption of approximately $2,700,000 of mortgage indebtedness then encumbering the property. The Corporation paid approximately $2,130,000 for real estate brokerage commissions to an independent third party and certain closing costs. In addition, the Corporation has established a reserve in the amount of approximately $1,500,000 for working capital and certain possible capital improvements to the property, including

removal of asbestos from the building. The Account contributed $9,000,000 for its interest in the Corporation. The Account has also paid acquisition fees amounting to $337,500.

At December 31, 1993, the current outstanding balance of the mortgage loan encumbering the property was approximately $1,695,000. The mortgage loan bears interest at a rate of 6.50 percent per annum and requires monthly payments of principal and interest aggregating approximately $426,300 per annum, until maturity of the loan in March 1998. In January 1994 the Corporation refinanced its mortgage loan with a first mortgage loan in the principal amount of $7,000,000 bearing interest at a rate of 6.98 percent per annum. The new loan requires monthly payments of interest only aggregating $488,600 per annum until maturity in February 2001 when the principal amount together with accrued

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interest will be due and payable. Under certain circumstances, the principal amount of the loan may be prepaid in whole (but not in part), subject to a prepayment premium. Pursuant to the deed of trust securing the mortgage loan, the Corporation is prohibited from modifying Ernst & Young's primary lease or from entering into certain other tenant leases without the lender's consent. Prior to selling the property or encumbering the property with any additional debt, the Corporation must obtain the consent of the lender, which may be arbitrarily withheld. However, subject to certain restrictions, the Corporation has a one-time right to transfer title to the property together with an assumption of the mortgage loan. An affiliate of the Investment Adviser has entered into a management agreement under which it is obligated to manage 1225 Connecticut, collect all of the receipts from operations and, to the extent available from such receipts, pay all of the expenses of 1225 Connecticut. The manager is paid a fee equal to 2.5 percent of the gross revenues of 1225 Connecticut, plus reimbursement for certain direct expenses of the manager.

Pursuant to a lease currently in effect, an unaffiliated third party leases and operates the entire parking garage (subject to certain parking rights provided for tenants of the property) until November 1997. The lease provides for a fixed rent payment of $485,000 a year (which reflects an increase at the end of 1993 from $430,000 a year), provides that the lessee shall pay the operating expenses of the parking garage and does not provide such lessee with an option to extend the term of the lease.

Unconsolidated Joint Ventures - Summary Information

Summary information for the Account of its investments in Unconsolidated Joint Ventures for the years ended December 31, 1993 and 1992 is as follows:

<TABLE><CAPTION>

	Year ended Dec. 31, 1993	Year ended Dec. 31, 1992
<S>	<C>	<C>
Account's investment in Unconsolidated Joint Ventures	$ 28,769,085	$ 28,605,415
Account's share of net investment income from Unconsolidated Joint Ventures	$ 2,097,089	$ 2,072,715
Net depreciation in Unconsolidated Joint Ventures	$ (188,079)	$ (5,560,069)
Total net investment income of Unconsolidated Joint Ventures	$ 25,638,000	$ 28,099,000
Total assets of Unconsolidated Joint Ventures	$414,148,000	$422,403,000
Total liabilities of Unconsolidated Joint Ventures	$ 44,602,000	$ 47,264,000

</TABLE>

Participation in Mortgage Loan - Riverpoint Associates

Chicago, Illinois - Riverpoint Center

In August 1989, IDS Life, on behalf of the Account, participated in the initial funding of a non-recourse participation first mortgage loan in the principal amount of $26,000,000. The Account's share of the initial funding was $2,666,660 or 10.26 percent of this loan. The remaining portion of the loan is funded by affiliates of the Investment Adviser (herein, the Account and said affiliates are collectively called the Lenders). The loan is secured by a first mortgage on a shopping center known as Riverpoint Center in Chicago, Illinois. The shopping center is owned by a partnership (the Borrower) whose general partners are not affiliated with any of the Lenders. In connection with the loan, the Account paid to the Investment Adviser a mortgage placement fee amounting to approximately $108,000, less $37,500 in loan origination fees paid to the Investment Adviser by the Borrower, for a net fee paid of approximately $70,500 paid by the Account.

Additional amounts aggregating approximately $2,040,000 (of which the Account's share was approximately $209,000) have been funded since the Initial Funding. The Borrower did not qualify for any additional fundings above the $28,040,000 which has been funded to date, and no additional fundings will be made by the Lenders.

The ten-year loan requires periodic payments of interest only and bears basic interest at the rate of 8.84 percent per annum in the

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first loan year, 8.75 percent per annum during the second loan year, increasing 0.50 percent per annum in the fourth and 0.25 percent per annum in the seventh loan year to a maximum rate of 9.50 percent per annum, payable monthly in advance. The loan also provides for additional annual simple accrual of interest at the rate of 2.00 percent per annum payable upon prepayment or maturity. For financial reporting purposes, commencing in August of 1991, the Account suspended recognition of income related to the simple accrual interest (deferred until maturity). The loan also provides for additional interest in an amount equal to a percentage of

annual gross income from the underlying property (exclusive of tenant reimbursement of expenses) in excess of a base amount and, on sale or repayment of the loan, an amount equal to a percentage of the subsequent increase in the value of the underlying property in excess of a specified amount. Such amounts of additional interest payments made by the Borrower will be used to offset, on a dollar-for-dollar basis, the amount of accrued interest payable. The loan is generally non-recourse to the Borrower and its partners.

The shopping center, completed in 1989, is located on approximately 17 acres and consists of approximately 200,800 square feet of gross leasable area.

5. Investments in Wholly-owned Real Estate Property

Fairfax County, Virginia - West Springfield Terrace Apartments

In August 1989, IDS Life, on behalf of the Account, acquired a 244-unit garden apartment complex known as West Springfield Terrace Apartments, which is located in Fairfax County, Virginia.

The apartment complex, which was completed in 1978, consists of 17 separate three and four-story buildings of wood frame with brick veneer construction containing 52 one-bedroom units, 22 one-bedroom and den units, 118 two-bedroom units, 22 two-bedroom and den units, and 30 three-bedroom units. The complex contains a swimming pool, tennis court, clubhouse and approximately 380 parking spaces.

The Account paid $15,222,278 for the apartment complex in cash at closing, excluding closing costs and prorations. In connection with the acquisition of the property, the Account paid a prepayment charge at closing of $92,221 to the lender that held the mortgage loan on the property. The Account also paid to IDS Life and the Investment Adviser their respective portions of the acquisition fee amounting to $274,834. At the time of the acquisition it was anticipated that an additional amount of approximately $1,450,000 would be used by the Account to pay the cost of upgrading kitchens and bathrooms and certain other upgrades and capital improvements at the complex. The renovation project was subsequently increased to include replacing certain carpets in units as they are renovated and to increase the number of units that received certain upgrades. The renovation project was completed during 1992 at an aggregate cost of approximately $1,900,000. To date the Account has paid IDS Life and the Investment Adviser their respective portions of the acquisition fee amounting to $18,000 in connection with the renovation project.

In November 1989, the Account obtained a loan from an institutional lender in the principal amount of $8,000,000 secured by a first mortgage on the property. At December 31, 1993, the current balance of the mortgage loan encumbering the property was approximately $7,927,000. The loan has a term of seven years and bears interest at a rate of 9.50 percent per annum. The loan required monthly payments of interest only during the first three loan years and thereafter is amortizable over a 27-year schedule through monthly payments of principal and interest aggregating

$824,400 per annum through the end of the seventh loan year when the remaining principal balance and any accrued and unpaid interest of approximately $7,690,000 are due and payable.

The apartment complex is being managed by an affiliate of the Investment Adviser for a fee equal to 5.00 percent of the gross revenues from the property, plus reimbursement of certain direct expenses of the manager.

6. Subsequent Event

In March 1994 the Account obtained a revolving line of credit for up to $10 million from IDS Life to pay for contract surrenders and other obligations under the Contracts. The line of credit is for a

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one-year term and is automatically renewed at each anniversary for an additional one-year term subject to termination by one party giving 30 days' prior written notice of termination to the other party. Borrowings under the line of credit must be made in increments (or multiples) of $100,000. Outstanding borrowings under the line of credit will bear interest at a floating rate equal to the 30-day London Interbank Offered Rate (LIBOR), adjusted on a monthly basis. The line of credit requires monthly payments of interest only until the earlier of maturity or termination of the line of credit, when the entire outstanding principal plus any accrued and unpaid interest on the line of credit will be due and payable. Outstanding principal may be repaid in whole or in part in increments (or multiples) of $100,000, together with any accrued and unpaid interest thereon, at any time without premium or penalty. Borrowings under the line of credit are generally unsecured, although IDS Life will have a right of set off against any deposits or credits of the Account held by IDS Life for outstanding borrowings.

Independent Auditors' Report

The Board of Directors of IDS Life
Insurance Company and Contract
Owners of IDS Life Account RE:

We have audited the accompanying financial statements of N/S Associates, an unconsolidated joint venture of IDS Life Account RE (Note 1), as listed in the accompanying index. These financial statements are the responsibility of the Investment Adviser. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of N/S Associates at December 31, 1993 and 1992 and the results of its operations and its cash flows for each of the three years ended December 31, 1993, in conformity with generally accepted accounting principles.

As discussed in Note 1, the financial statements include real estate investments stated at fair values which have been estimated by the Investment Adviser. Such fair value estimates involve subjective judgments and the actual market price of real estate can only be determined by negotiation between independent third parties in a sales transaction.

KPMG PEAT MARWICK
Chicago, Illinois
March 18, 1994

<TABLE><CAPTION>
IDS LIFE ACCOUNT RE
OF IDS LIFE INSURANCE COMPANY
N/S Associates, An Unconsolidated Joint Venture of IDS Life Account RE

Balance Sheets

December 31, 1993 and 1992

Assets

<S>	1993 <C>	1992 <C>
Investments:		
Real estate owned.	$209,168,000	215,726,000
Cash and cash equivalents (note 1)	1,784,000	918,000
Short-term investments	4,435,000	7,824,000

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Rents and other receivables.	1,980,000	2,582,000
Other assets	136,000	120,000
Total assets	$217,503,000	227,170,000

</TABLE>
<TABLE><CAPTION>

Liabilities and Partners' Capital Accounts

<S>	<C>	<C>
Mortgage notes payable (note 3).	$ 32,077,000	33,130,000
Accounts payable and other accrued expenses.	9,286,000	10,691,000
Due to affiliates (note 5)	93,000	103,000
Total liabilities.	41,456,000	43,924,000
Partners' capital accounts (notes 1 and 2):		
IDS Life Account RE:		
Capital contributions.	12,008,000	12,008,000
Cumulative net investment income	4,436,000	3,630,000
Cumulative share of unrealized depreciation.	(2,395,000)	(1,874,000)
Cumulative cash distributions.	(3,646,000)	(2,935,000)
	10,403,000	10,829,000
Venture partners:		
Capital contributions.	191,081,000	191,081,000
Cumulative net investment income	69,927,000	57,130,000
Cumulative share of unrealized depreciation.	(38,047,000)	(29,766,000)
Cumulative cash distributions.	(57,317,000)	(46,028,000)
	165,644,000	172,417,000
Total partners' capital accounts	176,047,000	183,246,000
Commitments and contingencies (notes 2 and 4)		
Total liabilities and partners' capital accounts	$217,503,000	227,170,000

See accompanying notes to financial statements.
</TABLE>

<TABLE><CAPTION>
IDS LIFE ACCOUNT RE
OF IDS LIFE INSURANCE COMPANY
N/S Associates, An Unconsolidated Joint Venture of IDS Life Account RE

Statements of Operations

Years Ended December 31, 1993, 1992 and 1991

	1993	1992	1991
<S>	<C>	<C>	<C>
Investment income:			
Rental income	$32,662,000	34,183,000	31,166,000
Interest.	174,000	465,000	565,000
Total investment income.	32,836,000	34,648,000	31,731,000
Investment expenses			
Mortgage and other interest	2,860,000	2,949,000	3,030,000
Real estate taxes	7,858,000	7,704,000	7,416,000
Property operating expenses	8,438,000	7,849,000	8,017,000
General and administrative.	77,000	52,000	71,000
Total investment expenses.	19,233,000	18,554,000	18,534,000
Net investment income.	$13,603,000	16,094,000	13,197,000
Unrealized depreciation on investments in real estate (note 1)	$(8,802,000)	(31,201,000)	(22,304,000)

See accompanying notes to financial statements.
</TABLE>

<TABLE><CAPTION>
IDS LIFE ACCOUNT RE
OF IDS LIFE INSURANCE COMPANY
N/S Associates, An Unconsolidated Joint Venture of IDS Life Account RE

Statements of Partners' Capital Accounts

Years Ended December 31, 1993, 1992 and 1991

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<S>	IDS Life Account RE <C>	Venture Partners <C>
Capital contributions.	$13,773,000	219,187,000
Net investment income.	782,000	12,415,000
Unrealized depreciation on investments in real estate	(1,321,000)	(20,983,000)
Cash distributions	(770,000)	(12,230,000)
Balance at December 31, 1991	12,464,000	198,389,000
Net investment income.	953,000	15,141,000
Unrealized depreciation on investments in real estate	(1,848,000)	(29,353,000)
Cash distributions	(740,000)	(11,760,000)
Balance at December 31, 1992	10,829,000	172,417,000
Net investment income.	806,000	12,797,000
Unrealized depreciation on investments in real estate	(521,000)	(8,281,000)
Cash distributions	(711,000)	(11,289,000)
Balance at December 31, 1993	$10,403,000	165,644,000

See accompanying notes to financial statements.
</TABLE>

<TABLE><CAPTION>
IDS LIFE ACCOUNT RE
OF IDS LIFE INSURANCE COMPANY
N/S Associates, An Unconsolidated Joint Venture of IDS Life Account RE

Statements of Cash Flows

Years Ended December 31, 1993, 1992 and 1991

<S>	1993 <C>	1992 <C>	1991 <C>
Cash flows from operating activities:			
Net investment income	$13,603,000	16,094,000	13,197,000
Adjustments to reconcile net investment income to net cash provided by operating activities represented by changes in:			
Rents and other receivables.	602,000	(803,000)	1,071,000
Other assets	(16,000)	(10,000)	(49,000)
Accounts payable and accrued expenses	(1,405,000)	(1,149,000)	336,000
Due to affiliates.	(10,000)	(18,000)	(67,000)
Net cash provided by operating activities.	12,774,000	14,114,000	14,488,000
Cash flows from investing activities:			
Net sales of short-term investments. . .	3,389,000	1,113,000	1,139,000
Additions to investments in real estate	(2,244,000)	(1,537,000)	(1,682,000)
Net cash provided by (used in) investing activities.	1,145,000	(424,000)	(543,000)
Cash flows from financing activities:			
Principal payments on mortgages payable	(1,053,000)	(965,000)	(883,000)
Cash distributions to partners.	(12,000,000)	(12,500,000)	(13,000,000)
Net cash used in financing activities . .	(13,053,000)	(13,465,000)	(13,883,000)
Net increase in cash and cash equivalents	$ 866,000	225,000	62,000
Supplemental disclosure of cash flow information:			
Cash paid for mortgage and other interest	$ 2,868,000	2,956,000	3,037,000
Non-cash investing and financing activities:			
Unrealized depreciation on investments in real estate	$(8,802,000)	(31,201,000)	(22,304,000)

See accompanying notes to financial statements.
</TABLE>

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IDS LIFE ACCOUNT RE
OF IDS LIFE INSURANCE COMPANY
N/S Associates, An Unconsolidated Joint Venture of
IDS Life Account RE

Notes to Financial Statements

1. Organization and Basis of Accounting

The accompanying financial statements have been prepared for the purpose of complying with Rule 3.09 of Regulation S-X of the Securities and Exchange Commission.

The accompanying financial statements have been prepared on the accrual basis of accounting.

The venture has implemented Statement of Accounting Standards No. 95 "Statement of Cash Flows" which classifies receipts and payments according to whether they stem from operating, investing or financing activities. The venture records amounts held in U.S. Government obligations at cost, which approximates market. For the purposes of these statements, the venture's policy is to consider all such amounts held with original maturities of three months or less ($794,000 and $0 at December 31, 1993 and 1992, respectively) as cash equivalents with any remaining amounts reflected as short-term investments.

Investments in real estate are stated at estimated fair value. A description of the valuation process is contained in Note 2 of Notes to Financial Statements of the Account. Such note is incorporated herein by reference.

No provision for State or Federal income taxes has been made as the liability for such taxes, if any, is expected to be that of the venture partners rather than the venture.

Maintenance and repair expenses are charged to operations as incurred. Significant costs of physical improvements are capitalized as part of investments in real estate.

Fixed rental income is recorded when the obligation for the payment of rent is incurred according to the terms of the lease agreements.

Statement of Financial Accounting Standards No. 107 ("SFAS 107"), "Disclosures about Fair Value of Financial Instruments", requires entities with total assets exceeding $150 million at December 31, 1993 to disclose the SFAS 107 value of all financial assets and liabilities for which it is practicable to estimate. Value is defined in the Statement as the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The venture believes the carrying amount of its current assets and liabilities (excluding current portion of long-term debt) approximates SFAS 107 value due to the relatively short maturity of

these instruments. There is no quoted market value available for any of the venture's other instruments. Based upon estimates of current market rates for debt with similar terms, the venture discounted the scheduled loan payments to maturity. Based upon this calculation, the venture believes that the carrying value of the mortgage notes payable approximates market value.

Certain reclassifications have been made to the 1992 and 1991 financial statements to conform with the 1993 presentation.

2. Venture Agreements

A description of the venture agreement is contained in Note 4 of Notes to Financial Statements of the Account for the year ended December 31, 1993. Such note is incorporated herein by reference.

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3. Mortgage Notes Payable

Mortgage notes payable consist of the following at December 31, 1993 and 1992:
<TABLE><CAPTION>

<S>	1993 <C>	1992 <C>
9.125% mortgage note, secured by Northridge Mall; payable in monthly installments of principal and interest of $165,000 until January 1, 2008, at which time the loan will be fully paid	$15,631,000	16,154,000
10% mortgage note, secured by Northridge Mall; payable in monthly installments of principal and interest of $4,000 until October 1, 2012, at which time the loan will be fully paid	371,000	377,000
8.42% mortgage note, secured by Southridge Mall; payable in monthly installments of principal and interest of $158,000 until October 1, 2008, at which time the loan will be fully paid	16,075,000	16,599,000
Total mortgage notes payable	$32,077,000	33,130,000

</TABLE>

Five year maturities of mortgage notes payable are as follows:

1994	$1,149,000
1995	1,254,000
1996	1,369,000
1997	1,494,000
1998	1,631,000

4. Leases - As Property Lessor

The venture has determined that all leases relating to the two shopping center properties are properly classified as operating leases; therefore, rental income is reported when earned. Leases with tenants range in term from one to thirty-two years and provide for fixed minimum rent and partial to full reimbursement of operating costs. In addition, substantially all leases provide for additional rent based upon percentage of tenants' sale volumes.

Minimum lease payments, including amounts representing executory costs (e.g. taxes, maintenance, insurance), and any related profit in excess of the specific reimbursements, to be received in the future under the above operating lease agreements, are as follows:

1994	$15,917,000
1995	15,805,000
1996	14,972,000
1997	13,679,000
1998	11,233,000
Thereafter	28,165,000
	$99,771,000

Contingent rent (based on sales by property tenants) from the shopping center investments included in rental income is $1,000,000, $1,224,000 and $1,146,000 in 1993, 1992 and 1991, respectively.

5. Related Party Transactions

The venture has entered into a management agreement with JMB Properties Company ("Manager"), an affiliate of JMB Annuity Advisers. The Manager is entitled to receive a fee of 3.75% of gross receipts from the activities of the malls. Management fees earned by the Manager are included in property operating expenses and aggregated approximately $1,186,000, $1,209,000 and $1,237,000 for the periods ended December 31, 1993, 1992 and 1991, respectively. Unpaid management fees approximated $93,000 and $103,000 at December 31, 1993 and 1992, respectively.

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6. Subsequent Events

On February 15, 1994, cash flow from operations was distributed to the partners in the aggregate amount of $3,000,000. Each partner received its proportionate share based on its respective ownership percentage.

IDS Life Financial Information

The Financial statements shown below are those of the insurance company and not those of the Account. They are included in the prospectus for the purpose of informing investors as to the financial condition of the insurance company and its ability to carry out its obligations under the variable annuity contracts.

IDS Life Insurance Company

<TABLE><CAPTION>

Consolidated Balance Sheets	Dec. 31, 1993	Dec. 31, 1992
Assets	(Thousands)	
<S>	<C>	<C>
Investments		
Fixed maturities (Fair value: 1993, $20,425,979; 1992, $17,896,374)	$19,392,424	$17,185,879
Mortgage loans on real estate (Fair value: 1993, $2,125,686; 1992, $1,785,970)	2,055,450	1,688,490
Policy loans	350,501	320,016
Other investments	56,307	51,955
Total investments	21,854,682	19,246,340
Cash and cash equivalents	146,281	73,563
Receivables:		
Reinsurance	55,298	-
Amounts due from brokers	5,719	20,202
Other accounts receivable	21,459	20,095
Premiums due	1,329	1,361
Total receivables	83,805	41,658
Accrued investment income	307,177	285,120
Deferred policy acquisition costs	1,652,384	1,440,875
Other assets	21,730	18,672
Assets held in segregated asset accounts, primarily common stocks at market	8,991,694	6,189,545
Total assets	$33,057,753	$27,295,773
Liabilities and Stockholder's Equity		
Liabilities:		
Fixed annuities - future policy benefits	$18,492,135	$16,342,419
Universal life-type insurance - future policy benefits	2,753,455	2,567,687
Traditional life-type insurance - future policy benefits	210,205	210,886
Disability income, health and long-term care insurance - future policy benefits	185,272	104,896
Policy claims and other policyholders' funds	44,516	49,899
Deferred federal income taxes	43,620	87,913
Amounts due to brokers	351,486	258,654
Other liabilities	292,024	235,509
Liabilities related to segregated asset accounts	8,991,694	6,189,545
Total liabilities	31,364,407	26,047,408
Stockholder's equity:		
Capital stock, $30 per value per share; 100,000 shares authorized, issued and outstanding	3,000	3,000
Additional paid-in capital	222,000	22,000
Net unrealized appreciation on equity securities	114	214
Retained earnings	1,468,232	1,223,151
Total stockholder's equity	1,693,346	1,248,365
Total liabilities and stockholder's equity	$33,057,753	$27,295,773
Commitments and contingencies (Note 6)		

See accompanying notes to consolidated financial statements.

</TABLE>

<TABLE><CAPTION>

Consolidated Statements of Income	Years ended Dec. 31,		
	1993	1992	1991
	(Thousands)		

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<S>	<C>	<C>	<C>
Revenues:			
Premiums			
Traditional life insurance	$ 48,137	$ 49,719	$ 49,706
Disability income and long-term care insurance	79,108	64,660	52,632
	127,245	114,379	102,338
Policyholder and contractholder charges	184,205	156,368	137,202
Management and other fees	120,139	84,591	61,142
Net investment income	1,783,219	1,616,821	1,422,866
Net loss on investments	(6,737)	(3,710)	(5,837)
Total revenues	2,208,071	1,968,449	1,717,711
Benefits and expenses			
Death and other benefits - traditional life insurance	32,136	34,139	30,170
Death and other benefits - universal life-type insurance and investment contracts	49,692	42,174	38,529
Death and other benefits - disability income, health and long-term care insurance	13,148	10,701	8,242
Increase (decrease) in liabilities for future policy benefits - traditional life insurance	(4,513)	(5,788)	(6,425)
Increase (decrease) in liabilities for future policy benefits - disability income, health and long-term care insurance	32,528	27,172	19,700
Interest credited on universal life-type insurance and investment contracts	1,218,647	1,188,379	1,098,281
Amortization of deferred policy acquisition costs	211,733	140,159	116,078
Other insurance and operating expenses	241,974	215,692	153,669
Total benefits and expenses	1,795,345	1,652,628	1,458,244
Income before income taxes	412,726	315,821	259,467
Income taxes	142,647	104,651	77,430
Net income	$ 270,079	$ 211,170	$ 182,037

See accompanying notes to consolidated financial statements.
</TABLE>

<TABLE><CAPTION>
Consolidated Statements of Cash Flows

	Years ended Dec. 31, 1993	1992 (Thousands)	1991
<S>	<C>	<C>	<C>
Cash flows from operating activities:			
Net income	$ 270,079	$ 211,170	$ 182,037
Adjustments to reconcile net income to net cash provided by operating activities:			
Issuance - policy loans, excluding universal life-type insurance	(35,886)	(32,881)	(29,309)
Repayment - policy loans, excluding universal life-type insurance	29,557	26,750	19,928
Change in reinsurance receivable	(55,298)	-	-
Change in other accounts receivable	(1,364)	(4,772)	(1,558)
Change in accrued investment income	(22,057)	(15,853)	(26,022)
Change in deferred policy acquisition costs, net	(211,509)	(229,252)	(175,442)
Change in liabilities for future policy benefits for traditional life, disability income, health and long-term care insurance	79,695	21,384	13,275
Change in policy claims and other policyholders' funds	(5,383)	(1,347)	11,801
Change in deferred federal income taxes	(44,237)	(30,385)	(29,207)
Change in other liabilities	56,515	88,997	45,323
Amortization of premium (accretion of discount), net	(27,438)	(4,289)	19,726
Net loss on investments	6,737	3,710	5,837
Premiums related to universal life-type insurance	397,883	312,621	264,504
Surrenders and death benefits related to universal life-type insurance	(255,133)	(166,162)	(109,307)
Interest credited to account balances related to universal life-type insurance	156,885	161,873	160,585
Policyholder and contractholder charges, non-cash	(115,140)	(100,975)	(96,211)
Other, net	(1,907)	(10,647)	2,258
Net cash provided by operating activities	$ 221,999	$ 229,942	$ 258,218
Cash flows from investing activities:			
Acquisition of investments, excluding policy loans	$(7,102,546)	$(7,001,348)	$(5,518,481)
Maturities, sinking fund payments and calls of investments, excluding policy loans	3,931,819	2,700,479	838,589
Sale of investments, excluding policy loans	613,571	1,073,950	2,274,401
Change in amounts due from brokers	14,483	289,335	(134,312)
Change in amounts due to brokers	92,832	42,182	72,382
Net cash used in investing activities	(2,449,841)	(2,895,402)	(2,467,421)
Cash flows from financing activities:			
Considerations received related to investment contracts	2,843,668	2,821,069	2,316,333
Surrenders and death benefits related to investment contracts	(1,765,869)	(1,168,633)	(871,808)
Interest credited to account balances related to investment contracts	1,071,917	1,026,506	937,696
Issuance - universal life-type insurance policy loans	(70,304)	(72,007)	(76,010)
Repayment - universal life-type insurance policy loans	46,148	40,351	31,860

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Capital contribution from parent	200,000	-	-
Cash dividend to parent	(25,000)	(20,000)	(20,000)
Net cash provided by financing activities	2,300,560	2,627,286	2,318,071
Net increase (decrease) in cash and cash equivalents	72,718	(38,174)	108,868
Cash and cash equivalents at beginning of year	73,563	111,737	2,869
Cash and cash equivalents at end of year	$ 146,281	$ 73,563	$ 111,737

See accompanying notes to consolidated financial statements.
</TABLE>

Notes to Consolidated Financial Statements ($ Thousands)
Dec. 31, 1993, 1992, 1991

1. Summary of significant accounting policies

Nature of business
IDS Life Insurance Company (the Company) is engaged in the insurance and annuity business. The Company sells various forms of fixed and variable individual life insurance, group life insurance, individual and group disability income insurance, long-term care insurance, and single and installment premium fixed and variable annuities.

Basis of presentation
The Company is a wholly owned subsidiary of IDS Financial Corporation (IDS), which is a wholly owned subsidiary of American Express Company. The accompanying consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries, IDS Life Insurance Company of New York and American Enterprise Life Insurance Company. All material intercompany accounts and transactions have been eliminated in consolidation.

The accompanying consolidated financial statements have been prepared in conformity with generally accepted accounting principles which vary in certain respects from reporting practices prescribed or permitted by state insurance regulatory authorities. Also, the consolidated financial statements are presented on a historical cost basis without adjustment of the net assets attributable to the 1984 acquisition of IDS by American Express Company.

Investments
Investments in fixed maturities are carried at cost, adjusted where appropriate for amortization of premiums and accretion of discounts. Mortgage loans on real estate are carried principally at the unpaid principal balances of the related loans. Policy loans are carried at the aggregate of the unpaid loan balances which do not exceed the cash surrender values of the related policies. Other investments include interest rate caps, real estate and equity securities. When evidence indicates a decline, which is other than temporary, in the underlying value or earning power of individual investments, such investments are written down to the estimated realizable value by a charge to income. Equity securities are carried at market value and the related net unrealized appreciation or depreciation is reported as a credit or charge to stockholder's equity.

The Company has the ability and the intent to recover the costs of these investments by holding them for the foreseeable future. The ability to hold investments to scheduled maturity dates is dependent on, among other things, annuity contract owners maintaining their annuity contracts in force.

The Company will implement, effective January 1, 1994, Statement of Financial Accounting Standards No. 115, "Accounting for Certain Investments in Debt and Equity Securities." Under the new rules, debt securities that the Company has both the positive intent and ability to hold to maturity will be carried at amortized cost. Debt securities that the Company does not have the positive intent

and ability to hold to maturity and all marketable equity securities will be classified as available-for-sale and carried at fair value. Unrealized gains and losses on securities classified as available-for-sale will be carried as a separate component of stockholder's equity. The effect of the new rules will be to increase stockholder's equity by approximately $181 million, net of taxes, as of January 1, 1994, but the new rules will have no material impact on the Company's results of operations.

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Realized investment gain or loss is determined on an identified cost basis.

Interest rate cap contracts are purchased to reduce the Company's exposure to rising interest rates which would increase the cost of future policy benefits for interest sensitive products. Costs are amortized over the lives of the agreements and benefits are recognized when realized.

Prepayments are anticipated on certain investments in mortgage-backed securities in determining the constant effective yield used to recognize interest income. Prepayment estimates are based on information received from brokers who deal in mortgage-backed securities.

Statement of cash flows
The Company considers investments with a maturity at the date of their acquisition of three months or less to be cash equivalents. These securities are carried principally at amortized cost which approximates fair value.

Supplementary information to the consolidated statement of cash flows for the years ended Dec. 31 is summarized as follows:

	1993	1992	1991
Cash paid during the year for:			
Income taxes	$188,204	$140,445	$111,809
Interest on borrowings	2,661	1,265	108

Recognition of profits on annuity contracts and insurance policies

The Company issues single premium deferred annuity contracts that provide for a service fee (surrender charge) at annually decreasing rates upon withdrawal of the annuity accumulation value by the contract owner. No sales fee is deducted from the contract considerations received on these contracts ("no load" annuities). Single premium deferred annuities issued prior to 1980 had a sales fee and no surrender charge. All of the Company's single premium deferred annuity contracts provide for crediting the contract owners' accumulations at specified rates of interest. Such rates are revised by the Company from time to time based on changes in the market investment yield rates for fixed-income securities.

Profits on single premium deferred annuities and installment annuities are recognized by the Company over the lives of the contracts and represent the excess of investment income earned

from investment of contract considerations over interest credited to contract owners and other expenses.

The retrospective deposit method is used in accounting for universal life-type insurance. This method recognizes profits over the lives of the policies in proportion to the estimated gross profits expected to be realized.

Premiums on traditional life, disability income, health and long-term care insurance policies are recognized as revenue when collected or due, and related benefits and expenses are associated with premium revenue in a manner that results in recognition of profits over the lives of the insurance policies. This association is accomplished by means of the provision for future policy benefits and the deferral and subsequent amortization of policy acquisition costs.

Deferred policy acquisition costs
The costs of acquiring new business, principally sales compensation, policy issue costs, underwriting and certain sales expenses, have been deferred on insurance and annuity contracts. The deferred acquisition costs for single premium deferred annuities and installment annuities are amortized based upon surrender charge revenue and a portion of the excess of investment income earned from investment of the contract considerations over the interest credited to contract owners. The costs for universal life-type insurance are amortized over the lives of the policies as a percentage of the estimated gross profits expected to be realized on the policies. For traditional life, disability income, health and long-term care insurance policies, the costs are amortized over an appropriate period in proportion to premium revenue.

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Liabilities for future policy benefits
Liabilities for universal life-type insurance, single premium deferred annuities and installment annuities are accumulation values.

Liabilities for fixed annuities in a benefit status are based on the Progressive Annuity Table with interest at 5 percent, the 1971 Individual Annuity Table with interest at 7 percent or 8.25 percent, or the 1983a Table with various interest rates ranging from 5.5 percent to 9.5 percent, depending on year of issue.

Liabilities for future benefits on traditional life insurance have been computed principally by the net level premium method, based on anticipated rates of mortality (approximating the 1965-1970 Select and Ultimate Basic Table for policies issued after 1980 and the 1955-1960 Select and Ultimate Basic Table for policies issued prior to 1981), policy persistency derived from Company experience data (first year rates ranging from approximately 70 percent to 90 percent and increasing rates thereafter), and estimated future investment yields of 4 percent for policies issued before 1974 and 5.25 percent for policies issued from 1974 to 1980. Cash value plans issued in 1980 and later assume future investment rates that grade from 9.5 percent to 5 percent over 20 years. Term insurance

issued from 1981 to 1984 assumes an 8 percent level investment rate and term insurance issued after 1984 assumes investment rates that grade from 10 percent to 6 percent over 20 years.

Liabilities for future disability income policy benefits have been computed principally by the net level premium method, based on the 1964 Commissioners Disability Table with the 1958 Commissioners Standard Ordinary Mortality Table at 3 percent interest for 1980 and prior, 8 percent interest for persons disabled from 1981 to 1991 and 6 percent interest for persons disabled after 1991.

Liabilities for future benefits on long-term care insurance have been computed principally by the net level premium method, using morbidity rates based on the 1985 National Nursing Home Survey and mortality rates based on the 1983a Table. The interest rate basis is 9.5 percent grading to 7 percent over ten years for policies issued from 1989 to 1992, 7.75 percent grading to 7 percent over four years for policies issued after 1992, 8 percent for claims incurred in 1989 to 1991 and 6 percent for claims incurred after 1991.

At Dec. 31, 1993 and 1992, the carrying amount and fair value of fixed annuities future policy benefits, after excluding life insurance-related contracts carried at $913,127 and $834,909, were $17,579,008 and $15,507,510, and $16,881,747 and $14,867,066, respectively. The fair value is net of policy loans of $59,132 and $51,394 at Dec. 31, 1993 and 1992, respectively. The fair value of these benefits is based on the status of the annuities at Dec. 31, 1993 and 1992. The fair value of deferred annuities is estimated as the carrying amount less any surrender charges and related loans. The fair value for annuities in non-life contingent payout status is estimated as the present value of projected benefit payments at the rate appropriate for contracts issued in 1993 and 1992.

Reinsurance
The maximum amount of life insurance risk retained by the Company on any one life is $750 of life and waiver of premium benefits plus $50 of accidental death benefits. The maximum amount of disability income risk retained by the Company on any one life is $6 of monthly benefit for benefit periods longer than three years. The excesses are reinsured with other life insurance companies on a yearly renewable term basis. Graded premium whole life policies and long term care are primarily reinsured on a coinsurance basis.

In 1993 the Company adopted Statement of Financial Accounting Standards (SFAS) No. 113, "Accounting and Reporting for Reinsurance of Short-Duration and Long-Duration Contracts." Under SFAS No. 113, amounts paid or deemed to have been paid for reinsurance contracts are recorded as reinsurance receivables. Prior to 1993, these amounts were recorded as a reduction of the liability for future insurance policy benefits. The cost of reinsurance is accounted for over the period covered by the reinsurance contract.

Federal income taxes
The Company's taxable income is included in the consolidated

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1. Summary of significant accounting policies (continued)

federal income tax return of American Express Company. The Company provides for income taxes on a separate return basis, except that, under an agreement between IDS and American Express Company, tax benefit is recognized for losses to the extent they can be used on the consolidated tax return. It is the policy of IDS and its subsidiaries that IDS will reimburse a subsidiary for any tax benefit.

Included in other liabilities at Dec. 31, 1993 and 1992 are $14,709 and $18,181, respectively, payable to IDS for federal income taxes.

Segregated asset account business
The segregated asset account assets and liabilities represent funds held for the exclusive benefit of the variable annuity and variable life insurance contract owners. The Company receives investment management and mortality and expense assurance fees from the variable annuity and variable life insurance mutual funds and segregated asset accounts. The Company also deducts a monthly cost of insurance charge and receives a minimum death benefit guarantee fee and issue and administrative fee from the variable life insurance segregated asset accounts.

The Company makes contractual mortality assurances to the variable annuity contract owners that the net assets of the segregated asset accounts will not be affected by future variations in the actual life expectancy experience of the annuitants and the beneficiaries from the mortality assumptions implicit in the annuity contracts. The Company makes periodic fund transfers to, or withdrawals from, the segregated asset accounts for such actuarial adjustments for variable annuities that are in the benefit payment period. The Company guarantees, for the variable life insurance policyholders, the cost of the contractual insurance rate and that the death benefit will never be less than the death benefit at the date of issuance.

At Dec. 31, 1993 and 1992 the fair value of liabilities related to segregated asset accounts was $8,305,209 and $5,727,402, respectively. The fair value of these liabilities at Dec. 31, 1993 and 1992 is estimated as the carrying amount less variable insurance contracts carried at $346,276 and $226,946, respectively, and surrender charges, if applicable.

Reclassification
Certain 1992 and 1991 amounts have been reclassified to conform to the 1993 presentation.

2. Investments

Market values of investments in fixed maturities represent quoted market prices and estimated fair values when quoted prices are not available. Estimated fair values are determined by established procedures involving, among other things, review of market indices, price levels of current offerings of comparable issues, price estimates and market data from independent brokers and financial files.

2. Investments (continued)

Net gain (loss) on investments for the years ended Dec. 31 is summarized as follows:
<TABLE><CAPTION>

	1993	1992	1991
<S>	<C>	<C>	<C>
Fixed maturities	$ 5,460	$ 14,474	$ 22,750
Mortgage loans	(11,422)	(5,004)	(1,064)
Other investments	(6,606)	(8,265)	(5,695)
	(12,568)	1,205	15,991
Net (increase) decrease in allowance for losses	5,831	(4,915)	(21,828)
	$ (6,737)	$ (3,710)	$ (5,837)

Changes in net unrealized appreciation (depreciation) of investments for the years ended Dec. 31 are summarized as follows:

	1993	1992	1991
Fixed maturities	$323,060	$(128,683)	$861,355

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Equity securities	(156)	300	418

Fair values of and gross unrealized gains and losses on investments in fixed maturities carried at amortized cost at Dec. 31 are as follows:

1993	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
U.S. Government agency obligations	$ 63,532	$ 3,546	$ 1,377	$ 65,701
State and municipal obligations	11,072	2,380	-	13,452
Corporate bonds and obligations	9,362,074	768,747	45,706	10,085,115
Mortgage-backed securities	9,978,523	341,067	57,879	10,261,711
	19,415,201	1,115,740	104,962	20,425,979
Less allowance for losses	22,777	-	22,777	-
	$19,392,424	$1,115,740	$ 82,185	$20,425,979

1992	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
U.S. Government agency obligations	$ 36,753	$ 3,658	$ 4	$ 40,407
State and municipal obligations	11,234	1,542	-	12,776
Corporate bonds and obligations	7,688,190	431,781	104,707	8,015,264
Mortgage-backed securities	9,487,601	377,539	37,213	9,827,927
	17,223,778	814,520	141,924	17,896,374
Less allowance for losses	37,899	-	37,899	-
	$17,185,879	$ 814,520	$104,025	$17,896,374

The amortized cost and fair value of investments in fixed maturities at Dec. 31, 1993 by contractual maturity are shown below. Expected maturities will differ from contractual maturities because borrowers may have the right to call or prepay obligations with or without call or prepayment penalties.

	Amortized Cost	Fair Value
Due in one year or less	$ 89,160	$ 90,928
Due from one to five years	1,430,756	1,532,298
Due from five to ten years	5,488,955	5,924,580
Due in more than ten years	2,427,807	2,616,462
Mortgage-backed securities	9,978,523	10,261,711
	$19,415,201	$20,425,979

</TABLE>

Proceeds from sales of investments in fixed maturities during 1993 and 1992 were $482,523 and $996,619, respectively. During 1993 and 1992, gross gains of $48,499 and $94,915, respectively, and gross losses of $43,039 and $80,441, respectively, were realized on those sales.

At Dec. 31, 1993, the amount of net unrealized appreciation on equity securities included $160 of gross unrealized appreciation, $nil of gross unrealized depreciation and deferred tax credits of $46. At Dec. 31, 1992, the amount of net unrealized appreciation on equity securities included $328 of gross unrealized appreciation, $12 of gross unrealized depreciation and deferred tax credits of $102. The fair value of equity securities was $1,900 and $2,005 at Dec. 31, 1993 and 1992, respectively.

Included in other investments at Dec. 31, 1993 are interest rate caps at amortized cost of $26,923 with a fair value of $14,201. These interest rate caps carry a notional amount of $4,400,000 and expire on various dates from 1994 to 1998.

At Dec. 31, 1993, bonds carried at $4,184 were on deposit with various states as required by law.

Net investment income for the years ended Dec. 31 is summarized as follows:

<TABLE><CAPTION>

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	1993	1992	1991
<S>	<C>	<C>	<C>
Interest on fixed maturities	$1,589,802	$1,449,234	$1,279,317
Interest on mortgage loans	175,063	148,693	122,723
Other investment income	29,345	24,281	20,005
Interest on cash equivalents	2,137	5,363	8,729
	1,796,347	1,627,571	1,430,774
Less investment expenses	13,128	10,750	7,908
	$1,783,219	$1,616,821	$1,422,866

</TABLE>

At Dec. 31, 1993, investments in fixed maturities comprised 89 percent of the Company's total invested assets. These securities are rated by Moody's and Standard & Poor's (S&P), except for approximately $2.1 billion which is rated by IDS internal analysts using criteria similar to Moody's and S&P. A summary of investments in fixed maturities by rating on Dec. 31 is as follows:

Rating	Dec. 31, 1993	Dec. 31, 1992
Aaa/AAA	$ 9,959,884	$ 9,480,345
Aa/AA	258,659	219,370
Aa/A	160,638	109,806
A/A	2,021,177	1,735,750
A/BBB	654,949	447,592
Baa/BBB	3,936,366	3,352,192
Baa/BB	717,606	392,361
Below investment grade	1,705,922	1,486,362
	$19,415,201	$17,223,778

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2. Investments (continued)

At Dec. 31, 1993, 99 percent of the securities rated Aaa/AAA are GNMA, FNMA and FHLMC mortgage-backed securities. No holdings of any other issuer are greater than 1 percent of the Company's total investments in fixed maturities.

At Dec. 31, 1993, approximately 9.4 percent of the Company's invested assets were mortgage loans on real estate. Summaries of mortgage loans by region of the United States and by type of real estate at Dec. 31, 1993 and 1992 are as follows:

<TABLE><CAPTION>

	Dec. 31, 1993		Dec. 31, 1992	
Region	On Balance Sheet	Commitments to Purchase	On Balance Sheet	Commitments to Purchase
<S>	<C>	<C>	<C>	<C>
East North Central	$ 552,150	$ 20,933	$ 484,808	$ 21,728
West North Central	361,704	16,746	357,388	14,327
South Atlantic	452,679	52,440	320,593	32,022
Middle Atlantic	260,239	41,090	188,294	56,816
New England	155,214	17,620	114,170	24,677
Pacific	120,378	15,492	89,636	5,148
West South Central	43,948	525	46,296	716
East South Central	73,748	-	83,994	10,085
Mountain	70,410	14,594	26,906	8,882
	2,090,470	179,440	1,712,085	174,401
Less allowance for losses	35,020	-	23,595	-
	$2,055,450	$179,440	$1,688,490	$174,401

	Dec. 31, 1993		Dec. 31, 1992	
Property type	On Balance Sheet	Commitments to Purchase	On Balance Sheet	Commitments to Purchase
Apartments	$ 744,788	$ 79,153	$ 541,855	$ 70,198
Department/retail stores	624,651	65,402	504,331	74,671
Office buildings	234,042	15,583	327,216	12,950
Industrial buildings	217,648	9,279	203,361	15,150
Nursing/retirement homes	83,768	917	56,431	716
Hotels/motels	33,138	-	34,631	716
Medical buildings	30,429	5,954	23,006	-
Residential	78	-	6,618	-
Other	121,928	3,152	14,636	-

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	2,090,470	179,440	1,712,085	174,401
Less allowance for losses	35,020	-	23,595	-
	$2,055,450	$179,440	$1,688,490	$174,401

</TABLE>
Mortgage loan fundings are restricted by state insurance regulatory authorities to 80 percent or less of the market value of the real estate at the time of origination of the loan. The Company holds the mortgage document, which gives the right to take possession of the property if the borrower fails to perform according to the terms of the agreement. The fair value of the mortgage loans is determined by a discounted cash flow analysis using mortgage interest rates currently offered for mortgages of similar maturities. Commitments to purchase mortgages are made in the ordinary course of business. The fair value of the mortgage commitments is $nil.

3. Income taxes

The Company qualifies as a life insurance company for federal income tax purposes. As such, the Company is subject to the Internal Revenue Code provisions applicable to life insurance companies.

3. Income taxes (continued)

The income tax expense consists of the following:
<TABLE><CAPTION>

	1993	1992	1991
Federal income taxes:			
<S>	<C>	<C>	<C>
Current	$180,558	$130,998	$104,292
Deferred	(44,237)	(30,385)	(29,207)
	136,321	100,613	75,085
State income taxes-Current	6,326	4,038	2,345
Income tax expense	$142,647	$104,651	$ 77,430

</TABLE>
Increases (decreases) to the federal tax provision applicable to pre-tax income based on the statutory rate are attributable to:

<TABLE><CAPTION>

	1993		1992		1991	
	Provision	Rate	Provision	Rate	Provision	Rate
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Federal income taxes based on						
the statutory rate	$144,454	35.0%	$107,379	34.0%	$88,219	34.0%
Increases (decreases) are attributable to:						
Tax-excluded interest and dividend income	(11,002)	(2.7)	(8,209)	(2.6)	(9,496)	(3.7)
Other, net	2,869	0.7	1,443	0.4	(3,638)	(1.4)
Federal income taxes	$136,321	33.0%	$100,613	31.8%	$75,085	28.9%

</TABLE>
A portion of life insurance company income earned prior to 1984 was not subject to current taxation but was accumulated, for tax purposes, in a "policyholders' surplus account." At Dec. 31, 1993, the Company had a policyholders' surplus account balance of $19,032. The policyholders' surplus account is only taxable if dividends to the stockholder exceed the stockholder's surplus account or if the Company is liquidated. Deferred income taxes of $6,661 have not been established because no distributions of such amounts are contemplated.

Significant components of the Company's deferred tax assets and liabilities as of Dec. 31 are as follows:
<TABLE><CAPTION>

Deferred tax assets:	1993	1992
<S>	<C>	<C>
Policy reserves	$453,436	$356,712
Life insurance guarantee fund assessment reserve	35,000	21,794
Total deferred tax assets	488,436	378,506
Deferred tax liabilities:		

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Deferred policy acquisition costs	509,868	446,579
Investments	10,105	2,435
Other	12,083	17,405
Total deferred tax liabilities	532,056	466,419
Net deferred tax liabilities	$ 43,620	$ 87,913

</TABLE>

4. Stockholder's equity

Retained earnings available for distribution as dividends to parent are limited to the Company's surplus as determined in accordance with accounting practices prescribed by state insurance regulatory authorities. Statutory unassigned surplus aggregated $922,246 as of Dec. 31, 1993 and $685,103 as of Dec. 31, 1992 (see Note 3 with respect to the income tax effect of certain distributions). In addition, any dividend distributions in 1994 in excess of approximately $259,063 would require approval of the Department of Commerce of the State of Minnesota.

Statutory net income for 1993, 1992 and 1991 and stockholder's equity as of Dec. 31, 1993, 1992 and 1991 are summarized as follows:
<TABLE><CAPTION>

	1993	1992	1991
<S>	<C>	<C>	<C>
Statutory net income	$ 275,015	$180,296	$200,704
Statutory stockholder's equity	1,157,022	714,942	551,939

</TABLE>
Dividends paid to IDS were $25,000 in 1993, $20,000 in 1992 and $20,000 in 1991.

5. Related party transactions

The Company has loaned funds or agreed to loan funds to IDS under two separate loan agreements. The balance of the first loan was $75,000 and $nil at Dec. 31, 1993 and 1992, respectively. This loan can be increased to a maximum of $100,000 and pays interest at a rate equal to the preceding month's effective new money rate for the Company's permanent investments. It is collateralized by equities valued at $96,790 at Dec. 31, 1993. The second loan was used to fund the construction of the IDS Operations Center. This loan had an outstanding balance of $84,588 and $85,278 at Dec. 31, 1993 and 1992, respectively. The loan is secured by a first lien on the IDS Operations Center property and has an interest rate of 9.89 percent. The Company also has a loan to an affiliate which was used to fund construction of the IDS Learning Center. At Dec. 31, 1993 and 1992, the balance outstanding was $22,573 and $22,755, respectively. The loan is secured by a first lien on the IDS Learning Center property and has an interest rate of 9.82 percent.

Interest income on the above loans totaled $11,116, $10,711 and $14,783 in 1993, 1992 and 1991, respectively.

The Company purchased a five year secured note from an affiliated company which had an outstanding balance of $27,222 and $31,111 at Dec. 31, 1993 and 1992, respectively. The note bears a market interest rate, revised semi-annually, which at Dec. 31, 1993 was 8.42 percent.

The Company has a reinsurance agreement whereby it assumed 100 percent of a block of single premium life insurance business from an affiliated company. The accompanying consolidated balance sheet at Dec. 31, 1993 and 1992 includes $759,714 and $746,060, respectively, of future policy benefits related to this agreement.

5. Related party transactions (continued)

The accompanying consolidated statement of income includes revenue from policyholder charges of $21, $109 and $243, and expenses of $4,931, $5,897 and $6,445 related to this agreement for 1993, 1992 and 1991, respectively.

The Company has a reinsurance agreement to cede 50 percent of its long-term care insurance business to an affiliated company. The accompanying consolidated balance sheet at Dec. 31, 1993 includes $44,086 of reinsurance receivables related to this agreement. Liabilities for future policy benefits were reduced by $27,028 at Dec. 31, 1992 for the effect of this agreement. Premiums ceded

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amounted to $16,230, $12,499 and $6,365 and reinsurance recovered from reinsurers amounted to $404, $250 and $187 for the years ended Dec. 31, 1993, 1992 and 1991, respectively.

The Company participates in the retirement plan of IDS which covers all permanent employees age 21 and over who have met certain employment requirements. The benefits are based on the number of years the employee participates in the plan, their final average monthly salary, the level of social security benefits the employee is eligible for and the level of vesting the employee has earned in the plan. IDS' policy is to fund retirement plan costs accrued subject to ERISA and federal income tax considerations. The Company's share of the total net periodic pension cost was $nil in 1993, 1992 and 1991.

The Company also participates in defined contribution pension plans of IDS which cover all employees who have met certain employment requirements. Company contributions to the plans are a percent of either each employee's eligible compensation or basic contributions. Costs of these plans charged to operations in 1993, 1992 and 1991 were $2,008, $1,826 and $1,682, respectively.

The Company participates in defined benefit health care plans of IDS that provide health care and life insurance benefits to retired employees and retired financial planners. The plans include participant contributions and service-related eligibility requirements. Upon retirement, such employees are considered to have been employees of IDS. IDS expenses these benefits and allocates the expenses to its subsidiaries. Accordingly, costs of such benefits to the Company are included in employee compensation and benefits and cannot be identified on a separate company basis.

Charges by IDS for use of joint facilities and other services aggregated $243,346, $204,675 and $174,500 for 1993, 1992 and 1991, respectively. Certain of these costs are included in deferred policy acquisition costs. In addition, the Company rents its home office space from IDS on an annual renewable basis. Such rentals aggregated $4,513, $4,074 and $3,469 for 1993, 1992 and 1991, respectively.

Certain commission and marketing services expenses are allocated to the Company by its affiliates. The expenses for 1993, 1992 and 1991 were $127,000, $110,064 and $95,367, respectively. Certain of the costs assessed to the Company are included in deferred policy acquisition costs.

6. Commitments and contingencies

At Dec. 31, 1993 and 1992, traditional life insurance and universal life-type insurance in force aggregated $46,125,515 and $40,904,345, respectively, of which $3,038,426 and $2,937,590 were reinsured at the respective year ends. The Company also reinsures a portion of the risks assumed under disability income policies. Under the agreements, premiums ceded to reinsurers amounted to $28,276, $24,222 and $16,908 and reinsurance recovered from reinsurers amounted to $3,345, $6,766 and $6,447 for the years ended Dec. 31, 1993, 1992 and 1991.

Reinsurance contracts do not relieve the Company from its primary obligation to policyholders.

The Company is a defendant in various lawsuits, none of which, in the opinion of the Company counsel, will result in a material liability.

The Company received the revenue agent's report for the tax years 1984 through 1986 in February 1992, and has settled on all agreed audit issues. The Company will protest the remaining open issues and, while the outcome of the appeal is not known at this time, management does not believe there will be any material impact as a result of this audit.

7. Lines of credit

The Company has available lines of credit with two banks aggregating $75,000 at 45 to 80 basis points over the banks' cost of funds or equal to the prime rate, depending on which line of credit agreement is used. Borrowings outstanding under these agreements were $1,519 and $nil at Dec. 31, 1993 and 1992, respectively.

8. Segment information

The Company's operations consist of two business segments; first,

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individual and group life insurance, disability income, health and long-term care insurance, and second, annuity products designed for individuals, pension plans, small businesses and employer-sponsored groups. The consolidated statement of income for the years ended Dec. 31, 1993, 1992 and 1991 and total assets at Dec. 31, 1993, 1992 and 1991 by segment are summarized as follows:

8. Segment information (continued)

<TABLE><CAPTION>

	1993	1992	1991
<S>	<C>	<C>	<C>
Net investment income:			
Life, disability income, health and long-term care insurance	$ 250,224	$ 246,676	$ 233,828
Annuities	1,532,995	1,370,145	1,189,038
	$ 1,783,219	$ 1,616,821	$ 1,422,866
Premiums and other considerations:			
Life, disability income and long-term care insurance	$ 281,284	$ 250,386	$ 220,754
Annuities	143,876	104,952	79,928
	$ 425,160	$ 355,338	$ 300,682
Income before income taxes:			
Life, disability income, health and long-term care insurance	$ 104,127	$ 96,215	$ 90,050
Annuities	315,336	223,316	175,254
Net loss on investments	(6,737)	(3,710)	(5,837)
	$ 412,726	$ 315,821	$ 259,467
Total assets:			
Life, disability income, health and long-term care insurance	$ 4,810,145	$ 4,093,778	$ 3,670,197
Annuities	28,247,608	23,201,995	18,888,612
	$33,057,753	$27,295,773	$22,558,809

</TABLE>

Allocations of net investment income and certain general expenses are based on various assumptions and estimates.

Assets are not individually identifiable by segment and have been allocated principally based on the amount of future policy benefits by segment.

Capital expenditures and depreciation expense are not material, and consequently, are not reported.

Report of Independent Auditors

The Board of Directors
IDS Life Insurance Company

We have audited the accompanying consolidated balance sheets of IDS Life Insurance Company (a wholly owned subsidiary of IDS Financial Corporation) as of December 31, 1993 and 1992, and the related consolidated statements of income and cash flows for each of the three years in the period ended December 31, 1993. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of IDS Life Insurance Company at December 31, 1993 and 1992, and the consolidated results of its operations and its cash flows for each of the three years in the period ended December 31, 1993, in conformity with generally accepted accounting principles.

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Ernst & Young
Minneapolis, Minnesota
February 3, 1994

PART II.

INFORMATION NOT REQUIRED IN PROSPECTUS

Item 13. Other Expenses of Issuance and Distribution.

The expenses of the issuance and distribution of the interests in the IDS Life Account RE of IDS Life Insurance Company to be registered, other than commissions on sales of the Contracts, are to be borne by the registrant.

Item 14. Indemnification of Directors and Officers

Section 300.083 of Minnesota Law provides in part that a corporation organized under such law shall have power to indemnify anyone made, or threatened to be made, a party to a threatened, pending or completed proceeding, whether civil or criminal, administrative or investigative, because he is or was a director or officer of the corporation, or served as a director or officer of another corporation at the request of the corporation. Indemnification in such a proceeding may extend to judgments, penalties, fines and amounts paid in settlement, as well as to reasonable expenses, including attorneys' fees and disbursements. In a civil proceeding, there can be no indemnification under the statute, unless it appears that the person seeking indemnification has acted in good faith and in a manner he reasonably believed to be in, or not opposed to, the best interests of the corporation and its shareholders and unless such person has received no improper personal benefit; in a criminal proceeding, the person seeking indemnification must also have no reasonable cause to believe his conduct was unlawful.

Article IX of the By-laws of the IDS Life Insurance Company requires the IDS Life Insurance Company to indemnify directors and officers to the extent indemnification is permitted as stated by the preceding paragraph, and contains substantially the same language as the above-mentioned Section 300.083.

Article IX, paragraph (2), of the By-laws of the IDS Life Insurance Company provides as follows:

"Section 2. The Corporation shall indemnify any person who was or is a party or is threatened to be made a party, by reason of the fact that he is or was a director, officer, employee or agent of this Corporation, or is or was serving at the direction of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, to any threatened, pending or completed action, suit or proceeding, wherever brought, to the fullest extent permitted by the laws of the State of Minnesota, as now existing or hereafter amended, provided that this Article shall not indemnify or protect any such director, officer, employee or agent against any liability to the Corporation or its security holders to which he would otherwise be subject by reason of willful misfeasance, bad faith, or gross negligence, in the performance of his duties or by reason of his reckless disregard of his obligations and duties."

The parent company of IDS Life Insurance Company maintains an insurance policy which affords liability coverage to directors and officers of the IDS Life Insurance Company while acting in that capacity. IDS Life Insurance Company pays its proportionate share of the premiums for the policy.

Insofar as indemnification for liability arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities

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being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

Item 15. Recent Sales of Unregistered Securities

None

Item 16. Exhibits and Financial Statement Schedules

(a) Exhibits

3.1 Copy of Certificate of Incorporation of IDS Life Insurance Company, dated July 24, 1957, filed electronically as Exhibit No. 3.0 to Registrant's Post-Effective Amendment No. 12 to Registration Statement No. 33-13375, is incorporated herein by reference.

3.2 Copy of Amended By-laws of IDS Life Insurance Company, filed electronically as Exhibit No. 3.1 to Registrant's Post-Effective Amendment No. 12 to Registration Statement No. 33-13375, is incorporated herein by reference.

3.3 Certified Copy of Resolution of the Board of Directors of IDS Life Insurance Company, dated March 18, 1987, establishing IDS Life Account RE, filed electronically as Exhibit No. 3.2 to Registrant's Post-Effective Amendment No. 12 to Registration Statement No. 33-13375, is incorporated herein by reference.

4.1 Form of Deferred Variable Annuity Contract, as previously filed.

4.2 Copy of Deed of Trust Note together with certain documents relating to mortgage loan secured by West Springfield Terrace Apartments, as previously filed.

4.3 Copy of Line of Credit Agreement, dated March 30, 1994, between IDS Life Account RE and IDS Life Insurance Company (including a copy of the executed promissory note, dated March 30, 1994), filed electronically as Exhibit No. 4.2 to Registrant's Post-Effective Amendment No. 12 to Registration Statement No. 33-13375, is incorporated herein by reference.

5\. Copy of Opinion of counsel regarding legality of contracts, as previously filed.

10.1 Copy of Investment Advisory Agreement between JMB Annuity Associates and IDS Life Insurance Company respecting the IDS Life Account RE, as previously filed.

10.2 Copy of Agreement together with certain documents relating to the purchase of an interest in Northridge Mall, as previously filed.

10.3 Copy of Management Agreement with respect to management of Northridge Mall, Second Amended and Restated Articles of Partnership of N/S Associates and Amendment to Operating Agreement, as previously filed.

10.4 Copy of Agreement together with certain documents relating to the purchase of an interest in Southridge Mall, as previously filed.

10.5 Copy of Management Agreement with respect to management of Southridge Mall and Amendment to Operating Agreement, as previously filed.

10.6 Copy of Commitment Letter relating to the funding of a participating mortgage loan secured by Riverpoint Center, as previously filed.

10.7 Copy of Commitment and Agreement for Sale/Leaseback and Leasehold Loan with respect to Monmouth Mall, as previously filed.

10.8 Copy of Investment Advisory Agreement and Articles of Partnership of Monmouth Associates, as previously filed.

10.9 Copy of Amended and Restated Articles of Partnership of

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Monmouth Associates, as previously filed.

10.10 Copy of Agreement together with certain documents relating to purchase of West Springfield Terrace Apartments, as previously filed.

10.11 Copy of Agreement together with certain documents relating to purchase of an interest in 1225 Connecticut Avenue, as previously filed.

22. Copy of list of subsidiaries of IDS Life Insurance Company as of March 31, 1994, filed electronically as Exhibit No. 22.0 to Registrant's Post-Effective Amendment No. 12 to Registration Statement No. 33-13375, is incorporated herein by reference.

24.1 Consent of Independent Auditors (KPMG Peat Marwick), is filed electronically herewith.

24.2 Consent of Independent Auditors (Ernst & Young), is filed electronically herewith.

25. Directors Power of Attorney, dated March 31, 1994, is filed electronically herewith.

(b) Financial Statement Schedules

27. Financial Statement Schedules and Reports of Independent Auditors, are filed electronically herewith.

Financial Statement Schedules

IDS Life Account RE
Independent Auditors' Report, dated March 18, 1994.

Schedule III	-	Participation in Mortgage Loan on Real Estate and Interest Earned on Participation in Mortgage
Schedule IV	-	Real Estate Owned and Rental Income

N/S Associates, An Unconsolidated Joint Venture of IDS Life Account RE
Independent Auditors' Report, dated March 18, 1994.

Schedule IV	-	Real Estate Owned and Rental Income

IDS Life Insurance Company
Report of Independent Auditors, dated February 3, 1994.

Schedule I	-	Consolidated Summary of Investments Other than Investments in Related Parties
Schedule V	-	Supplementary Insurance Information
Schedule VI	-	Reinsurance
Schedule VIII	-	Valuation and Qualifying Accounts
Schedule IX	-	Short-Term Borrowings

All other schedules to the consolidated financial statements required by Article 7 of Regulation S-X are not required under the related instructions or are inapplicable and, therefore, have been omitted.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, IDS Life Insurance Company has duly caused this Registration Statement to be signed on behalf of the Registrant by the undersigned, thereunto duly authorized in this City of Minneapolis, and State of Minnesota on the 19th day of April, 1994.

IDS Life Account RE of IDS Life Insurance Company
(Registrant)

By IDS Life Insurance Company

By /s/ Richard W. Kling*

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Richard W. Kling

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed below by the following persons in the capacities indicated on the 19th day of April, 1994.

Signature	Title
/s/ James A. Mitchell* James A. Mitchell	Chairman of the Board and Chief Executive Officer
/s/ Richard W. Kling* Richard W. Kling	Director and President
/s/ Louis C. Fornetti* Louis C. Fornetti	Director
/s/ David R. Hubers* David R. Hubers	Director
/s/ Paul F. Kolkman* Paul F. Kolkman	Director and Executive Vice President
/s/ Peter A. Lefferts* Peter A. Lefferts	Director and Executive Vice President, Marketing
/s/ Janis E. Miller* Janis E. Miller	Director and Executive Vice President, Variable Assets
/s/ Barry J. Murphy* Barry J. Murphy	Director and Executive Vice President, Client Service
/s/ Stuart A. Sedlacek* Stuart A. Sedlacek	Director and Executive Vice President, Assured Assets

Signature	Title
/s/ Melinda S. Urion* Melinda S. Urion	Director, Executive Vice President and Controller

*Signed pursuant to Power of Attorney dated March 31, 1994, filed electronically herewith as Exhibit No. 25 to Post-Effective Amendment No. 13 to Registration Statement No. 33-13375.

By:

Mary Ellyn Minenko

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EXHIBIT INDEX

Exhibit 24.1	Consent of Independent Auditors (KPMG Peat Marwick)
Exhibit 24.2	Consent of Independent Auditors (Ernst & Young)
Exhibit 25	Directors Power of Attorney, dated March 31, 1994
Exhibit 27	Financial Statement Schedules and Reports of Independent Auditors

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Independent Auditors' Consent

The Board of Directors
IDS Life Insurance Company:

We consent to the use of our reports included herein and to the reference to our firm under the headings "EXPERTS" in the prospectus.

KPMG Peat Marwick
Minneapolis, Minnesota
April 19, 1994

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Consent of Independent Auditors

We consent to the reference to our firm under the caption "Experts" and to the use of our reports dated February 3, 1994 on the financial statements and financial statement schedules of IDS Life Insurance Company in Post-Effective Amendment No. 13 to the Registration Statement (Form S-1 No. 33-13375) and related Prospectus of IDS Life Account RE of IDS Life Insurance Company for the registration of variable annuity contracts offered by IDS Life Insurance Company.

Ernst & Young
Minneapolis, Minnesota
April 19, 1994

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IDS LIFE INSURANCE COMPANY
DIRECTORS POWER OF ATTORNEY

City of Minneapolis
State of Minnesota

Each of the undersigned, as directors of the below listed unit investment trusts that previously have filed registration statements and amendments thereto pursuant to the requirements of the Securities Act of 1933 and the Investment Company Act of 1940 with the Securities and Exchange Commission:

<TABLE><CAPTION>

<S>	1933 Act Reg. Number <C>	1940 Act Reg. Number <C>
IDS Life Accounts F, IZ, JZ, G, H and N IDS Life Flexible Annuity	33-4173	811-3217
IDS Life Accounts F, IZ, JZ, G, H and N IDS Life Variable and Combination Retirement Annuities	2-73114	811-3217
IDS Life Accounts F, IZ, JZ, G, H and N IDS Life Employee Benefit Annuity	33-52518	811-3217
IDS Life Accounts F, IZ, JZ, G, H and N IDS Life Group Variable Annuity Contract	33-47302	811-3217
IDS Life Insurance Company IDS Life Group Variable Annuity Contract (Fixed Account)	33-48701	N/A
IDS Life Insurance Company IDS Life Market Value Annuity	33-28976	N/A
IDS Life Insurance Company IDS Life Preferred Choice Annuity	33-50968	N/A
IDS Life Variable Life Separate Account Flexible Premium Variable Life Insurance Policy	33-11165	811-4298
IDS Life Variable Life Separate Account IDS Life Single Premium Variable Life	2-97637	811-4298
IDS Life Variable Account for Smith Barney Shearson LifeVest Single Premium Variable Life	33-5210	811-4652
IDS Life Account SBS IDS Life Symphony Annuity	33-40779	812-7731
IDS Life Account RE IDS Life Real Estate Variable Annuity	33-13375	N/A
IDS Life Variable Annuity Fund A	2-29081	811-1653
IDS Life Variable Annuity Fund B	2-47430	811-1674

</TABLE>

hereby constitutes and appoints William A. Stoltzmann, Mary Ellyn Minenko and Colleen Curran or either one of them, as her or his attorney-in-fact and agent, to sign for her or him in her or his name, place and stead any and all filings, applications (including applications for exemptive relief), periodic reports, registration statements (with all exhibits and other documents required or

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desirable in connection therewith) other documents, and amendments thereto and to file such filings, applications, periodic reports, registration statements other documents, and amendments thereto with the Securities and Exchange Commission, and any necessary states, and grants to any or all of them the full power and authority to do and perform each and every act required or necessary in connection therewith.

Dated the 31st day of March, 1994.

/s/Louis C. Fornetti Louis C. Fornetti	/s/ Janis E. Miller Janis E. Miller
/s/David R. Hubers David R. Hubers	/s/ James A. Mitchell James A. Mitchell
/s/Richard W. Kling Richard W. Kling	/s/ Barry J. Murphy Barry J. Murphy
/s/Paul F. Kolkman Paul F. Kolkman	/s/ Stuart A. Sedlacek Stuart A. Sedlacek
/s/Peter A. Lefferts Peter A. Lefferts	/s/ Melinda S. Urion Melinda S. Urion

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PAGE 1

Independent Auditors' Report

The Board of Directors of
IDS Life Insurance Company and
Contract Owners of IDS Life Account RE:

The audits referred to in our report dated March 18, 1994 on the financial statements of IDS Life Account RE included the related financial statement schedules, as of December 31, 1993, included in the Registration Statement. These financial statement schedules are the responsibility of the management of IDS Life Insurance Company. Our responsibility is to express an opinion on these financial statement schedules based on our audits. In our opinion, such financial statement schedules, when considered in relation to the basic financial statements taken as a whole, present fairly in all material respects the information set forth herein.

KPMG Peat Marwick
Minneapolis, Minnesota
March 18, 1994

PAGE 2
Schedule III
<TABLE><CAPTION>

IDS LIFE ACCOUNT RE
of
IDS LIFE INSURANCE COMPANY
Particpation in Mortgage Loan on Real Estate and
Interest Earned on Paricipation in Mortgage

December 31, 1993

	Part 1 - Particpation in Mortgage Loan on Real Estate at Close of Year				Part 2- Interest Earned on Participation in Mortgage
Liens on Shopping Center: Riverpoint Center Chicago, Illinois	Carrying Amount (A)	Amount of principal unpaid at close of period	Amount of mortgage being foreclosed	Interest due and accrued at end of period	Interest Income Earned
<S>	<C>	<C>	<C>	<C>	<C>
1993	$ 2,995,600	$ 2,875,853	$ --	$ --	$ 266,600
1992	$ 2,823,227	$ 2,875,853	$ --	$ 21,977	$ 256,846
1991	$ 2,898,962	$ 2,875,853	$ --	$ --	$ 286,986

</TABLE>

<TABLE><CAPTION>
(A) - Reconciliation of the carrying value of the participation in the mortgage loan:

	1993	1992	1991
<S>	<C>	<C>	<C>
Balance at the beginning of year.............	$ 2,823,227	$ 2,898,962	$ 2,919,787
Changes during year:			
Additional fundings.........................	-	-	71,968
Other additions.............................	-	-	100,990

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Mortgage and placement fee paid............	-	-	5,922
Unrealized appreciation (depreciation)......	172,373	(75,735)	(199,705)
Balance at end of year......................$	2,995,600	$ 2,823,227	$ 2,898,962

</TABLE>

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Schedule IV
IDS LIFE ACCOUNT RE
of
IDS LIFE INSURANCE COMPANY

Real Estate Owned and Rental Income

December 31, 1993

<TABLE><CAPTION>
Part 1 - Real Estate Owned at End of Year (B)

Apartment Complex:
West Springfield Terrace Apartments
Fairfax County, Virginia

<C>	Amount of encumbrance <S>	Amount at which carried at beginning of period (A) <S>	Cost of improvements, etc. <S>	Unrealized Appreciation (Depreciation) <S>	Amount at which carried at close of period (A) <S>
1993	$ 7,926,821	$15,549,118	$ 24,825	$ 308,240	$15,882,183
1992	7,994,633	16,670,450	448,422	(1,569,754)	15,549,118
1991	8,000,000	16,462,730	878,960	(671,240)	16,670,450

</TABLE>
<TABLE><CAPTION>
Part 2 - Rental Income

Apartment Complex:
West Springfield Terrace Apartments
Fairfax County, Virginia

<C>	Rents due and accrued at end of period <S>	Total rental income applicable to period <S>	Expended for interest taxes, repairs and expenses <S>	Net income applicable to period <S>
1993	$ 3,929	$2,251,285	$1,770,999	$480,286
1992	3,185	2,202,548	1,730,533	472,015
1991	15,180	2,113,539	1,829,863	283,676

</TABLE>
<TABLE><CAPTION>
(A) - Reconciliation of real estate owned:

<S>	1993 <C>	1992 <C>	1991 <C>
Balance at the beginning of year.....	$ 15,549,118	$ 16,670,450	$ 16,462,730
Additions (deductions) during year:			
Acquisition.......................	-	-	-
Improvements, etc.................	24,825	448,422	878,960
Unrealized appreciation(depreciation)	308,240	(1,569,754)	(671,240)
Balance at end of year..............	$ 15,882,183	$ 15,549,118	$ 16,670,450

(B) - Reserve for depreciation is not applicable as real estate owned is stated at estimated fair market value.
</TABLE>

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Independent Auditors' Report on Schedule

The Board of Directors of
IDS Life Insurance Company and
Contract Owners of IDS Life Account RE:

The audits referred to in our report dated March 18, 1994 on the financial statements of N/S Associates, an unconsolidated joint venture of IDS Life Account RE, included the related financial statement schedule, as of December 31, 1993, included in the Registration Statement. This financial statement schedule is the responsibility of the Investment Adviser. Our responsibility is to express an opinion on this financial statement schedule based on our audits. In our opinion, the financial statement schedule, when considered in relation to the basic financial statements taken as a whole, presents fairly in all material respects the information set forth therein.

KPMG PEAT MARWICK
Chicago, Illinois
March 18, 1994

Schedule IV
IDS LIFE ACCOUNT RE
OF IDS LIFE INSURANCE COMPANY
N/S Associates, An Unconsolidated Joint Venture of IDS Life Account RE

Real Estate Owned and Rental Income

December 31, 1993
<TABLE><CAPTION>
Part 1 - Real Estate Owned at End of Period C

<S>	Amount of Encumbrances <C>	Initial Cost <C>	Cost of improvements, etc. <C>
Shopping Centers:			
Northridge Mall, Milwaukee, Wisconsin	$16,002,000	108,107,000	12,626,000
Southridge Mall, Milwaukee, Wisconsin	16,075,000	115,401,000	13,476,000
	$32,077,000	223,508,000	26,102,000

</TABLE>
<TABLE><CAPTION>
Part 2 - Rental Income

<S>	Unrealized Appreciation (Depreciation) <C>	Amount of which carried at close of period (A)(B) <C>	Rents due and accrued at end of period <C>
Shopping Centers:			
Northridge Mall, Milwaukee, Wisconsin	(34,480,000)	86,253,000	200,000
Southridge Mall, Milwaukee, Wisconsin	(5,962,000)	122,915,000	1,746,000
	(40,442,000)	209,168,000	1,946,000

</TABLE>

<TABLE><CAPTION>

(A) The aggregate cost of real estate owned at December 31, 1993 for Federal income tax purposes was approximately

(B) Reconciliation of real estate owned:

<S>	1993 <C>	1992 <C>	1991 <C>
Balance at beginning of period	$215,726,000	245,390,000	266,012,000
Additions (deletions), including			

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unrealized appreciation (depreciation)	(6,558,000)	(29,664,000)	(20,622,000)
Balance at end of period	$209,168,000	215,726,000	245,390,000

(C) Reconciliation for depreciation is not applicable as real estate owned is stated at estimated market value.
</TABLE>

Report of Independent Auditors

The Board of Directors
IDS Life Insurance Company

We have audited the consolidated financial statements of IDS Life Insurance Company as of December 31, 1993 and 1992, and for each of the three years in the period ended December 31, 1993, and have issued our report thereon dated February 3, 1994 (included elsewhere in this Registration Statement).

Our audits also included the financial statement schedules I, V, VI, VIII and IX included elsewhere in this Registration Statement. These schedules are the responsibility of the Company's management. Our responsibility is to express an opinion based on our audits.

In our opinion, the financial statement schedules referred to above, when considered in relation to the basic financial statements taken as a whole, present fairly, in all material respects, the information set forth therein.

Ernst & Young
Minneapolis, Minnesota
February 3, 1994

IDS LIFE INSURANCE COMPANY
SCHEDULE I - CONSOLIDATED SUMMARY OF INVESTMENTS
OTHER THAN INVESTMENTS IN RELATED PARTIES ($ thousands)
AS OF DECEMBER 31, 1993
<TABLE><CAPTION>

Column A Type of Investment	Column B Cost	Column C Value	Column D Amount at which shown in the balance sheet
<S>	<C>	<C>	<C>
Fixed maturities:			
Bonds:			
United States Government and government agencies and authorities (a)	$ 5,591,309	$ 5,737,439	$ 5,591,309
States, municipalities and polictical subdivisions	11,072	13,452	11,072
All other corporate bonds	13,790,043	14,675,088	13,790,043
Total fixed maturities	19,392,424	20,425,979	19,392,424
Mortgage loans on real estate	2,055,450	XXXXXXXXX	2,055,450
Policy loans	350,501	XXXXXXXXX	350,501
Other investments	56,307	XXXXXXXXX	56,307

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Total investment	$ 21,854,682	$ XXXXXXXXX	$ 21,854,682

(a) - Includes mortgage-backed securities with a cost and market value of $5,527,777 and $5,671,738, respectively.
/TABLE

IDS LIFE INSURANCE COMPANY
SCHEDULE V - SUPPLEMENTARY INSURANCE INFORMATION ($ thousands)
FOR THE YEAR ENDED DECEMBER 31, 1991

<TABLE><CAPTION>

Column A Segment	Column B Deferred policy acquisition cost	Column C Future policy benefits losses, claims and loss expenses	Column D Unearned premiums	Column E Other policy claims and benefits payable	Column F Premium revenue
<S>	<C>	<C>	<C>	<C>	<C>
Annuities	$ 693,184	$13,663,477	$ -	$ 30,041	$ -
Life, DI, Long-Term Care and Health Insurance	518,439	2,654,915	-	21,205	102,338
Total	$1,211,623	$16,318,392	$ -	$ 51,246	$102,338

</TABLE>
<TABLE><CAPTION>

Column A Segment	Column G Net investment income	Column H Benefits, claims, losses and settlement expenses	Column I Amortization of deferred policy acquisition costs	Column J Other operating expenses	Column K Premiums written
<S>	<C>	<C>	<C>	<C>	<C>
Annuities	$1,189,038	$ 1,639	$ 63,821	$ 66,068	$ N/A
Life, DI, Long-Term Care and Health Insurance	233,828	88,577	52,257	87,601	N/A
Total	$1,422,866	$90,216	$116,078	$ 153,669	N/A

</TABLE>

IDS LIFE INSURANCE COMPANY
SCHEDULE V - SUPPLEMENTARY INSURANCE INFORMATION ($ thousands)
FOR THE YEAR ENDED DECEMBER 31, 1992

<TABLE><CAPTION>

Column A Segment	Column B Deferred policy acquisition cost	Column C Future policy benefits losses, claims and loss expenses	Column D Unearned premiums	Column E Other policy claims and benefits payable	Column F Premium revenue
<S>	<C>	<C>	<C>	<C>	<C>
Annuities	$ 860,027	$16,342,419	$ -	$ 28,705	$ -
Life, DI, Long-Term Care and Health Insurance	580,848	2,883,469	-	21,194	114,379
Total	$1,440,875	$19,225,888	$ -	$ 49,899	$114,379

</TABLE>
<TABLE><CAPTION>

Column A Segment	Column G Net investment income	Column H Benefits, claims, losses and settlement expenses	Column I Amortization of deferred policy acquisition costs	Column J Other operating expenses	Column K Premiums written
<S>	<C>	<C>	<C>	<C>	<C>
Annuities	$1,370,145	$ 1,870	$ 81,706	$ 100,928	$ N/A
Life, DI, Long-Term Care and Health Insurance	246,676	106,528	58,453	114,764	N/A

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Total	$1,616,821	$108.398	$140,159	$ 215,692	N/A

</TABLE>

IDS LIFE INSURANCE COMPANY
SCHEDULE V - SUPPLEMENTARY INSURANCE INFORMATION ($ thousands)
FOR THE YEAR ENDED DECEMBER 31, 1993

<TABLE><CAPTION>

Column A Segment	Column B Deferred policy acquisition cost	Column C Future policy benefits losses, claims and loss expenses	Column D Unearned premiums	Column E Other policy claims and benefits payable	Column F Premium revenue
<S>	<C>	<C>	<C>	<C>	<C>
Annuities	$1,008,378	$18,492,135	$ -	$ 21,508	$ -
Life, DI, Long-Term Care and Health Insurance	644,006	3,148,932	-	23,008	127,245
Total	$1,652,384	$21,641,067	$ -	$ 44,516	$127,245

</TABLE>
<TABLE><CAPTION>

Column A Segment	Column G Net investment income	Column H Benefits, claims, losses and settlement expenses	Column I Amortization of deferred policy acquisition costs	Column J Other operating expenses	Column K Premiums written
<S>	<C>	<C>	<C>	<C>	<C>
Annuities	$1,532,995	$ 3,656	$139,602	$ 122,999	$ N/A
Life, DI, Long-Term Care and Health Insurance	250,224	119,335	72,131	118,975	N/A
Total	$1,783,219	$122,991	$211,733	$ 241,974	N/A

</TABLE>

<TABLE><CAPTION>
IDS LIFE INSURANCE COMPANY
SCHEDULE VI - REINSURANCE ($ thousands)
FOR THE YEARS ENDED DECEMBER 31, 1993, 1992 AND 1991

Column A	Column B Gross amount	Column C Ceded to other companies	Column D Assumed from other companies	Column E Net Amount	Column F % of amount assumed to net
<S>	<C>	<C>	<C>	<C>	<C>
For the year ended December 31, 1993					
Life insurance in force	$ 44,188,493	$ 3,038,426	$ 2,015,382	$ 43,165,449	4.67%
Premiums:					
Life insurance	$ 51,764	$ 3,627	$ --	$ 48,137	0.00%
DI & health insurance	96,250	17,142	--	79,108	0.00%
Total premiums	$ 148,014	$ 20,769	$ --	$ 127,245	0.00%
For the year ended December 31, 1992					
Life insurance in force	$ 38,888,963	$ 2,937,590	$ 2,015,382	$ 37,966,755	5.31%
Premiums:					
Life insurance	$ 53,238	$ 3,849	$ 330	$ 49,719	0.66%
DI & health insurance	78,347	13,687	--	64,660	0.00%
Total premiums	$ 131,585	$ 17,536	$ 330	$ 114,379	0.29%

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For the year ended December 31, 1991					
Life insurance in force	$ 34,596,113	$ 2,902,381	$ 2,020,900	$ 33,714,632	5.99%
Premiums:					
Life insurance	$ 53,223	$ 3,902	$ 385	$ 49,706	0.77%
DI & health insurance	59,844	7,212	--	52,632	0.00%
Total premiums	$ 113,067	$ 11,114	$ 385	$ 102,338	0.38%

</TABLE>

PAGE 11
IDS LIFE INSURANCE COMPANY
SCHEDULE VIII - VALUATION AND QUALIFYING ACCOUNTS ($ thousands)
FOR THE YEARS ENDED DECEMBER 31, 1993, 1992 AND 1991
<TABLE><CAPTION>

Column A	Column B	Column C		Column D	Column E
		Additions			
Description	Balance at Beginning of Period	Charged to Costs & Expenses	Charged to Other Accounts- Describe *	Deductions- Describe **	Balance at End of Period
<S>	<C>	<C>	<C>	<C>	<C>
For the year ended December 31, 1993					
Reserve for Mortgage Loans	$23,595	$13,635	$0	$2,210	$35,020
Reserve for Fixed Maturities	$37,899	($15,122)	$0		$22,777
Reserve for Other Investments	$12,834	($4,344)	$0	($2,210)	$10,700
For the year ended December 31, 1992					
Reserve for Mortgage Loans	$16,131	$8,440	$0	$976	$23,595
Reserve for Fixed Maturities	$45,100	($7,601)	$400	$0	$37,899
Reserve for Other Investments	$7,782	$4,076	$0	($976)	$12,834
For the year ended December 31, 1991					
Reserve for Mortgage Loans	$12,655	$6,860	$0	$3,384	$16,131
Reserve for Fixed Maturities	$26,096	$19,004	$0	$0	$45,100
Reserve for Other Investments	$8,434	($4,036)	$0	($3,384)	$7,782

* Cash received on bond previously written down
** Transfer between reserve accounts
</TABLE>

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IDS LIFE INSURANCE COMPANY
SCHEDULE IX - SHORT-TERM BORROWINGS ($ thousands)
FOR THE YEARS ENDED DECEMBER 31, 1993, 1992 AND 1991
<TABLE><CAPTION>

Column A	Column B	Column C	Column D	Column E	Column F
Category of aggregate short-term borrowing	Balance at end of period	Weighted average interest rate	Maximum amount outstanding during the period	Average amount outstanding during the period	Weighted average interest rate during the period
<S>	<C>	<C>	<C>	<C>	<C>
1993					
Line of Credit	$1,519	N/A	$22,700	$1,297	3.70%
1992					

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Line of Credit	$ 0	N/A	$20,000	$ 825	5.45%
1991					
Line of Credit	$ 0	N/A	$32,725	$1,483	7.28%

</TABLE>

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