

SECURITIES AND EXCHANGE COMMISSION

FORM 497

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FILER

HARTFORD LIFE & ANNUITY INSURANCE CO SEPARATE ACCOUNT SEVEN

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HARTFORD SELECT LEADERS M OUTLOOK
SEPARATE ACCOUNT SEVEN
HARTFORD LIFE AND ANNUITY INSURANCE COMPANY
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1-800-862-7155 (REGISTERED REPRESENTATIVES) [THE HARTFORD LOGO]

This prospectus describes information you should know before you purchase Series I, Series IR and Series II of Hartford Select Leaders M Outlook variable annuity. Please read it carefully before you purchase your variable annuity. Series I Contracts were issued before January 30, 2004. Series IR Contracts were issued after January 30, 2004, but before May 2, 2005. Series II Contracts are issued on or after May 2, 2005.

The differences between Series I/IR Contracts and Series II Contracts are the fees, expenses, and death benefits.

Hartford Select Leaders M Outlook variable annuity is a contract between you and Hartford Life and Annuity Insurance Company where you agree to make at least one Premium Payment to us and we agree to make a series of Annuity Payouts at a later date. This Contract is a flexible premium, tax-deferred, variable annuity offered to both individuals and groups. It is:

- X Flexible, because you may add Premium Payments at any time.
- X Tax-deferred, which means you don't pay taxes until you take money out or until we start to make Annuity Payouts.
- X Variable, because the value of your Contract will fluctuate with the performance of the underlying Funds.

At the time you purchase your Contract, you allocate your Premium Payment to "Sub-Accounts." These are subdivisions of our Separate Account, an account that keeps your Contract assets separate from our company assets. The Sub-Accounts then purchase shares of mutual funds set up exclusively for variable annuity or variable life insurance products. These are not the same mutual funds that you buy through your stockbroker or through a retail mutual fund. They may have similar investment strategies and the same portfolio managers as retail mutual funds. This Contract offers you Funds with investment strategies ranging from conservative to aggressive and you may pick those Funds that meet your investment goals and risk tolerance. The Sub-Accounts and the Funds are listed below:

- MONEY MARKET SUB-ACCOUNT which purchases Class Y shares of Money Market Portfolio of the Morgan Stanley Select Dimensions Investment Series
- FLEXIBLE INCOME SUB-ACCOUNT which purchases Class Y shares of Flexible Income Portfolio of the Morgan Stanley Select Dimensions Investment Series
- BALANCED GROWTH SUB-ACCOUNT which purchases Class Y shares of Balanced Growth Portfolio of the Morgan Stanley Select Dimensions Investment Series
- DIVIDEND GROWTH SUB-ACCOUNT which purchases Class Y shares of Dividend Growth Portfolio of the Morgan Stanley Select Dimensions Investment Series
- EQUALLY-WEIGHTED S&P 500 SUB-ACCOUNT (formerly Value-Added Market Sub-Account) which purchases Class Y shares of Equally-Weighted S&P 500 Portfolio of the Morgan Stanley Select Dimensions Investment Series
- GROWTH SUB-ACCOUNT which purchases Class Y shares of Growth Portfolio of the Morgan Stanley Select Dimensions Investment Series
- AMERICAN OPPORTUNITIES SUB-ACCOUNT which purchases Class Y shares of American Opportunities Portfolio of the Morgan Stanley Select Dimensions Investment Series
- CAPITAL OPPORTUNITIES SUB-ACCOUNT which purchases Class Y shares of Capital Opportunities Portfolio of the Morgan Stanley Select Dimensions Investment Series
- GLOBAL EQUITY SUB-ACCOUNT which purchases Class Y shares of Global Equity Portfolio of the Morgan Stanley Select Dimensions Investment Series
- DEVELOPING GROWTH SUB-ACCOUNT which purchases Class Y shares of Developing Growth Portfolio of the Morgan Stanley Select Dimensions Investment Series
- CORE PLUS FIXED INCOME SUB-ACCOUNT which purchases Class I shares of Core Plus

Fixed Income Portfolio of The Universal Institutional Funds, Inc.

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- EMERGING MARKETS DEBT SUB-ACCOUNT which purchases Class I shares of Emerging Markets Debt Portfolio of The Universal Institutional Funds, Inc.
- EMERGING MARKETS EQUITY SUB-ACCOUNT which purchases Class I shares of Emerging Markets Equity Portfolio of The Universal Institutional Funds, Inc.
- EQUITY AND INCOME SUB-ACCOUNT which purchases Class II shares of Equity and Income Portfolio of The Universal Institutional Funds, Inc.
- GLOBAL FRANCHISE SUB-ACCOUNT which purchases Class II Shares of Global Franchise Portfolio of The Universal Institutional Funds, Inc.
- HIGH YIELD SUB-ACCOUNT which purchases Class I shares of High Yield Portfolio of The Universal Institutional Funds, Inc.
- SMALL COMPANY GROWTH PORTFOLIO SUB-ACCOUNT which purchases Class II shares of Small Company Growth Portfolio of The Universal Institutional Funds, Inc.
- U.S. MID CAP VALUE SUB-ACCOUNT which purchases Class I shares of U.S. Mid Cap Value Portfolio of The Universal Institutional Funds, Inc.
- AGGRESSIVE GROWTH PORTFOLIO SUB-ACCOUNT which purchases Class II shares of Aggressive Growth Portfolio of the Van Kampen Life Investment Trust
- COMSTOCK SUB-ACCOUNT which purchases Class II shares of Comstock Portfolio of the Van Kampen Life Investment Trust
- EMERGING GROWTH SUB-ACCOUNT which purchases Class II shares of Emerging Growth Portfolio of the Van Kampen Life Investment Trust
- ENTERPRISE SUB-ACCOUNT which purchases Class I shares of Enterprise Portfolio of the Van Kampen Life Investment Trust
- GOVERNMENT PORTFOLIO SUB-ACCOUNT which purchases Class II shares of Government Portfolio of the Van Kampen Life Investment Trust
- GROWTH AND INCOME SUB-ACCOUNT which purchases Class I shares of Growth and Income Portfolio of the Van Kampen Life Investment Trust
- AIM V.I. AGGRESSIVE GROWTH FUND SUB-ACCOUNT which purchases Series I shares of the AIM V.I. Aggressive Growth Fund of the A I M Variable Insurance Funds
- AIM V.I. BASIC VALUE FUND SUB-ACCOUNT which purchases Series I shares of the AIM V.I. Basic Value Fund of the A I M Variable Insurance Funds
- AIM V.I. BLUE CHIP FUND SUB-ACCOUNT which purchases Series I shares of the AIM V.I. Blue Chip Fund of the A I M Variable Insurance Funds
- AIM V.I. CAPITAL APPRECIATION FUND SUB-ACCOUNT which purchases Series I shares of the AIM V.I. Capital Appreciation Fund of the A I M Variable Insurance Funds
- AIM V.I. CORE EQUITY FUND SUB-ACCOUNT which purchases Series I shares of the AIM V.I. Core Equity Fund of the A I M Variable Insurance Funds
- AIM V.I. DENT DEMOGRAPHIC TRENDS FUND SUB-ACCOUNT which purchases Series I shares of the AIM V.I. Dent Demographic Trends Fund of the A I M Variable Insurance Funds
- AIM V.I. GOVERNMENT SECURITIES FUND SUB-ACCOUNT which purchases Series I shares of the AIM V.I. Government Securities Fund of the A I M Variable Insurance Funds
- AIM V.I. INTERNATIONAL GROWTH FUND SUB-ACCOUNT which purchases Series I shares of the AIM V.I. International Growth Fund of the A I M Variable Insurance Funds
- AIM V.I. LARGE CAP GROWTH FUND SUB-ACCOUNT which purchases Series I shares of the AIM V.I. Large Cap Growth Fund of the A I M Variable Insurance Funds
- AIM V.I. MID CAP CORE EQUITY FUND SUB-ACCOUNT which purchases Series I shares of the AIM V.I. Mid Cap Core Equity Fund of the A I M Variable Insurance Funds
- AIM V.I. PREMIER EQUITY FUND SUB-ACCOUNT which purchases Series I shares of the AIM V.I. Premier Equity Fund of the A I M Variable Insurance Funds
- AIM V.I. SMALL CAP EQUITY FUND SUB-ACCOUNT which purchases Series I shares of the AIM V.I. Small Cap Equity Fund of the A I M Variable Insurance Funds

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- AMERICAN FUNDS ASSET ALLOCATION FUND SUB-ACCOUNT which purchases Class 2 shares of the Asset Allocation Fund of American Funds Insurance Series ("American Funds Asset Allocation Fund")

- AMERICAN FUNDS BLUE CHIP INCOME AND GROWTH FUND SUB-ACCOUNT which purchases Class 2 shares of the Blue Chip Income and Growth Fund of American Funds Insurance Series ("American Funds Blue Chip Income and Growth Fund")
- AMERICAN FUNDS BOND FUND SUB-ACCOUNT which purchases Class 2 shares of the Bond Fund of American Funds Insurance Series ("American Funds Bond Fund")
- AMERICAN FUNDS GLOBAL GROWTH FUND SUB-ACCOUNT which purchases Class 2 shares of the Global Growth Fund of American Funds Insurance Series ("American Funds Global Growth Fund")
- AMERICAN FUNDS GLOBAL SMALL CAPITALIZATION FUND SUB-ACCOUNT which purchases Class 2 shares of the Global Small Capitalization Fund of American Funds Insurance Series ("American Funds Global Small Capitalization Fund")
- AMERICAN FUNDS GROWTH FUND SUB-ACCOUNT which purchases Class 2 shares of the Growth Fund of American Funds Insurance Series ("American Funds Growth Fund")
- AMERICAN FUNDS GROWTH-INCOME FUND SUB-ACCOUNT which purchases Class 2 shares of the Growth-Income Fund of American Funds Insurance Series ("American Funds Growth-Income Fund")
- AMERICAN FUNDS INTERNATIONAL FUND SUB-ACCOUNT which purchases Class 2 shares of the International Fund of American Funds Insurance Series ("American Funds International Fund")
- AMERICAN FUNDS NEW WORLD FUND SUB-ACCOUNT which purchases Class 2 shares of the New World Fund of American Funds Insurance Series ("American Funds New World Fund")
- FRANKLIN FLEX CAP GROWTH SECURITIES FUND SUB-ACCOUNT which purchases Class 2 shares of the Franklin Flex Cap Growth Securities Fund of the Franklin Templeton Variable Insurance Products Trust ("Franklin Flex Cap Growth Securities Fund")
- FRANKLIN INCOME SECURITIES FUND SUB-ACCOUNT which purchases Class 2 shares of the Franklin Income Securities Fund of the Franklin Templeton Variable Insurance Products Trust ("Franklin Income Securities Fund")
- FRANKLIN LARGE CAP GROWTH SECURITIES FUND SUB-ACCOUNT which purchases Class 2 shares of the Franklin Large Cap Growth Securities Fund of the Franklin Templeton Variable Insurance Products Trust ("Franklin Large Cap Growth Securities Fund")
- FRANKLIN LARGE CAP VALUE SECURITIES FUND SUB-ACCOUNT which purchases Class 2 shares of the Franklin Large Cap Value Securities Fund of the Franklin Templeton Variable Insurance Products Trust ("Franklin Large Cap Value Securities Fund")
- FRANKLIN RISING DIVIDENDS SECURITIES FUND SUB-ACCOUNT which purchases Class 2 shares of the Franklin Rising Dividends Securities Fund of the Franklin Templeton Variable Insurance Products Trust ("Franklin Rising Dividends Securities Fund")
- FRANKLIN SMALL-MID CAP GROWTH SECURITIES FUND SUB-ACCOUNT (FORMERLY FRANKLIN SMALL CAP FUND SUB-ACCOUNT) which purchases Class 2 shares of the Franklin Small-Mid Cap Growth Securities Fund of the Franklin Templeton Variable Insurance Products Trust ("Franklin Small-Mid Cap Growth Securities Fund")
- FRANKLIN STRATEGIC INCOME SECURITIES FUND SUB-ACCOUNT which purchases Class 1 shares of the Franklin Strategic Income Securities Fund of the Franklin Templeton Variable Insurance Products Trust ("Franklin Strategic Income Securities Fund")
- HARTFORD MONEY MARKET HLS FUND SUB-ACCOUNT which purchases Class IA shares of Hartford Money Market HLS Fund of Hartford Series Fund, Inc.
- MFS EMERGING GROWTH SERIES SUB-ACCOUNT which purchases Initial Class shares of the MFS-Registered Trademark- Emerging Growth Series of the MFS-Registered Trademark- Variable Insurance Trust-SM-
- MFS GLOBAL EQUITY SERIES SUB-ACCOUNT which purchases Initial Class shares of the MFS-Registered Trademark- Global Equity Series of the MFS-Registered Trademark- Variable Insurance Trust-SM-
- MFS HIGH INCOME SERIES SUB-ACCOUNT which purchases Initial Class shares of the MFS-Registered Trademark- High Income Series of the MFS-Registered Trademark- Variable Insurance Trust-SM-
- MFS INVESTORS GROWTH STOCK SERIES SUB-ACCOUNT which purchases Initial Class shares of the MFS-Registered Trademark- Investors Growth Stock Series of the MFS-Registered Trademark- Variable Insurance Trust-SM-

- MFS INVESTORS TRUST SERIES SUB-ACCOUNT which purchases Initial Class shares of the MFS-Registered Trademark- Investors Trust Series of the MFS-Registered Trademark-Variable Insurance Trust-SM-
- MFS MID CAP GROWTH SERIES SUB-ACCOUNT which purchases Initial Class shares of the MFS-Registered Trademark- Mid Cap Growth Series of the MFS-Registered Trademark-Variable Insurance Trust-SM-
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- MFS NEW DISCOVERY SERIES SUB-ACCOUNT which purchases Initial Class shares of the MFS-Registered Trademark- New Discovery Series of the MFS-Registered Trademark-Variable Insurance Trust-SM-
- MFS RESEARCH BOND SERIES SUB-ACCOUNT which purchases Initial Class shares of the MFS-Registered Trademark- Research Bond Series of the MFS-Registered Trademark-Variable Insurance Trust-SM-
- MFS RESEARCH INTERNATIONAL SERIES SUB-ACCOUNT which purchases Initial Class shares of the MFS-Registered Trademark- Research International Series of the MFS-Registered Trademark- Variable Insurance Trust-SM-
- MFS RESEARCH SERIES SUB-ACCOUNT which purchases Initial Class shares of the MFS-Registered Trademark- Research Series of the MFS-Registered Trademark-Variable Insurance Trust-SM-
- MFS TOTAL RETURN SERIES SUB-ACCOUNT which purchases Initial Class shares of the MFS-Registered Trademark- Total Return Series of the MFS-Registered Trademark- Variable Insurance Trust-SM-
- MFS VALUE SERIES SUB-ACCOUNT which purchases Initial Class shares of the MFS-Registered Trademark- Value Series of the MFS-Registered Trademark-Variable Insurance Trust-SM-
- MUTUAL DISCOVERY SECURITIES FUND SUB-ACCOUNT which purchases Class 2 shares of the Mutual Discovery Securities Fund of the Franklin Templeton Variable Insurance Products Trust ("Mutual Discovery Securities Fund")
- MUTUAL SHARES SECURITIES FUND SUB-ACCOUNT which purchases Class 2 shares of Mutual Shares Securities Fund of the Franklin Templeton Variable Insurance Products Trust ("Mutual Shares Securities Fund")
- TEMPLETON DEVELOPING MARKETS SECURITIES FUND SUB-ACCOUNT which purchases Class 1 shares of the Templeton Developing Markets Securities Fund of the Franklin Templeton Variable Insurance Products Trust ("Templeton Developing Markets Securities Fund")
- TEMPLETON FOREIGN SECURITIES FUND SUB-ACCOUNT which purchases Class 2 shares of the Templeton Foreign Securities Fund of the Franklin Templeton Variable Insurance Products Trust ("Templeton Foreign Securities Fund")
- TEMPLETON GROWTH SECURITIES FUND SUB-ACCOUNT which purchases Class 2 shares of the Templeton Growth Securities Fund of the Franklin Templeton Variable Insurance Products Trust ("Templeton Growth Securities Fund")

You may also allocate some or all of your Premium Payment to the "Fixed Accumulation Feature," which pays an interest rate guaranteed for a certain time period from the time the Premium Payment is made. Premium Payments allocated to the Fixed Accumulation Feature are not segregated from our company assets like the assets of the Separate Account. The Fixed Accumulation Feature is currently not available.

If you decide to buy this Contract, you should keep this prospectus for your records. You can also call us at 1-800-862-6668 to get a Statement of Additional Information, free of charge. The Statement of Additional Information contains more information about this Contract and, like this prospectus, is filed with the Securities and Exchange Commission ("SEC"). We have included the Table of Contents for the Statement of Additional Information at the end of this prospectus.

Although we file the prospectus and the Statement of Additional Information with the SEC, the SEC doesn't approve or disapprove these securities or determine if the information in this prospectus is truthful or complete. Anyone who represents that the SEC does these things may be guilty of a criminal offense. This prospectus and the Statement of Additional Information can also be obtained from the SEC's website (<http://www.sec.gov>).

This Contract IS NOT:

- A bank deposit or obligation
- Federally insured
- Endorsed by any bank or governmental agency

This Contract and its features may not be available for sale in all states.

HARTFORD LIFE AND ANNUITY INSURANCE COMPANY

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HARTFORD LIFE AND ANNUITY INSURANCE COMPANY

DEFINITIONS

These terms are capitalized when used throughout this prospectus. Please refer to these defined terms if you have any questions as you read your prospectus.

ACCOUNT: Any of the Sub-Accounts or Fixed Accumulation Feature.

ACCUMULATION UNITS: If you allocate your Premium Payment to any of the Sub-Accounts, we will convert those payments into Accumulation Units in the selected Sub-Accounts. Accumulation Units are valued at the end of each Valuation Day and are used to calculate the value of your Contract prior to Annuitization.

ACCUMULATION UNIT VALUE: The daily price of Accumulation Units on any Valuation Day.

ADMINISTRATIVE OFFICE OF THE COMPANY: Our location and overnight mailing address is: 200 Hopmeadow Street, Simsbury, Connecticut 06089. Our standard mailing address is: Investment Product Services, P.O. Box 5085, Hartford, Connecticut 06102-5085.

ANNIVERSARY VALUE: The value equal to the Contract Value as of a Contract Anniversary.

ANNUAL MAINTENANCE FEE: An annual \$30 charge deducted on a Contract Anniversary or upon full Surrender if the Contract Value at either of those times is less than \$50,000. The charge is deducted proportionately from each Account in which you are invested.

ANNUAL WITHDRAWAL AMOUNT: This is the amount you can Surrender per Contract Year without paying a Contingent Deferred Sales Charge. This amount is non-cumulative, meaning that it cannot be carried over from one year to the next.

ANNUITANT: The person on whose life the Contract is based. The Annuitant may not be changed after your Contract is issued.

ANNUITY CALCULATION DATE: The date we calculate the first Annuity Payout.

ANNUITY PAYOUT: The money we pay out after the Annuity Commencement Date for the duration and frequency you select.

ANNUITY PAYOUT OPTION: Any of the options available for payout after the Annuity Commencement Date or death of the Contract Owner or Annuitant.

ANNUITY UNIT: The unit of measure we use to calculate the value of your Annuity Payouts under a variable dollar amount Annuity Payout Option.

ANNUITY UNIT VALUE: The daily price of Annuity Units on any Valuation Day.

BENEFICIARY: The person(s) entitled to receive a payout at death, if any, upon the death of the Contract Owner, joint Contract Owner or Annuitant.

BENEFIT AMOUNT: The basis used to determine the maximum payout guaranteed under The Hartford's Principal First and The Hartford's Principal First Preferred. The initial Benefit Amount is your Premium Payments if you elected the benefit upon purchase or your Contract Value on the date we add the benefit to your Contract if you elect the benefit at a later date.

BENEFIT PAYMENT: The maximum guaranteed payment that can be made each Contract Year under The Hartford's Principal First and The Hartford's Principal First Preferred. The initial Benefit Payment is equal to a percentage of your Premium Payments if you elect the benefit upon purchase or a percentage of your Contract Value on the date we add the benefit to your Contract. The percentage is different for The Hartford's Principal First and The Hartford's Principal First Preferred.

CHARITABLE REMAINDER TRUST: An irrevocable trust, where an individual donor makes a gift to the trust, and in return receives an income tax deduction. In addition, the individual donor has the right to receive a percentage of the trust earnings for a specified period of time.

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

COMMUTED VALUE: The present value of any remaining guaranteed Annuity Payouts. This amount is calculated using the Assumed Investment Return for variable dollar amount Annuity Payouts and a rate of return determined by us for fixed dollar amount Annuity Payouts.

CONTINGENT ANNUITANT: The person you may designate to become the Annuitant if the original Annuitant dies before the Annuity Commencement Date. You must name a Contingent Annuitant before the original Annuitant's death.

CONTINGENT DEFERRED SALES CHARGE: The deferred sales charge that may apply when you make a full or partial Surrender.

CONTRACT: The individual Annuity Contract and any endorsements or riders. Group participants and some individuals may receive a certificate rather than a Contract.

CONTRACT ANNIVERSARY: The anniversary of the date we issued your Contract. If the Contract Anniversary falls on a Non-Valuation Day, then the Contract Anniversary will be the next Valuation Day.

CONTRACT OWNER OR YOU: The owner or holder of the Contract described in this prospectus. We do not capitalize "you" in the prospectus.

CONTRACT VALUE: The total value of the Accounts on any Valuation Day.

CONTRACT YEAR: Any 12 month period between Contract Anniversaries, beginning with the date the Contract was issued.

DEATH BENEFIT: The amount payable if the Contract Owner, joint Contract Owner or the Annuitant dies before the Annuity Commencement Date.

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HARTFORD LIFE AND ANNUITY INSURANCE COMPANY

DOLLAR COST AVERAGING: A program that allows you to systematically make transfers between Accounts available in your Contract.

FIXED ACCUMULATION FEATURE: Part of our General Account, where you may allocate all or a portion of your Contract Value. In your Contract, the Fixed Accumulation Feature is called the Fixed Account.

GENERAL ACCOUNT: The General Account includes our company assets, including any money you have invested in the Fixed Accumulation Feature. The assets in the General Account are available to the creditors of Hartford.

HARTFORD, WE OR OUR: Hartford Life and Annuity Insurance Company. Only Hartford is a capitalized term in the prospectus.

JOINT ANNUITANT: The person on whose life Annuity Payouts are based if the Annuitant dies after Annuitization. You may name a Joint Annuitant only if your Annuity Payout Option provides for a survivor. The Joint Annuitant may not be changed.

MAXIMUM ANNIVERSARY VALUE: This is the highest Anniversary Value prior to the deceased's 81st birthday or the date of death, if earlier.

NET INVESTMENT FACTOR: This is used to measure the investment performance of a Sub-Account from one Valuation Day to the next, and is also used to calculate your Annuity Payout amount.

NON-VALUATION DAY: Any day the New York Stock Exchange is not open for trading.

PAYEE: The person or party you designate to receive Annuity Payouts.

PREMIUM PAYMENT: Money sent to us to be invested in your Contract.

PREMIUM TAX: A tax charged by a state or municipality on Premium Payments.

REQUIRED MINIMUM DISTRIBUTION: A federal requirement that individuals age 70 1/2 and older must take a distribution from their tax-qualified retirement account by December 31, each year. For employer sponsored qualified Contracts, the individual must begin taking distributions at the age of 70 1/2 or upon retirement, whichever comes later.

SUB-ACCOUNT VALUE: The value on or before the Annuity Calculation Date, which is determined on any day by multiplying the number of Accumulation Units by the Accumulation Unit Value for that Sub-Account.

SURRENDER: A complete or partial withdrawal from your Contract.

SURRENDER VALUE: The amount we pay you if you terminate your Contract before the Annuity Commencement Date. The Surrender Value is equal to the Contract Value minus any applicable charges.

THE HARTFORD'S PRINCIPAL FIRST: An option that can be added at an additional charge where, if elected upon purchase, you may take withdrawals that are guaranteed to equal your total Premium Payments as long as certain conditions are met. The guaranteed amount will be different if you elect this benefit after you purchase your Contract. The maximum withdrawal amount you may take under The Hartford's Principal First in any Contract Year is 7% of the guaranteed amount.

THE HARTFORD'S PRINCIPAL FIRST PREFERRED: An option that can be added at an additional charge where, if elected upon purchase, you may take withdrawals that

are guaranteed to equal your total Premium Payments as long as certain conditions are met. The guaranteed amount will be different if you elect this benefit after you purchase your Contract. The maximum withdrawal amount you may take under The Hartford's Principal First Preferred in any Contract Year is 5% of the guaranteed amount.

VALUATION DAY: Every day the New York Stock Exchange is open for trading. Values of the Separate Account are determined as of the close of the New York Stock Exchange, generally 4:00 p.m. Eastern Time.

VALUATION PERIOD: The time span between the close of trading on the New York Stock Exchange from one Valuation Day to the next.

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HARTFORD LIFE AND ANNUITY INSURANCE COMPANY

FEE TABLES -- SERIES II CONTRACTS

THE FOLLOWING TABLES DESCRIBE THE FEES AND EXPENSES THAT YOU WILL PAY WHEN PURCHASING, OWNING AND SURRENDERING THE CONTRACT.

THIS TABLE DESCRIBES THE FEES AND EXPENSES THAT YOU WILL PAY AT THE TIME THAT YOU PURCHASE THE CONTRACT OR SURRENDER THE CONTRACT. CHARGES FOR STATE PREMIUM TAXES MAY ALSO BE DEDUCTED WHEN YOU PURCHASE THE CONTRACT, UPON SURRENDER OR WHEN WE START TO MAKE ANNUITY PAYOUTS.

CONTRACT OWNER TRANSACTION EXPENSES	
Sales Charge Imposed on Purchases (as a percentage of Premium Payments)	None

Contingent Deferred Sales Charge (as a percentage of Premium Payments) (1)	
First Year (2)	7%

Second Year	6%

Third Year	5%

Fourth Year	4%

Fifth Year	0%

(1) Each Premium Payment has its own Contingent Deferred Sales Charge schedule. The Contingent Deferred Sales Charge is not assessed on partial Surrenders which do not exceed the Annual Withdrawal Amount. We waive the Contingent Deferred Sales Charge on certain types of Surrenders. See the Contingent Deferred Sales Charge in the Charges and Fees Section of this prospectus.

(2) Length of time from each Premium Payment.

CONTRACT OWNER PERIODIC EXPENSES

THIS TABLE DESCRIBES THE FEES AND EXPENSES THAT YOU WILL PAY PERIODICALLY AND ON A DAILY BASIS DURING THE TIME THAT YOU OWN THE CONTRACT, NOT INCLUDING FEES AND EXPENSES OF THE UNDERLYING FUNDS.

SERIES II	
<S>	<C>

ANNUAL MAINTENANCE FEE (3)	\$30

SEPARATE ACCOUNT ANNUAL EXPENSES (as a percentage of average daily Sub-Account Value)	
Mortality and Expense Risk Charge	1.50%

Administrative Charge	0.20%

Total Separate Account Annual Expenses	1.70%

OPTIONAL CHARGES (as a percentage of average daily Sub-Account Value)	
MAV Plus Death Benefit Charge (4)	0.30%

The Hartford's Principal First Charge (5)	0.50%

The Hartford's Principal First Preferred Charge (5)	0.20%

 Total Separate Account Annual Expenses with
 optional charges (6) 2.50%

</Table>

- (3) An annual \$30 charge deducted on a Contract Anniversary or upon Surrender if the Contract Value at either of those times is less than \$50,000. It is deducted proportionately from the Accounts in which you are invested at the time of the charge.
- (4) The MAV Plus Death Benefit is not available for Contracts issued in Washington or Minnesota. There is a different optional Death Benefit called the Maximum Anniversary Value Death Benefit for Contracts issued in Washington or Minnesota. The charge is 0.30% of average daily Sub-Account Value.
- (5) You may elect to purchase either The Hartford's Principal First or The Hartford's Principal First Preferred, but not both.
- (6) Total Separate Account Annual Expenses with optional charges includes charges for the highest combination of optional charges.

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HARTFORD LIFE AND ANNUITY INSURANCE COMPANY

THIS TABLE SHOWS THE MINIMUM AND MAXIMUM TOTAL FUND OPERATING EXPENSES CHARGED BY THE UNDERLYING FUNDS THAT YOU MAY PAY ON A DAILY BASIS DURING THE TIME THAT YOU OWN THE CONTRACT. MORE DETAIL CONCERNING EACH UNDERLYING FUND'S FEES AND EXPENSES IS CONTAINED IN THE PROSPECTUS FOR EACH FUND.

<Table>

<S>	<C> Minimum	<C> Maximum
Total Annual Fund Operating Expenses (these are expenses that are deducted from Fund assets, including management fees, Rule 12b-1 distribution and/or service fees, and other expenses)	0.48%	9.88%

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HARTFORD LIFE AND ANNUITY INSURANCE COMPANY

FEE TABLES -- SERIES I AND SERIES IR CONTRACTS

THE FOLLOWING TABLES DESCRIBE THE FEES AND EXPENSES THAT YOU WILL PAY WHEN PURCHASING, OWNING AND SURRENDERING THE CONTRACT.

THIS TABLE DESCRIBES THE FEES AND EXPENSES THAT YOU WILL PAY AT THE TIME THAT YOU PURCHASE THE CONTRACT OR SURRENDER THE CONTRACT. CHARGES FOR STATE PREMIUM TAXES MAY ALSO BE DEDUCTED WHEN YOU PURCHASE THE CONTRACT, UPON SURRENDER OR WHEN WE START TO MAKE ANNUITY PAYOUTS.

<Table>

<S>	<C>
CONTRACT OWNER TRANSACTION EXPENSES	
Sales Charge Imposed on Purchases (as a percentage of Premium Payments)	None
Contingent Deferred Sales Charge (as a percentage of Premium Payments) (1)	
First Year (2)	7%
Second Year	6%
Third Year	5%
Fourth Year	4%
Fifth Year	0%

</Table>

- (1) Each Premium Payment has its own Contingent Deferred Sales Charge schedule. The Contingent Deferred Sales Charge is not assessed on partial Surrenders which do not exceed the Annual Withdrawal Amount. We waive the Contingent

Deferred Sales Charge on certain types of Surrenders. See the Contingent Deferred Sales Charge in the Charges and Fees Section of this prospectus.

(2) Length of time from each Premium Payment.

CONTRACT OWNER PERIODIC EXPENSES

THIS TABLE DESCRIBES THE FEES AND EXPENSES THAT YOU WILL PAY PERIODICALLY AND ON A DAILY BASIS DURING THE TIME THAT YOU OWN THE CONTRACT, NOT INCLUDING FEES AND EXPENSES OF THE UNDERLYING FUNDS.

<S>	SERIES I & SERIES IR <C>
ANNUAL MAINTENANCE FEE (3)	\$30

SEPARATE ACCOUNT ANNUAL EXPENSES (as a percentage of average daily Sub-Account Value)	
Mortality and Expense Risk Charge	1.50%

Administrative Charge	0.20%

Total Separate Account Annual Expenses	1.70%

OPTIONAL CHARGES (as a percentage of average daily Sub-Account Value)	
MAV/EPB Death Benefit Charge (4)	0.30%

The Hartford's Principal First Charge (5)	0.50%

The Hartford's Principal First Preferred Charge (5)	0.20%

Total Separate Account Annual Expenses with optional charges (6)	2.50%

</Table>

- (3) An annual \$30 charge deducted on a Contract Anniversary or upon Surrender if the Contract Value at either of those times is less than \$50,000. It is deducted proportionately from the Accounts in which you are invested at the time of the charge.
- (4) The MAV/EPB Death Benefit is not available for Contracts issued in Washington, New York or Minnesota. There is a different optional Death Benefit called the Maximum Anniversary Value Death Benefit for Contracts issued in Washington, New York or Minnesota. The charge is 0.30% of average daily Sub-Account Value.
- (5) You may elect to purchase either The Hartford's Principal First or The Hartford's Principal First Preferred, but not both.
- (6) Total Separate Account Annual Expenses with optional charges includes charges for the highest combination of optional charges.

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HARTFORD LIFE AND ANNUITY INSURANCE COMPANY

THIS TABLE SHOWS THE MINIMUM AND MAXIMUM TOTAL FUND OPERATING EXPENSES CHARGED BY THE UNDERLYING FUNDS THAT YOU MAY PAY ON A DAILY BASIS DURING THE TIME THAT YOU OWN THE CONTRACT. MORE DETAIL CONCERNING EACH UNDERLYING FUND'S FEES AND EXPENSES IS CONTAINED IN THE PROSPECTUS FOR EACH FUND.

<S>	<C> Minimum	<C> Maximum
Total Annual Fund Operating Expenses (these are expenses that are deducted from Fund assets, including management fees, Rule 12b-1 distribution and/or service fees, and other expenses)	0.48%	9.88%

</Table>

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HARTFORD LIFE AND ANNUITY INSURANCE COMPANY

EXAMPLE SERIES II

THIS EXAMPLE IS INTENDED TO HELP YOU COMPARE THE COST OF INVESTING IN THE CONTRACT WITH THE COST OF INVESTING IN OTHER VARIABLE ANNUITY CONTRACTS. THE EXAMPLE REFLECTS A DEDUCTION FOR ANY CONTINGENT DEFERRED SALES CHARGE, ANNUAL MAINTENANCE FEE, MAXIMUM SEPARATE ACCOUNT ANNUAL EXPENSES INCLUDING THE HIGHEST COMBINATION OF OPTIONAL CHARGES, AND THE HIGHEST TOTAL ANNUAL FUND OPERATING EXPENSES OF THE UNDERLYING FUNDS. THE EXAMPLE DOES NOT REFLECT THE DEDUCTION OF ANY APPLICABLE PREMIUM TAXES. IF YOU DO NOT SELECT ALL OF THE OPTIONAL BENEFITS, YOUR EXPENSES WOULD BE LOWER THAN THOSE SHOWN IN THE EXAMPLE.

THE EXAMPLE SHOULD NOT BE CONSIDERED A REPRESENTATION OF PAST OR FUTURE EXPENSES AND ACTUAL EXPENSES MAY BE GREATER OR LESS THAN THOSE SHOWN. IN THE FOLLOWING EXAMPLE TABLE, HARTFORD ASSUMES A CONTRACT VALUE OF \$40,000 TO ILLUSTRATE THE CHARGES THAT WOULD BE DEDUCTED. OUR AVERAGE CONTRACT VALUE IS \$80,000, BUT WE USE A SMALLER CONTRACT VALUE SO THAT WE CAN SHOW YOU THE HIGHEST POSSIBLE DEDUCTIONS. THE EXAMPLE ASSUMES THE ANNUAL MAINTENANCE FEE WILL ALWAYS BE DEDUCTED IF THE CONTRACT IS SURRENDERED. IF YOUR CONTRACT VALUE IS \$50,000 OR MORE, HARTFORD WAIVES THE ANNUAL MAINTENANCE FEE, SO THE EXAMPLE SHOWS CHARGES THAT ARE HIGHER THAN YOU WOULD HAVE TO PAY. WE CHANGE THE ANNUAL MAINTENANCE FEE FOR A \$40,000 CONTRACT VALUE INTO A PERCENTAGE TO MORE EASILY CALCULATE THE CHARGES. THE PERCENTAGE WE USE IS 0.075%.

THE EXAMPLE ASSUMES THAT YOU INVEST \$10,000 IN THE CONTRACT FOR THE TIME PERIODS INDICATED. THE EXAMPLE ALSO ASSUMES THAT YOUR INVESTMENT HAS A 5% RETURN EACH YEAR AND ASSUMES THE HIGHEST TOTAL ANNUAL FUND OPERATING EXPENSES. ALTHOUGH YOUR ACTUAL COSTS MAY BE HIGHER OR LOWER, BASED ON THESE ASSUMPTIONS, YOUR COSTS WOULD BE:

(1) If you Surrender your Contract at the end of the applicable time period:

<S>	<C>
1 year	\$1,940
3 years	\$3,935
5 years	\$5,466
10 years	\$9,114

(2) If you annuitize at the end of the applicable time period:

<S>	<C>
1 year	\$1,269
3 years	\$3,534
5 years	\$5,460
10 years	\$9,110

(3) If you do not Surrender your Contract:

<S>	<C>
1 year	\$1,277
3 years	\$3,540
5 years	\$5,466
10 years	\$9,114

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HARTFORD LIFE AND ANNUITY INSURANCE COMPANY

EXAMPLE SERIES I AND SERIES IR

THIS EXAMPLE IS INTENDED TO HELP YOU COMPARE THE COST OF INVESTING IN THE CONTRACT WITH THE COST OF INVESTING IN OTHER VARIABLE ANNUITY CONTRACTS. THE EXAMPLE REFLECTS A DEDUCTION FOR ANY CONTINGENT DEFERRED SALES CHARGE, ANNUAL MAINTENANCE FEE, MAXIMUM SEPARATE ACCOUNT ANNUAL EXPENSES INCLUDING THE HIGHEST COMBINATION OF OPTIONAL CHARGES, AND THE HIGHEST TOTAL ANNUAL FUND OPERATING

EXPENSES OF THE UNDERLYING FUNDS. THE EXAMPLE DOES NOT REFLECT THE DEDUCTION OF ANY APPLICABLE PREMIUM TAXES. IF YOU DO NOT SELECT ALL OF THE OPTIONAL BENEFITS, YOUR EXPENSES WOULD BE LOWER THAN THOSE SHOWN IN THE EXAMPLE.

THE EXAMPLE SHOULD NOT BE CONSIDERED A REPRESENTATION OF PAST OR FUTURE EXPENSES AND ACTUAL EXPENSES MAY BE GREATER OR LESS THAN THOSE SHOWN. IN THE FOLLOWING EXAMPLE TABLE, HARTFORD ASSUMES A CONTRACT VALUE OF \$40,000 TO ILLUSTRATE THE CHARGES THAT WOULD BE DEDUCTED. OUR AVERAGE CONTRACT VALUE IS \$80,000, BUT WE USE A SMALLER CONTRACT VALUE SO THAT WE CAN SHOW YOU THE HIGHEST POSSIBLE DEDUCTIONS. THE EXAMPLE ASSUMES THE ANNUAL MAINTENANCE FEE WILL ALWAYS BE DEDUCTED IF THE CONTRACT IS SURRENDERED. IF YOUR CONTRACT VALUE IS \$50,000 OR MORE, HARTFORD WAIVES THE ANNUAL MAINTENANCE FEE, SO THE EXAMPLE SHOWS CHARGES THAT ARE HIGHER THAN YOU WOULD HAVE TO PAY. WE CHANGE THE ANNUAL MAINTENANCE FEE FOR A \$40,000 CONTRACT VALUE INTO A PERCENTAGE TO MORE EASILY CALCULATE THE CHARGES. THE PERCENTAGE WE USE IS 0.075%.

THE EXAMPLE ASSUMES THAT YOU INVEST \$10,000 IN THE CONTRACT FOR THE TIME PERIODS INDICATED. THE EXAMPLE ALSO ASSUMES THAT YOUR INVESTMENT HAS A 5% RETURN EACH YEAR AND ASSUMES THE HIGHEST TOTAL ANNUAL FUND OPERATING EXPENSES. ALTHOUGH YOUR ACTUAL COSTS MAY BE HIGHER OR LOWER, BASED ON THESE ASSUMPTIONS, YOUR COSTS WOULD BE:

(1) If you Surrender your Contract at the end of the applicable time period:

<S>	<C>
1 year	\$1,940
3 years	\$3,935
5 years	\$5,466
10 years	\$9,114

(2) If you annuitize at the end of the applicable time period:

<S>	<C>
1 year	\$1,269
3 years	\$3,534
5 years	\$5,460
10 years	\$9,110

(3) If you do not Surrender your Contract:

<S>	<C>
1 year	\$1,277
3 years	\$3,540
5 years	\$5,466
10 years	\$9,114

CONDENSED FINANCIAL INFORMATION

When Premium Payments are credited to your Sub-Accounts, they are converted into Accumulation Units by dividing the amount of your Premium Payments, minus any Premium Taxes, by the Accumulation Unit Value for that day. For more information on how Accumulation Unit Values are calculated see "How is the value of my Contract calculated before the Annuity Commencement Date?". Please refer to Appendix VI for information regarding the minimum and maximum class of Accumulation Unit Values. All classes of Accumulation Unit Values may be obtained, free of charge, by calling us at 1-800-862-6668.

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HARTFORD LIFE AND ANNUITY INSURANCE COMPANY

HIGHLIGHTS

HOW DO I PURCHASE THIS CONTRACT?

You must complete our application or order request and submit it to us for approval with your first Premium Payment. Your first Premium Payment must be at least \$10,000 and subsequent Premium Payments must be at least \$500, unless you take advantage of our InvestEase-Registered Trademark- Program or are part of certain retirement plans.

- For a limited time, usually within ten days after you receive your Contract, you may cancel your Contract without paying a Contingent Deferred Sales Charge. You may bear the investment risk for your Premium Payment prior to our receipt of your request for cancellation.

WHAT TYPE OF SALES CHARGE WILL I PAY?

You don't pay a sales charge when you purchase your Contract. We may charge you a Contingent Deferred Sales Charge when you partially or fully Surrender your Contract. The Contingent Deferred Sales Charge will depend on the amount you choose to Surrender and the length of time the Premium Payment you made has been in your Contract.

The percentage used to calculate the Contingent Deferred Sales Charge is equal to:

<Table>

NUMBER OF YEARS FROM PREMIUM PAYMENT <S>	CONTINGENT DEFERRED SALES CHARGE <C>
1	7%
2	6%
3	5%
4	4%
5 or more	0%

</Table>

You won't be charged a Contingent Deferred Sales Charge on:

- X The Annual Withdrawal Amount.
- X Premium Payments or earnings that have been in your Contract for more than four years.
- X Distributions made due to death.
- X Distributions under a program for substantially equal periodic payments made for your life or life expectancy.
- X Most payments we make to you as part of your Annuity Payout.

IS THERE AN ANNUAL MAINTENANCE FEE?

We deduct this \$30 fee each year on your Contract Anniversary or when you fully Surrender your Contract, if, on either of those dates, the value of your Contract is less than \$50,000.

WHAT CHARGES WILL I PAY ON AN ANNUAL BASIS?

In addition to the Annual Maintenance Fee, you pay the following charges each year:

- MORTALITY AND EXPENSE RISK CHARGE -- This charge is for insurance. For Series I and Series IR Contracts, the charge is deducted daily and is equal to an annual charge of 1.50% of your Contract Value invested in the Sub-Accounts. For Series II Contracts, the charge is deducted daily and is equal to an annual charge of 1.50% of your Contract Value invested in the Sub-Accounts.
- ADMINISTRATIVE CHARGE -- This charge is for administration. For Series I and Series IR Contracts, the charge is deducted daily and is equal to an annual charge of 0.20% of your Contract Value invested in the Sub-Accounts. For Series II Contracts, the charge is deducted daily and is equal to an annual charge of 0.20% of your Contract Value invested in the Sub-Accounts.
- ANNUAL FUND OPERATING EXPENSES -- These are charges for the underlying Funds. See the Funds prospectuses accompanying this prospectus for more complete information.

WHAT CHARGES WILL I PAY ON AN ANNUAL BASIS IF I ELECT OPTIONAL BENEFITS?

- MAV PLUS DEATH BENEFIT CHARGE -- You may elect an optional Death Benefit for

an additional charge. We call the optional Death Benefit the "MAV Plus Death Benefit", which is short for "Maximum Anniversary Value Plus Death Benefit". If you elect the MAV Plus Death Benefit, we will deduct an additional charge on a daily basis that is equal to an annual charge of 0.30% of your Contract Value invested in the Sub-Accounts. Once you elect this benefit, you cannot cancel it and we will continue to deduct the charge until we begin to make Annuity Payouts. This optional death benefit is only available for Series III Contracts.

- MAV/EPB DEATH BENEFIT CHARGE -- You may elect an optional Death Benefit for an additional charge. We call the optional Death Benefit the "MAV/EPB Death Benefit," which is short for "Maximum Anniversary Value/Earnings Protection Benefit Death Benefit." If you elect the MAV/EPB Death Benefit, we will deduct an additional charge on a daily basis that is equal to an annual charge of 0.30% of your Contract Value invested in the Sub-Accounts. Once you elect this benefit, you cannot cancel it and we will continue to deduct the charge until we begin to make Annuity Payouts. This optional death benefit is only available for Series II and Series IIR Contracts.
- THE HARTFORD'S PRINCIPAL FIRST CHARGE -- The Hartford's Principal First is an option that can be elected at an additional charge. If you elect The Hartford's Principal First, we will deduct an additional charge on a daily basis that is equal to an annual charge of 0.50% of your Contract Value invested in the Sub-Accounts. Once you elect this benefit, you cannot cancel it and we will continue to deduct the charge until we begin to make Annuity Payouts.

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- THE HARTFORD'S PRINCIPAL FIRST PREFERRED CHARGE -- The Hartford's Principal First Preferred is an option that can be elected at an additional charge. If you elect The Hartford's Principal First Preferred, we will deduct an additional charge on a daily basis that is equal to an annual charge of 0.20% of your Contract Value invested in the Sub-Accounts.

CAN I TAKE OUT ANY OF MY MONEY?

You may Surrender all or part of the amounts you have invested at any time before we start making Annuity Payouts. Once Annuity Payouts begin, you may take full or partial Surrenders under the Payments for a Period Certain, Life Annuity with Payments for a Period Certain or the Joint and Last Survivor Life Annuity with Payments for a Period Certain Annuity Options.

- You may have to pay income tax on the money you take out and, if you Surrender before you are age 59 1/2, you may have to pay a federal income tax penalty.
- You may have to pay a Contingent Deferred Sales Charge on the money you Surrender.

WILL HARTFORD PAY A DEATH BENEFIT?

There is a Death Benefit if the Contract Owner, joint Contract Owner or the Annuitant die before we begin to make Annuity Payouts. The Death Benefit will be calculated as of the date we receive a certified death certificate or other legal document acceptable to us. The Death Benefit amount will remain invested in the Sub-Accounts and Fixed Accumulation Feature according to your last instructions and will fluctuate with the performance of the underlying Funds.

You may also elect an optional Death Benefit when you purchase your Contract at an additional charge. We describe the optional Death Benefit in the Death Benefit Section of the prospectus.

WHAT ANNUITY PAYOUT OPTIONS ARE AVAILABLE?

When it comes time for us to make payouts, you may choose one of the following Annuity Payout Options: Life Annuity, Life Annuity with Payments for a Period Certain, Life Annuity with a Cash Refund, Joint and Last Survivor Life Annuity, Joint and Last Survivor Life Annuity with Payments for a Period Certain and Payments for a Period Certain. We may make other Annuity Payout Options available at any time.

You must begin to take payouts before the Annuitant's 90th birthday or the end of the 10th Contract Year, whichever is later, unless you elect a later date to begin receiving payments subject to the laws and regulations then in effect and our approval. If you do not tell us what Annuity Payout Option you want before that time, we will make Automatic Annuity Payouts under the Life Annuity with Payments for a Period Certain Payout Option with a ten-year period certain payment option. Depending on the investment allocation of your Contract in effect on the Annuity Commencement Date, we will make Automatic Annuity Payouts that are:

- fixed dollar amount Automatic Annuity Payouts,
- variable dollar amount Automatic Annuity Payouts, or
- a combination of fixed dollar amount and variable dollar amount Automatic Annuity Payouts.

You may not choose a fixed dollar amount Annuity Payout if you purchase your Contract in Oregon or Pennsylvania.

GENERAL CONTRACT INFORMATION

HARTFORD LIFE AND ANNUITY INSURANCE COMPANY

Hartford Life and Annuity Insurance Company is a stock life insurance company engaged in the business of writing life insurance and annuities, both individual and group, in all states of the United States, the District of Columbia and Puerto Rico, except New York. On January 1, 1998, Hartford's name changed from ITT Hartford Life and Annuity Insurance Company to Hartford Life and Annuity Insurance Company. We were originally incorporated under the laws of Wisconsin on January 9, 1956, and subsequently redomiciled to Connecticut. Our offices are located in Simsbury, Connecticut; however, our mailing address is P.O. Box 2999, Hartford, CT 06104-2999. We are ultimately controlled by The Hartford Financial Services Group, Inc., one of the largest financial service providers in the United States.

<Table>

<S>	HARTFORD'S RATINGS			
	RATING AGENCY	EFFECTIVE DATE OF RATING	RATING	BASIS OF RATING
		<C>	<C>	<C>
	A.M. Best and Company, Inc.	2/15/05	A+	Financial strength
	Standard & Poor's	2/15/05	AA-	Financial strength
	Fitch	2/15/05	AA	Financial strength

</Table>

These ratings apply to Hartford's ability to meet its obligations under the Contract. The ratings do not apply to the Separate Account or the underlying Funds.

THE SEPARATE ACCOUNT

The Separate Account is where we set aside and invest the assets of some of our annuity contracts, including this Contract. The Separate Account was established on April 1, 1999 and is registered as a unit investment trust under the Investment Company Act of 1940. This registration does not involve supervision by the SEC of the management or the investment practices of the Separate Account or Hartford. The Separate Account meets the definition of "Separate Account" under federal securities law.

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HARTFORD LIFE AND ANNUITY INSURANCE COMPANY

This Separate Account holds only assets for variable annuity contracts. The Separate Account:

- Holds assets for your benefit and the benefit of other Contract Owners, and the persons entitled to the payouts described in the Contract.
- Is not subject to the liabilities arising out of any other business Hartford may conduct. However, all obligations under the Contract are general corporate obligations of Hartford.
- Is not affected by the rate of return of Hartford's General Account or by the investment performance of any of Hartford's other Separate Accounts.
- May be subject to liabilities from a Sub-Account of the Separate Account that holds assets of other variable annuity contracts offered by the Separate Account, which are not described in this prospectus.
- Is credited with income and gains, and takes losses, whether or not realized, from the assets it holds without regard to other income, gains or losses of Hartford.

We do not guarantee the investment results of the Separate Account. There is no assurance that the value of your Contract will equal the total of the payments

you make to us.

THE FUNDS

Morgan Stanley Investment Advisors Inc. ("MS Advisors"), a Delaware Corporation, whose address is 1221 Avenue of the Americas, New York, New York 10020, is the Investment Manager for the Money Market Portfolio, the Flexible Income Portfolio, the Balanced Growth Portfolio, the Utilities Portfolio, the Dividend Growth Portfolio, the Equally-Weighted S&P 500 Portfolio, the Growth Portfolio, the American Opportunities Portfolio, the Capital Opportunities Portfolio, the Global Equity Portfolio, and the Developing Growth Portfolio of the Morgan Stanley Select Dimensions Investment Series (the "Morgan Stanley Portfolios"). MS Advisors was incorporated in July, 1992 and is a wholly-owned subsidiary of Morgan Stanley.

MS Advisors provides administrative services, manages the Morgan Stanley Portfolios' business affairs and manages the investment of the Morgan Stanley Portfolios' assets, including the placing of orders for the purchase and sales of portfolio securities. MS Advisors has retained Morgan Stanley Services Company Inc., its wholly-owned subsidiary, to perform the aforementioned administrative services for the Morgan Stanley Portfolios. For its services, the Morgan Stanley Portfolios pay MS Advisors a monthly fee. See the accompanying Fund prospectus for a more complete description of MS Advisors and the respective fees of the Morgan Stanley Portfolios.

Morgan Stanley Investment Management Inc. ("MS Investment Management"), a Delaware corporation, whose address is 1221 Avenue of the Americas, New York, New York 10020, doing business in this instance as Van Kampen, is the investment adviser for the Emerging Markets Debt Portfolio, Emerging Markets Equity Portfolio, Equity and Income Portfolio, Global Franchise Portfolio, High Yield Portfolio, Core Plus Fixed Income Portfolio, Small Company Growth Portfolio, U.S. Mid Cap Value Portfolio, and Technology Portfolio of The Universal Institutional Funds, Inc. As the investment adviser to these Portfolios, MS Investment Management, provides investment advice and portfolio management services. MS Investment Management, like MS Advisors, is a wholly-owned subsidiary of Morgan Stanley.

The Investment Adviser with respect to the Aggressive Growth Portfolio, Comstock Portfolio, Emerging Growth Portfolio, Government Portfolio, Growth and Income Portfolio and Enterprise Portfolio is Van Kampen Asset Management, a wholly owned subsidiary of Van Kampen Investments Inc. Van Kampen Investments Inc. is an indirect wholly owned subsidiary of Morgan Stanley. Van Kampen Investments Inc. is a diversified asset management company with more than three million retail investor accounts, extensive capabilities for managing institutional portfolios. Van Kampen Investments Inc.'s more than 50 open-end and 30 closed-end funds and more than 2,700 unit investment trusts are professionally distributed by leading authorized dealers nationwide.

American Funds Global Growth Fund, American Funds Global Small Capitalization Fund, American Funds Growth Fund, American Funds Growth-Income Fund and American Funds International Fund are all part of American Funds Insurance Series. American Funds Insurance Series is a fully managed, diversified, open-end investment company organized as a Massachusetts business trust in 1983. American Funds Insurance Series offers three classes of fund shares: Class 1 shares, Class 2 shares and Class 3 shares. This Annuity invests only in Class 2 shares of American Funds Insurance Series. The investment adviser for each of the funds of American Funds Insurance Series is Capital Research and Management Company located at 333 South Hope Street, Los Angeles, California 90071. Capital Research and Management Company is a wholly owned subsidiary of The Capital Group Companies, Inc.

MFS-Registered Trademark- Capital Opportunities Series, MFS-Registered Trademark- Emerging Growth Series, MFS-Registered Trademark- Investors Growth Stock Series, MFS-Registered Trademark- Investors Trust Series and MFS-Registered Trademark- Total Return Series are series of the MFS-Registered Trademark-Variable Insurance Trust-SM-. The MFS Variable Insurance Trust-SM- is a professionally managed open-end management investment company. The MFS Variable Insurance Trust-SM- is registered as a Massachusetts business trust. MFS Investment Management-Registered Trademark- serves as the investment adviser to each of the Series of the MFS-Registered Trademark- Variable Insurance Trust-SM-. MFS Investment Management-Registered Trademark- is located at 500 Boylston Street, Boston, Massachusetts 02116.

Franklin Small Cap Fund, Franklin Strategic Income Securities Fund, Mutual Shares Securities Fund, Templeton Developing Markets Securities Fund, and Templeton Growth Securities Fund are all part of the Franklin Templeton Variable Insurance Products Trust. The Franklin Templeton Variable Insurance Products Trust is an open-end managed investment company which was organized as a Massachusetts business trust on April 26, 1988. In this Annuity, Franklin Small Cap Fund, Mutual Shares Securities Fund and Templeton Growth Securities Fund offer Class 2 shares and Franklin Strategic Income Fund and Templeton Developing Markets Securities Fund offer Class I shares. The investment manager of Franklin Small Cap Fund and Franklin Strategic Income Securities Fund is Franklin Advisers, Inc. located at One

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Franklin Parkway, San Mateo, California 94403. The investment manager of Mutual Shares Securities Fund is Franklin Mutual Advisers, LLC, located at 51 John F. Kennedy Parkway, Short Hills, New Jersey, 07078. The investment manager of Templeton Growth Securities Fund is Templeton Global Advisers Limited, located at Lyford Cay, Nassau, Bahamas. The investment manager of Templeton Developing Markets Securities Fund is Templeton Asset Management Ltd., located at 2 Exchange Square, Hong Kong.

We do not guarantee the investment results of any of the underlying Funds. Since each underlying Fund has different investment objectives, each is subject to different risks. These risks and the Funds' expenses are more fully described in the accompanying Funds' prospectus, and the Funds' Statement of Additional Information which may be ordered from us. The Funds' prospectus should be read in conjunction with this prospectus before investing.

The Funds may not be available in all states.

The investment goals of each of the Funds are as follows:

MONEY MARKET PORTFOLIO -- Seeks high current income, preservation of capital and liquidity.

FLEXIBLE INCOME PORTFOLIO -- Seeks, as a primary objective to provide a high level of current income. As a secondary objective the Portfolio seeks to maximize total return, but only to the extent consistent with its primary objective.

BALANCED GROWTH PORTFOLIO -- Seeks to provide capital growth with reasonable current income.

DIVIDEND GROWTH PORTFOLIO -- Seeks to provide reasonable current income and long-term growth of income and capital.

EQUALLY-WEIGHTED S&P 500 PORTFOLIO (formerly Value-Added Market Portfolio) -- Seeks to achieve a high level of total return on its assets through a combination of capital appreciation and current income.

GROWTH PORTFOLIO -- Seeks long-term growth of capital.

AMERICAN OPPORTUNITIES PORTFOLIO -- Seeks long-term capital growth consistent with an effort to reduce volatility.

CAPITAL OPPORTUNITIES PORTFOLIO -- Seeks long-term capital growth.

GLOBAL EQUITY PORTFOLIO -- Seeks to obtain total return on its assets primarily through long-term capital growth and to a lesser extent from income.

DEVELOPING GROWTH PORTFOLIO -- Seeks long-term capital growth.

HIGH YIELD PORTFOLIO -- Seeks above-average total return over a market cycle of three to five years by investing primarily in a diversified portfolio of high yield securities (commonly referred to as "junk bonds").

U.S. MID CAP VALUE PORTFOLIO -- Seeks above-average total return over a market cycle of three to five years by investing in common stocks and other equity securities.

EMERGING MARKETS DEBT PORTFOLIO -- Seeks high total return by investing primarily in fixed income securities of government and government-related issuers and, to a lesser extent, of corporate issuers in emerging market countries.

EMERGING MARKETS EQUITY PORTFOLIO -- Seeks long-term capital appreciation by investing primarily in growth oriented equity securities of issuers in emerging market countries.

EQUITY AND INCOME PORTFOLIO -- Seeks both capital appreciation and current income.

GLOBAL FRANCHISE PORTFOLIO -- Seeks long-term capital appreciation.

CORE PLUS FIXED INCOME PORTFOLIO -- Seeks above-average total return over a market cycle of three to five years by investing primarily in a diversified portfolio of fixed income securities.

SMALL COMPANY GROWTH PORTFOLIO -- Seeks long-term capital appreciation by investing primarily in growth-oriented equity securities of small companies.

AGGRESSIVE GROWTH PORTFOLIO -- Seeks capital growth.

COMSTOCK PORTFOLIO -- Seeks capital growth and income through investments in equity securities, including common stocks, preferred stocks and securities convertible into common and preferred stock.

EMERGING GROWTH PORTFOLIO -- Seeks capital appreciation.

ENTERPRISE PORTFOLIO -- Seeks capital appreciation through investments in securities believed by the Portfolio's investment adviser to have above average potential for capital appreciation.

GOVERNMENT PORTFOLIO -- Seeks to provide investors with high current return consistent with preservation of capital.

GROWTH AND INCOME PORTFOLIO -- Seeks long-term growth of capital and income.

AIM V.I. AGGRESSIVE GROWTH FUND -- Seeks to achieve long-term growth of capital. Invests primarily in common stocks of small- and medium-sized growth companies.

AIM V.I. BASIC VALUE FUND -- Seeks long-term growth of capital. Invests, normally, at least 65% of its total assets in equity securities of U.S. issuers that have market capitalizations of greater than \$500 million and that are believed to be undervalued in relation to long-term earnings power or other factors.

AIM V.I. BLUE CHIP FUND -- Seeks long-term growth of capital.

AIM V.I. CAPITAL APPRECIATION FUND -- Seeks growth of capital. Invests principally in common stocks of companies likely to benefit from new or innovative products, services or processes as well as those that have experienced above average, long-term growth in earnings with excellent prospects for future growth.

AIM V.I. CORE EQUITY FUND -- Seeks growth of capital. The Fund seeks to meet its objective by investing, normally, at least 80% of its net assets, plus the amount of any borrowings for investment purposes, in equity securities, including convertible securities, of established companies that have long-term above-average growth in earnings, and growth companies that are

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believed to have the potential for above-average growth in earnings.

AIM V.I. DENT DEMOGRAPHIC TRENDS FUND -- Seeks long-term growth of capital. Invests in securities of companies that are likely to benefit from changing demographic, economic, and lifestyle trends.

AIM V.I. GOVERNMENT SECURITIES FUND -- Seeks to achieve a high level of current income consistent with reasonable concern for safety of principal. Invests, normally, at least 80% of its net assets, plus the amount of any borrowings for investment purposes, in debt securities issued, guaranteed or otherwise backed by the United States Government.

AIM V.I. INTERNATIONAL GROWTH FUND -- Seeks to provide long-term growth of capital. Invests in a diversified portfolio of international equity securities whose issuers are considered to have strong earnings momentum. The fund focuses its investments in marketable equity securities of foreign companies that are listed on a recognized foreign or U.S. securities exchange or traded in a foreign or U.S. over-the-counter market.

AIM V.I. LARGE CAP GROWTH FUND -- Seeks long-term growth of capital. The Fund seeks to meet its objective by investing, normally, at least 80% of its assets in securities of large-capitalization companies.

AIM V.I. MID CAP CORE EQUITY FUND -- Seeks long-term growth of capital. Invests, normally, at least 80% of its assets, plus the amount of any borrowings for investment purposes, in equity securities, including convertible securities of mid-capitalization companies.

AIM V.I. PREMIER EQUITY FUND -- Seeks to achieve long-term growth of capital with income as a secondary objective. Invests, normally, at least 80% of its net assets, plus the amount of any borrowings for investment purposes, in equity securities, including convertible securities.

AIM V.I. SMALL CAP EQUITY FUND -- Seeks long-term growth of capital. Invests, normally, at least 80% of its assets in equity securities, including convertible securities, of small-capitalization companies.

AMERICAN FUNDS ASSET ALLOCATION FUND -- Seeks high total return, including income and capital gains, consistent with the preservation of capital over the long term through a diversified portfolio that can include common stocks and other equity-type securities, bonds and other intermediate and long-term debt

securities, and money market instruments.

AMERICAN FUNDS BLUE CHIP INCOME AND GROWTH FUND -- Seeks to produce income exceeding the average yield on U.S. stocks generally (as represented by the average yield on the Standard & Poor's 500 Composite Index) and to provide an opportunity for growth of principal consistent with sound common stock investing. The Fund invests primarily in common stocks of larger, more established companies based in the U.S. with market capitalizations of \$4 billion and above. The Fund may also invest up to 10% of its assets in common stocks of larger, non-U.S. companies, so long as they are listed or traded in the U.S. The Fund will invest, under normal market conditions, at least 90% of its assets in equity securities.

AMERICAN FUNDS BOND FUND -- Seeks to provide as high a level of current income as is consistent with the preservation of capital by investing primarily in fixed-income securities.

AMERICAN FUNDS GLOBAL GROWTH FUND -- Seeks long-term growth of capital by investing primarily in common stocks of issuers located around the world.

AMERICAN FUNDS GLOBAL SMALL CAPITALIZATION FUND -- Seeks long-term growth of capital by investing primarily in equity securities of smaller companies located around the world that typically have market capitalizations of \$50 million to \$2 billion.

AMERICAN FUNDS GROWTH FUND -- Seeks long-term growth of capital by investing primarily in common stocks which demonstrate the potential for appreciation.

AMERICAN FUNDS GROWTH-INCOME FUND -- Seeks growth of capital and income by investing primarily in common stocks or other securities which demonstrate the potential for appreciation and/or dividends.

AMERICAN FUNDS INTERNATIONAL FUND -- Seeks long-term growth of capital by investing primarily in common stocks of issuers domiciled outside of the United States.

AMERICAN FUNDS NEW WORLD FUND -- Seeks long-term growth of capital by investing primarily in stocks of companies with significant exposure to countries with developing economies and/or markets. The Fund may also invest in debt securities of issuers, including issuers of lower rated bonds with exposure to these countries.

FRANKLIN FLEX CAP GROWTH SECURITIES FUND -- Seeks capital appreciation.

FRANKLIN INCOME SECURITIES FUND -- Seeks to maximize income while maintaining prospects for capital appreciation.

FRANKLIN LARGE CAP GROWTH SECURITIES FUND -- Seeks capital appreciation.

FRANKLIN LARGE CAP VALUE SECURITIES FUND -- Seeks long-term capital appreciation.

FRANKLIN RISING DIVIDENDS SECURITIES FUND -- Seeks long-term capital appreciation while attempting to preserve capital.

FRANKLIN SMALL-MID CAP GROWTH SECURITIES FUND (formerly Franklin Small Cap Fund) -- Seeks long-term capital growth.

FRANKLIN STRATEGIC INCOME SECURITIES FUND -- Seeks a high level of current income, with capital appreciation over the long term as a secondary objective.

HARTFORD MONEY MARKET HLS FUND -- Seeks maximum current income consistent with liquidity and preservation of capital. Sub-advised by Hartford Investment Management Company.

MFS-REGISTERED TRADEMARK- EMERGING GROWTH SERIES -- Seeks to provide long-term growth of capital.

MFS-REGISTERED TRADEMARK- GLOBAL EQUITY SERIES -- Seeks capital appreciation.

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MFS-REGISTERED TRADEMARK- HIGH INCOME SERIES -- Seeks high current income by investing primarily in a professionally managed diversified portfolio of fixed income securities, some of which may involve equity features.

MFS-REGISTERED TRADEMARK- INVESTORS GROWTH STOCK SERIES -- Seeks to provide long-term growth of capital and future income rather than current income.

MFS-REGISTERED TRADEMARK- INVESTORS TRUST SERIES -- Seeks mainly to provide long-term growth of capital and secondarily to provide reasonable current

income.

MFS-REGISTERED TRADEMARK- MID CAP GROWTH SERIES -- Seeks long-term growth of capital.

MFS-REGISTERED TRADEMARK- NEW DISCOVERY SERIES -- Seeks capital appreciation.

MFS-REGISTERED TRADEMARK- RESEARCH BOND SERIES -- Seeks high current income and long-term growth of capital.

MFS-REGISTERED TRADEMARK- RESEARCH INTERNATIONAL SERIES -- Seeks capital appreciation.

MFS-REGISTERED TRADEMARK- RESEARCH SERIES -- Seeks long-term growth and future income.

MFS-REGISTERED TRADEMARK- TOTAL RETURN SERIES -- Seeks mainly to provide above-average income (compared to a portfolio invested entirely in equity securities) consistent with the prudent employment of capital, and secondarily to provide a reasonable opportunity for growth of capital and income.

MFS-REGISTERED TRADEMARK- VALUE SERIES -- Seeks capital appreciation and reasonable income.

MUTUAL DISCOVERY SECURITIES FUND -- Seeks capital appreciation.

MUTUAL SHARES SECURITIES FUND -- Seeks capital appreciation, with income as a secondary goal.

TEMPLETON DEVELOPING MARKETS SECURITIES FUND -- Seeks long-term capital appreciation.

TEMPLETON FOREIGN SECURITIES FUND -- Seeks long-term capital growth.

TEMPLETON GROWTH SECURITIES FUND -- Seeks long-term capital growth.

MIXED AND SHARED FUNDING -- Shares of the Funds may be sold to our other separate accounts and our insurance company affiliates or other unaffiliated insurance companies to serve as the underlying investment for both variable annuity contracts and variable life insurance policies, a practice known as "mixed and shared funding." As a result, there is a possibility that a material conflict may arise between the interests of Contract Owners, and of owners of other contracts whose contract values are allocated to one or more of these other separate accounts investing in any one of the Funds. In the event of any such material conflicts, we will consider what action may be appropriate, including removing the Fund from the Separate Account or replacing the Fund with another underlying fund. There are certain risks associated with mixed and shared funding. These risks are disclosed in the Funds' prospectus accompanying this prospectus.

VOTING RIGHTS -- We are the legal owners of all Fund shares held in the Separate Account and we have the right to vote at the Fund's shareholder meetings. To the extent required by federal securities laws or regulations, we will:

- Notify you of any Fund shareholders' meeting if the shares held for your Contract may be voted.
- Send proxy materials and a form of instructions that you can use to tell us how to vote the Fund shares held for your Contract.
- Arrange for the handling and tallying of proxies received from Contract Owners.
- Vote all Fund shares attributable to your Contract according to instructions received from you, and
- Vote all Fund shares for which no voting instructions are received in the same proportion as shares for which instructions have been received.

If any federal securities laws or regulations, or their present interpretation, change to permit us to vote Fund shares on our own, we may decide to do so. You may attend any shareholder meeting at which shares held for your Contract may be voted. After we begin to make Annuity Payouts to you, the number of votes you have will decrease.

SUBSTITUTIONS, ADDITIONS, OR DELETIONS OF FUNDS -- We may, subject to any applicable law, make certain changes the Funds offered under your contract. We may, in our sole discretion, establish new Funds. New Funds will be made available to existing Contract Owners as we determine appropriate. We may also close one or more Funds to additional Premium Payments or transfers from existing Sub-Accounts.

We may eliminate the shares of any of the Funds from the Contract for any reason and we may substitute shares of another registered investment company for the

shares of any Fund already purchased or to be purchased in the future by the Separate Account. To the extent required by the Investment Company Act of 1940 (the "1940 Act"), substitutions of shares attributable to your interest in a Fund will not be made until we have the approval of the Commission and we have notified you of the change.

In the event of any substitution or change, we may, by appropriate endorsement, make any changes in the Contract necessary or appropriate to reflect the substitution or change. If we decide that it is in the best interest of the Contract Owners, the Separate Account may be operated as a management company under the 1940 Act or any other form permitted by law, may be de-registered under the 1940 Act in the event such registration is no longer required, or may be combined with one or more other Separate Accounts.

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ADMINISTRATIVE AND DISTRIBUTION SERVICES -- Hartford has entered into agreements with the investment advisers or distributors of many of the Funds. Under the terms of these agreements, Hartford provides administrative and distribution related services and the Funds pay fees to Hartford that are usually based on an annual percentage of the average daily net assets of the Funds. These agreements may be different for each Fund or each Fund family and may include fees paid under a distribution and/or servicing plan adopted by a Fund pursuant to Rule 12b-1 under the Investment Company Act of 1940.

PERFORMANCE RELATED INFORMATION

The Separate Account may advertise certain performance related information concerning the Sub-Accounts. Performance information about a Sub-Account is based on the Sub-Account's past performance only and is no indication of future performance.

When a Sub-Account advertises its standardized total return, it will usually be calculated since the date of the Sub-Account's inception for one year, five years, and ten years or some other relevant periods if the Sub-Account has not been in existence for at least ten years. Total return is measured by comparing the value of an investment in the Sub-Account at the beginning of the relevant period to the value of the investment at the end of the period. Total return calculations reflect a deduction for Total Annual Fund Operating Expenses, any Contingent Deferred Sales Charge, Separate Account Annual Expenses without any optional charge deductions, and the Annual Maintenance Fee.

The Separate Account may also advertise non-standardized total returns that pre-date the inception date of the Separate Account. These non-standardized total returns are calculated by assuming that the Sub-Accounts have been in existence for the same periods as the underlying Funds and by taking deductions for charges equal to those currently assessed against the Sub-Accounts. Non-standardized total return calculations reflect a deduction for Total Annual Fund Operating Expenses and Separate Account Annual Expenses without any optional charge deductions, and do not include deduction for Contingent Deferred Sales Charge or the Annual Maintenance Fee. This means the non-standardized total return for a Sub-Account is higher than the standardized total return for a Sub-Account. These non-standardized returns must be accompanied by standardized returns.

If applicable, the Sub-Accounts may advertise yield in addition to total return. The yield will be computed in the following manner: The net investment income per unit earned during a recent one month period is divided by the unit value on the last day of the period. This figure includes the recurring charges at the Separate Account level including the Annual Maintenance Fee.

A money market Sub-Account may advertise yield and effective yield. The yield of a Sub-Account is based upon the income earned by the Sub-Account over a seven-day period and then annualized, i.e. the income earned in the period is assumed to be earned every seven days over a 52-week period and stated as a percentage of the investment. Effective yield is calculated similarly but when annualized, the income earned by the investment is assumed to be reinvested in Sub-Account units and thus compounded in the course of a 52-week period. Yield and effective yield include the recurring charges at the Separate Account level including the Annual Maintenance Fee.

We may provide information on various topics to Contract Owners and prospective Contract Owners in advertising, sales literature or other materials. These topics may include the relationship between sectors of the economy and the economy as a whole and its effect on various securities markets, investment strategies and techniques (such as systematic investing, Dollar Cost Averaging and asset allocation), the advantages and disadvantages of investing in tax-deferred and taxable instruments, customer profiles and hypothetical purchase scenarios, financial management and tax and retirement planning, and other investment alternatives, including comparisons between the Contract and

the characteristics of and market for such alternatives.

FIXED ACCUMULATION FEATURE

The Fixed Accumulation Feature is currently not available.

IMPORTANT INFORMATION YOU SHOULD KNOW: THIS PORTION OF THE PROSPECTUS RELATING TO THE FIXED ACCUMULATION FEATURE IS NOT REGISTERED UNDER THE SECURITIES ACT OF 1933 ("1933 ACT") AND THE FIXED ACCUMULATION FEATURE IS NOT REGISTERED AS AN INVESTMENT COMPANY UNDER THE 1940 ACT. THE FIXED ACCUMULATION FEATURE OR ANY OF ITS INTERESTS ARE NOT SUBJECT TO THE PROVISIONS OR RESTRICTIONS OF THE 1933 ACT OR THE 1940 ACT, AND THE STAFF OF THE SECURITIES AND EXCHANGE COMMISSION HAS NOT REVIEWED THE DISCLOSURE REGARDING THE FIXED ACCUMULATION FEATURE. THE FOLLOWING DISCLOSURE ABOUT FIXED ACCUMULATION FEATURE MAY BE SUBJECT TO CERTAIN GENERALLY APPLICABLE PROVISIONS OF THE FEDERAL SECURITIES LAWS REGARDING THE ACCURACY AND COMPLETENESS OF DISCLOSURE.

Premium Payments and Contract Values allocated to the Fixed Accumulation Feature become a part of our General Account assets. We invest the assets of the General Account according to the laws governing the investments of insurance company General Accounts. Premium Payments and Contract Values allocated to the Fixed Accumulation Feature are available to our general creditors.

We guarantee that we will credit interest to amounts you allocate to the Fixed Accumulation Feature at a rate that meets your state's minimum requirements. We may change the minimum

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guaranteed interest rate subject only to applicable state insurance law. We may credit interest at a rate in excess of the minimum guaranteed interest rate. We will periodically publish the Fixed Accumulation Feature interest rates currently in effect. There is no specific formula for determining interest rates. Some of the factors that we may consider in determining whether to credit excess interest are; general economic trends, rates of return currently available and anticipated on our investments, regulatory and tax requirements and competitive factors.

We will account for any deductions, Surrenders or transfers from the Fixed Accumulation Feature on a "first-in first-out" basis. The Fixed Accumulation Feature interest rates may vary by state.

IMPORTANT: ANY INTEREST CREDITED TO AMOUNTS YOU ALLOCATE TO THE FIXED ACCUMULATION FEATURE IN EXCESS OF THE MINIMUM GUARANTEED INTEREST RATE WILL BE DETERMINED AT OUR SOLE DISCRETION. YOU ASSUME THE RISK THAT INTEREST CREDITED TO THE FIXED ACCUMULATION FEATURE MAY NOT EXCEED THE MINIMUM GUARANTEED INTEREST RATE FOR ANY GIVEN YEAR.

From time to time, we may credit increased interest rates under certain programs established in our sole discretion.

We may restrict your ability to allocate Contract Values or Premium Payments to the Fixed Accumulation Feature at any time in our sole discretion. We may close the Fixed Accumulation Feature to new Premium Payments or transfers of existing Contract Value. We may also make the Fixed Accumulation Feature available only through enrollment in a program that we establish.

DOLLAR COST AVERAGING PLUS ("DCA PLUS") PROGRAMS -- You may enroll in one or more special pre-authorized transfer programs known as our DCA Plus Programs (the "Programs"). Under these Programs, Contract Owners who enroll may allocate a minimum of \$5,000 of their Premium Payment into a Program (we may allow a lower minimum Premium Payment for qualified plan transfers or rollovers, including IRAs) and pre-authorize transfers from our Fixed Accumulation Feature to any of the Sub-Accounts under either a 6-Month Transfer Program or 12-Month Transfer Program subject to Program rules. The 6-Month Transfer Program and the 12-Month Transfer Program will generally have different credited interest rates. Under the 6-Month Transfer Program, the interest rate can accrue up to 6 months and all Premium Payments and accrued interest must be transferred from the Program to the selected Sub-Accounts in 3 to 6 months. Under the 12-Month Transfer Program, the interest rate can accrue up to 12 months and all Premium Payments and accrued interest must be transferred to the selected Sub-Accounts in 7 to 12 months. This will be accomplished by monthly transfers for the period selected and with the final transfer of the entire amount remaining in the Program.

The pre-authorized transfers will begin within 15 days of receipt of the Program payment provided we receive complete enrollment instructions. If we do not receive complete Program enrollment instructions within 15 days of receipt of the initial Program payment, the Program will be voided and the entire balance in the Program will be transferred to the Accounts designated by you. If you do not designate an Account, we will return your Program payment to you for further

instruction. If your Program payment is less than the required minimum amount, we will apply it to your Contract according to your instruction on record for a subsequent Premium Payment.

Under the DCA Plus Programs, the credited interest rate is not earned on the full amount of your Premium Payment for the entire length of the Program. This is because Program transfers to the Sub-Accounts decrease the amount of your Premium Payment remaining in the Program.

All Program payments, including any subsequent Program payment, must meet the Program minimum. Any subsequent Program payments we receive during an active Program transfer period which are received during the same interest rate effective period will be credited to the current Program. Any subsequent Program payments we receive during an active Program transfer period which are received during a different interest rate effective period will be used to start a new Program. That Program will be credited with the interest rate in effect on the date we start the new Program. Unless you send us different instructions, the new Program will be the same length of time as your current Program and will allocate the subsequent Program payments to the same Sub-Accounts.

The DCA Plus Program may credit a higher interest rate but it does not ensure a profit or protect you against a loss in declining markets.

Hartford may limit the total number of DCA Programs and DCA Plus Programs to 5 Programs open at any one time.

We determine, in our sole discretion, the interest rates credited to the Program. These interest rates may vary depending on the Contract you purchased. Please consult your registered representative to determine the interest rate for your Program.

You may elect to terminate the transfers by calling or writing us of your intent to cancel enrollment in the Program. Upon cancellation, all the amounts remaining in the Program will be immediately transferred to the Sub-Accounts you selected for the Program.

We may discontinue, modify or amend the Programs or any other interest rate program we establish. Any change to a Program will not affect Contract Owners currently enrolled in the Program.

If you make systematic transfers from the Fixed Accumulation Feature under a Dollar Cost Averaging Program or DCA Plus Program, you must wait 6 months after your last systematic transfer before moving Sub-Account Values back to the Fixed Accumulation Feature.

In Oregon, you may only sign up for DCA Plus Programs that are 6 months or longer.

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THE CONTRACT

PURCHASES AND CONTRACT VALUE

WHAT TYPES OF CONTRACTS ARE AVAILABLE?

The Contract is an individual or group tax-deferred variable annuity contract. It is designed for retirement planning purposes and may be purchased by any individual, group or trust, including:

- Any trustee or custodian for a retirement plan qualified under Sections 401(a) or 403(a) of the Code;
- Annuity purchase plans adopted by public school systems and certain tax-exempt organizations according to Section 403(b) of the Code;
- Individual Retirement Annuities adopted according to Section 408 of the Code;
- Employee pension plans established for employees by a state, a political subdivision of a state, or an agency of either a state or a political subdivision of a state, and
- Certain eligible deferred compensation plans as defined in Section 457 of the Code.

The examples above represent qualified Contracts, as defined by the Code. In addition, individuals and trusts can also purchase Contracts that are not part of a tax qualified retirement plan. These are known as non-qualified Contracts.

If you are purchasing the Contract for use in an IRA or other qualified retirement plan, you should consider other features of the Contract besides tax

deferral, since any investment vehicle used within an IRA or other qualified plan receives tax deferred treatment under the Code.

This prospectus describes three versions of the Contract. Series I of the Contract was issued before January 30, 2004. Series IR of the Contract was issued between January 30, 2004 and May 2, 2005. Series II is issued on or after May 2, 2005.

HOW DO I PURCHASE A CONTRACT?

You may purchase a Contract by completing and submitting an application or an order request along with an initial Premium Payment. For most Contracts, the minimum initial Premium Payment is \$10,000. For additional Premium Payments, the minimum Premium Payment is \$500. Under certain situations, we may allow smaller Premium Payments, for example, if you enroll in our InvestEase Program or are part of certain tax qualified retirement plans. Prior approval is required for any Premium Payments that would equal or exceed \$1,000,000 when combined with the total Premium Payments made to this Contract and any other Contract we issue to you or to your Annuitant.

For Series I and Series IR Contracts you and your Annuitant must not be older than age 90 on the date that your Contract is issued. For Series II Contracts you and your Annuitant must not be older than age 85 on the date that your Contract is issued. You must be of legal age in the state where the Contract is being purchased or a guardian must act on your behalf.

If you purchase your Contract in Alabama, we will accept subsequent Premium Payments only during the first three Contract Years. If you purchase your Contract in Oregon, we will accept subsequent Premium Payments only during the first six Contract Years. If you purchase your Contract in Massachusetts, we will accept subsequent Premium Payments only until the Annuitant's 66th birthday or the sixth Contract Anniversary, whichever is later.

HOW ARE PREMIUM PAYMENTS APPLIED TO MY CONTRACT?

Your initial Premium Payment will be invested within two Valuation Days of our receipt of a properly completed application or an order request and the Premium Payment. If we receive your subsequent Premium Payment before the close of the New York Stock Exchange, it will be invested on the same Valuation Day. If we receive your Premium Payment after the close of the New York Stock Exchange, it will be invested on the next Valuation Day. If we receive your subsequent Premium Payment on a Non-Valuation Day, the amount will be invested on the next Valuation Day. Unless we receive new instructions, we will invest the Premium Payment based on your last allocation instructions. We will send you a confirmation when we invest your Premium Payment.

If the request or other information accompanying the initial Premium Payment is incomplete when received, we will hold the money in a non-interest bearing account for up to five Valuation Days while we try to obtain complete information. If we cannot obtain the information within five Valuation Days, we will either return the Premium Payment and explain why the Premium Payment could not be processed or keep the Premium Payment if you authorize us to keep it until you provide the necessary information.

CALIFORNIA SENIORS -- THE SENIOR PROTECTION PROGRAM

Any Contract Owner 60 years old or older when purchasing this Contract in the state of California must either:

- Elect the Senior Protection Program, or
- Elect to immediately allocate the initial Premium Payments to the other investment options.

Under the Senior Protection Program we will allocate your initial Premium Payment to the Hartford Money Market HLS Fund Sub-Account for the first 35 days your initial Premium Payment is invested. After the 35th day we will automatically allocate your Contract Value according to your most current investment instructions.

If you elect the Senior Protection Program you will not be able to participate in any InvestEase or Dollar Cost Averaging Program until after the Program has terminated. Certain Automatic Income Programs are not available if you elect the Senior Protection Program. Under the Senior Protection Program any subsequent Premium Payment received during the 35 days after the initial Premium Payment is invested will also be invested in the

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Hartford Money Market HLS Fund Sub-Account unless you direct otherwise.

You may voluntarily terminate your participation in the Senior Protection

Program by contacting us in writing or by telephone. You will automatically terminate your participation in the Senior Protection Program if you allocate a subsequent Premium Payment to any other investment option or transfer Account Value from the Hartford Money Market HLS Fund Sub-Account to another investment option.

When you terminate your participation in the Senior Protection Program:

- You may reallocate your Contract Value in the Program to other investment options; or
- We will automatically reallocate your Account value in the Program according to your original instructions 35 days after your initial Premium Payment.

CAN I CANCEL MY CONTRACT AFTER I PURCHASE IT?

We want you to be satisfied with the Contract you have purchased. We urge you to closely examine its provisions. If for any reason you are not satisfied with your Contract, simply return it within ten days after you receive it with a written request for cancellation that indicates your tax-withholding instructions. In some states, you may be allowed more time to cancel your Contract. We will not deduct any Contingent Deferred Sales Charges during this time. We may require additional information, including a signature guarantee, before we can cancel your Contract.

Unless otherwise required by state law, Hartford will pay you your Contract Value on the day we receive your request to cancel. The Contract Value may be more or less than your Premium Payments depending upon the performance of your sub-accounts. This means that you bear the risk of any decline in your Contract Value until we receive your notice of cancellation. We do not refund any fees or charges deducted during this period. In certain states, we are required to return your Premium Payment if you decide to cancel your Contract.

HOW IS THE VALUE OF MY CONTRACT CALCULATED BEFORE THE ANNUITY COMMENCEMENT DATE?

The Contract Value is the sum of the value of the Fixed Accumulation Feature and all Sub-Accounts. There are two things that affect your Sub-Account value: (1) the number of Accumulation Units and (2) the Accumulation Unit Value. The Sub-Account value is determined by multiplying the number of Accumulation Units by the Accumulation Unit Value. On any Valuation Day the investment performance of the Sub-Accounts will fluctuate with the performance of the underlying Funds.

When Premium Payments are credited to your Sub-Accounts, they are converted into Accumulation Units by dividing the amount of your Premium Payments, minus any Premium Taxes, by the Accumulation Unit Value for that day. The more Premium Payments you make to your Contract, the more Accumulation Units you will own. You decrease the number of Accumulation Units you have by requesting Surrenders, transferring money out of a Sub-Account, settling a Death Benefit claim or by annuitizing your Contract.

To determine the current Accumulation Unit Value, we take the prior Valuation Day's Accumulation Unit Value and multiply it by the Net Investment Factor for the current Valuation Day.

The Net Investment Factor is used to measure the investment performance of a Sub-Account from one Valuation Day to the next. The Net Investment Factor for each Sub-Account equals:

- The net asset value per share plus applicable distributions per share of each Fund at the end of the current Valuation Day; divided by
- The net asset value per share of each Fund at the end of the prior Valuation Day; multiplied by
- Contract charges including the daily expense factor for the mortality and expense risk charge and any other periodic expenses, including charges for optional benefits, adjusted for the number of days in the period.

We will send you a statement at least annually, which tells you how many Accumulation Units you have, their value and your total Contract Value.

CAN I TRANSFER FROM ONE SUB-ACCOUNT TO ANOTHER?

You may make transfers between the Sub-Accounts offered in this Contract according to our policies and procedures.

WHAT IS A SUB-ACCOUNT TRANSFER?

A Sub-Account transfer is a transaction requested by you that involves reallocating part or all of your Contract Value among the underlying Funds available in your Contract.

You may transfer from one Sub-Account to another before and after the Annuity Commencement Date. Your transfer request will be processed on the day that it is

received as long as it is received in good order on a Valuation Day before the close of the New York Stock Exchange. Otherwise, your request will be processed on the following Valuation Day. We will send you a confirmation when we process your transfer. You are responsible for verifying transfer confirmations and promptly advising us of any errors within 30 days of receiving the confirmation.

WHAT HAPPENS WHEN I REQUEST A SUB-ACCOUNT TRANSFER?

When you request a Sub-Account transfer, Hartford sells shares of the underlying Fund that makes up the Sub-Account you are transferring from and buys shares of the underlying Fund that makes up the Sub-Account you want to transfer into.

Each day, many Contract Owners request Sub-Account transfers. Some request transfers into a particular Sub-Account, and others request transfers out of a particular Sub-Account. In addition, each day some Contract Owners allocate new Premium Payments to Sub-Accounts, and others request Surrenders. Hartford combines all the requests to transfer out of a Sub-Account along with all Surrenders from that Sub-Account and

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determines how many shares of that Sub-Account's underlying Fund Hartford would need to sell to satisfy all Contract Owners' "transfer-out" requests. At the same time, Hartford also combines all the requests to transfer into a particular Sub-Account or new Premium Payments allocated to that Sub-Account and determines how many shares of that Sub-Account's underlying Fund Hartford would need to buy to satisfy all Contract Owners' "transfer-in" requests.

In addition, many of the underlying Funds that are available as investment options in Hartford's variable annuity products are also available as investment options in variable life insurance policies, retirement plans, group funding agreements and other products offered by Hartford. Each day, investors and participants in these other products engage in transactions similar to the Sub-Account transfers described for variable annuity Contract Owners.

Hartford takes advantage of its size and available technology to combine the sales of a particular underlying Fund for all the variable annuities, variable life insurance policies, retirement plans, group funding agreements or other products offered by Hartford. We also combine all the purchases of that particular underlying Fund for all the products we offer. We then "net" those trades. This means that we sometimes reallocate shares of an underlying Fund within the accounts at Hartford rather than buy new shares or sell shares of the underlying Fund.

For example, if we combine all transfer-out requests and Surrenders of the Hartford Stock HLS Fund Sub-Account with all other sales of that underlying Fund from all the other products available at Hartford, we may have to sell \$1 million dollars of that Fund on any particular day. However, if other Contract Owners and the owners of other products offered by Hartford, want to purchase or transfer-in an amount equal to \$300,000 of that Fund, then Hartford would send a sell order to the underlying Fund for \$700,000, which is a \$1 million sell order minus the purchase order of \$300,000.

WHAT RESTRICTIONS ARE THERE ON MY ABILITY TO MAKE A SUB-ACCOUNT TRANSFER?

You should be aware that there are several important restrictions on your ability to make a Sub-Account transfer.

FIRST, YOU MAY MAKE ONLY ONE SUB-ACCOUNT TRANSFER EACH DAY. HARTFORD LIMITS EACH CONTRACT OWNER TO ONE SUB-ACCOUNT TRANSFER EACH DAY. Hartford counts all Sub-Account transfer activity that occurs on any one day as one Sub-Account transfer, except you cannot transfer the same Contract Value more than once a day.

For example, if the only transfer you make on a day is a transfer of \$10,000 from the Hartford Money Market HLS Fund Sub-Account into another Sub-Account, it would count as one Sub-Account transfer. If, however, on a single day you transfer \$10,000 out of the Hartford Money Market HLS Fund Sub-Account into five other Sub-Accounts (dividing the \$10,000 among the five other Sub-Accounts however you chose), that day's transfer activity would count as one Sub-Account transfer. Likewise, if on a single day you transferred \$10,000 out of the Hartford Money Market HLS Fund Sub-Account into ten other Sub-Accounts (dividing the \$10,000 among the ten other Sub-Accounts however you chose), that day's transfer activity would count as one Sub-Account transfer. Conversely, if you have \$10,000 in Contract Value distributed among 10 different Sub-Accounts and you request to transfer the Contract Value in all those Sub-Accounts into one Sub-Account, that would also count as one Sub-Account transfer.

However, you cannot transfer the same Contract Value more than once in one day. That means if you have \$10,000 in the Hartford Money Market HLS Fund Sub-Account and you transfer all \$10,000 into the Hartford Stock HLS Fund Sub-Account, on that same day you could not then transfer the \$10,000 out of the Hartford Stock

HLS Fund Sub-Account into another Sub-Account.

SECOND, HARTFORD HAS IMPLEMENTED POLICIES DESIGNED TO RESTRICT EXCESSIVE SUB-ACCOUNT TRANSFERS. You should not purchase this Contract if you want to make frequent Sub-Account transfers for any reason. In particular, Hartford does not want you to purchase this Contract if you plan to engage in "market timing," which includes frequent transfer activity into and out of the same underlying Fund, or engaging in frequent Sub-Account transfers in order to exploit inefficiencies in the pricing of the underlying Fund.

Hartford attempts to curb frequent transfers in the following ways:

- X 20 Transfer Rule;
- X Abusive Trading Policy; and
- X Third Party Transfer Service Agreements.

THE 20 TRANSFER RULE -- Hartford employs the "20 Transfer Rule" to help curb frequent Sub-Account transfers. Under this policy, you are allowed to submit a total of 20 Sub-Account transfer requests each Contract Year for each Contract by any of the following methods: U.S. Mail, Voice Response Unit, Internet or telephone. Once these 20 Sub-Account transfers have been requested, you may submit any additional Sub-Account transfer requests only in writing by U.S. Mail or overnight delivery service. Transfer requests by telephone, voice recording unit, via the internet or sent by same day mail or courier service will not be accepted. If you want to cancel a written Sub-Account transfer, you must also cancel it in writing by U.S. Mail or overnight delivery service. We will process the cancellation request as of the day we receive it in good order.

We actively monitor Contract Owner's compliance with this policy. Our computer system will automatically send you a letter after your 10th Sub-Account transfer to remind you of our Sub-Account transfer policy. After your 20th transfer request, the computer system will not allow you to do another Sub-Account transfer by telephone, voice recording unit or via the internet. You will be instructed to send your Sub-Account transfer request by U.S. Mail or overnight delivery service.

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Each Contract Anniversary, we reset your transfers to allow 20 new Sub-Account transfers by any means.

We may make changes to this policy at any time.

ABUSIVE TRANSFER POLICY -- Regardless of the number of Sub-Account transfers you have done under the 20 Transfer Rule, you still may have your Sub-Account transfer privileges restricted if you violate the Abusive Transfer Policy, which is designed to respond to market timing activity observed by the underlying Funds.

Under the Abusive Transfer Policy, we rely on the underlying Funds to identify a pattern or frequency of Sub-Account transfers that the underlying Fund wants us to investigate. Most often, the underlying Fund will identify a particular day where it experienced a higher percentage of shares bought followed closely by a day where it experienced the almost identical percentage of shares sold. Once an underlying Fund contacts us, we run a report that identifies all Contract Owners who transferred in or out of that underlying Fund's Sub-Account on the day or days identified by the underlying Fund. We then review the Contracts on that list to determine whether transfer activity of each identified Contract violates our written Abusive Transfer Policy. We don't reveal the precise details of this policy to make it more difficult for abusive traders to adjust their behavior to escape detection under this procedure. We can tell you that we consider some or all of the following factors in our review:

- the dollar amount of the transfer;
- the total assets of the Funds involved in the transfer;
- the number of transfers completed in the current calendar quarter; or
- whether the transfer is part of a pattern of transfers designed to take advantage of short term market fluctuations or market inefficiencies.

If you meet the criteria established in our Abusive Transfer Policy, we will terminate your Sub-Account transfer privileges until your next Contract Anniversary, at which point your transfer privileges will be reinstated. Since we combine all the purchases of a particular underlying Fund for all the products through net trades, the underlying Fund is unable to identify transfers of any specific Contract Owner. As a result, there is the risk that the underlying Fund may not be able to identify abusive transfers.

THIRD PARTY TRANSFER SERVICE AGREEMENTS -- If your initial Premium Payment is \$1 million or more, or if you are acting on behalf of multiple Contract Owners with aggregate Contract Values of \$2 million or more, you may be required to sign a separate agreement with Hartford that includes additional restrictions on your ability to request Sub-Account transfers. We do not currently require Contract Owners or others to sign these agreements. However, if we believe that these agreements may help curb frequent transfers, or for any other reason, we may, without notice, begin requiring these agreements again. In the event such separate agreements are required, the terms and conditions of these agreements may vary from one agreement to the next but all of these agreements, without exception, would be more restrictive than our regular policies that restrict excessive Sub-Account transfers.

ARE THERE ANY EXCEPTIONS TO THESE POLICIES?

INDIVIDUAL EXCEPTIONS. Except for the exceptions listed below, Hartford does not make any exceptions to its policies restricting frequent trading. This means that if you request to be excused from any of the policies and to be permitted to engage in a Sub-Account transfer that would violate any of these policies, Hartford will refuse your request.

SOME ESTABLISHED EXCEPTIONS. You should be aware, however, that the 20 Transfer Rule and the Abusive Trading Policy do not apply to all Contract Owners and do not apply in all circumstances, which we describe here:

- The 20 Transfer Rule and the Abusive Trading Policy do not apply to certain Contracts serviced by Windsor Securities, Inc., a registered broker-dealer firm, that sued Hartford in the 1990's for a variety of issues, including Hartford's attempt to limit its Contract Owners' Sub-Account transfers. As a result of the settlement of this litigation, these Contract Owners have different Sub-Account transfer restrictions. With respect to these Contract Owners, we currently only have the ability to restrict transfers into certain underlying Funds and to limit the total Contract Value invested in any one underlying Fund. As of December 31, 2004, the total Contract Value for this group of Contracts was approximately \$115 million.
- The 20 Transfer Rule does not apply to Sub-Account transfers that occur automatically as part of an established asset allocation program or asset rebalancing program that rebalances a Contract Owner's holdings on a periodic, pre-established basis according to the prior written instructions of the Contract Owner or as part of a DCA program, including the DCA Plus program. That means that transfers that occur under these programs are not counted toward the 20 transfers allowed under the 20 Transfer Rule. We don't apply the 20 Transfer Rule to programs, like asset rebalancing, asset allocation and DCA programs, that allow Sub-Account transfers on a regularly scheduled basis because the underlying Funds expect these transfers and they usually do not represent the type of Sub-Account transfers that the underlying Funds find problematic.

Other than these exceptions, the only other exceptions to the 20 Transfer Rule impose more restrictive limitations than the 20 Transfer Rule. For example, in Oregon, we have the contractual right to limit Sub-Account transfers to only one Sub-Account transfer every 30 days and to require that the transfer request be sent in writing. We currently do not enforce this right, but should we choose to do so, it would be an exception to the 20 Transfer Rule. There are also some Third Party Transfer Service Agreements that are customized for certain brokers that contain transfer limitations that are also more restrictive than the 20 Transfer Rule.

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POSSIBILITY OF UNDETECTED FREQUENT TRADING IN THE UNDERLYING FUNDS. In addition to the exceptions we have just described, you should also be aware that there may be frequent trading in the underlying Funds that Hartford is not able to detect and prevent, which we describe here:

- There is a variable annuity that we offer that has no Contingent Deferred Sales Charge. We are aware that frequent traders have used this annuity in the past to engage in frequent Sub-Account transfers that does not violate the precise terms of the 20 Transfer Rule. We believe that we have addressed this practice by closing all the international and global funds available in the annuity. However, we cannot always tell if there is frequent trading in this product.
- These policies apply only to individuals and entities that own this Contract and any subsequent or more recent versions of this Contract. However, the underlying Funds that make up the Sub-Accounts of this Contract are available for use with many different variable life insurance policies, variable annuity products and funding agreements, and they are offered directly to certain qualified retirement plans. Some of these products and plans may have less

restrictive transfer rules or no transfer restrictions at all. Many of the group variable annuities or group funding agreements are offered to retirement plans, and plan sponsors administer their plan according to Plan documents. If these retirement plan documents have no restrictions on Sub-Account transfers, then Hartford cannot apply the 20 Transfer Rule and may not be able to apply any other restriction on transfers. Hartford has been working with plan sponsors and plan administrators to ensure that any frequent transfer activity is identified and deterred. Hartford has had only limited success in this area. Frequent transfers by individuals or entities that occur in other investment or retirement products provided by Hartford could have the same abusive affect as frequent Sub-Account transfers done by Contract Owners of this Contract.

HOW AM I AFFECTED BY FREQUENT SUB-ACCOUNT TRANSFERS?

Frequent Sub-Account transfers often result in frequent purchases and redemptions of shares of the underlying Fund. Frequent purchases and redemptions of the shares of the underlying Funds may increase your costs under this Contract and may also lower your Contract's overall performance. Your costs may increase because the underlying Fund will pass on any increase in fees related to the frequent purchase and redemption of the underlying Fund's stocks. There would also be administrative costs associated with these transactions.

Frequent transfers may also cause an underlying Fund to hold more cash than the underlying Fund would like to hold. A large cash position means that the underlying Fund will not be fully invested and may miss a rise in value of the securities that the Fund would have purchased. If the underlying Fund chooses not to hold a larger cash position, then it may have to sell securities that it would have otherwise like to have kept, in order to meet its redemption obligations. Both of these measures could result in lower performance of the underlying Fund, which in turn would result in lower overall performance of your Contract.

Because frequent transfers may raise the costs associated with this Contract and lower performance, the effect may be a lower Death Benefit paid to your Beneficiary or lower annuity payouts for your Payee.

WHAT IF A PROSPECTUS FOR THE UNDERLYING FUNDS HAS DIFFERENT POLICIES AND PROCEDURES REGARDING FREQUENT TRADING?

We print the prospectus for the variable annuity together with the prospectuses for the underlying Funds. While the prospectuses for the underlying Funds may describe policies and procedures regarding frequent trading that may be different from those described in the variable annuity prospectus, the policies and procedures described in the variable annuity prospectus control how we administer Sub-Account transfers.

We will continue to monitor transfer activity and Hartford may modify these restrictions at any time.

FIXED ACCUMULATION FEATURE TRANSFERS -- During each Contract Year, you may make transfers out of the Fixed Accumulation Feature to the Sub-Accounts, subject to the transfer restrictions discussed below. All transfer allocations must be in whole numbers (e.g., 1%).

FIXED ACCUMULATION FEATURE TRANSFER RESTRICTIONS -- Each Contract Year you may transfer the greater of:

- 30% of the greatest Contract Value in the Fixed Accumulation Feature as of any Contract Anniversary or the Contract issue date. When we calculate the 30%, we add Premium Payments made after that date but before the next Contract Anniversary. The 30% does not include Contract Value in any DCA Plus Program; or
- An amount equal to your largest previous transfer from the Fixed Accumulation Feature in any one Contract Year.

We apply these restrictions to all transfers from the Fixed Accumulation Feature, including all systematic transfers and Dollar Cost Averaging Programs, except for transfers under our DCA Plus Program.

If your interest rate renews at a rate at least 1% lower than your prior interest rate, you may transfer an amount equal to up to 100% of the amount to be invested at the renewal rate. You must make this transfer request within 60 days of being notified of the renewal rate.

We may defer transfers and Surrenders from the Fixed Accumulation Feature for up to 6 months from the date of your request.

You must wait 6 months after your most recent transfer from the Fixed Accumulation Feature before moving Sub-Account Values back to the Fixed Accumulation Feature. If you make systematic transfers from the Fixed Accumulation Feature under a Dollar Cost Averaging Program or DCA Plus Program, you must wait 6 months after your last systematic transfer before moving Sub-

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TELEPHONE AND INTERNET TRANSFERS -- In most states, you can make transfers:

- By calling us at 1-800-862-6668
- Electronically, if available, by the Internet through our website at www.hartfordinvestor.com

Transfer instructions received by telephone on any Valuation Day before the close of the New York Stock Exchange will be carried out that day. Otherwise, the instructions will be carried out at the close of the New York Stock Exchange on the next Valuation Day.

Transfer instructions you send electronically are considered to be received by Hartford at the time and date stated on the electronic acknowledgement Hartford returns to you. If the time and date indicated on the acknowledgement is before the close of the New York Stock Exchange on a Valuation Day, the instructions will be carried out that day. Otherwise, the instructions will be carried out at the close of the New York Stock Exchange the next Valuation Day. If you do not receive an electronic acknowledgement, you should telephone us as soon as possible.

We will send you a confirmation when we process your transfer. You are responsible for verifying transfer confirmations and promptly advising us of any errors within 30 days of receiving the confirmation.

Telephone or Internet transfer requests may currently only be cancelled by calling us before the close of the New York Stock Exchange on the day you made the transfer request.

Hartford, our agents or our affiliates are NOT responsible for losses resulting from telephone or electronic requests that we believe are genuine. We will use reasonable procedures to confirm that instructions received by telephone or through our website are genuine, including a requirement that contract owners provide certain identification information, including a personal identification number. We record all telephone transfer instructions. We may suspend, modify, or terminate telephone or electronic transfer privileges at any time.

POWER OF ATTORNEY -- You may authorize another person to make transfers on your behalf by submitting a completed power of attorney form. Once we have the completed form on file, we will accept transfer instructions, subject to our transfer restrictions, from your designated third party until we receive new instructions in writing from you. You will not be able to make transfers or other changes to your Contract if you have authorized someone else to act under a power of attorney.

CHARGES AND FEES

The following charges and fees are associated with the Contract:

THE CONTINGENT DEFERRED SALES CHARGE

The Contingent Deferred Sales Charge covers some of the expenses relating to the sale and distribution of the Contract, including commissions paid to registered representatives and the cost of preparing sales literature and other promotional activities.

We may assess a Contingent Deferred Sales Charge when you request a full or partial Surrender. The Contingent Deferred Sales Charge is based on the amount you choose to Surrender and how long your Premium Payments have been in the Contract. Each Premium Payment has its own Contingent Deferred Sales Charge schedule. Premium Payments are Surrendered in the order in which they were received. The longer you leave your Premium Payments in the Contract, the lower the Contingent Deferred Sales Charge will be when you Surrender. The amount assessed a Contingent Deferred Sales Charge will not exceed your total Premium Payments.

The percentage used to calculate the Contingent Deferred Sales Charge is equal to:

<Table>

NUMBER OF YEARS FROM PREMIUM PAYMENT	CONTINGENT DEFERRED SALES CHARGE
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7%

2	6%
3	5%
4	4%
5 or more	0%

</Table>

SURRENDER ORDER -- During the first four Contract Years all Surrenders in excess of the Annual Withdrawal Amount will be taken first from Premium Payments, then from earnings. Surrenders from Premium Payments in excess of the Annual Withdrawal Amount will be subject to a Contingent Deferred Sales Charge.

After the fourth Contract Year, all Surrenders in excess of the Annual Withdrawal Amount will be taken first from earnings, then from Premium Payments held in your Contract for more than four years and then from Premium Payments invested for less than four years. Only Premium Payments invested for less than four years are subject to a Contingent Deferred Sales Charge.

THE FOLLOWING SURRENDERS ARE NOT SUBJECT TO A CONTINGENT DEFERRED SALES CHARGE:

- ANNUAL WITHDRAWAL AMOUNT -- During the first four years from each Premium Payment, you may, each Contract Year, take partial Surrenders up to 10% of the total Premium Payments. If you do not take 10% one year, you may not take more than 10% the next year. These amounts are different for Contracts issued to a Charitable Remainder Trust.

- IF YOU ARE A PATIENT IN A CERTIFIED LONG-TERM CARE FACILITY OR OTHER ELIGIBLE FACILITY -- We will waive any Contingent Deferred Sales Charge for a partial or full Surrender if you, the joint Contract Owner or the Annuitant, are confined for at least 180 calendar days to a:

- X facility recognized as a general hospital by the proper authority of the state in which it is located;

- X facility recognized as a general hospital by the Joint Commission on the Accreditation of Hospitals;

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- X facility certified as a hospital or long-term care facility; or

- X nursing home licensed by the state in which it is located and offers the services of a registered nurse 24 hours a day.

For this waiver to apply, you must:

- have owned the Contract continuously since it was issued,
- provide written proof of your eligibility satisfactory to us, and
- request the Surrender within 91 calendar days of the last day that you are an eligible patient in a recognized facility or nursing home.

This waiver is not available if you, the joint Contract Owner or the Annuitant is in a facility or nursing home when you purchase or upgrade the Contract. We will not waive any Contingent Deferred Sales Charge applicable to any Premium Payments made while you are in an eligible facility or nursing home.

This waiver may not be available in all states.

- UPON DEATH OF THE ANNUITANT, CONTRACT OWNER OR JOINT CONTRACT OWNER -- No Contingent Deferred Sales Charge will be deducted if the Annuitant, Contract Owner or joint Contract Owner dies.

- UPON ANNUITIZATION -- The Contingent Deferred Sales Charge is not deducted when you annuitize the Contract. However, we will charge a Contingent Deferred Sales Charge if the Contract is Surrendered during the Contingent Deferred Sales Charge period under an Annuity Payout Option which allows Surrenders.

- FOR THE HARTFORD'S PRINCIPAL FIRST BENEFIT PAYMENTS -- If your Benefit Payment on your most recent Contract Anniversary exceeds the Annual Withdrawal Amount, we will waive any applicable Contingent Deferred Sales Charge for withdrawals up to that Benefit Payment amount.

- FOR THE HARTFORD'S PRINCIPAL FIRST PREFERRED BENEFIT PAYMENTS -- If your Benefit Payment on your most recent Contract Anniversary exceeds the Annual Withdrawal Amount, we will waive any applicable Contingent Deferred Sales Charge for withdrawals up to that Benefit Payment amount.

- FOR REQUIRED MINIMUM DISTRIBUTIONS -- This allows Annuitants who are age 70 1/2 or older, with a Contract held under an IRA or 403(b) plan, to Surrender an amount equal to the Required Minimum Distribution for the Contract without a Contingent Deferred Sales Charge. All requests for Required Minimum Distributions must be in writing.
- FOR SUBSTANTIALLY EQUAL PERIODIC PAYMENTS -- We will waive the Contingent Deferred Sales Charge if you take partial Surrenders under the Automatic Income Program where you receive a scheduled series of substantially equal periodic payments. Payments under this program must be made at least annually for your life (or your life expectancy) or the joint lives (or joint life expectancies) of you and your designated Beneficiary.
- UPON CANCELLATION DURING THE RIGHT TO CANCEL PERIOD -- No Contingent Deferred Sales Charge will be deducted if you cancel your Contract during the Right to Cancel Period.

MORTALITY AND EXPENSE RISK CHARGE

For assuming mortality and expense risks under the Contract, we deduct for Series I and Series IR Contracts a daily charge at an annual rate of 1.50% of Sub-Account Value. For Series II Contracts, we deduct a daily charge at an annual rate of 1.50% of Sub-Account Value.

The mortality and expense risk charge is broken into charges for mortality risks and for an expense risk:

- MORTALITY RISK -- There are two types of mortality risks that we assume, those made while your Premium Payments are accumulating and those made once Annuity Payouts have begun.

During the period your Premium Payments are accumulating, we are required to cover any difference between the Death Benefit paid and the Surrender Value. These differences may occur in periods of declining value or in periods where the Contingent Deferred Sales Charges would have been applicable. The risk that we bear during this period is that actual mortality rates, in aggregate, may exceed expected mortality rates.

Once Annuity Payouts have begun, we may be required to make Annuity Payouts as long as the Annuitant is living, regardless of how long the Annuitant lives. The risk that we bear during this period is that the actual mortality rates, in aggregate, may be lower than the expected mortality rates.

- EXPENSE RISK -- We also bear an expense risk that the Contingent Deferred Sales Charges and the Annual Maintenance Fee collected before the Annuity Commencement Date may not be enough to cover the actual cost of selling, distributing and administering the Contract.

Although variable Annuity Payouts will fluctuate with the performance of the underlying Fund selected, your Annuity Payouts will NOT be affected by (a) the actual mortality experience of our Annuitants, or (b) our actual expenses if they are greater than the deductions stated in the Contract. Because we cannot be certain how long our Annuitants will live, we charge this percentage fee based on the mortality tables currently in use. The mortality and expense risk charge enables us to keep our commitments and to pay you as planned. If the mortality and expense risk charge under a Contract is insufficient to cover our actual costs, we will bear the loss. If the mortality and expense risk charge exceeds these costs, we keep the excess as profit. We may use these profits for any proper corporate purpose including, among other things, payment of sales expenses. We expect to make a profit from the mortality and expense risk charge.

ANNUAL MAINTENANCE FEE

The Annual Maintenance Fee is a flat fee that is deducted from your Contract Value to reimburse us for expenses relating to the

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 administrative maintenance of the Contract and the Accounts. The annual \$30 charge is deducted on a Contract Anniversary or when the Contract is fully Surrendered if the Contract Value at either of those times is less than \$50,000. The charge is deducted proportionately from each Account in which you are invested. We do not deduct the charge for Contracts issued in South Carolina and Washington if it will cause the rate of interest credited to your Contract Value in the Fixed Accumulation Feature to fall below state minimum requirements.

WHEN IS THE ANNUAL MAINTENANCE FEE WAIVED?

We will waive the Annual Maintenance Fee if your Contract Value is \$50,000 or more on your Contract Anniversary or when you fully Surrender your Contract. In addition, we will waive one Annual Maintenance Fee for Contract Owners who own

more than one Contract with a combined Contract Value between \$50,000 and \$100,000. If you have multiple Contracts with a combined Contract Value of \$100,000 or greater, we will waive the Annual Maintenance Fee on all Contracts. However, we may limit the number of waivers to a total of six Contracts. We also may waive the Annual Maintenance Fee under certain other conditions. We do not include contracts from the Putnam Hartford line of variable annuity contracts with the Contracts when we combine Contract Value for purposes of this waiver.

ADMINISTRATIVE CHARGE

For administration, we apply a daily charge for Series I and Series IR Contracts at the rate of 0.20% per year against all Contract Values held in the Separate Account during both the accumulation and the annuity phases of the Contract. For Series II Contracts, we apply a daily charge at the rate of 0.20% per year against all Contract Values held in the Separate Account during both the accumulation and the annuity phases of the Contract. There is not necessarily a relationship between the amount of administrative charge imposed on a Contract and the amount of expenses that may be attributable to that Contract; expenses may be more or less than the charge.

PREMIUM TAXES

We deduct Premium Taxes, if required, by a state or other government agency. Some states collect the taxes when Premium Payments are made; others collect at Annuitization. Since we pay Premium Taxes when they are required by applicable law, we may deduct them from your Contract when we pay the taxes, upon Surrender, or on the Annuity Commencement Date. The Premium Tax rate varies by state or municipality. Currently, the maximum rate charged by any state is 3.5% and 1% in Puerto Rico.

CHARGES AGAINST THE FUNDS

ANNUAL FUND OPERATING EXPENSES -- The Separate Account purchases shares of the Funds at net asset value. The net asset value of the Fund reflects investment advisory fees and administrative expenses already deducted from the assets of the Funds. These charges are described in the Funds' prospectuses accompanying this prospectus.

CHARGES FOR OPTIONAL BENEFITS

- MAV PLUS DEATH BENEFIT CHARGE -- You may elect an optional Death Benefit for an additional charge. We call the optional Death Benefit the "MAV Plus Death Benefit", which is short for "Maximum Anniversary Value Plus Death Benefit". If you elect the MAV Plus Death Benefit, we will deduct an additional charge on a daily basis that is equal to an annual charge of 0.30% of your Contract Value invested in the Sub-Accounts. Once you elect this benefit, you cannot cancel it and we will continue to deduct the charge until we begin to make Annuity Payouts. This optional death benefit is only available for Series III Contracts.
- MAV/EPB DEATH BENEFIT CHARGE -- You may elect an optional Death Benefit for an additional charge. We call the optional Death Benefit the "MAV/EPB Death Benefit," which is short for "Maximum Anniversary Value/Earnings Protection Benefit Death Benefit". If you elect the MAV/EPB Death Benefit, we will deduct an additional charge on a daily basis that is equal to an annual charge of 0.30% of your Contract Value invested in the Sub-Accounts. Once you elect this benefit, you cannot cancel it and we will continue to deduct the charge until we begin to make Annuity Payouts. This optional death benefit is only available for Series II and Series IIR Contracts.
- THE HARTFORD'S PRINCIPAL FIRST CHARGE -- The Hartford's Principal First is an option that can be elected at an additional charge. If you elect this benefit upon purchase, you can take withdrawals during the life of the Contract Owner that are guaranteed to equal your total Premium Payments. If you elect The Hartford's Principal First, we will deduct an additional charge on a daily basis that is equal to an annual charge of 0.50% of your Contract Value invested in the Sub-Accounts. Once you elect this benefit, you cannot cancel it and we will continue to deduct the charge until we begin to make Annuity Payouts. If you bought your Contract after June 1, 2003 but before January 30, 2004, you can elect to add this benefit to your Contract for an additional charge on a daily basis that is equal to an annual charge of 0.35% of your Contract Value invested in the Sub-Accounts.
- THE HARTFORD'S PRINCIPAL FIRST PREFERRED CHARGE -- The Hartford's Principal First Preferred can be elected for an additional annual charge of 0.20% of your Contract Value invested in the Sub-Accounts. This is an annual charge that is deducted daily.

REDUCED FEES AND CHARGES

We may offer, in our discretion, reduced fees and charges including, but not limited to Contingent Deferred Sales Charges, the mortality and expense risk charge, and the Annual Maintenance Fee, and charges for optional benefits, for certain Contracts (including employer sponsored savings plans) which may result

in decreased costs and expenses. Reductions in these fees and charges will not be unfairly discriminatory against any Contract Owner.

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THE HARTFORD'S PRINCIPAL FIRST AND THE HARTFORD'S PRINCIPAL FIRST PREFERRED

ELECTING THE HARTFORD'S PRINCIPAL FIRST AND THE HARTFORD'S PRINCIPAL FIRST PREFERRED

You may elect either The Hartford's Principal First or The Hartford's Principal First Preferred. This means if you elect The Hartford's Principal First you will never be able to elect The Hartford's Principal First Preferred. Likewise, if you elect The Hartford's Principal First Preferred you will never be able to elect The Hartford's Principal First.

Once you elect The Hartford's Principal First you cannot cancel it and we will continue to deduct The Hartford's Principal First Charge until we begin to make Annuity Payouts.

You may cancel The Hartford's Principal First Preferred any time after the 5th Contract Year or the 5th anniversary of the date you added The Hartford's Principal First Preferred to your Contract. If you cancel The Hartford's Principal First Preferred, all Benefit Payments and charges for The Hartford's Principal First Preferred will terminate. Once The Hartford's Principal First Preferred is cancelled it cannot be reinstated.

OVERVIEW

The Hartford's Principal First and The Hartford's Principal First Preferred are optional benefits that, if elected, are intended to protect the amount of your investment from poor market performance. The amount of your investment that is protected from poor market performance will be different depending on when you elect your optional benefit. The amount that is protected is your "Benefit Amount." In other words, The Hartford's Principal First and The Hartford's Principal First Preferred operate as a guarantee of the Benefit Amount that you can access through a series of payments.

DETERMINING YOUR BENEFIT AMOUNT

The initial Benefit Amount for both The Hartford's Principal First and The Hartford's Principal First Preferred depends on when you elect your optional benefit. If you elect your optional benefit when purchasing the Contract, your initial Premium Payment is equal to the initial Benefit Amount. If you elect your optional benefit at a later date, your Contract Value, on the date it is added to your Contract, is equal to the initial Benefit Amount.

Please note:

- Your Benefit Amount can never be more than \$5 million dollars.
- Your Benefit Amount is reduced as you take withdrawals.

Once the initial Benefit Amount has been determined, Hartford calculates the maximum guaranteed payment that may be made each year ("Benefit Payment"). The Benefit Payment for The Hartford's Principal First is equal to 7% of the initial Benefit Amount. The Benefit Payment for The Hartford's Principal First Preferred is equal to 5% of the initial Benefit Amount.

BENEFIT PAYMENTS

Benefit Payments are non-cumulative, which means your Benefit Payment will not increase in the future if you fail to take your full Benefit Payment for the current year. For example, for The Hartford's Principal First Preferred if you do not take 5% one year, you may not take more than 5% the next year.

Please note -- If you elect your optional benefit when you purchase your Contract, we count one year as the time between each Contract Anniversary. If you establish your optional benefit any time after you purchase your Contract, we count one year as the time between the date we added the optional benefit to your Contract and your next Contract Anniversary, which could be less than a year.

The Benefit Payment can be divided up and taken on any payment schedule that you request. You can continue to take Benefit Payments until the Benefit Amount has been depleted.

Benefit Payments are treated as partial Surrenders and are deducted from your Contract Value. Each Benefit Payment reduces the amount you may Surrender under your Annual Withdrawal Amount.

If you Surrender more than the Benefit Payment out of your Contract in any one year we will recalculate the Benefit Amount. Anytime we re-calculate your Benefit Amount or your Benefit Payment we count one year as the time between the date we re-calculate and your next Contract Anniversary, which could be less than a year.

If, in one year, your Surrenders total more than your Benefit Payment out of your Contract we will re-calculate your Benefit Amount and your Benefit Payment may be lower in the future. We recalculate your Benefit Amount by comparing the results of two calculations. First we deduct the amount of the last Surrender from your Contract Value ("New Contract Value") and then we deduct the amount of the last Surrender from the Benefit Amount ("New Benefit Amount"). Then we compare those results:

- If the New Contract Value is more than or equal to the New Benefit Amount, and more than or equal to the Premium Payments invested in the Contract before the Surrender, the Benefit Payment is unchanged.
- If the New Contract Value is more than or equal to the New Benefit Amount, but less than the Premium Payments invested in the Contract before the Surrender, we have to recalculate your Benefit Payment. For The Hartford's Principal First, your Benefit Payment becomes 7% of the greater of your New Contract Value and New Benefit Amount. For The Hartford's Principal First Preferred, your Benefit Payment becomes 5% of the greater of your New Contract Value and New Benefit Amount.
- If the New Contract Value is less than the New Benefit Amount, we have to recalculate your Benefit Payment. We recalculate the Benefit Payment by comparing the "old" Benefit Payment to the "new" Benefit Payment for the New Benefit Amount and your Benefit Payment becomes the lower of

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those two values. Your New Benefit Amount is then equal to the New Contract Value.

If your Benefit Payment on your most recent Contract Anniversary exceeds the Annual Withdrawal Amount, we will waive any applicable Contingent Deferred Sales Charge for withdrawals up to that Benefit Payment amount.

If you change the ownership or assign this Contract to someone other than your spouse within 12 months of electing either optional benefit, we will recalculate the Benefit Amount and the Benefit Payment may be lower in the future.

The Benefit Amount will be recalculated to equal the lesser of:

- The Benefit Amount immediately prior to the ownership change or assignment; or
- The Contract Value at the time of the ownership change or assignment.

Any time you make subsequent Premium Payments to your Contract, we also re-calculate your Benefit Amount and Benefit Payments. Each time you add a Premium Payment, we increase your Benefit Amount by the amount of the subsequent Premium Payment. When you make a subsequent Premium Payment, your Benefit Payments will increase by a percentage of the amount of the subsequent Premium Payment (7% for The Hartford's Principal First or 5% for The Hartford's Principal First Preferred).

SURRENDERING YOUR CONTRACT

You can Surrender your Contract any time, however, you will receive your Contract Value at the time you request the Surrender with any applicable charges deducted and not the Benefit Amount or the Benefit Payment amount you would have received under The Hartford's Principal First or The Hartford's Principal First Preferred.

If you still have a Benefit Amount after you Surrender all of your Contract Value or your Contract Value is reduced to zero, you will still receive a Benefit Payment through a fixed annuity payout option until your Benefit Amount is depleted.

The fixed annuity payout option for The Hartford's Principal First is called The Hartford's Principal First Payout Option. The fixed annuity payout option for The Hartford's Principal First Preferred is called The Hartford's Principal First Preferred Payout Option.

While you are receiving payments under either of these fixed annuity payout options, you may not make additional Premium Payments, and if you die before you receive all of your payments, your Beneficiary will continue to receive the remaining payments.

ANNUITIZING YOUR CONTRACT

If you elect The Hartford's Principal First or The Hartford's Principal First Preferred and later decide to annuitize your Contract, you may choose The Hartford's Principal First Payout Option or The Hartford's Principal First Preferred Payout Option in addition to those Annuity Payout Options offered in the Contract.

Under both of these Annuity Payout Options, Hartford will pay a fixed dollar amount for a specific number of years ("Payout Period"). If you, the joint Contract Owner or the Annuitant should die before the Payout Period is complete the remaining payments will be made to the Beneficiary. The Payout Period is determined on the Annuity Calculation Date and it will equal the current Benefit Amount divided by the Benefit Payment. The total amount of the Annuity Payouts under this option will be equal to the Benefit Amount. We may offer other Payout Options.

If you, the joint Contract Owner or Annuitant die before the Annuity Calculation Date and all of the Benefit Payments guaranteed by Hartford have not been made, the Beneficiary may elect to take the remaining Benefit Payments or any of the death benefit options offered in your Contract.

If the Annuitant dies after the Annuity Calculation Date and before all of the Benefit Payments guaranteed by Hartford have been made, the payments will continue to be made to the Beneficiary.

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KEY DIFFERENCES BETWEEN THE HARTFORD'S PRINCIPAL FIRST AND THE HARTFORD'S PRINCIPAL FIRST PREFERRED

While The Hartford's Principal First and The Hartford's Principal First Preferred share many of the same characteristics, there are some important differences you should consider when deciding which benefit to choose.

<Table>

FEATURES	THE HARTFORD'S PRINCIPAL FIRST	THE HARTFORD'S PRINCIPAL FIRST PREFERRED
Charge	0.50% of Sub-Account Value	0.20% of Sub-Account Value
Benefit Payment	7% of Benefit Amount	5% of Benefit Amount
Revocability	- Irrevocable.	- Revocable anytime after the 5th Contract Year or the 5th anniversary of the date you added The Hartford's Principal First Preferred to your Contract.
	- Charge continues to be deducted until we begin to make annuity payouts.	- Charge will terminate if The Hartford's Principal First Preferred is cancelled.
Step Up	- After the 5th Contract Year, every five years thereafter.	- Not Available.
Maximum Issue Age	- Non-Qualified & Roth IRA -- same as maximum Contract issue age.* - IRA/Qualified -- Age 80	- Non-Qualified & Roth IRA -- same as maximum Contract issue age.* - IRA/Qualified -- Age 70
Investment Restrictions	- None	- You are not permitted to transfer more than 10% of your Contract Value as of your last Contract Anniversary between certain investment options. This restriction is not currently enforced.
Spousal Continuation	- Available	- Available

</Table>

*For more information on the maximum Contract issue age please see the Section "How do I purchase the Contract."

THE HARTFORD'S PRINCIPAL FIRST -- STEP-UP

Any time after the 5th year The Hartford's Principal First has been in effect, you may elect to "step-up" the Benefit Amount. There is no "step-up" available for The Hartford's Principal First Preferred. If you choose to "step-up" the Benefit Amount, your Benefit Amount will be re-calculated to equal your total Contract Value. Your Benefit Payment then becomes 7% of the new Benefit Amount, and will never be less than your existing Benefit Payment. You cannot elect to "step-up" the Benefit Amount if your current Benefit Amount is higher than your Contract Value. Any time after the 5th year The Hartford's Principal First "step-up" has been in place, you may choose to "step-up" the Benefit Amount

again. Contract Owners who become owners by virtue of the Spousal Contract Continuation provision of the Contract can "step up" without waiting for the 5th year their Contract has been in force.

We currently allow you to "step-up" The Hartford's Principal First on any day after the 5th year the benefit has been in effect, however, in the future we may only allow a "step-up" to occur on your Contract Anniversary. At the time you elect to "step up," we may be charging more for The Hartford's Principal First. Regardless of when you bought your Contract, upon "step up" we will charge you the current charge. Before you decide to "step up," you should request a current prospectus which will describe the current charge for this Benefit.

THE HARTFORD'S PRINCIPAL FIRST PREFERRED -- INVESTMENT RESTRICTIONS

If you elect The Hartford's Principal First Preferred you are not permitted to transfer more than 10% of your Contract Value as of your last Contract Anniversary from the Non-Growth Sub-Accounts to the Growth Sub-Accounts in any one Contract Year. If you transfer more than 10% of your Contract Value The Hartford's Principal First Preferred will automatically terminate and all Benefit Payments and The Hartford's Principal First Preferred charge will cease. We may add or delete Sub-Accounts from the Non-Growth and Growth sub-account lists at any time. Currently, we do not enforce this investment transfer restriction. We will provide you 30 days written notice when we elect to

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enforce this investment transfer restriction. For Contracts issued in the State of Connecticut there are no investment restrictions.

<Table>

<S>	<C>
Non-Growth Sub-Accounts	Growth Sub-Accounts
Money Market	Growth
Flexible Income	American Opportunities
Balanced Growth	Capital Opportunities
Dividend Growth	Developing Growth
Equally Weighted S&P 500	Small Company Growth Portfolio
Global Equity	Aggressive Growth Portfolio
Core Plus Fixed Income	Emerging Growth
Emerging Markets Debt	Enterprise
Emerging Markets Equity	AIM V.I. Large Cap Growth
AIM V.I. Core Equity	AIM V.I. Aggressive Growth Fund
AIM V.I. Basic Value Fund	AIM V.I. Blue Chip Fund
AIM V.I. Mid Cap Core Equity Fund	AIM V.I. Capital Appreciation Fund
AIM V.I. Government Securities Fund	AIM V.I. Dent Demographic Fund
AIM V.I. Premier Equity Fund	AIM V.I. International Growth Fund
American Funds Asset Allocation Fund	AIM V.I. Small Cap Equity Fund
American Funds Blue Chip Income and Growth Fund	American Funds Global Growth Fund
American Funds Bond Fund	American Funds Global Small Capitalization Fund
American Funds Growth-Income Fund	
American Funds International Fund	
American Funds New World Fund	American Funds Growth Fund
Franklin Income Securities Fund	Franklin Flex Cap Growth
Franklin Large Cap Growth Securities Fund	Franklin Small-Mid Cap Growth Securities
Franklin Rising Dividends Securities Fund	MFS Emerging Growth Series
Franklin Strategic Income Securities Fund	MFS Global Equity Series
Franklin Large Cap Value	MFS Investors Growth Stock Series
Hartford Money Market HLS Fund	MFS Mid Cap Growth Series
MFS High Income Series	MFS New Discovery Series
MFS Investors Trust Series	MFS Research Series
MFS Total Return Series	
MFS Value Series	
MFS Research Bond Series	
MFS Research International Series	
Mutual Discovery Securities Fund	
Mutual Shares Securities Fund	
Templeton Developing Markets Securities Fund	
Templeton Foreign Securities Fund	
Templeton Growth Securities Fund	

</Table>

REQUIRED MINIMUM DISTRIBUTIONS

Qualified Contracts are subject to certain federal tax rules requiring that minimum distributions be withdrawn from the Contract on an annual basis, usually beginning after age 70 1/2. These withdrawals are called Required Minimum Distributions. A Required Minimum Distribution may exceed your Benefit Payment, which will cause a recalculation of your Benefit Amount. Recalculation of your Benefit Amount may result in a lower Benefit Payment in the future.

For purposes of The Hartford's Principal First Preferred, if you enroll in our Automatic Income Program to satisfy the Required Minimum Distributions from the Contract and, as a result, the withdrawals exceed your Benefit Payment we will not recalculate your Benefit Amount or Benefit Payment.

OTHER INFORMATION

The Hartford's Principal First and The Hartford's Principal First Preferred may not be available in all states or through all broker-dealers.

The Hartford's Principal First Preferred is only available to Contracts issued on or after November 1, 2004.

If you elect The Hartford's Principal First Preferred, and your Contract was issued in the state of Connecticut, our approval is required for any subsequent Premium Payments if the Premium Payments for all deferred variable annuity contracts issued by us or our affiliates to you equal or exceed \$100,000.

For qualified Contracts, The Hartford's Principal First cannot be elected if the Contract Owner or Annuitant is age 81 or older. The Hartford's Principal First Preferred cannot be elected if the Contract Owner or Annuitant is age 71 or older.

We reserve the right to treat all Contracts issued to you by Hartford or one of its affiliates within a calendar year as one Contract for purposes of The Hartford's Principal First and The Hartford's Principal First Preferred. This means that if you purchase two Contracts from us in any twelve month period and elect either The Hartford's Principal First or The Hartford's Principal First Preferred on both Contracts, withdrawals from one Contract will be treated as withdrawals from the other Contract.

For examples on how The Hartford's Principal First is calculated, please see "Appendix IV." For examples on how The Hartford's Principal First Preferred is calculated, please see "Appendix V."

DEATH BENEFIT

WHAT IS THE DEATH BENEFIT AND HOW IS IT CALCULATED?

The Death Benefit is the amount we will pay if the Contract Owner, joint Contract Owner, or the Annuitant dies before we begin to make Annuity Payouts. We calculate the Death Benefit when we receive a certified death certificate or other legal document acceptable to us. The calculations for the Death Benefit that are described below are based on the Contract Value on the date we receive a certified death certificate or other legal document acceptable to us.

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The calculated Death Benefit will remain invested in the same Accounts, according to the Contract Owner's last instructions until we receive complete written settlement instructions from the Beneficiary. This means the Death Benefit amount will fluctuate with the performance of the underlying Funds. When there is more than one Beneficiary, we will calculate the Accumulation Units for each Sub-Account and the dollar amount for the Fixed Accumulation Feature for each Beneficiary's portion of the proceeds.

DEATH BENEFIT FOR SERIES II CONTRACTS

PLEASE READ: This prospectus describes the variable annuity Contract you are purchasing. In most cases, we have used the same terminology and defined terms in this prospectus as we use in your Contract. However, when describing the Death Benefits, we have used different terms in this prospectus than in the Contract. When you receive your Contract after purchase, it will include Contract riders that describe your Death Benefit. For the standard Death Benefit, called Premium Security Death Benefit in your prospectus, for age 80 and under, you will receive riders entitled "Asset Protection Death Benefit" and "Premium Protection Death Benefit." Together, these riders make up the Premium Security Death Benefit. For the Asset Protection Death Benefit, you will receive a Contract rider with the same name. If you elect the MAV Plus Death Benefit, you will receive a rider entitled the "Maximum Anniversary Value/Earnings Protection Benefit" rider. If, after you receive your Contract you have any questions about terminology of the names of the riders, please call your Registered Representative or Hartford.

This Contract comes with a standard Death Benefit, which depends on the age of you and your Annuitant. This minimum guaranteed Death Benefit is at no additional cost. If you and your Annuitant are younger than age 81 on the issue date, your Death Benefit is the Premium Security Death Benefit. If you or your Annuitant are age 81 or older, your Death Benefit is the APB Death Benefit, which is short for Asset Protection Death Benefit.

THE PREMIUM SECURITY DEATH BENEFIT

If both you and your Annuitant are younger than age 81 on the date we issue this Contract, your Death Benefit is the greatest of:

- Your Contract Value on the date we receive due proof of death;
- Your Total Premium Payments adjusted for any partial Surrenders; or
- The lesser of:
 - X Your Maximum Anniversary Value described below; or
 - X Your Contract Value on the date we receive due proof of death plus 25% of your Maximum Anniversary Value excluding subsequent Premium Payments we receive within 12 months of death.

THE ASSET PROTECTION DEATH BENEFIT

If you or your Annuitant are age 81 or older on the date we issue this Contract, the Death Benefit is the greatest of:

- Your Contract Value on the date we receive due proof of death;
- The lesser of:
 - X Total Premium Payments adjusted for any partial Surrenders; or
 - X Your Contract Value on the date we receive due proof of death plus 25% of total Premium Payments adjusted for partial Surrenders and excluding subsequent Premium Payments we receive within 12 months of death.
- The lesser of:
 - X Your Maximum Anniversary Value described below; or
 - X Your Contract Value on the date we receive proof of death plus 25% of your Maximum Anniversary Value excluding subsequent Premium Payments we receive within 12 months of death.

MAXIMUM ANNIVERSARY VALUE

The Maximum Anniversary Value is based on a series of calculations on Contract Anniversaries of Contract Values, Premium Payments and partial Surrenders. We will calculate an Anniversary Value for each Contract Anniversary prior to the deceased's 81st birthday or date of death, whichever is earlier.

The Anniversary Value is equal to the Contract Value as of a Contract Anniversary with the following adjustments:

- Your Anniversary Value is increased by the dollar amount of any Premium Payments made since the Contract Anniversary; and
- Your Anniversary Value is reduced for any partial Surrenders as shown below.

The Maximum Anniversary Value is equal to the greatest Anniversary Value attained from this series of calculations.

ADJUSTMENTS FOR SURRENDERS

We calculate the adjustments to your aggregate Premium Payments for any Surrenders by reducing your aggregate Premium Payments on a dollar for dollar basis for any Surrenders within a Contract Year up to 10% of aggregate Premium Payments. After that, we reduce your aggregate Premium Payments proportionally based on the amount of any Surrenders that exceed 10% of aggregate Premium Payments divided by your aggregate Contract Value at the time of Surrender.

OPTIONAL DEATH BENEFIT FOR SERIES II CONTRACTS

You may elect an optional Death Benefit for an additional charge. We call the optional Death Benefit the "MAV Plus Death Benefit," which is short for "Maximum Anniversary Value Plus Death Benefit." The name of the rider for the MAV Plus Death Benefit is called the "Maximum Anniversary Value/Earnings Protection Benefit" rider. If you elect MAV Plus, the benefit that we pay

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HARTFORD LIFE AND ANNUITY INSURANCE COMPANY

upon death will be the greater of the Premium Security Death Benefit and MAV Plus Death Benefit.

In states where the MAV Plus Death Benefit is not available, we offer the "MAV Death Benefit," which stands for "Maximum Anniversary Value Death Benefit." Not

all Death Benefit choices are available in all states or through all broker-dealer firms. For more information, call your Registered Representative or call us at 1-800-862-6668. WE ALSO HAVE EXAMPLES OF THE DEATH BENEFIT CALCULATIONS IN APPENDIX II AT THE END OF THE PROSPECTUS THAT MAY BE HELPFUL IN UNDERSTANDING THE DEATH BENEFIT CHOICES.

THE MAV PLUS DEATH BENEFIT

The MAV Plus Death Benefit is available for an additional annual charge, deducted daily, equal to 0.30% of your Contract Value invested in the Sub-Accounts. You cannot choose this Death Benefit if you and/or your Annuitant are age 76 or older on the issue date. You can only choose this Death Benefit at the time of issue.

THE MAV PLUS DEATH BENEFIT IS THE GREATEST OF:

- Your Contract Value on the date we receive due proof of death;
- Total Premium Payments adjusted for any partial Surrenders;
- Your Maximum Anniversary Value; or
- Your Earnings Protection Benefit described below.

OPTIONAL DEATH BENEFIT FOR CONTRACTS ISSUED IN WASHINGTON OR MINNESOTA

The optional Death Benefit is different for Contracts issued in Washington or Minnesota. We call this optional Death Benefit the "Maximum Anniversary Value Death Benefit."

There is an additional charge we deduct on a daily basis that is equal to an annual charge of 0.30% of your Contract Value invested in the Sub-Accounts for this benefit. You cannot choose this Death Benefit if you and/or your Annuitant are age 76 or older on the issue date. You can only choose this Death Benefit at the time of issue.

The Maximum Anniversary Value Death Benefit is described below. It is the greatest of:

- Your Contract Value on the date we receive proof of death;
- Total Premium Payments adjusted for any partial Surrenders; or
- Your Maximum Anniversary Value.

EARNINGS PROTECTION BENEFIT. The Death Benefit depends on the age of you and your Annuitant on the date the MAV Plus Death Benefit is added to your Contract. If each age is 69 or younger, the benefit is the Contract Value on the date we receive due proof of death plus 40% of the lesser of Contract gain on that date and the cap. The terms "gain" and "cap" are described below.

If you and/or your Annuitant are age 70 or older on the date the MAV Plus Death Benefit is added to your Contract, the benefit is the Contract Value on the date we receive due proof of death plus 25% of the lesser of Contract gain on that date and the cap.

We determine Contract gain by subtracting your Contract Value on the date you added the MAV Plus Death Benefit from the Contract Value on the calculation date. We then deduct any Premium Payments and add adjustments for any partial Surrenders made during that time.

We make an adjustment for partial Surrenders if the amount of a Surrender is greater than the Contract gain immediately prior to the Surrender. The adjustment is the difference between the two, but not less than zero.

The Contract gain that is used to determine your Death Benefit has a limit or "cap." The cap is 200% of the following:

- The Contract Value on the date the MAV Plus Death Benefit was added to your Contract; plus
- Premium Payments made after the MAV Plus Death Benefit was added to your Contract, excluding any Premium Payments made within 12 months of the date we receive due proof of death; minus
- Any adjustments for partial Surrenders.

ADDITIONAL INFORMATION ABOUT THE DEATH BENEFITS FOR SERIES II CONTRACTS

For more information on how these optional benefits may affect your taxes, please see the section entitled, "Federal Tax Considerations," under sub-section entitled "Taxation of Annuities -- General Provisions Affecting Contracts Not Held in Tax-Qualified Retirement Plans."

We impose a limit on total death benefits if:

- The total death benefits are payable as a result of the death of any one person under one or more deferred variable annuities issued by Hartford or its affiliates, and
- Aggregate Premium Payments total \$5 million or more.

When the limit applies, total death benefits cannot exceed the greater of:

- The aggregate Premium Payments reduced by an adjustment for any Surrenders; or
- The aggregate Contract Value plus \$1 million.

However, if you add Premium Payments to any of your Contracts such that aggregate Premium Payments total to \$5 million or more, the aggregate death benefit will be the greater of the maximum death benefit above or:

- The aggregate Contract Value; plus
- The aggregate death benefits in excess of the aggregate Contract Values at the time you added the Premium Payments to your Contracts.

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Any reduction in death benefits to multiple variable annuity contracts will be in proportion to the Contract Value of each Contract at the time of reduction.

DEATH BENEFIT FOR SERIES I AND SERIES IR CONTRACTS

You can purchase this Contract with either the Asset Protection Death Benefit or the Premium Protection Death Benefit. You cannot choose both. If you do not choose a Death Benefit, we will issue your Contract with the Asset Protection Death Benefit.

You may also elect an optional Death Benefit for an additional charge. We call the optional Death Benefit the "MAV/EPB Death Benefit," which is short for "Maximum Anniversary Value/Earnings Protection Benefit Death Benefit." The MAV/EPB Death Benefit is in addition to the Asset Protection Death Benefit or the Premium Protection Death Benefit.

Not all Death Benefit choices are available in all states or through all broker-dealer firms. For more information, call your Registered Representative or you can call us at 1-800-862-6668.

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THE FOLLOWING TABLE SUMMARIZES INFORMATION ABOUT THE DEATH BENEFIT CHOICES IN THE SERIES I AND SERIES IR CONTRACTS. WE ALSO HAVE EXAMPLES OF THE DEATH BENEFIT CALCULATIONS IN APPENDIX III AT THE END OF THE PROSPECTUS THAT MAY BE HELPFUL IN UNDERSTANDING THE DEATH BENEFIT CHOICES.

<Table>

STANDARD DEATH BENEFIT CHOICES

<S>	<C>	SUMMARY	HOW IT WORKS
Asset Protection Death Benefit	Not available if you elect the Premium Protection Death Benefit. No extra charge.	If you do not elect a Death Benefit, we will issue your Contract with the Asset Protection Death Benefit.	This Death Benefit is the greatest of: X Contract Value; or X Contract Value PLUS 25% of the total Premium Payments excluding any subsequent Premium Payments we receive within 12 months of death or after death. Premium Payments are adjusted for any partial Surrenders; or X Contract Value PLUS 25% of your Maximum Anniversary Value excluding any subsequent Premium Payments we receive within 12 months of death or after death. This Death Benefit cannot exceed the greatest of: X Contract Value; or X Total Premium Payments adjusted for any partial Surrenders; or X Your Maximum Anniversary Value.
Premium Protection Death Benefit	Not available if you elect the Asset Protection Death Benefit. No extra charge.		This Death Benefit is the greater of: X Contract Value; or X Total Premium Payments you have made to us minus an

You cannot choose this Death Benefit if either you or your Annuitant are 76 years old or older.

adjustment for any partial Surrenders.

</Table> <Table> OPTIONAL DEATH BENEFIT <S>	<C> SUMMARY	<C> HOW IT WORKS
MAV/EPB Death Benefit	Optional Death Benefit that is available for an additional annual charge equal to 0.30% of your Contract Value invested in the Sub-Accounts and is deducted daily. Only available upon purchase. May elect in addition to either the Asset Protection Death Benefit or the Premium Protection Death Benefit. The Death Benefit will be the same regardless of whether you elect the Asset Protection Death Benefit or the Premium Protection Death Benefit. You cannot choose this Death Benefit by itself. You cannot choose this Death Benefit if you or your Annuitant are 76 years old or older.	If you elect this Death Benefit with the Asset Protection Death Benefit, your Death Benefit will be the greatest of: X The Asset Protection Death Benefit described above; X The total Premium Payments you have made to us adjusted for any partial Surrenders; X Your Maximum Anniversary Value; or X The Earnings Protection Benefit. If you elect this Death Benefit with the Premium Protection Death Benefit, your Death Benefit will be the greatest of: X The Premium Protection Death Benefit described above; X Your Maximum Anniversary Value; or X The Earnings Protection Benefit.

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ASSET PROTECTION DEATH BENEFIT

The Asset Protection Death Benefit is one of the two standard Death Benefit choices.

<Table>
HERE IS AN EXAMPLE OF HOW THE ASSET PROTECTION DEATH BENEFIT WORKS.
<S> <C>
Assume that:

- You made an initial Premium Payment of \$100,000.
- In your fourth Contract Year, you made a partial Surrender of \$8,000.
- Your Contract Value in your fourth Contract Year immediately before your partial Surrender was \$110,000.
- On the day we calculate the Death Benefit, your Contract Value was \$115,000.
- Your Maximum Anniversary Value was \$150,000.

We determine the Asset Protection Death Benefit by finding the greatest of these three values:

Based on the assumptions above, here is how we would do the actual calculations:

X Contract Value or	Contract Value equals \$115,000.
X Contract Value PLUS 25% of the total Premium Payments excluding any subsequent Premium Payments we receive within 12 months of death or after death. Premium Payments are adjusted for any partial Surrenders; or	$\$115,000 + [25\% ((\$100,000 - \$0) - \$8,000)] = \$138,000$
X Contract Value PLUS 25% of your Maximum Anniversary Value excluding any subsequent Premium Payments we receive within 12 months of death or after death.	$\$115,000 + [25\% (\$150,000)] = \$152,500.$

THE ASSET PROTECTION DEATH BENEFIT HAS A MAXIMUM. THAT MEANS THE DEATH BENEFIT CANNOT EXCEED THE ASSET PROTECTION DEATH BENEFIT MAXIMUM.

Asset Protection Death Benefit Maximum:

The Asset Protection Death Benefit cannot exceed the greatest of:

Based on the assumptions above, here is the calculation of the Asset Protection Death Benefit Maximum:

X Contract Value;	- Contract Value is \$115,000,
X Total Premium Payments you have made to us, adjusted for any partial Surrenders; or	- Total Premium Payments you have made to us minus an adjustment for any partial Surrenders $[\$100,000 - \$8,000 = \$92,000]$, or
X Your Maximum Anniversary Value.	- Your Maximum Anniversary Value is \$150,000.

Because the greatest of the three values above is \$150,000, the maximum Death Benefit is \$150,000.

</Table>

The discussion of the Death Benefit choices above says that we make an ADJUSTMENT TO YOUR TOTAL PREMIUM PAYMENTS FOR PARTIAL SURRENDERS when we calculate the Death Benefit. We calculate the adjustment to your total Premium Payments for partial Surrenders by reducing your total Premium Payments on a dollar for dollar basis for total partial Surrenders within a Contract Year up to 10% of total Premium Payments. After that, we reduce your total Premium Payments by a factor that we compute by taking into account the amount of your total partial Surrenders within a Contract Year that exceed 10% of total Premium Payments and your Contract Value before and after the Surrender. We use this calculation to determine the adjustment to total Premium Payments for partial Surrenders for all of the Death Benefits discussed in this prospectus. For examples of how we calculate the Death Benefit, please see "Appendix III."

The discussion of the Death Benefit choices above also refers to your MAXIMUM ANNIVERSARY VALUE. The Maximum Anniversary Value is based on a series of calculations on Contract Anniversaries of Contract Values, Premium Payments and partial Surrenders. We will calculate an Anniversary Value for each Contract Anniversary prior to the deceased's 81st birthday or date of death, whichever is earlier.

The Anniversary Value is equal to the Contract Value as of a Contract Anniversary with the following adjustments:

- Your Anniversary Value is increased by the dollar amount of any Premium Payments made since the Contract Anniversary; and
- Your Anniversary Value is reduced by an adjustment for any partial Surrenders made since the Contract Anniversary.

The Maximum Anniversary Value is equal to the greatest Anniversary Value attained from this series of calculations.

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We make an ADJUSTMENT FOR PARTIAL SURRENDERS WHEN WE CALCULATE YOUR ANNIVERSARY VALUE. We calculate the adjustment to your Anniversary Value for partial Surrenders by reducing your Anniversary Value on a dollar for dollar basis for total partial Surrenders within a Contract Year up to 10% of total Premium Payments. After that, we reduce your Anniversary Value by a factor that we compute by taking into account the amount of your total partial Surrenders within a Contract Year that exceed 10% of total Premium Payments and your Contract Value before and after the Surrender. For examples of how we calculate the Death Benefit, please see "Appendix III."

We use these calculations to determine your Maximum Anniversary Value for all of the Death Benefits discussed in this prospectus.

PREMIUM PROTECTION DEATH BENEFIT

The Premium Protection Death Benefit is one of the two standard Death Benefit choices.

The Premium Protection Death Benefit may not currently be available in your state. You cannot choose the Premium Protection Death Benefit if either you or your Annuitant are 76 years old or older.

<Table>

HERE IS AN EXAMPLE OF HOW THE PREMIUM PROTECTION DEATH BENEFIT WORKS.

<S> <C>

Assume that:

- You made an initial Premium Payment of \$100,000,
- In your fourth Contract Year, you made a partial Surrender of \$8,000,
- Your Contract Value in your fourth Contract Year immediately before your partial Surrender was \$110,000,
- On the day we calculate the Death Benefit, your Contract Value was \$115,000.

We determine the Premium Protection Death Benefit by finding the greater of these two values: Based on the assumptions above, here is how we would do the actual calculations:

X Contract Value; or	- \$115,000
X Total Premium Payments you have made to us minus an adjustment for any partial Surrenders.	- \$100,000 - \$8,000 = \$92,000

Because your Contract Value was greater than the adjusted total Premium Payments, your Death Benefit is \$115,000.

</Table>

We make an adjustment to your total Premium Payments for partial Surrenders as discussed above under "Adjustments to total Premium Payments for partial Surrenders."

If your Contract has the Premium Protection Death Benefit and you transfer ownership of your Contract to someone who was 76 years old or older at the time you purchased your Contract, the Premium Protection Death Benefit will not apply under the Contract after the transfer. Instead, the Death Benefit will be the Contract Value.

OPTIONAL DEATH BENEFIT FOR SERIES I AND SERIES IR CONTRACTS

You may elect an optional Death Benefit for an additional charge. We call the optional Death Benefit the "MAV/EPB Death Benefit," which is short for "Maximum Anniversary Value/Earnings Protection Benefit Death Benefit." The MAV/EPB Death Benefit is in addition to the Asset Protection Death Benefit or the Premium Protection Death Benefit.

The amount of the MAV/EPB Death Benefit will not be different regardless of whether your Contract has the Asset Protection Death Benefit or the Premium Protection Death Benefit.

The MAV/EPB Death Benefit may not currently be available in your state and is not available in Washington or Minnesota. You cannot elect the MAV/EPB Death Benefit if you or your Annuitant are age 76 or older. Once you elect the MAV/EPB Death Benefit, you cannot cancel it.

You can only elect the MAV/EPB Death Benefit at the time that you purchase your Contract.

The MAV/EPB Death Benefit is described below.

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MAV/EPB DEATH BENEFIT

This table shows how the Death Benefit works if you elect the MAV/EPB Death Benefit when you purchase your Contract with either of the standard Death Benefit choices:

<Table>

MAV/EPB DEATH BENEFIT WITH THE ASSET PROTECTION DEATH BENEFIT	MAV/EPB DEATH BENEFIT WITH THE PREMIUM PROTECTION DEATH BENEFIT
The Death Benefit will be the greatest of the Asset Protection Death Benefit or the following three values:	The Death Benefit will be the greatest of the Premium Protection Death Benefit or the following two values:
- The total Premium Payments you have made to us minus an adjustment for any partial Surrenders;	- Your Maximum Anniversary Value; or
- Your Maximum Anniversary Value; or	- The Earnings Protection Benefit, which is discussed below.
- The Earnings Protection Benefit, which is discussed below.	

</Table>

- If your Contract has the MAV/EPB Death Benefit and you transfer ownership of your Contract to someone who was 76 years old or older at the time you purchased your Contract, the MAV/EPB Death Benefit will not apply under the Contract after the transfer. Instead, for Contracts with the Asset Protection Death Benefit only the Asset Protection Death Benefit will remain in force under the Contract. For Contracts with the Premium Protection Death Benefit, the Death Benefit will be the Contract Value. However, we will continue to deduct the charge for the MAV/EPB Death Benefit until we begin to make Annuity Payouts.

EARNINGS PROTECTION BENEFIT -- If you and your Annuitant are age 69 or under when you purchase your Contract, the Earnings Protection Benefit is:

- Your Contract Value on the date we receive a death certificate or other legal document acceptable to us, plus
- 40% of the Contract gain since the date that you purchased your Contract.

We determine any Contract gain by comparing your Contract Value on the date you purchase your Contract to your Contract Value on the date we calculate the Death Benefit. We deduct any Premium Payments and add adjustments for any partial

Surrenders made during that time.

We make an adjustment for partial Surrenders if the amount of a Surrender is greater than the Contract gain in the Contract immediately prior to the Surrender. To determine if a partial Surrender is greater than Contract gain we:

- Add the amount of the partial Surrender to the Contract Value on the date you purchase your Contract;
- Then we add any Premium Payments made after the date you purchase your Contract and before you made the partial Surrender;
- Next we subtract the Contract Value on the Valuation Day immediately before you make the partial Surrender; and
- We subtract the sum of any prior adjustments for all prior partial Surrenders made after you purchased your Contract.

If that amount is greater than zero, the result becomes the amount of the adjustment for the partial Surrender.

We use the adjustment for partial Surrenders when we calculate the Contract gain by:

- Subtracting the Contract Value on the date you purchase your Contract and any subsequent Premium Payments from the Contract Value on the date we receive due proof of death;
- Then we add any adjustment for partial Surrenders to the result to determine the Contract gain.

Your Contract gain is limited to or "capped" at a maximum of 200% of Contract Value on the date you purchased your Contract plus Premium Payments not previously withdrawn made after you purchased your Contract, excluding any Premium Payments made in the 12 months before the date of death or after death. We subtract any adjustments for partial Surrenders.

We take 40% of either the Contract gain or the capped amount and add it back to your Contract Value to complete the Death Benefit calculation.

If you or your Annuitant are age 70 through 75, we add 25% of the Contract gain or capped amount back to the Contract Value to complete the Death Benefit calculation. The percentage used for the Death Benefit calculation is determined by the oldest age of you and your Annuitant at the time you purchased your Contract.

HERE IS AN EXAMPLE OF HOW THE MAV/EPB DEATH BENEFIT WORKS WITH THE STANDARD DEATH BENEFIT CHOICES.

Assume that:

- You made a single Premium Payment of \$100,000,
- In your fourth Contract Year, you made a partial Surrender of \$8,000,
- Your Contract Value in your fourth Contract Year immediately before your partial Surrender was \$110,000,
- On the day we calculate the Death Benefit, your Contract Value was \$115,000,
- Your Maximum Anniversary Value was \$150,000.

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Based on the assumptions above, this table shows how we would do the calculations:

<Table>

MAV/EPB DEATH BENEFIT WITH ASSET PROTECTION DEATH BENEFIT		MAV/EPB DEATH BENEFIT WITH PREMIUM PROTECTION DEATH BENEFIT	
<S>	<C>	<C>	<C>
Asset Protection Death Benefit (see Example above)	\$150,000	Premium Protection Death Benefit (see Example above)	\$115,000
The total Premium Payments you have made to us minus an adjustment for any partial Surrenders;	\$100,000 - \$8,000 = \$92,000	Your Maximum Anniversary Value; or	\$150,000
Your Maximum Anniversary	\$150,000	The Earnings Protection	Contract Value minus Contract

Value; or	Benefit	Value on the date you purchased your Contract
		$[\$115,000 - \$100,000 = \$15,000]$ 40% of Contract gain plus Contract Value $[\$15,000 \times 40\% = \$6,000] + \$115,000 = \$121,000]$

The Earnings Protection Benefit	Contract Value minus Contract Value on the date you purchased your Contract $[\$115,000 - \$100,000 = \$15,000]$ 40% of Contract gain plus Contract Value $[\$15,000 \times 40\% = \$6,000] + \$115,000 = \$121,000]$	Death Benefit Amount	Because the Maximum Anniversary Value was the greatest of the three values compared, the Death Benefit is \$150,000
---------------------------------	--	----------------------	---

Death Benefit Amount	Because the Maximum Anniversary Value was the greatest of the four values compared, the Death Benefit is \$150,000
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</Table>

Before you purchase the MAV/EPB Death Benefit, you should also consider the following:

- If your Contract has no gain when we calculate the Death Benefit, we will not pay an Earnings Protection Benefit.
- Partial Surrenders can reduce or eliminate your Contract gain. So if you plan to make partial Surrenders, there may be no Earnings Protection Benefit.
- If you transfer ownership of your Contract, or your spouse continues your Contract after your death, and the new Contract Owner would have been ineligible for the MAV/EPB Death Benefit when you purchased your Contract, the MAV/EPB Death Benefit charge will continue to be deducted even though no MAV/EPB Death Benefit will be payable.

OPTIONAL DEATH BENEFIT FOR CONTRACTS ISSUED IN WASHINGTON OR MINNESOTA

The optional Death Benefit is different for Contracts issued in Washington or Minnesota. We call this optional Death Benefit the "Maximum Anniversary Value Death Benefit." It does not contain the Earnings Protection Benefit.

The charge for the Maximum Anniversary Value Death Benefit is the same as the charge for the MAV/EPB Death Benefit. It is an additional charge we deduct on a daily basis that is equal to an annual charge of 0.30% of your Contract Value invested in the Sub-Accounts.

The Maximum Anniversary Value Death Benefit is described below:

If your Contract has the Asset Protection Death Benefit, the Death Benefit will be the greatest of the Asset Protection Death Benefit or the following two values:

- The total Premium Payments you have made to us minus an adjustment for any partial Surrenders; or
- Your Maximum Anniversary Value.

If your Contract has the Premium Protection Death Benefit, the Death Benefit will be the greater of the Premium Protection Death Benefit or your Maximum Anniversary Value.

ADDITIONAL INFORMATION ABOUT THE DEATH BENEFITS FOR SERIES I AND SERIES IR CONTRACTS

For more information on how these optional benefits may affect your taxes, please see the section entitled, "Federal Tax Considerations," under sub-section entitled "Taxation of Annuities -- General Provisions Affecting Contracts Not Held in Tax-Qualified Retirement Plans."

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Your Contract states that as part of the Death Benefit calculation we deduct any Premium Payments we receive within 12 months of death or after death as part of

the total Premium Payment calculation. If you purchase this Contract, we will waive that deduction when we calculate the Premium Protection Death Benefit or the MAV/EPB Death Benefit, except when we calculate the limitation of Contract gain for purposes of the MAV/EPB Death Benefit. We will also waive the deduction for purposes of the Asset Protection Death Benefit when we calculate the Asset Protection Death Benefit Maximum. Your Contract states that we exclude any Premium Payments that we receive within 12 months of death when we calculate the Asset Protection Death Benefit. We waive this exclusion for your initial Premium Payment if death occurs in the first Contract Year.

We impose a limit on total death benefits if:

- The total death benefits are payable as a result of the death of any one person under one or more deferred variable annuities issued by Hartford or its affiliates, and
- Aggregate Premium Payments total \$5 million or more.

When the limit applies, total death benefits cannot exceed the greater of:

- The aggregate Premium Payments reduced by an adjustment for any Surrenders; or
- The aggregate Contract Value plus \$1 million.

However, if you add Premium Payments to any of your Contracts such that aggregate Premium Payments total to \$5 million or more, the aggregate death benefit will be the greater of the maximum death benefit above or:

- The aggregate Contract Value; plus
- The aggregate death benefits in excess of the aggregate Contract Values at the time you added the Premium Payments to your Contracts.

We calculate the adjustment to your aggregate Premium Payments for any Surrenders by reducing your aggregate Premium Payments on a dollar for dollar basis for any Surrenders within a Contract Year up to 10% of aggregate Premium Payments. After that, we reduce your aggregate Premium Payments proportionally based on the amount of any Surrenders that exceed 10% of aggregate Premium Payments divided by your aggregate Contract Value at the time of Surrender.

Any reduction in death benefits to multiple variable annuity contracts will be in proportion to the Contract Value of each Contract at the time of reduction.

HOW IS THE DEATH BENEFIT PAID?

The Death Benefit may be taken in one lump sum or under any of the Annuity Payout Options then being offered by us, unless the Contract Owner has designated the manner in which the Beneficiary will receive the Death Benefit. On the date we receive complete instructions from the Beneficiary, we will compute the Death Benefit amount to be paid out or applied to a selected Annuity Payout Option. When there is more than one Beneficiary, we will calculate the Death Benefit amount for each Beneficiary's portion of the proceeds and then pay it out or apply it to a selected Annuity Payout Option according to each Beneficiary's instructions. If we receive the complete instructions on a Non-Valuation Day, computations will take place on the next Valuation Day.

If your Beneficiary elects to receive the Death Benefit amount as a lump sum payment, we may transfer that amount to our General Account and issue the Beneficiary a draftbook. The Beneficiary can write one draft for total payment of the Death Benefit, or keep the money in the General Account and write drafts as needed. We will credit interest at a rate determined periodically in our sole discretion. For Federal income tax purposes, the Beneficiary will be deemed to have received the lump sum payment on transfer of the Death Benefit amount to the General Account. The interest will be taxable to the Beneficiary in the tax year that it is credited. If the Beneficiary resides or the Contract was purchased in a state that imposes restrictions on this method of lump sum payment, we may issue a check to the Beneficiary.

The Beneficiary may elect under the Annuity Proceeds Settlement Option "Death Benefit Remaining with the Company" to leave proceeds from the Death Benefit invested with us for up to five years from the date of death if death occurred before the Annuity Commencement Date. Once we receive a certified death certificate or other legal documents acceptable to us, the Beneficiary can: (a) make Sub-Account transfers and (b) take Surrenders without paying Contingent Deferred Sales Charges.

The Beneficiary of a non-qualified Contract or IRA may also elect the "Single Life Expectancy Only" option. This option allows the Beneficiary to take the Death Benefit in a series of payments spread over a period equal to the Beneficiary's remaining life expectancy. Distributions are calculated based on IRS life expectancy tables. This option is subject to different limitations and conditions depending on whether the Contract is non-qualified or an IRA.

REQUIRED DISTRIBUTIONS -- If the Contract Owner dies before the Annuity

Commencement Date, the Death Benefit must be distributed within five years after death or be distributed under a distribution option or Annuity Payout Option that satisfies the Alternatives to the Required Distributions described below.

If the Contract Owner dies on or after the Annuity Commencement Date under an Annuity Payout Option that permits the Beneficiary to elect to continue Annuity Payouts or receive the Commuted Value, any remaining value must be distributed at least as rapidly as under the payment method being used as of the Contract Owner's death.

If the Contract Owner is not an individual (e.g. a trust), then the original Annuitant will be treated as the Contract Owner in the situations described above and any change in the original Annuitant will be treated as the death of the Contract Owner.

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WHAT SHOULD THE BENEFICIARY CONSIDER?

ALTERNATIVES TO THE REQUIRED DISTRIBUTIONS -- The selection of an Annuity Payout Option and the timing of the selection will have an impact on the tax treatment of the Death Benefit. To receive favorable tax treatment, the Annuity Payout Option selected: (a) cannot extend beyond the Beneficiary's life or life expectancy, and (b) must begin within one year of the date of death.

If these conditions are NOT met, the Death Benefit will be treated as a lump sum payment for tax purposes. This sum will be taxable in the year in which it is considered received.

SPOUSAL CONTRACT CONTINUATION -- If the Contract Owner dies and a Beneficiary is the Contract Owner's spouse, that portion of the Contract for which the spouse is considered the Beneficiary will continue with the spouse as Contract Owner, unless the spouse elects to receive the Death Benefit as a lump sum payment or as an Annuity Payment Option. If the Contract continues with the spouse as Contract Owner, we will adjust the Contract Value to the amount that we would have paid as the Death Benefit payment, had the spouse elected to receive the Death Benefit as a lump sum payment. Spousal Contract Continuation will only apply one time for each Contract.

If your spouse continues any portion of the Contract as Contract Owner and elects the MAV/EPB Death Benefit or the MAV Plus Death Benefit, Hartford will use the date the Contract is continued with your spouse as Contract Owner as the effective date the optional Death Benefit was added to the Contract. This means we will use the date the Contract is continued with your spouse as Contract Owner as the effective date for calculating the MAV/EPB Death Benefit or the MAV Plus Death Benefit. The percentage used for the MAV/EPB Death Benefit or the MAV Plus Death Benefit will be determined by the oldest age of any remaining joint Contract Owner or Annuitant at the time the Contract is continued.

WHO WILL RECEIVE THE DEATH BENEFIT?

The distribution of the Death Benefit applies only when death is before the Annuity Commencement Date.

If death occurs on or after the Annuity Commencement Date, there may be no payout at death unless the Contract Owner has elected an Annuity Payout Option that permits the Beneficiary to elect to continue Annuity Payouts or receive the Commuted Value.

IF DEATH OCCURS BEFORE THE ANNUITY COMMENCEMENT DATE:

<Table>

IF THE DECEASED IS THE . . .	AND . . .	AND . . .	THEN THE . . .
<S>	<C>	<C>	<C>
Contract Owner	There is a surviving joint Contract Owner	The Annuitant is living or deceased	Joint Contract Owner receives the Death Benefit.
Contract Owner	There is no surviving joint Contract Owner	The Annuitant is living or deceased	Designated Beneficiary receives the Death Benefit.
Contract Owner	There is no surviving joint Contract Owner and the Beneficiary predeceases the Contract Owner	The Annuitant is living or deceased	Contract Owner's estate receives the Death Benefit.
Annuitant	The Contract Owner is living	There is no named Contingent Annuitant	The Contract Owner becomes the Contingent Annuitant and the Contract continues. The Contract Owner may waive this presumption and receive the Death Benefit.

Annuitant	The Contract Owner is living	The Contingent Annuitant is living	Contingent Annuitant becomes the Annuitant, and the Contract continues.
Annuitant	The Contract Owner is a trust or other non-natural person	There is no named Contingent Annuitant	The Contract Owner receives the Death Benefit.

</Table>

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IF DEATH OCCURS ON OR AFTER THE ANNUITY COMMENCEMENT DATE:

<Table>

IF THE DECEASED IS THE . . . AND . . . THEN THE . . .

<S>	<C>	<C>
Contract Owner	The Annuitant is living	Designated Beneficiary becomes the Contract Owner.
Annuitant	The Contract Owner is living	Contract Owner receives the payout at death, if any.
Annuitant	The Annuitant is also the Contract Owner	Designated Beneficiary receives the payout at death, if any.

</Table>

THESE ARE THE MOST COMMON SCENARIOS, HOWEVER, THERE ARE OTHERS. SOME OF THE ANNUITY PAYOUT OPTIONS MAY NOT RESULT IN A PAYOUT AT DEATH. FOR MORE INFORMATION ON ANNUITY PAYOUT OPTIONS THAT MAY RESULT IN A PAYOUT AT DEATH PLEASE SEE THE SECTION ENTITLED "ANNUITY PAYOUTS." IF YOU HAVE QUESTIONS ABOUT THESE AND ANY OTHER SCENARIOS, PLEASE CONTACT YOUR REGISTERED REPRESENTATIVE OR US.

SURRENDERS

WHAT KINDS OF SURRENDERS ARE AVAILABLE?

FULL SURRENDERS BEFORE THE ANNUITY COMMENCEMENT DATE -- When you Surrender your Contract before the Annuity Commencement Date, the Surrender Value of the Contract will be made in a lump sum payment. The Surrender Value is the Contract Value minus any applicable Premium Taxes, Contingent Deferred Sales Charges and the Annual Maintenance Fee. The Surrender Value may be more or less than the amount of the Premium Payments made to a Contract.

PARTIAL SURRENDERS BEFORE THE ANNUITY COMMENCEMENT DATE -- You may request a partial Surrender of Contract Values at any time before the Annuity Commencement Date. We will deduct any applicable Contingent Deferred Sales Charge. You can ask us to deduct the Contingent Deferred Sales Charge from the amount you are Surrendering or from your remaining Contract Value. If we deduct the Contingent Deferred Sales Charge from your remaining Contract Value, that amount will also be subject to Contingent Deferred Sales Charge.

There are two restrictions on partial Surrenders before the Annuity Commencement Date:

- The partial Surrender amount must be at least equal to \$100, our current minimum for partial Surrenders, and
- After a Surrender, your Contract Value must be equal to or greater than our then current minimum Contract Value that we establish according to our current policies and procedures. We may change the minimum Contract Value in our sole discretion, with notice to you. Our current minimum Contract Value is \$500 after the Surrender. We will close your Contract and pay the full Surrender Value if the Contract Value is under the minimum after the Surrender.

FULL SURRENDERS AFTER THE ANNUITY COMMENCEMENT DATE -- You may Surrender your Contract on or after the Annuity Commencement Date only if you selected the Payment for a Period Certain Annuity Payout Option. Under this option, we pay you the Commuted Value of your Contract minus any applicable Contingent Deferred Sales Charges. The Commuted Value is determined on the day we receive your written request for Surrender.

PARTIAL SURRENDERS AFTER THE ANNUITY COMMENCEMENT DATE -- Partial Surrenders are permitted after the Annuity Commencement Date if you select the Life Annuity With Payments for a Period Certain, Joint and Last Survivor Life Annuity With Payments for a Period Certain or the Payment for a Period Certain Annuity Payout Options. You may take partial Surrenders of amounts equal to the Commuted Value of the payments that we would have made during the "Period Certain" for the

number of years you select under the Annuity Payout Option that we guarantee to make Annuity Payouts.

To qualify for partial Surrenders under these Annuity Payout Options you must make the Surrender request during the Period Certain.

Hartford will deduct any applicable Contingent Deferred Sales Charges.

If you elect to take the entire Commuted Value of the Annuity Payouts we would have made during the Period Certain, Hartford will not make any Annuity Payouts during the remaining Period Certain. If you elect to take only some of the Commuted Value of the Annuity Payouts we would have made during the Period Certain, Hartford will reduce the remaining Annuity Payouts during the remaining Period Certain. Annuity Payouts that are to be made after the Period Certain is over will not change.

Please check with your qualified tax adviser because there could be adverse tax consequences for partial Surrenders after the Annuity Commencement Date.

HOW DO I REQUEST A SURRENDER?

Requests for full Surrenders must be in writing. Requests for partial Surrenders can be made in writing or by telephone. We will send your money within seven days of receiving complete instructions. However, we may postpone payment of Surrenders whenever: (a) the New York Stock Exchange is closed, (b) trading on the New York Stock Exchange is restricted by the SEC, (c) the SEC permits and orders postponement or (d) the SEC determines that an emergency exists to restrict valuation.

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WRITTEN REQUESTS -- To request a full or partial Surrender, complete a Surrender Form or send us a letter, signed by you, stating:

- the dollar amount that you want to receive, either before or after we withhold taxes and deduct for any applicable charges,
- your tax withholding amount or percentage, if any, and
- your mailing address.

If there are joint Contract Owners, both must authorize all Surrenders. For a partial Surrender, specify the Accounts that you want your Surrender to come from, otherwise, the Surrender will be taken in proportion to the value in each Account.

TELEPHONE REQUESTS -- To request a partial Surrender by telephone, we must have received your completed Telephone Redemption Program Enrollment Form. If there are joint Contract Owners, both must sign this form. By signing the form, you authorize us to accept telephone instructions for partial Surrenders from either Contract Owner. Telephone authorization will remain in effect until we receive a written cancellation notice from you or your joint Contract Owner, we discontinue the program, or you are no longer the owner of the Contract. There are some restrictions on telephone surrenders, please call us with any questions.

We may record telephone calls and use other procedures to verify information and confirm that instructions are genuine. We will not be liable for losses or expenses arising from telephone instructions reasonably believed to be genuine. We may modify the requirements for telephone redemptions at any time.

Telephone Surrender instructions received before the close of the New York Stock Exchange will be processed on that Valuation Day. Otherwise, your request will be processed on the next Valuation Day.

COMPLETING A POWER OF ATTORNEY FORM FOR ANOTHER PERSON TO ACT ON YOUR BEHALF MAY PREVENT YOU FROM MAKING SURRENDERS VIA TELEPHONE.

WHAT SHOULD BE CONSIDERED ABOUT TAXES?

There are certain tax consequences associated with Surrenders:

PRIOR TO AGE 59 1/2 -- If you make a Surrender prior to age 59 1/2, there may be adverse tax consequences including a 10% federal income tax penalty on the taxable portion of the Surrender payment. Surrendering before age 59 1/2 may also affect the continuing tax-qualified status of some Contracts.

WE DO NOT MONITOR SURRENDER REQUESTS. TO DETERMINE WHETHER A SURRENDER IS PERMISSIBLE, WITH OR WITHOUT FEDERAL INCOME TAX PENALTY, PLEASE CONSULT YOUR PERSONAL TAX ADVISER.

MORE THAN ONE CONTRACT ISSUED IN THE SAME CALENDAR YEAR -- If you own more than one contract issued by us or our affiliates in the same calendar year, then these contracts may be treated as one contract for the purpose of determining the taxation of distributions prior to the Annuity Commencement Date. Please consult your tax adviser for additional information.

INTERNAL REVENUE CODE SECTION 403(B) ANNUITIES -- As of December 31, 1988, all section 403(b) annuities have limits on full and partial Surrenders. Contributions to your Contract made after December 31, 1988 and any increases in cash value after December 31, 1988 may not be distributed unless you are: (a) age 59 1/2, (b) no longer employed, (c) deceased, (d) disabled, or (e) experiencing a financial hardship (cash value increases may not be distributed for hardships prior to age 59 1/2). Distributions prior to age 59 1/2 due to financial hardship; unemployment or retirement may still be subject to a penalty tax of 10%.

WE ENCOURAGE YOU TO CONSULT WITH YOUR QUALIFIED TAX ADVISER BEFORE MAKING ANY SURRENDERS. PLEASE SEE THE "FEDERAL TAX CONSIDERATIONS" SECTION FOR MORE INFORMATION.

ANNUITY PAYOUTS

THIS SECTION DESCRIBES WHAT HAPPENS WHEN WE BEGIN TO MAKE REGULAR ANNUITY PAYOUTS FROM YOUR CONTRACT. YOU, AS THE CONTRACT OWNER, SHOULD ANSWER FIVE QUESTIONS:

- When do you want Annuity Payouts to begin?
- Which Annuity Payout Option do you want to use?
- How often do you want the Payee to receive Annuity Payouts?
- What is the Assumed Investment Return?
- Do you want Annuity Payouts to be fixed dollar amount or variable dollar amount?

Please check with your financial adviser to select the Annuity Payout Option that best meets your income needs.

1. WHEN DO YOU WANT ANNUITY PAYOUTS TO BEGIN?

You select an Annuity Commencement Date when you purchase your Contract or at any time before you begin receiving Annuity Payouts. You may change the Annuity Commencement Date by notifying us within thirty days prior to the date. You may choose to begin receiving a variable dollar amount Annuity Payout at any time. You may not choose a fixed dollar amount Annuity Payout during the first two Contract Years. The Annuity Commencement Date cannot be deferred beyond the Annuitant's 90th birthday or the end of the 10th Contract Year, whichever is later, unless you elect a later date to begin receiving payments subject to the laws and regulations then in effect and our approval. If this Contract is issued to the trustee of a Charitable Remainder Trust, the Annuity Commencement Date may be deferred to the Annuitant's 100th birthday.

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The Annuity Calculation Date is when the amount of your Annuity Payout is determined. This occurs within five Valuation Days before your selected Annuity Commencement Date.

All Annuity Payouts, regardless of frequency, will occur on the same day of the month as the Annuity Commencement Date. After the initial payout, if an Annuity Payout date falls on a Non-Valuation Day, the Annuity Payout is computed on the prior Valuation Day. If the Annuity Payout date does not occur in a given month due to a leap year or months with only 28 days (i.e. the 31st), the Annuity Payout will be computed on the last Valuation Day of the month.

2. WHICH ANNUITY PAYOUT OPTION DO YOU WANT TO USE?

Your Contract contains the Annuity Payout Options described below. The Annuity Proceeds Settlement Option is an option that can be elected by the Beneficiary and is described in the "Death Benefit" section. We may at times offer other Annuity Payout Options. Once we begin to make Annuity Payouts, the Annuity Payout Option cannot be changed.

LIFE ANNUITY

We make Annuity Payouts as long as the Annuitant is living. When the Annuitant dies, we stop making Annuity Payouts. A Payee would receive only one Annuity Payout if the Annuitant dies after the first payout, two Annuity Payouts if the

Annuitant dies after the second payout, and so forth.

LIFE ANNUITY WITH PAYMENTS FOR A PERIOD CERTAIN

We will make Annuity Payouts during the lifetime of the Annuitant, but Annuity Payouts are at least guaranteed for the number of years you select. If, at the death of the Annuitant, Annuity Payouts have been made for less than the minimum elected number of years, then the Beneficiary may elect to continue the remaining Annuity Payouts or receive the present value of the remaining Annuity Payouts.

LIFE ANNUITY WITH A CASH REFUND

We will make Annuity Payouts as long as the Annuitant is living. When the Annuitant dies, if the Annuity Payouts already made are less than the Contract Value on the Annuity Commencement Date minus any Premium Tax, the remaining value will be paid to the Beneficiary. The remaining value is equal to the Contract Value minus any Premium Tax minus all Annuity Payouts already made. This option is only available for fixed dollar amount Annuity Payouts.

JOINT AND LAST SURVIVOR LIFE ANNUITY

We will make Annuity Payouts as long as the Annuitant and Joint Annuitant are living. When one Annuitant dies, we continue to make Annuity Payouts until that second Annuitant dies. When choosing this option, you must decide what will happen to the Annuity Payouts after the first Annuitant dies. You must select Annuity Payouts that:

- Remain the same at 100%, or
- Decrease to 66.67%, or
- Decrease to 50%.

For variable Annuity Payouts, these percentages represent Annuity Units; for fixed dollar amount Annuity Payouts, they represent actual dollar amounts. The percentage will also impact the Annuity Payout amount we pay while both Annuitants are living. If you pick a lower percentage, your original Annuity Payouts will be higher while both Annuitants are alive.

JOINT AND LAST SURVIVOR LIFE ANNUITY WITH PAYMENTS FOR A PERIOD CERTAIN

We will make Annuity Payouts as long as either the Annuitant or Joint Annuitant are living, but we at least guarantee to make Annuity Payouts for a time period you select, between 5 years and 100 years minus your younger Annuitant's age. If the Annuitant and the Joint Annuitant both die before the guaranteed number of years have passed, then the Beneficiary may continue Annuity Payouts for the remainder of the guaranteed number of years or receive the Commuted Value in one sum.

When choosing this option, you must decide what will happen to the Annuity Payouts after the first Annuitant dies. You must select Annuity Payouts that:

- Remain the same at 100%, or
- Decrease to 66.67%, or
- Decrease to 50%.

For variable dollar amount Annuity Payouts, these percentages represent Annuity Units. For fixed dollar amount Annuity Payouts, these percentages represent actual dollar amounts. The percentage will also impact the Annuity Payout amount we pay while both Annuitants are living. If you pick a lower percentage, your original Annuity Payouts will be higher while both Annuitants are alive.

PAYMENTS FOR A PERIOD CERTAIN

We will make Annuity Payouts for the number of years that you select. The minimum period that you can select is 10 years during the first two Contract Years and 5 years after the second Contract Anniversary. If, at the death of the Annuitant, Annuity Payouts have been made for less than the time period selected, then the Beneficiary may elect to continue the remaining Annuity Payouts or receive the Commuted Value in one sum. You may not choose a fixed dollar amount Annuity Payout during the first two Contract Years.

THE HARTFORD'S PRINCIPAL FIRST PAYOUT OPTION

If you elect The Hartford's Principal First and later decide to annuitize your Contract, you may choose another Annuity Payout Option in addition to those Annuity Payout Options offered in the Contract. Under this Fixed Annuity Payout Option, called The Hartford's Principal First Payout Option, Hartford will pay a fixed dollar amount for a specific number of years ("Payout Period"). If you, the joint Contract Owner or the Annuitant should die before the Payout Period is complete the remaining payments will be made to the Beneficiary. The Payout

Period is determined on the Annuity Calculation Date and it will equal the current Benefit Amount divided by the Benefit Payment. The

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total amount of the Annuity Payouts under this option will be equal to the Benefit Amount.

THE HARTFORD'S PRINCIPAL FIRST PREFERRED PAYOUT OPTION

If you elect The Hartford's Principal First Preferred and later decide to annuitize your Contract, you may choose another Annuity Payout Option in addition to those Annuity Payout Options offered in the Contract. Under this Fixed Annuity Payout Option, called The Hartford's Principal First Preferred Payout Option, Hartford will pay a fixed dollar amount for a specific number of years ("Payout Period"). If you, the joint Contract Owner or the Annuitant should die before the Payout Period is complete the remaining payments will be made to the Beneficiary. The Payout Period is determined on the Annuity Calculation Date and it will equal the current Benefit Amount divided by the Benefit Payment. The total amount of the Annuity Payouts under this option will be equal to the Benefit Amount.

IMPORTANT INFORMATION:

- YOU CANNOT SURRENDER YOUR CONTRACT ONCE ANNUITY PAYOUTS BEGIN, UNLESS YOU HAVE SELECTED LIFE ANNUITY WITH PAYMENTS FOR A PERIOD CERTAIN, JOINT AND LAST SURVIVOR LIFE ANNUITY WITH PAYMENTS FOR A PERIOD CERTAIN, OR PAYMENTS FOR A PERIOD CERTAIN ANNUITY PAYOUT OPTION. A CONTINGENT DEFERRED SALES CHARGE MAY BE DEDUCTED.
- For qualified Contracts, if you elect an Annuity Payout Option with a Period Certain, the guaranteed number of years must be less than the life expectancy of the Annuitant at the time the Annuity Payouts begin. We compute life expectancy using the IRS mortality tables.
- AUTOMATIC ANNUITY PAYOUTS -- If you do not elect an Annuity Payout Option, monthly Annuity Payouts will automatically begin on the Annuity Commencement Date under the Life Annuity with Payments for a Period Certain Annuity Payout Option with a ten-year period certain. Automatic Annuity Payouts will be fixed dollar amount Annuity Payouts, variable dollar amount Annuity Payouts, or a combination of fixed or variable dollar amount Annuity Payouts, depending on the investment allocation of your Contract in effect on the Annuity Commencement Date. Automatic variable Annuity Payouts will be based on an Assumed Investment Return equal to 5%.

3. HOW OFTEN DO YOU WANT THE PAYEE TO RECEIVE ANNUITY PAYOUTS?

In addition to selecting an Annuity Commencement Date and an Annuity Payout Option, you must also decide how often you want the Payee to receive Annuity Payouts. You may choose to receive Annuity Payouts:

- monthly,
- quarterly,
- semi-annually, or
- annually.

Once you select a frequency, it cannot be changed. If you do not make a selection, the Payee will receive monthly Annuity Payouts. You must select a frequency that results in an Annuity Payout of at least \$50. If the amount falls below \$50, we have the right to change the frequency to bring the Annuity Payout up to at least \$50.

4. WHAT IS THE ASSUMED INVESTMENT RETURN?

The Assumed Investment Return ("AIR") is the investment return you select before we start to make Annuity Payouts. It is a critical assumption for calculating variable dollar amount Annuity Payouts. The first Annuity Payout will be based upon the AIR. The remaining Annuity Payouts will fluctuate based on the performance of the underlying Funds.

Subject to the approval of your State, you can select one of three AIRs: 3%, 5% or 6%. The greater the AIR, the greater the initial Annuity Payout. But a higher AIR may result in smaller potential growth in future Annuity Payouts when the Sub-Accounts earn more than the AIR. On the other hand, a lower AIR results in a lower initial Annuity Payout, but future Annuity Payouts have the potential to be greater when the Sub-Accounts earn more than the AIR.

For example, if the second monthly Annuity Payout is the same as the first, the Sub-Accounts earned exactly the same return as the AIR. If the second monthly

Annuity Payout is more than the first, the Sub-Accounts earned more than the AIR. If the second Annuity Payout is less than the first, the Sub-Account earned less than the AIR.

Level variable dollar amount Annuity Payouts would be produced if the investment returns remained constant and equal to the AIR. In fact, Annuity Payouts will vary up or down as the investment rate varies up or down from the AIR. The degree of the variation depends on the AIR you select.

5. DO YOU WANT ANNUITY PAYOUTS TO BE FIXED DOLLAR AMOUNT OR VARIABLE DOLLAR AMOUNT?

You may choose an Annuity Payout Option with fixed dollar amounts or variable dollar amounts, depending on your income needs. You may not choose a fixed dollar amount Annuity Payout during the first two Contract Years.

FIXED DOLLAR AMOUNT ANNUITY PAYOUTS -- Once a fixed dollar amount Annuity Payout begins, you cannot change your selection to receive variable dollar amount Annuity Payouts. You will receive equal fixed dollar amount Annuity Payouts throughout the Annuity Payout period. Fixed dollar amount Annuity Payout amounts are determined by multiplying the Contract Value, minus any applicable Premium Taxes, by an Annuity rate set by us.

You may not choose a fixed dollar amount Annuity Payout if you purchase your Contract in Oregon or Pennsylvania.

VARIABLE DOLLAR AMOUNT ANNUITY PAYOUTS -- Once a variable dollar amount Annuity Payout begins, you cannot change your selection to receive a fixed dollar amount Annuity Payout. A variable dollar amount Annuity Payout is based on the investment performance of the Sub-Accounts. The variable dollar

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amount Annuity Payouts may fluctuate with the performance of the underlying Funds. To begin making variable dollar amount Annuity Payouts, we convert the first Annuity Payout amount to a set number of Annuity Units and then price those units to determine the Annuity Payout amount. The number of Annuity Units that determines the Annuity Payout amount remains fixed unless you transfer units between Sub-Accounts.

The dollar amount of the first variable Annuity Payout depends on:

- the Annuity Payout Option chosen,
- the Annuitant's attained age and gender (if applicable),
- the applicable annuity purchase rates based on the 1983a Individual Annuity Mortality table adjusted for projections based on accepted actuarial principles, and
- the Assumed Investment Return.

The total amount of the first variable dollar amount Annuity Payout is determined by dividing the Contract Value, minus any applicable Premium Taxes, by \$1,000 and multiplying the result by the payment factor defined in the Contract for the selected Annuity Payout Option.

The dollar amount of each subsequent variable dollar amount Annuity Payout is equal to the total of:

- Annuity Units for each Sub-Account multiplied by Annuity Unit Value of each Sub-Account.

The Annuity Unit Value of each Sub-Account for any Valuation Period is equal to the Accumulation Unit Value Net Investment Factor for the current Valuation Period multiplied by the Annuity Unit Factor, multiplied by the Annuity Unit Value for the preceding Valuation Period. The Annuity Unit Factor offsets the AIR used to calculate your first variable dollar amount Annuity Payout. The Annuity Unit Factor for a 3% AIR is 0.999919%. The Annuity Unit Factor for a 5% AIR is 0.999866%. The Annuity Unit Factor for a 6% AIR is 0.999840%.

COMBINATION ANNUITY PAYOUT -- You may choose to receive a combination of fixed dollar amount and variable dollar amount Annuity Payouts as long as they total 100% of your Annuity Payout. For example, you may choose to use 40% fixed dollar amount and 60% variable dollar amount to meet your income needs.

TRANSFER OF ANNUITY UNITS -- After the Annuity Calculation Date, you may transfer dollar amounts of Annuity Units from one Sub-Account to another. On the day you make a transfer, the dollar amounts are equal for both Sub-Accounts and the number of Annuity Units will be different. We will transfer the dollar amount of your Annuity Units the day we receive your written request if received before the close of the New York Stock Exchange. Otherwise, the transfer will be

made on the next Valuation Day. All Sub-Account transfers must comply with our Sub-Account transfer restriction policies. For more information on Sub-Account transfer restrictions please see the sub-section entitled "Can I Transfer from One Sub-Account to Another" under the section entitled "The Contract."

OTHER PROGRAMS AVAILABLE

We may discontinue, modify or amend any of these Programs or any other programs we establish. Any change other than termination of a Program will not affect Contract Owners currently enrolled in the Program. There is no additional Charge for these Programs.

INVEST-EASE PROGRAM -- InvestEase is an electronic transfer program that allows you to have money automatically transferred from your checking or savings account, and invested in your Contract. It is available for Premium Payments made after your initial Premium Payment. The minimum amount for each transfer is \$50. You can elect to have transfers occur either monthly or quarterly, and they can be made into any Account available in your Contract.

AUTOMATIC INCOME PROGRAM -- The Automatic Income Program allows you to Surrender up to 10% of your total Premium Payments each Contract Year without a Contingent Deferred Sales Charge. You can Surrender from the Accounts you select systematically on a monthly, quarterly, semiannual, or annual basis. The minimum amount of each Surrender is \$100. Amounts taken under this Program will count towards the Annual Withdrawal Amount, and if received prior to age 59 1/2, may have adverse tax consequences, including a 10% federal income tax penalty on the taxable portion of the Surrender payment.

ASSET ALLOCATION PROGRAM -- Asset Allocation is a program that allows you to choose an allocation for your Sub-Accounts to help you reach your investment goals. The Contract offers static model allocations with pre-selected Sub-Accounts and percentages that have been established for each type of investor ranging from conservative to aggressive. Over time, Sub-Account performance may cause your Contract's allocation percentages to change, but under the Asset Allocation Program, your Sub-Account allocations are rebalanced to the percentages in the current model you have chosen. You can transfer freely between allocation models up to twelve times per year. You can only participate in one model at a time.

ASSET REBALANCING -- Asset Rebalancing is another type of asset allocation program in which you customize your Sub-Accounts to meet your investment needs. You select the Sub-Accounts and the percentages you want allocated to each Sub-Account. Based on the frequency you select, your model will automatically rebalance to the original percentages chosen. You can transfer freely between models up to twelve times per year. You can only participate in one model at a time.

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DOLLAR COST AVERAGING PROGRAMS -- We currently offer two different types of Dollar Cost Averaging Programs in addition to the DCA Plus Program. If you enroll, you may select either the Fixed Amount DCA Program or the Earnings/Interest DCA Program. The Fixed Amount DCA Program allows you to regularly transfer an amount you select from the Fixed Accumulation Feature or any Sub-Account into a different Sub-Account. The Earnings/Interest DCA Program allows you to regularly transfer the interest from the Fixed Accumulation Feature or the earnings from one Sub-Account into a different Sub-Account. For either Program, you may select transfers on a monthly or quarterly basis, but you must at least make three transfers during the Program. The Fixed Amount DCA Program begins 15 days after the Contract Anniversary the month after you enroll in the Program. The Earnings/Interest DCA Program begins at the end of the length of the transfer period you selected plus two business days. That means if you select a monthly transfer, your Earnings/Interest DCA Program will begin one month plus two business days after your enrollment. Dollar Cost Averaging Programs do not guarantee a profit or protect against investment losses.

If you make systematic transfers from the Fixed Accumulation Feature under a Dollar Cost Averaging Program or DCA Plus Program, you must wait 6 months after your last systematic transfer before moving Sub-Account Values back to the Fixed Accumulation Feature.

OTHER INFORMATION

ASSIGNMENT -- A non-qualified Contract may be assigned. We must be properly notified in writing of an assignment. Any Annuity Payouts or Surrenders requested or scheduled before we record an assignment will be made according to the instructions we have on record. We are not responsible for determining the validity of an assignment. Assigning a non-qualified Contract may require the payment of income taxes and certain penalty taxes. Please consult a qualified

tax adviser before assigning your Contract.

A qualified Contract may not be transferred or otherwise assigned, unless allowed by applicable law.

CONTRACT MODIFICATION -- The Annuitant may not be changed. However, if the Annuitant is still living, the Contingent Annuitant may be changed at any time prior to the Annuity Commencement Date by sending us written notice.

We may modify the Contract, but no modification will affect the amount or term of any Contract unless a modification is required to conform the Contract to applicable federal or state law. No modification will affect the method by which Contract Values are determined.

HOW CONTRACTS ARE SOLD -- Hartford Securities Distribution Company, Inc. ("HSD") serves as Principal Underwriter for the securities issued with respect to the Separate Account. HSD is registered with the Securities and Exchange Commission under the Securities Exchange Act of 1934 as a Broker-Dealer and is a member of the National Association of Securities Dealers, Inc. HSD is an affiliate of ours. Both HSD and Hartford are ultimately controlled by The Hartford Financial Services Group, Inc. The principal business address of HSD is the same as ours. The securities will be sold by individuals who represent us as insurance agents and who are registered representatives of Broker-Dealers that have entered into distribution agreements with HSD.

Upfront commissions paid by Hartford will not be more than 7% of Premium Payments. Trail commissions will not be more than 1% of Contract Value. From time to time Hartford may also pay or permit other promotional incentives, in cash or credit or other compensation.

ADDITIONAL COMPENSATION TO BROKER-DEALERS, FINANCIAL INSTITUTIONS AND OTHER PERSONS ("FINANCIAL INTERMEDIARIES") -- In addition to the commissions (which may be paid or reallocated to Financial Intermediaries from an applicable sales charge and/or advanced to Financial Intermediaries) and 12b-1 fees, the distributor or its affiliates pay, out of their own assets, significant additional compensation ("Additional Payments") to Financial Intermediaries (who may or may not be affiliates of the distributor) in connection with the sale and distribution of the variable annuity contracts ("Contracts") based on a number of factors. This additional compensation is not paid directly by you.

With the exception of certain compensation arrangements discussed herein, and "Negotiated Additional Amounts" defined below, these Additional Payments, which are generally based on average net assets (or on aged assets i.e., assets held over one year) and on sales of the Contracts attributable to a particular Financial Intermediary, may, but are normally not expected to, exceed, in the aggregate 0.12% of the average net assets of the Contracts attributable to a particular Financial Intermediary. A listing of Financial Intermediaries to whom the distributor makes such Additional Payments is provided below. Separate Additional Payments may also be made in connection with the sale and distribution of the Contracts in such forms as, among others, "due diligence" payments and "marketing support" fees ("Negotiated Additional Amounts"), as discussed in greater detail below. With the exception of certain Negotiated Additional Amounts specifically discussed herein, payments of Negotiated Additional Amounts did not exceed \$12 million per Financial Intermediary for the calendar year ended December 31, 2004. These Additional Payments and Negotiated Additional Amounts may, in some cases, act as a financial incentive for a Financial Intermediary to recommend the purchase of one Contract over another Contract. Please consult your Financial Intermediary for more information.

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DISTRIBUTION ARRANGEMENTS -- Contracts issued by Hartford Life Insurance Company and Hartford Life and Annuity Insurance Company (collectively "Hartford Life") are continuously offered and sold by selected broker-dealers who have selling agreements with Hartford Life. Except as discussed below, Hartford Life bears all the expenses of providing services pursuant to Contracts including the payment of the expenses relating to the distribution of prospectuses for sales purposes as well as any advertising or sales literature.

In addition to the commissions described herein, Hartford Life and its affiliates pay, out of their own assets, Additional Payments to Financial Intermediaries in connection with the sale and distribution of the Contracts. Certain Additional Payments are generally based on average net assets (or on aged assets) of the Contracts attributable to a particular Financial Intermediary, on sales of the Contracts attributable to a particular Financial Intermediary, and/or on reimbursement of related sales expenses. Such Additional Payments are generally made for the placement of the Contracts on a Financial Intermediary's list of annuity products available for purchase by its customers. Separate Additional Payments may take the form of, among others: (1) "due diligence" payments for a Financial Intermediary's examination of the annuity products and payments for providing training and information relating to the

annuity product and (2) "marketing support" fees for providing assistance in promoting the sale of the annuity product. (Negotiated Additional Amounts). Subject to NASD regulations, Hartford Life and its affiliates may contribute Negotiated Additional Amounts to various non-cash and cash incentive arrangements to promote the sale of the Contracts, as well as sponsor various annuity product educational programs, sales contests and/or promotions in which Financial Intermediaries that participate may receive prizes such as travel awards, merchandise and cash and/or investment research pertaining to particular securities and other financial instruments or to the securities and financial markets generally, educational information and related support materials and hardware and/or software. Hartford Life and its affiliates may also pay for the travel expenses, meals, lodging and entertainment of Financial Intermediaries and their salespersons and guests in connection with education, sales and promotional programs, subject to applicable NASD regulations. These programs, which may be different for different Financial Intermediaries, will not change the price an investor will pay for the Contracts or the amount that a registered representative will receive from such sale. These Additional Payments and Negotiated Additional Amounts may, in some cases, act as a financial incentive for a Financial Intermediary to recommend the purchase of one annuity product over another annuity product. Please consult your Financial Intermediary for more information.

As of December 31, 2004 Hartford Life has entered into arrangements to make Additional Payments that are generally based on average net assets (or on aged assets) attributable to a particular Financial Intermediary, on sales of the Contracts attributable to a particular Financial Intermediary, and/or on reimbursement of related sales expenses to A.G. Edwards & Sons, Inc., Advest, Inc., AIG Advisors Group, AMSouth Investment Services, Inc., Bancwest Investment Services, Inc., Cadaret Grant & Co., Inc., Capital Analyst Inc., Capital Investment Group, Inc., Centaurus Financial, Inc., Citigroup Global Markets, Inc., Comerica Securities, Commonwealth Financial Network, Compass Brokerage, Inc., Cuso Financial Services, L.P., Duerr Financial Corporation, Edward D. Jones & Co., L.P., FFP Securities, Inc., Fifth Third Securities, First Citizens Investor Services, First Tennessee Brokerage, Inc., Frost Brokerage Services, Inc., Harbour Investments, Inc., Heim & Young Securities, The Huntington Investment Company, Infinex Financial Group, ING Advisors Network, Investacorp, Inc., Investment Professionals, Inc., James T. Borello & Co., Jefferson Pilot Securities Corporation, J.J.B. Hilliard, W.L. Lyons, Inc., Legg Mason Wood Walker, Incorporated, Lincoln Financial, Linsco/Private Ledger Corp., M&T Securities, Merrill Lynch Pierce Fenner & Smith, First Montauk Securities Corp., Morgan Keegan & Company, Inc., Morgan Stanley & Co., Incorporated, Mutual Service Corporation, National Planning Holding, NEXT Financial Group, Inc., NFP Securities, Inc., Parker/Hunter Incorporated, Pension Planners, PFIC Securities Corporation, Piper Jaffray & Co., Prime Capital Services, Inc., Prospera Financial Services, Inc., Raymond James Financial Services, RBC Dain Rauscher Inc., Securities America, Inc., Sigma Financial Corporation, Southtrust Securities, Inc., Stifel Nicolaus & Company, Incorporated, TFS Securities, Inc., The Investment Center, Inc., Triad Advisors, Inc., UBS Financial Services, Inc., Uvest Financial Services Group Inc., Wachovia Securities, LLC., Walnut Street Securities, Inc., Wells Fargo Brokerage Services, L.L.C., WM Financial Services, Inc., Woodbury Financial Services, Inc., XCU Capital Corporation, Inc. Hartford Life may enter into arrangements with other Financial Intermediaries to make such Additional Payments. Separate Additional Payments in the form of Negotiated Additional Amounts may also be made to the above-listed Financial Intermediaries and to other Financial Intermediaries.

The Additional Payments to Financial Intermediaries in connection with the sale and distribution of the Contracts are negotiated based on a range of qualitative factors, including, but not limited to, access and opportunity to provide product education and training, assistance with the development and implementation of joint marketing and business plans, reputation in the industry, ability to attract and retain assets, target markets, customer relationships and quality of service. No one factor is determinative of the type or amount of Additional Payments to be provided and factors are weighed in the assessment of such determination.

For the fiscal year ended December 31, 2004, Hartford Life or its affiliates paid approximately \$50 million in total Additional Payments, including Negotiated Additional Amounts to Financial Intermediaries.

LEGAL MATTERS

There continues to be significant federal and state regulatory activity relating to financial services companies, particularly mutual funds companies. These regulatory inquiries have focused on a number of mutual fund issues including market timing and late trading, revenue sharing and directed brokerage,

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fees, transfer agents and other fund service providers, and other mutual-fund related issues. The Hartford, which includes Hartford Life Insurance Company and its affiliates, has received requests for information and subpoenas from the

Securities and Exchange Commission ("SEC"), subpoenas from the New York Attorney General's Office, requests for information from the Connecticut Securities and Investments Division of the Department of Banking, and requests for information from the New York Department of Insurance, in each case requesting documentation and other information regarding various mutual fund regulatory issues.

The SEC's Division of Enforcement and the New York Attorney General's Office are investigating aspects of The Hartford's variable annuity and mutual fund operations related to market timing. The funds are available for purchase by the separate accounts of different variable life insurance policies, variable annuity products and funding agreements, and they are offered directly to certain qualified retirement plans. Although existing products contain transfer restrictions between sub-accounts, some products, particularly older variable annuity products, do not contain restrictions on the frequency of transfers. In addition, as a result of the settlement of litigation against The Hartford with respect to certain owners of older variable annuity products, The Hartford's ability to restrict transfers by these owners is limited. The SEC's Division of Enforcement also is investigating aspects of The Hartford's variable annuity and mutual fund operations related to directed brokerage and revenue sharing. The Hartford discontinued the use of directed brokerage in recognition of mutual fund sales in late 2003. The Hartford also has received a subpoena from the New York Attorney General's Office requesting information related to the Company's group annuity products. The Hartford continues to cooperate fully with the SEC, the New York Attorney General's Office and other regulatory agencies.

A number of companies have announced settlements of enforcement actions with various regulatory agencies, primarily the SEC and the New York Attorney General's Office, which have included a range of monetary penalties and restitution. While no such action has been initiated against The Hartford, the SEC and the New York Attorney General's Office are likely to take some action at the conclusion of the on-going investigations related to market timing and directed brokerage. The potential timing of any such action is difficult to predict. If such an action is brought, it could have a material adverse effect on The Hartford's consolidated results of operations or cash flows in particular quarterly or annual periods, but The Hartford does not expect any such action to result in a material adverse effect on the separate accounts or on the HLS funds that serve as underlying investments for those accounts.

In addition, The Hartford has been served with five putative national class actions, now consolidated into a single putative class action, IN RE HARTFORD MUTUAL FUNDS FEE LITIGATION, which is currently pending before the United States District Court for the District of Connecticut. In the consolidated amended complaint in this action, filed on October 20, 2004, plaintiffs make "direct claims" on behalf of investors in The Hartford's Retail Funds and "derivative claims" on behalf of the Retail Funds themselves. Plaintiffs (including Linda Smith, the lead plaintiff) allege that excessive or inadequately disclosed fees were charged to investors in the Retail Funds, that certain fees were used for improper purposes, and that undisclosed, improper, or excessive payments were made to brokers, including in the form of directed brokerage. Plaintiffs are seeking compensatory and punitive damages in an undetermined amount; rescission of the Retail Funds' investment advisory contracts, including recovery of all fees which would otherwise apply and recovery of fees paid; an accounting of all Retail Fund related fees, commissions, directed brokerage and soft dollar payments; and restitution of all allegedly unlawfully or discriminatorily obtained fees and charges. Defendants have moved to dismiss the consolidated amended complaint in this action. The defendants in this case include various Hartford entities, Wellington Management, The Hartford Mutual Funds, Inc., The Hartford Mutual Funds II, Inc., the Retail Funds themselves and the directors of the Retail Funds, who also serve as directors of the funds. This litigation is not expected to result in a material adverse effect on the separate accounts or on the HLS funds that serve as underlying investments for those accounts.

MORE INFORMATION

You may call your Registered Representative if you have any questions or write or call us at the address below:

Hartford Life and Annuity Insurance Company
Attn: Investment Product Services
P.O. Box 5085
Hartford, Connecticut 06102-5085
Telephone: 1-800-862-6668 (Contract Owners)
1-800-862-7155 (Registered Representatives)

FINANCIAL STATEMENTS

You can find financial statements of the Separate Account and Hartford in the Statement of Additional Information. To receive a copy of the Statement of Additional Information free of charge, call your representative or complete the form at the end of this prospectus and mail the form to us at the address indicated on the form.

FEDERAL TAX CONSIDERATIONS

A. INTRODUCTION

The following summary of tax rules does not provide or constitute any tax advice. It provides only a general discussion of certain of the expected federal income tax consequences with respect to amounts contributed to, invested in or received from a Contract, based on our understanding of the existing provisions of the Code, Treasury Regulations thereunder, and public interpretations thereof by the IRS (e.g., Revenue Rulings, Revenue Procedures or Notices) or by published court decisions. This summary discusses only certain federal income tax consequences to United States Persons, and does not discuss state,

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local or foreign tax consequences. The term United States Persons means citizens or residents of the United States, domestic corporations, domestic partnerships, trust or estates that are subject to United States federal income tax, regardless of the source of their income.

This summary has been prepared by us after consultation with tax counsel, but no opinion of tax counsel has been obtained. We do not make any guarantee or representation regarding any tax status (e.g., federal, state, local or foreign) of any Contract or any transaction involving a Contract. In addition, there is always a possibility that the tax treatment of an annuity contract could change by legislation or other means (such as regulations, rulings or judicial decisions). Moreover, it is always possible that any such change in tax treatment could be made retroactive (that is, made effective prior to the date of the change). Accordingly, you should consult a qualified tax adviser for complete information and advice before purchasing a Contract.

In addition, this discussion does not address many of the tax consequences if you use the Contract in various arrangements, including Charitable Remainder Trusts, tax-qualified retirement arrangements, deferred compensation plans, split-dollar insurance arrangements, or other employee benefit arrangements. The tax consequences of any such arrangement may vary depending on the particular facts and circumstances of each individual arrangement and whether the arrangement satisfies certain tax qualification or classification requirements. In addition, the tax rules affecting such an arrangement may have changed recently, e.g., by legislation or regulations that affect compensatory or employee benefit arrangements. Therefore, if you are contemplating the use of a Contract in any arrangement the value of which to you depends in part on its tax consequences, you should consult a qualified tax adviser regarding the tax treatment of the proposed arrangement and of any Contract used in it.

THE DISCUSSION SET FORTH BELOW IS INCLUDED FOR GENERAL PURPOSES ONLY. SPECIAL TAX RULES MAY APPLY WITH RESPECT TO CERTAIN SITUATIONS THAT ARE NOT DISCUSSED HEREIN. EACH POTENTIAL PURCHASER OF A CONTRACT IS ADVISED TO CONSULT WITH A QUALIFIED TAX ADVISER AS TO THE CONSEQUENCES OF ANY AMOUNTS INVESTED IN A CONTRACT UNDER APPLICABLE FEDERAL, STATE, LOCAL OR FOREIGN TAX LAW.

B. TAXATION OF HARTFORD AND THE SEPARATE ACCOUNT

The Separate Account is taxed as part of Hartford which is taxed as a life insurance company under Subchapter L of Chapter 1 of the Code. Accordingly, the Separate Account will not be taxed as a "regulated investment company" under Subchapter M of Chapter 1 of the Code. Investment income and any realized capital gains on the assets of the Separate Account are reinvested and are taken into account in determining the value of the Accumulation and Annuity Units. As a result, such investment income and realized capital gains are automatically applied to increase reserves under the Contract.

No taxes are due on interest, dividends and short-term or long-term capital gains earned by the Separate Account with respect to the Contracts.

C. TAXATION OF ANNUITIES -- GENERAL PROVISIONS AFFECTING CONTRACTS NOT HELD IN TAX-QUALIFIED RETIREMENT PLANS

Section 72 of the Code governs the taxation of annuities in general.

1. NON-NATURAL PERSONS AS OWNERS

Pursuant to Code Section 72(u), an annuity contract held by a taxpayer other than a natural person generally is not treated as an annuity contract under the Code. Instead, such a non-natural Contract Owner generally could be required to include in gross income currently for each taxable year the excess of (a) the sum of the Contract Value as of the close of the taxable year and all previous distributions under the Contract over (b) the sum of net premiums paid for the taxable year and any prior taxable year and the amount includable in gross income for any prior taxable year with respect to the Contract under Section 72(u). However, Section 72(u) does not apply to:

- A contract the nominal owner of which is a non-natural person but the

beneficial owner of which is a natural person (e.g., where the non-natural owner holds the contract as an agent for the natural person),

- A contract acquired by the estate of a decedent by reason of such decedent's death,
- Certain contracts acquired with respect to tax-qualified retirement arrangements,
- Certain contracts held in structured settlement arrangements that may qualify under Code Section 130, or
- A single premium immediate annuity contract under Code Section 72(u)(4), which provides for substantially equal periodic payments and an annuity starting date that is no later than 1 year from the date of the contract's purchase.

A non-natural Contract Owner that is a tax-exempt entity for federal tax purposes (e.g., a tax-qualified retirement trust or a Charitable Remainder Trust) generally would not be subject to federal income tax as a result of such current gross income under Code Section 72(u). However, such a tax-exempt entity, or any annuity contract that it holds, may need to satisfy certain tax requirements in order to maintain its qualification for such favorable tax treatment. See, e.g., IRS Tech. Adv. Memo. 9825001 for certain Charitable Remainder Trusts.

Pursuant to Code Section 72(s), if the Contract Owner is a non-natural person, the primary annuitant is treated as the "owner" in applying the required distribution rules described below. These rules require that certain distributions be made upon the death of an "owner." In addition, for a non-natural owner, a change in the primary annuitant is treated as the death of the "owner." However, the provisions of Code Section 72(s) do not apply to certain contracts held in tax-qualified retirement arrangements or structured settlement arrangements.

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2. OTHER CONTRACT OWNERS (NATURAL PERSONS).

A Contract Owner is not taxed on increases in the value of the Contract until an amount is received or deemed received, e.g., in the form of a lump sum payment (full or partial value of a Contract) or as Annuity payments under the settlement option elected.

The provisions of Section 72 of the Code concerning distributions are summarized briefly below. Also summarized are special rules affecting distributions from Contracts obtained in a tax-free exchange for other annuity contracts or life insurance contracts which were purchased prior to August 14, 1982.

a. DISTRIBUTIONS PRIOR TO THE ANNUITY COMMENCEMENT DATE.

- i. Total premium payments less amounts received which were not includable in gross income equal the "investment in the contract" under Section 72 of the Code.
- ii. To the extent that the value of the Contract (ignoring any surrender charges except on a full surrender) exceeds the "investment in the contract," such excess constitutes the "income on the contract." It is unclear what value should be used in determining the "income on the contract." We believe that the current Contract value (determined without regard to surrender charges) is an appropriate measure. However, the IRS could take the position that the value should be the current Contract value (determined without regard to surrender charges) increased by some measure of the value of certain future benefits.
- iii. Any amount received or deemed received prior to the Annuity Commencement Date (e.g., upon a partial surrender) is deemed to come first from any such "income on the contract" and then from "investment in the contract," and for these purposes such "income on the contract" shall be computed by reference to any aggregation rule in subparagraph 2.c. below. As a result, any such amount received or deemed received (1) shall be includable in gross income to the extent that such amount does not exceed any such "income on the contract," and (2) shall not be includable in gross income to the extent that such amount does exceed any such "income on the contract." If at the time that any amount is received or deemed received there is no "income on the contract" (e.g., because the gross value of the Contract does not exceed the "investment in the contract" and no aggregation rule applies), then such amount received or deemed received will not be includable in gross income, and will simply reduce the "investment in the contract."
- iv. The receipt of any amount as a loan under the Contract or the assignment or

pledge of any portion of the value of the Contract shall be treated as an amount received for purposes of this subparagraph a. and the next subparagraph b.

v. In general, the transfer of the Contract, without full and adequate consideration, will be treated as an amount received for purposes of this subparagraph a. and the next subparagraph b. This transfer rule does not apply, however, to certain transfers of property between spouses or incident to divorce.

vi. In general, any amount actually received under the Contract as a Death Benefit, including an optional Death Benefit, if any, will be treated as an amount received for purposes of this subparagraph a. and the next subparagraph b.

b. DISTRIBUTIONS AFTER ANNUITY COMMENCEMENT DATE.

Annuity payments made periodically after the Annuity Commencement Date are includable in gross income to the extent the payments exceed the amount determined by the application of the ratio of the "investment in the contract" to the total amount of the payments to be made after the Annuity Commencement Date (the "exclusion ratio").

i. When the total of amounts excluded from income by application of the exclusion ratio is equal to the investment in the contract as of the Annuity Commencement Date, any additional payments (including surrenders) will be entirely includable in gross income.

ii. If the annuity payments cease by reason of the death of the Annuitant and, as of the date of death, the amount of annuity payments excluded from gross income by the exclusion ratio does not exceed the investment in the contract as of the Annuity Commencement Date, then the remaining portion of unrecovered investment shall be allowed as a deduction for the last taxable year of the Annuitant.

iii. Generally, nonperiodic amounts received or deemed received after the Annuity Commencement Date are not entitled to any exclusion ratio and shall be fully includable in gross income. However, upon a full surrender after such date, only the excess of the amount received (after any surrender charge) over the remaining "investment in the contract" shall be includable in gross income (except to the extent that the aggregation rule referred to in the next subparagraph c. may apply).

c. AGGREGATION OF TWO OR MORE ANNUITY CONTRACTS.

Contracts issued after October 21, 1988 by the same insurer (or affiliated insurer) to the same owner within the same calendar year (other than certain contracts held in connection with tax-qualified retirement arrangements) will be aggregated and treated as one annuity contract for the purpose of determining the taxation of distributions prior to the Annuity Commencement Date. An annuity contract received in a tax-free exchange for another annuity contract or life insurance contract may be treated as a new contract for this purpose. We believe that for any Contracts subject to such aggregation, the values under the Contracts and the investment in the contracts will be added together to determine the taxation under subparagraph 2.a., above, of amounts received or deemed received prior to the Annuity Commencement Date. Withdrawals will first be treated first as withdrawals of income until all of the income from all such Contracts is withdrawn. In addition, the Treasury Department has specific authority under the aggregation rules in Code Section 72(e)(11) to issue regulations to prevent the avoidance of the income-out-first rules for non-periodic distributions through

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the serial purchase of annuity contracts or otherwise. As of the date of this prospectus, there are no regulations interpreting these aggregation provisions.

d. 10% PENALTY TAX -- APPLICABLE TO CERTAIN WITHDRAWALS AND ANNUITY PAYMENTS.

i. If any amount is received or deemed received on the Contract (before or after the Annuity Commencement Date), the Code applies a penalty tax equal to ten percent of the portion of the amount includable in gross income, unless an exception applies.

ii. The 10% penalty tax will not apply to the following distributions:

1. Distributions made on or after the date the recipient has attained the age of 59 1/2.
2. Distributions made on or after the death of the holder or where the holder is not an individual, the death of the primary annuitant.

3. Distributions attributable to a recipient's becoming disabled.
4. A distribution that is part of a scheduled series of substantially equal periodic payments (not less frequently than annually) for the life (or life expectancy) of the recipient (or the joint lives or life expectancies of the recipient and the recipient's designated Beneficiary). In determining whether a payment stream designed to satisfy this exception qualifies, it is possible that the IRS could take the position that the entire interest in the Contract should include not only the current Contract value, but also some measure of the value of certain future benefits.
5. Distributions made under certain annuities issued in connection with structured settlement agreements.
6. Distributions of amounts which are allocable to the "investment in the contract" prior to August 14, 1982 (see next subparagraph e.).

If the taxpayer avoids this 10% penalty tax by qualifying for the substantially equal periodic payments exception and later such series of payments is modified (other than by death or disability), the 10% penalty tax will be applied retroactively to all the prior periodic payments (i.e., penalty tax plus interest thereon), unless such modification is made after both (a) the taxpayer has reached age 59 1/2 and (b) 5 years have elapsed since the first of these periodic payments.

e. SPECIAL PROVISIONS AFFECTING CONTRACTS OBTAINED THROUGH A TAX-FREE EXCHANGE OF OTHER ANNUITY OR LIFE INSURANCE CONTRACTS PURCHASED PRIOR TO AUGUST 14, 1982.

If the Contract was obtained by a tax-free exchange of a life insurance or annuity Contract purchased prior to August 14, 1982, then any amount received or deemed received prior to the Annuity Commencement Date shall be deemed to come (1) first from the amount of the "investment in the contract" prior to August 14, 1982 ("pre-8/14/82 investment") carried over from the prior Contract, (2) then from the portion of the "income on the contract" (carried over to, as well as accumulating in, the successor Contract) that is attributable to such pre-8/14/82 investment, (3) then from the remaining "income on the contract" and (4) last from the remaining "investment in the contract." As a result, to the extent that such amount received or deemed received does not exceed such pre-8/14/82 investment, such amount is not includable in gross income. In addition, to the extent that such amount received or deemed received does not exceed the sum of (a) such pre-8/14/82 investment and (b) the "income on the contract" attributable thereto, such amount is not subject to the 10% penalty tax. In all other respects, amounts received or deemed received from such post-exchange Contracts are generally subject to the rules described in this subparagraph e.

f. REQUIRED DISTRIBUTIONS.

i. Death of Contract Owner or Primary Annuitant

Subject to the alternative election or spouse beneficiary provisions in ii or iii below:

1. If any Contract Owner dies on or after the Annuity Commencement Date and before the entire interest in the Contract has been distributed, the remaining portion of such interest shall be distributed at least as rapidly as under the method of distribution being used as of the date of such death;
2. If any Contract Owner dies before the Annuity Commencement Date, the entire interest in the Contract shall be distributed within 5 years after such death; and
3. If the Contract Owner is not an individual, then for purposes of 1. or 2. above, the primary annuitant under the Contract shall be treated as the Contract Owner, and any change in the primary annuitant shall be treated as the death of the Contract Owner. The primary annuitant is the individual, the events in the life of whom are of primary importance in affecting the timing or amount of the payout under the Contract.

ii. Alternative Election to Satisfy Distribution Requirements

If any portion of the interest of a Contract Owner described in i. above is payable to or for the benefit of a designated beneficiary, such beneficiary may elect to have the portion distributed over a period that does not extend beyond the life or life expectancy of the beneficiary. Such distributions must begin within a year of the Contract Owner's death.

iii. Spouse Beneficiary

If any portion of the interest of a Contract Owner is payable to or for the

benefit of his or her spouse, and the Annuitant or Contingent Annuitant is living, such spouse shall be treated as the Contract Owner of such portion for purposes of section i. above. This spousal contract continuation shall apply only once for this Contract.

g. ADDITION OF RIDER OR MATERIAL CHANGE.

The addition of a rider to the Contract, or a material change in the Contract's provisions, could cause it to be considered newly

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issued or entered into for tax purposes, and thus could cause the Contract to lose certain grandfathered tax status. Please contact your tax adviser for more information.

h. PARTIAL EXCHANGES.

The IRS in Rev. Rul. 2003-76 has confirmed that the owner of an annuity contract can direct its insurer to transfer a portion of the contract's cash value directly to another annuity contract (issued by the same insurer or by a different insurer), and such a direct transfer can qualify for tax-free exchange treatment under Code Section 1035 (a "partial exchange"). However, Rev. Rul. 2003-76 also refers to caveats and additional guidance in the companion Notice 2003-51, which discusses cases in which a partial exchange is followed by a surrender, withdrawal or other distribution from either the old contract or the new contract. Notice 2003-51 specifically indicates that the IRS is considering (1) under what circumstances it should treat a partial exchange followed by such a distribution within 24 months as presumptively for "tax avoidance" purposes (e.g., to avoid the income-out-first rules on amounts received under Code Section 72) and (2) what circumstances it should treat as rebutting such a presumption (e.g., death, disability, reaching age 59 1/2, divorce or loss of employment). Accordingly, we advise you to consult with a qualified tax adviser as to potential tax consequences before attempting any partial exchange.

3. DIVERSIFICATION REQUIREMENTS.

The Code requires that investments supporting your Contract be adequately diversified. Code Section 817(h) provides that a variable annuity contract will not be treated as an annuity contract for any period during which the investments made by the separate account or underlying fund are not adequately diversified. If a contract is not treated as an annuity contract, the contract owner will be subject to income tax on annual increases in cash value.

The Treasury Department's diversification regulations under Code Section 817(h) require, among other things, that:

- no more than 55% of the value of the total assets of the segregated asset account underlying a variable contract is represented by any one investment,
- no more than 70% is represented by any two investments,
- no more than 80% is represented by any three investments and
- no more than 90% is represented by any four investments.

In determining whether the diversification standards are met, all securities of the same issuer, all interests in the same real property project, and all interests in the same commodity are each treated as a single investment. In the case of government securities, each government agency or instrumentality is treated as a separate issuer.

A separate account must be in compliance with the diversification standards on the last day of each calendar quarter or within 30 days after the quarter ends. If an insurance company inadvertently fails to meet the diversification requirements, the company may still comply within a reasonable period and avoid the taxation of contract income on an ongoing basis. However, either the insurer or the contract owner must agree to pay the tax due for the period during which the diversification requirements were not met.

We monitor the diversification of investments in the separate accounts and test for diversification as required by the Code. We intend to administer all contracts subject to the diversification requirements in a manner that will maintain adequate diversification.

4. TAX OWNERSHIP OF THE ASSETS IN THE SEPARATE ACCOUNT.

In order for a variable annuity contract to qualify for tax income deferral, assets in the separate account supporting the contract must be considered to be owned by the insurance company, and not by the contract owner, for tax purposes. The IRS has stated in published rulings that a variable contract owner will be considered the "owner" of separate account assets for income tax purposes if the

contract owner possesses sufficient incidents of ownership in those assets, such as the ability to exercise investment control over the assets. In circumstances where the variable contract owner is treated as the "tax owner" of certain separate account assets, income and gain from such assets would be includable in the variable contract owner's gross income. The Treasury Department indicated in 1986 that, in regulations or revenue rulings under Code Section 817(d) (relating to the definition of a variable contract), it would provide guidance on the extent to which contract owners may direct their investments to particular subaccounts without being treated as tax owners of the underlying shares. Although no such regulations have been issued to date, the IRS has issued a number of rulings that indicate that this issue remains subject to a facts and circumstances test for both variable annuity and life insurance contracts.

For instance, the IRS in Rev. Rul. 2003-92 reiterated its position in prior rulings that, where shares in a fund offered in an insurer's separate account are not available exclusively through the purchase of a variable insurance contract (e.g., where such shares can be purchased directly by the general public or others without going through such a variable contract), such "public availability" means that such shares should be treated as owned directly by the contract owner (and not by the insurer) for tax purposes, as if such contract owner had chosen instead to purchase such shares directly (without going through the variable contract). More specifically, Rev. Rul. 2003-92 extended this "public availability" doctrine to interests in a non-registered limited partnership that are not publicly traded but are available directly to qualified buyers through private placements (as well as through variable contracts), holding that such limited partnership interests should be treated as owned directly by a variable contract owner (and not by the insurer). By contrast, where such limited partnership interests are available exclusively through the purchase of a variable insurance contract, Rev. Rul. 2003-92 held that such investment assets should be treated as owned by the insurer (and not by the contract owner). None of the shares or other interests in the fund choices offered in our Separate Account for your Contract are available for purchase except through an insurer's variable contracts.

The IRS in Rev. Rul. 2003-91 also indicated that an insurer could provide as many as 20 fund choices for its variable contract

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owners (each with a general investment strategy, e.g., a small company stock fund or a special industry fund) under certain circumstances, without causing such a contract owner to be treated as the tax owner of any of the underlying fund assets. As a result, we believe that any owner of a Contract also should receive the same favorable tax treatment. However, there is necessarily some uncertainty here as long as the IRS continues to use a facts and circumstances test for investor control and other tax ownership issues. Therefore, we reserve the right to modify the Contract as necessary to prevent you from being treated as the tax owner of any underlying assets.

D. FEDERAL INCOME TAX WITHHOLDING

The portion of an amount received under a Contract that is taxable gross income to the recipient is also subject to federal income tax withholding, pursuant to Code Section 3405, which requires the following:

1. Non-Periodic Distributions. The portion of a non-periodic distribution that is includable in gross income is subject to federal income tax withholding unless the recipient elects not to have such tax withheld ("election out"). We will provide such an "election out" form at the time such a distribution is requested. If the necessary "election out" forms are not submitted to us in a timely manner, we are required to withhold 10 percent of the includable amount of distribution.
2. Periodic Distributions (payable over a period greater than one year). The portion of a periodic distribution that is includable in gross income is subject to federal income tax withholding as if the recipient were married claiming 3 exemptions, unless the recipient elects otherwise. A recipient may elect out of such withholding, or elect to have income tax withheld at a different rate, by providing a completed election form. We will provide such an election form at the time such a distribution is requested.

Regardless of any "election out" (or any amount of tax actually withheld) on an amount received from a Contract, the recipient is generally liable for any failure to pay the full amount of tax due on the includable portion of such amount received. You also may be required to pay penalties under the estimated income tax rules, if your withholding and estimated tax payments are insufficient to satisfy your total tax liability.

E. GENERAL PROVISIONS AFFECTING QUALIFIED RETIREMENT PLANS

The Contract may be used for a number of qualified retirement plans. If the

Contract is being purchased with respect to some form of qualified retirement plan, please refer to Appendix I for information relative to the types of plans for which it may be used and the general explanation of the tax features of such plans.

F. ANNUITY PURCHASES BY NONRESIDENT ALIENS AND FOREIGN CORPORATIONS

The discussion above provides general information regarding U.S. federal income tax consequences to annuity purchasers that are U.S. citizens or residents. Purchasers that are not U.S. citizens or residents will generally be subject to U.S. federal income tax and withholding on taxable annuity distributions at a 30% rate, unless a lower treaty rate applies and any required tax forms are submitted to us. In addition, purchasers may be subject to state premium tax, other state and/or municipal taxes, and taxes that may be imposed by the purchaser's country of citizenship or residence.

G. ESTATE, GIFT AND GENERATION-SKIPPING TAX AND RELATED TAX CONSIDERATIONS

Any amount payable upon a Contract Owner's death, whether before or after the Annuity Commencement Date, is generally includable in the Contract Owner's estate for federal estate tax purposes. Similarly, prior to the Contract Owner's death, the payment of any amount from the Contract, or the transfer of any interest in the Contract, to a beneficiary or other person for less than adequate consideration may have federal gift tax consequences. In addition, any transfer to, or designation of, a non-spouse beneficiary who either is (1) 37 1/2 or more years younger than a Contract Owner or (2) a grandchild (or more remote further descendent) of a Contract Owner may have federal generation-skipping-transfer ("GST") tax consequences under Code Section 2601. Regulations under Code Section 2662 may require us to deduct any such GST tax from your Contract, or from any applicable payment, and pay it directly to the IRS. However, any federal estate, gift or GST tax payment with respect to a Contract could produce an offsetting income tax deduction for a beneficiary or transferee under Code Section 691(c) (partially offsetting such federal estate or GST tax) or a basis increase for a beneficiary or transferee under Code Section 691(c) or Section 1015(d). In addition, as indicated above in "Distributions Prior to the Annuity Commencement Date," the transfer of a Contract for less than adequate consideration during the Contract Owner's lifetime generally is treated as producing an amount received by such Contract Owner that is subject to both income tax and the 10% penalty tax. To the extent that such an amount deemed received causes an amount to be includable currently in such Contract Owner's gross income, this same income amount could produce a corresponding increase in such Contract Owner's tax basis for such Contract that is carried over to the transferee's tax basis for such Contract under Code Section 72(e)(4)(C)(iii) and Section 1015.

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APPENDIX I -- INFORMATION REGARDING TAX-QUALIFIED RETIREMENT PLANS

This summary does not attempt to provide more than general information about the federal income tax rules associated with use of a Contract by a tax-qualified retirement plan. State income tax rules applicable to tax-qualified retirement plans often differ from federal income tax rules, and this summary does not describe any of these differences. Because of the complexity of the tax rules, owners, participants and beneficiaries are encouraged to consult their own tax advisors as to specific tax consequences.

The Contracts may offer death benefits that may exceed the greater of the amounts paid for the Contract or the Contract's cash value. Owners who intend to use the Contract in connection with tax-qualified retirement plans should consider the income tax effects that such a death benefit may have on the plan.

The federal tax rules applicable to owners of Contracts under tax-qualified retirement plans vary according to the type of plan as well as the terms and conditions of the plan itself. Contract owners, plan participants and beneficiaries are cautioned that the rights and benefits of any person may be controlled by the terms and conditions of the tax-qualified retirement plan itself, regardless of the terms and conditions of a Contract. We are not bound by the terms and conditions of such plans to the extent such terms conflict with a Contract, unless we specifically consent to be bound.

Some tax-qualified retirement plans are subject to distribution and other requirements that are not incorporated into our administrative procedures. Contract owners, participants and beneficiaries are responsible for determining that contributions, distributions and other transactions comply with applicable law. Tax penalties may apply to transactions with respect to tax-qualified retirement plans if applicable federal income tax rules and restrictions are not carefully observed.

We do not currently offer the Contracts in connection with all of the types of tax-qualified retirement plans discussed below and may not offer the Contracts for all types of tax-qualified retirement plans in the future.

1. TAX-QUALIFIED PENSION OR PROFIT-SHARING PLANS -- Eligible employers can establish certain tax-qualified pension and profit-sharing plans under section 401 of the Code. Rules under section 401(k) of the Code govern certain "cash or deferred arrangements" under such plans. Rules under section 408(k) govern "simplified employee pensions." Tax-qualified pension and profit-sharing plans are subject to limitations on the amount that may be contributed, the persons who may be eligible to participate, the time when distributions must commence, and the form in which distributions must be paid. Employers intending to use the Contracts in connection with tax-qualified pension or profit-sharing plans should seek competent tax and other legal advice. If the death benefit under the Contract can exceed the greater of the amount paid for the Contract and the Contract's cash value, it is possible that the IRS would characterize such death benefit as an "incidental death benefit." There are limitations on the amount of incidental benefits that may be provided under pension and profit sharing plans. In addition, the provision of such benefits may result in currently taxable income to the participants.

2. TAX SHELTERED ANNUITIES UNDER SECTION 403(B) -- Public schools and certain types of charitable, educational and scientific organizations, as specified in section 501(c)(3) of the Code, can purchase tax-sheltered annuity contracts for their employees. Tax-deferred contributions can be made to tax-sheltered annuity contracts under section 403(b) of the Code, subject to certain limitations. In general, total contributions may not exceed the lesser of (1) 100% of the participant's compensation, and (2) \$40,000 (adjusted for increases in cost-of-living). The maximum elective deferral amount is equal to \$14,000 for 2005 and \$15,000 for 2006 and thereafter, indexed. The limitation on elective deferrals may be increased to allow certain "catch-up" contributions for individuals who have attained age 50.

Tax-sheltered annuity programs under section 403(b) are subject to a PROHIBITION AGAINST DISTRIBUTIONS FROM THE CONTRACT ATTRIBUTABLE TO CONTRIBUTIONS MADE PURSUANT TO A SALARY REDUCTION AGREEMENT, unless such distribution is made:

- after the participating employee attains age 59 1/2;
- upon severance from employment;
- upon death or disability; or
- in the case of hardship (and in the case of hardship, any income attributable to such contributions may not be distributed).

Generally, the above restrictions do not apply to distributions attributable to

cash values or other amounts held under a section 403(b) contract as of December 31, 1988.

If the death benefit under the Contract can exceed the greater of the amount paid for the Contract and the Contract's cash value, it is possible that the IRS would characterize such death benefit as an "incidental death benefit." If the death benefit were so characterized, this could result in currently taxable income to purchasers. In addition, there are limitations on the amount of incidental death benefits that may be provided under a section 403(b) arrangement.

3. DEFERRED COMPENSATION PLANS UNDER SECTION 457 -- Certain governmental employers or tax-exempt employers other than a governmental unit can establish a Deferred Compensation Plan under section 457 of the Code. For these purposes, a "governmental employer" is a State, a political subdivision of a State, or an agency or an instrumentality of a State or political subdivision of a State. Employees and independent contractors performing services for a governmental or tax-exempt

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employer can elect to have contributions made to a Deferred Compensation Plan of their employer in accordance with the employer's plan and section 457 of the Code.

Deferred Compensation Plans that meet the requirements of section 457(b) of the Code are called "eligible" Deferred Compensation Plans. Section 457(b) limits the amount of contributions that can be made to an eligible Deferred Compensation Plan on behalf of a participant. Generally, the limitation on contributions is the lesser of (1) 100% of a participant's includible compensation or (2) the applicable dollar amount, equal to \$14,000 for 2005 and \$15,000 for 2006 and thereafter, indexed. The plan may provide for additional "catch-up" contributions during the three taxable years ending before the year in which the participant attains normal retirement age. In addition, the contribution limitation may be increased to allow certain "catch-up" contributions for individuals who have attained age 50.

All of the assets and income of an eligible Deferred Compensation Plan for a governmental employer must be held in trust for the exclusive benefit of participants and their beneficiaries. For this purpose, certain custodial accounts and annuity contracts are treated as trusts. The requirement of a trust does not apply to amounts under an eligible Deferred Compensation Plan of a tax-exempt (non-governmental) employer. In addition, the requirement of a trust does not apply to amounts under a Deferred Compensation Plan of a governmental employer if the Deferred Compensation Plan is not an eligible plan within the meaning of section 457(b) of the Code. In the absence of such a trust, amounts under the plan will be subject to the claims of the employer's general creditors.

In general, distributions from an eligible Deferred Compensation Plan to a participant or beneficiary are prohibited under section 457 of the Code unless made after the participating employee:

- attains age 70 1/2,
- has a severance from employment as defined in the Code (including death of the participating employee), or
- suffers an unforeseeable financial emergency as defined in the Code.

4. INDIVIDUAL RETIREMENT ANNUITIES ("IRAS") UNDER SECTION 408

TRADITIONAL IRAS -- Eligible individuals can establish individual retirement programs under section 408 of the Code through the purchase of an IRA. Section 408 imposes limits with respect to IRAs, including limits on the amount that may be contributed to an IRA, the amount of such contributions that may be deducted from taxable income, the persons who may be eligible to contribute to an IRA, and the time when distributions commence from an IRA. See Section 6 below for a discussion of rollovers involving IRAs.

SIMPLE IRAS -- Eligible employees may establish SIMPLE IRAs in connection with a SIMPLE IRA plan of an employer under section 408(p) of the Code. Special rollover rules apply to SIMPLE IRAs. Amounts can be rolled over from one SIMPLE IRA to another SIMPLE IRA. However, amounts can be rolled over from a SIMPLE IRA to a Traditional IRA only after two years have expired since the employee first commenced participation in the employer's SIMPLE IRA plan. Amounts cannot be rolled over to a SIMPLE IRA from a qualified plan or a Traditional IRA. Hartford is a non-designated financial institution for purposes of the SIMPLE IRA rules.

ROTH IRAS -- Eligible individuals may establish Roth IRAs under section 408A of the Code. Contributions to a Roth IRA are not deductible. Subject to special

limitations, a Traditional IRA, SIMPLE IRA or Simplified Employee Pension under Section 408(k) of the Code may be converted into a Roth IRA or a distribution from such an arrangement may be rolled over to a Roth IRA. However, a conversion or a rollover to a Roth IRA is not excludable from gross income. If certain conditions are met, qualified distributions from a Roth IRA are tax-free.

5. FEDERAL TAX PENALTIES AND WITHHOLDING -- Distributions from tax-qualified retirement plans are generally taxed as ordinary income under section 72 of the Code. Under these rules, a portion of each distribution may be excludable from income. The excludable amount is the portion of the distribution that bears the same ratio as the after-tax contributions bear to the expected return.

(a) PENALTY TAX ON EARLY DISTRIBUTIONS Section 72 (t) of the Code imposes an additional penalty tax equal to 10% of the taxable portion of a distribution from certain tax-qualified retirement plans. However, the 10% penalty tax does not apply to a distribution that is:

- Made on or after the date on which the employee reaches age 59 1/2;
- Made to a beneficiary (or to the estate of the employee) on or after the death of the employee;
- Attributable to the employee's becoming disabled (as defined in the Code);
- Part of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the employee or the joint lives (or joint life expectancies) of the employee and his or her designated beneficiary. In determining whether a payment stream designed to satisfy this exception qualifies, it is possible that the IRS could take the position that the entire interest in the Contract should include not only the current Contract value, but also some measure of the value of certain future benefits;
- Except in the case of an IRA, made to an employee after separation from service after reaching age 55; or
- Not greater than the amount allowable as a deduction to the employee for eligible medical expenses during the taxable year.

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In addition, the 10% penalty tax does not apply to a distribution from an IRA that is:

- Made after separation from employment to an unemployed IRA owner for health insurance premiums, if certain conditions are met;
- Not in excess of the amount of certain qualifying higher education expenses, as defined by section 72(t)(7) of the Code; or
- A qualified first-time homebuyer distribution meeting the requirements specified at section 72(t)(8) of the Code.

If you are a participant in a SIMPLE IRA plan, you should be aware that the 10% penalty tax is increased to 25% with respect to non-exempt early distributions made from your SIMPLE IRA during the first two years following the date you first commenced participation in any SIMPLE IRA plan of your employer.

(b) MINIMUM DISTRIBUTION PENALTY TAX If the amount distributed is less than the minimum required distribution for the year, the Participant is subject to a 50% penalty tax on the amount that was not properly distributed.

An individual's interest in a tax-qualified retirement plan generally must be distributed, or begin to be distributed, not later than the Required Beginning Date. Generally, the Required Beginning Date is April 1 of the calendar year following the later of:

- the calendar year in which the individual attains age 70 1/2; or
- the calendar year in which the individual retires from service with the employer sponsoring the plan.

The Required Beginning Date for an individual who is a five (5) percent owner (as defined in the Code), or who is the owner of an IRA, is April 1 of the calendar year following the calendar year in which the individual attains age 70 1/2.

The entire interest of the Participant must be distributed beginning no later than the Required Beginning Date over:

- the life of the Participant or the lives of the Participant and the

Participant's designated beneficiary (as defined in the Code), or

- over a period not extending beyond the life expectancy of the Participant or the joint life expectancy of the Participant and the Participant's designated beneficiary.

Each annual distribution must equal or exceed a "minimum distribution amount" which is determined generally by dividing the account balance by the applicable life expectancy. This account balance is generally based upon the entire value of all benefits provided under a Contract as of the close of business on the last day of the previous calendar year. The death benefit and any optional benefits purchased under the Contract may affect the amount of the minimum required distribution that must be taken. In addition, minimum distribution incidental benefit rules may require a larger annual distribution. Required minimum distributions also can be made in the form of annuity payments if the payment structure satisfies certain rules set forth in Income Tax Regulations.

If an individual dies before reaching his or her Required Beginning Date, the individual's entire interest must generally be distributed within five years of the individual's death. However, this rule will be deemed satisfied, if distributions begin before the close of the calendar year following the individual's death to a designated beneficiary and distribution is over the life of such designated beneficiary (or over a period not extending beyond the life expectancy of the beneficiary). If the beneficiary is the individual's surviving spouse, distributions may be delayed until the individual would have attained age 70 1/2.

If an individual dies after reaching his or her Required Beginning Date or after distributions have commenced, the individual's interest must generally be distributed at least as rapidly as under the method of distribution in effect at the time of the individual's death.

The minimum distribution requirements apply to Roth IRAs after the Contract owner dies, but not while the Contract owner is alive. In addition, if the owner of a Traditional or Roth IRA dies and the Contract owner's spouse is the sole designated beneficiary, the surviving spouse may elect to treat the Traditional or Roth IRA as his or her own.

In 2002 and in 2004, the Internal Revenue Service issued final and temporary regulations in the Federal Register relating to minimum required distributions. Please consult with your tax or legal adviser with any questions regarding the new regulations.

- (c) WITHHOLDING We are generally required to withhold federal income tax from the taxable portion of each distribution made under a Contract. The federal income tax withholding requirements, including the rate at which withholding applies, depend on whether a distribution is or is not an eligible rollover distribution.

Federal income tax withholding from the taxable portion of distributions that are not eligible rollover distributions is required unless the payee is eligible to, and does in fact, elect not to have income tax withheld by filing an election with us. Where the payee does not elect out of withholding, the rate of income tax to be withheld depends on whether the distribution is nonperiodic or periodic. Regardless of whether an election is made not to have federal income taxes withheld, the recipient is still liable for payment of federal income tax on the taxable portion of the distribution.

For periodic payments, federal income tax will be withheld from the taxable portion of the distribution by treating the payment as wages under IRS wage withholding tables, using the marital status and number of withholding allowances elected by the payee on an IRS Form W-4P, or acceptable substitute, filed us. Where the payee has not filed a Form W-4P, or acceptable substitute, with us, the payee will be treated as married claiming three withholding allowances. Special rules apply where the payee has not provided us with a proper taxpayer identification number or where the payments are sent outside the United States or U.S. possessions.

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For nonperiodic distributions, where a payee has not elected out of withholding, income tax will be withheld at a rate of 10 percent from the taxable portion of the distribution.

Federal income tax withholding is required at a rate of 20 percent from the taxable portion of any distribution that is an eligible rollover distribution to the extent it is not directly rolled over to an eligible recipient plan. Payees cannot elect out of income tax withholding with respect to such distributions.

Also, special withholding rules apply with respect to distributions from non-governmental section 457(b) plans, and to distributions made to individuals

who are neither citizens or resident aliens of the United States.

6. ROLLOVER DISTRIBUTIONS -- Under present federal tax law, "eligible rollover distributions" from qualified retirement plans under section 401(a) of the Code, qualified annuities under section 403(a) of the Code, section 403(b) arrangements, and governmental 457(b) plans generally can be rolled over tax-free within 60 days to any of such plans or arrangements that accept such rollovers. Similarly, distributions from an IRA generally are permitted to be rolled over tax-free within 60 days to a qualified plan, qualified annuity, section 403(b) arrangement, or governmental 457(b) plan. After tax contributions may be rolled over from a qualified plan, qualified annuity or governmental 457 plan into another qualified plan or an IRA. In the case of such a rollover of after tax contributions, the rollover is permitted to be accomplished only through a direct rollover. In addition, a qualified plan is not permitted to accept rollovers of after tax contributions unless the plan provides separate accounting for such contributions (and earnings thereon). Similar rules apply for purposes of rolling over after tax contributions from a section 403(b) arrangement. After tax contributions (including nondeductible contributions to an IRA) are not permitted to be rolled over from an IRA into a qualified plan, qualified annuity, section 403(b) arrangement, or governmental 457(b) plan.

For this purpose, an eligible rollover distribution is generally a distribution to an employee of all or any portion of the balance to the credit of the employee in a qualified trust under section 401(a) of the Code, qualified annuity under section 403(a) of the Code, a 403(b) arrangement or a governmental 457(b) plan. However, an eligible rollover distribution does not include: any distribution which is one of a series of substantially equal periodic payments (not less frequently than annually) made (1) for the life (or life expectancy) of the employee or the joint lives (or joint life expectancies) of the employee and the employee's designated beneficiary, or (2) for a specified period of 10 years or more; any distribution to the extent it is a required minimum distribution amount (discussed above); or any distribution which is made upon hardship of the employee.

Separate accounting is required on amounts rolled from plans described under Code sections 401, 403(b) or 408(IRA), when those amounts are rolled into plans described under section 457(b) sponsored by governmental employers. These amounts, when distributed from the governmental 457(b) plan, will be subject to the 10% early withdrawal tax applicable to distributions from plans described under sections 401, 403(b) or 408(IRA), respectively.

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HARTFORD LIFE AND ANNUITY INSURANCE COMPANY

APPENDIX II -- SERIES II CONTRACT DEATH BENEFIT -- EXAMPLES

PREMIUM SECURITY DEATH BENEFIT EXAMPLES

EXAMPLE 1

Assume that:

- You purchased your Contract with the Premium Security Death Benefit, because You and Your Annuitant were both no older than age 80 on the issue date,
- You made an initial Premium Payment of \$100,000,
- In your fourth Contract Year, you made a withdrawal of \$8,000,
- Your Contract Value in your fourth Contract Year immediately before your withdrawal was \$109,273,
- On the day we receive proof of Death, your Contract Value was \$117,403,
- Your Maximum Anniversary Value was \$106,000.

CALCULATION OF PREMIUM SECURITY DEATH BENEFIT

To calculate the Premium Security Death Benefit, we calculate the following three values:

- The Contract Value of your Contract on the day we receive proof of Death [\$117,403],
- Total Premium Payments adjusted for any partial Surrenders [\$100,000 - \$8,000 = \$92,000]
- The lesser of (a) Your Maximum Anniversary Value [\$106,000] and (b) Your Contract Value on the day we calculate the Death Benefit, plus 25% of Your Maximum Anniversary Value excluding any subsequent Premium Payments we receive within 12 months of death [\$117,403 + 25% X \$106,000 = \$143,903]; the lesser

(a) and (b) is \$106,000.

The Premium Security Death Benefit is the greatest of these three values, which is \$117,403.

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HARTFORD LIFE AND ANNUITY INSURANCE COMPANY

EXAMPLE 2

Assume that:

- You purchased your Contract with the Premium Security Death Benefit, because You and Your Annuitant were both no older than age 80 on the issue date,
- You made an initial Premium Payment of \$100,000,
- In your fourth Contract Year, you made a partial Surrender of \$60,000,
- Your Contract Value in the fourth year immediately before your Surrender was \$150,000,
- On the day we receive proof of Death, your Contract Value was \$120,000,
- Your Maximum Anniversary Value is \$83,571 (based on an adjustment to an anniversary value that was \$140,000 before the partial Surrender (see below)).

CALCULATION OF PREMIUM SECURITY DEATH BENEFIT

To calculate the Premium Security Death Benefit, we calculate the following three values:

- The Contract Value of your Contract on the day we receive proof of Death [\$120,000],
- Total Premium Payments adjusted for any partial Surrenders [\$57,857 (see below)]
- The lesser of (a) Your Maximum Anniversary Value [\$83,571 (see below)] and (b) Your Contract Value on the day we receive proof of Death plus 25% of Your Maximum Anniversary Value excluding any subsequent Premium Payments we receive within 12 months of death [$\$120,000 + 25\% (\$83,571) = \$140,893$]; the lesser (a) and (b) is \$83,571.

The Premium Security Death Benefit is the greatest of these three values, which is \$120,000

ADJUSTMENT FOR PARTIAL SURRENDER FOR TOTAL PREMIUM PAYMENTS

The adjustment to your total Premium Payments for partial Surrenders is on a dollar for dollar basis up to 10% of total Premium Payments. 10% of total Premium Payments is \$10,000. Total Premium Payments adjusted for dollar for dollar partial Surrenders is \$90,000. The remaining partial Surrenders equal \$50,000. This amount will reduce your total Premium Payments by a factor. To determine this factor, we take your Contract Value immediately before the Surrender [\$150,000] and subtract the \$10,000 dollar for dollar adjustment to get \$140,000. The proportional factor is $1 - (50,000/140,000) = .64286$. This factor is multiplied by \$90,000. The result is an adjusted total Premium Payment of \$57,857.

ADJUSTMENT FOR PARTIAL SURRENDER FOR MAXIMUM ANNIVERSARY VALUE

The adjustment to your Maximum Anniversary Value for partial Surrenders is on a dollar for dollar basis up to 10% of total Premium Payments. 10% of Premium Payments is \$10,000. Your Maximum Anniversary Value adjusted for partial Surrenders on a dollar for dollar basis up to 10% of Premium Payments is \$140,000 - \$10,000 = \$130,000. Remaining partial Surrenders are \$50,000. We use this amount to reduce your Maximum Anniversary Value by a factor. To determine this factor, we take your Contract Value immediately before the Surrender [\$150,000] and subtract the \$10,000 dollar for dollar adjustment to get \$140,000. The proportional factor is $1 - (50,000/140,000) = .64286$. This factor is multiplied by \$130,000. The result is an adjusted Maximum Anniversary Value of \$83,571.

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HARTFORD LIFE AND ANNUITY INSURANCE COMPANY

ASSET PROTECTION DEATH BENEFIT EXAMPLES

EXAMPLE 1

Assume that:

- You purchased your Contract with the Asset Protection Death Benefit, because You and/or Your Annuitant were over age 80 on the issue date,
- You made an initial Premium Payment of \$100,000,
- In your fourth Contract Year, you made a withdrawal of \$8,000,
- Your Contract Value in your fourth Contract Year immediately before your withdrawal was \$109,273,
- On the day we receive proof of Death, your Contract Value was \$117,403,
- Your Maximum Anniversary Value was \$106,000.

CALCULATION OF ASSET PROTECTION DEATH BENEFIT

To calculate the Asset Protection Death Benefit, we calculate the following three values:

- The Contract Value of your Contract on the day we receive proof of Death [\$117,403],
- The lesser of (a) total Premium Payments adjusted for any partial Surrenders [\$100,000 - \$8,000 = \$92,000] or (b) Your Contract Value on the day we calculate the Death Benefit, plus 25% of Your total Premium Payments adjusted for any partial Surrenders and excluding any subsequent Premium Payments we receive within 12 months of death [\$117,403 + 25% X \$92,000 = \$140,403]; the lesser of (a) and (b) is \$92,000.
- The lesser of (a) Your Maximum Anniversary Value [\$106,000] and (b) Your Contract Value on the day we calculate the Death Benefit, plus 25% of Your Maximum Anniversary Value excluding any subsequent Premium Payments we receive within 12 months of death [\$117,403 + 25% X \$106,000 = \$143,903]; the lesser (a) and (b) is \$106,000.

The Asset Protection Death Benefit is the greatest of these three values, which is \$117,403.

EXAMPLE 2

Assume that:

- You purchased your Contract with the Asset Protection Death Benefit because You and/or Your Annuitant were over age 80 on the issue date,
- You made an initial Premium Payment of \$100,000,
- In your fourth Contract Year, you made a partial Surrender of \$60,000,
- Your Contract Value in the fourth year immediately before your Surrender was \$150,000,
- On the day we receive proof of Death, your Contract Value was \$120,000,
- Your Maximum Anniversary Value is \$83,571 (based on an adjustment to an anniversary value that was \$140,000 before the partial Surrender (see below)).

CALCULATION OF ASSET PROTECTION DEATH BENEFIT

To calculate the Asset Protection Death Benefit, we calculate the following three values:

- The Contract Value of your Contract on the day we receive proof of Death [\$120,000],
- The lesser of (a) total Premium Payments adjusted for any partial Surrenders [\$57,857 (see Example 1 under Premium Security Death Benefit)] or (b) Your Contract Value on the day we calculate the Death Benefit, plus 25% of Your total Premium Payments adjusted for any partial Surrenders and excluding any subsequent Premium Payments we receive within 12 months of death [\$120,000 + 25% X \$57,857 = \$134,464]; the lesser (a) and (b) is \$57,857.
- The lesser of (a) Your Maximum Anniversary Value [\$83,571 (see Example 1 under Premium Security Death Benefit)] and (b) Your Contract Value on the day we receive proof of Death plus 25% of Your Maximum Anniversary Value excluding any subsequent Premium Payments we receive within 12 months of death [\$120,000 + 25% (\$83,571) = \$140,893]; the lesser (a) and (b) is \$83,571.

The Asset Protection Death Benefit is the greatest of these three values, which is \$120,000.

MAV PLUS DEATH BENEFIT WITH PREMIUM SECURITY DEATH BENEFIT EXAMPLES

EXAMPLE 1

Assume that:

- You elected the MAV Plus Death Benefit when you purchased your Contract with the Premium Security Death Benefit,
- You made a single Premium Payment of \$100,000,
- In your fourth Contract Year, you made a withdrawal of \$8,000,
- Your Contract Value in your fourth Contract Year immediately before your withdrawal was \$109,273,
- On the day we receive proof of Death, your Contract Value was \$117,403,
- Your Maximum Anniversary Value was \$106,000,
- The Contract Value on the date we calculate the Death Benefit plus 40% of the Contract gain was greater than the Premium Security Death Benefit, your adjusted total Premium Payments, and your Maximum Anniversary Value.

ADJUSTMENT FOR PARTIAL SURRENDERS FOR EARNINGS PROTECTION BENEFIT

To calculate the Earnings Protection Benefit, we make an adjustment for partial Surrenders if the amount of a Surrender is greater than the Contract gain in the Contract immediately prior to the Surrender. To determine if the partial Surrender is greater than the Contract gain:

- We determine Contract gain by subtracting the Contract Value on the date you added the MAV Plus Death Benefit from the Contract Value immediately before the partial surrender, then deduct any premium payments and add any adjustments for partial Surrenders made during that time [$\$109,273 - \$100,000 - \$0 + \$0 = \$9,273$]

Since the Contract gain at the time of partial Surrender [$\$9,273$] exceeds the partial Surrender [$\$8,000$], there is no adjustment for the partial Surrender in this case.

CALCULATION OF CONTRACT GAIN

Hartford would calculate the Contract gain as follows:

- Contract Value on the day we receive proof of Death [$\$117,403$],
- Subtract the Contract Value on the date the MAVPlus Death Benefit was added to your Contract [$\$100,000$],
- Add any adjustments for partial Surrenders [$\$0$],

So the Contract gain equals \$17,403.

CALCULATION OF EARNINGS PROTECTION BENEFIT CAP

To determine if the cap applies:

- Hartford calculates the Contract Value on the date the MAV Plus Death Benefit was added to your Contract ($\$100,000$),
- plus Premium Payments made since that date excluding Premium Payments made in the 12 months prior to death ($\$0$),
- minus any adjustments for partial Surrenders ($\$0$),

Which equals \$100,000. The cap is 200% of \$100,000, which is \$200,000.

PREMIUM SECURITY DEATH BENEFIT AMOUNT IS \$117, 403. (See Example 1 under Premium Security Death Benefit for details of calculation.)

ADJUSTED TOTAL PREMIUM PAYMENT AMOUNT IS \$92,000. (See Example 1 under Premium Security Death Benefit for details of calculation.)

MAV PLUS DEATH BENEFIT

In this situation the cap does not apply, so Hartford takes the Contract Value on the date we receive proof of death and adds 40% of gain [$\$117,403 + 40\% (\$17,403)$] which totals \$124,364. This is the greatest of the four values compared, and so is the death benefit.

EXAMPLE 2

Assume that:

- You elected the MAV Plus Death Benefit when you purchased your Contract with the Premium Security Death Benefit,
- You made a single Premium Payment of \$100,000,
- In your fourth Contract Year, you made a partial Surrender of \$60,000,
- Your Contract Value in the fourth year immediately before your Surrender was \$150,000,
- Your Maximum Anniversary Value is \$83,571 (based on an adjustment to an anniversary value that was \$140,000 before the partial Surrender (see below))
- On the day we receive proof of Death, your Contract Value was \$120,000,
- The Contract Value on the date we calculate the Death Benefit plus 40% of the Contract gain was the greatest of the Death Benefit calculations.

ADJUSTMENT FOR PARTIAL SURRENDERS

To calculate the Earnings Protection Benefit, we make an adjustment for partial Surrenders if the amount of a Surrender is greater than the Contract gain in the Contract immediately prior to the Surrender. To determine if the partial Surrender is greater than the Contract gain:

- We determine Contract gain by subtracting the Contract Value on the date you added the MAV Plus Death Benefit from the Contract Value immediately before the partial surrender, then deduct any premium payments and add any adjustments for partial Surrenders made during that time [$\$150,000 - \$100,000 - \$0 + \$0 = \$50,000$]

Since the partial Surrender [$\$60,000$] exceeds the Contract gain at the time of partial Surrender [$\$50,000$], the adjustment for the partial Surrender is the difference, or \$10,000.

CALCULATION OF CONTRACT GAIN

Hartford would calculate the Contract gain as follows:

- Contract Value on the day we receive proof of Death [$\$120,000$],
- Subtract the Contract Value on the date the MAV Plus Death Benefit was added to your Contract [$\$100,000$],
- Add any adjustments for partial Surrenders [$\$10,000$],
- So the Contract gain equals \$30,000.

CALCULATION OF EARNINGS PROTECTION BENEFIT CAP

To determine if the cap applies:

- Hartford calculates the Contract Value on the date the MAV Plus Death Benefit was added to your Contract ($\$100,000$),
- plus Premium Payments made since that date excluding Premium Payments made in the 12 months prior to death ($\$0$),
- minus any adjustments for partial Surrenders ($\$10,000$),

Which equals \$90,000. The cap is 200% of \$90,000, which is \$180,000.

ADJUSTMENT FOR PARTIAL SURRENDERS FOR MAXIMUM ANNIVERSARY VALUE

The adjustment to your Maximum Anniversary Value for partial Surrenders is on a dollar for dollar basis up to 10% of total Premium Payments. 10% of Premium Payments is \$10,000. Maximum Anniversary Value adjusted for dollar for dollar Surrenders is $\$140,000 - \$10,000 = \$130,000$. Remaining Surrenders equal \$50,000. This amount will reduce the Maximum Anniversary Value proportionally. Contract Value immediately before Surrender is $\$150,000 - \$10,000 = \$140,000$. The proportional factor is $1 - (50,000/140,000) = .64286$. This factor is multiplied by \$130,000. The result is an adjusted Maximum Anniversary Value of \$83,571.

DEATH BENEFIT WITH EARNINGS PROTECTION BENEFIT

In this situation the cap does not apply, so Hartford takes 40% of Contract gain on the day we receive proof of death \$30,000 or \$12,000 and adds that to the Contract Value on the date we receive proof of death. Therefore, the Earnings Protection Benefit is $[40\% (\$30,000) + \$120,000]$, which equals \$132,000.

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APPENDIX III -- SERIES I AND SERIES IR CONTRACTS DEATH BENEFIT -- EXAMPLES

ASSET PROTECTION DEATH BENEFIT EXAMPLES

EXAMPLE 1

Assume that:

- You purchased your Contract with the Asset Protection Death Benefit,
- You made an initial Premium Payment of \$100,000,
- In your fourth Contract Year, you made a withdrawal of \$8,000,
- Your Contract Value in your fourth Contract Year immediately before your withdrawal was \$109,273,
- On the day we calculate the Death Benefit, your Contract Value was \$117,403,
- Your Maximum Anniversary Value was \$117,403.

CALCULATION OF ASSET PROTECTION DEATH BENEFIT

To calculate the Asset Protection Death Benefit, we calculate the following three values:

- The Contract Value of your Contract on the day we calculate the Death Benefit [\$117,403],
- The Contract Value of your Contract, plus 25% of the total Premium Payments you have made to us minus any Premium Payments we receive within 12 months of death and an adjustment for any partial Surrenders. $[\$117,403 + 25\% (\$100,000 - \$8,000) = \$140,403]$,
- The Contract Value of your Contract, plus 25% of your Maximum Anniversary Value minus an adjustment for any partial Surrenders. $[\$117,403 + 25\% (\$117,403 - \$8,000) = \$144,754]$.

The Asset Protection Death Benefit is the greatest of these three values but it cannot exceed the greatest of:

- The Contract Value of your Contract on the day we calculate the Death Benefit [\$117,403],
- The total Premium Payments you have made to us minus any Premium Payments we receive within 12 months of death and an adjustment for any partial Surrenders $[\$100,000 - \$8,000 = \$92,000]$, or
- Your Maximum Anniversary Value adjusted for any partial Surrenders $[\$117,403 - \$8,000 = \$109,403]$.

Because the Contract Value of your Contract [\$117,403] is greater than your Maximum Anniversary Value adjusted for partial Surrenders [\$109,403] and your adjusted total Premium Payments [\$92,000], the amount of the Death Benefit cannot exceed \$117,403.

AMOUNT OF ASSET PROTECTION DEATH BENEFIT

Because the Asset Protection Death Benefit cannot exceed \$117,403, the amount of the Death Benefit is equal to your Contract Value of \$117,403.

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EXAMPLE 2

Assume that:

- You purchased your Contract with the Asset Protection Death Benefit,
- You made an initial Premium Payment of \$100,000,

- In your fourth Contract Year, you made a partial Surrender of \$60,000,
- Your Contract Value in the fourth year immediately before your Surrender was \$150,000,
- On the day we calculate the Death Benefit, your Contract Value was \$120,000,
- Your Maximum Anniversary Value is \$140,000.

CALCULATION OF ASSET PROTECTION DEATH BENEFIT

To calculate the Asset Protection Death Benefit, we calculate the following three values:

- The Contract Value of your Contract on the day we calculate the Death Benefit [\$120,000],
- The Contract Value of your Contract, plus 25% of the total Premium Payments you have made to us minus any Premium Payments we receive within 12 months of death and an adjustment for any partial Surrenders. [$\$120,000 + 25\%$ of \$57,857 = \$134,464 (See below)],
- The Contract Value of your Contract, plus 25% of your Maximum Anniversary Value adjusted for any partial Surrenders. [$\$120,000 + 25\%$ (\$83,571) = \$140,893 (See below)].

The Asset Protection Death Benefit is the greatest of these three values but it cannot exceed the greatest of:

- The Contract Value of your Contract on the day we calculate the Death Benefit [\$120,000],
- The total Premium Payments you have made to us minus any Premium Payments we receive within 12 months of death and the adjustment for any partial Surrenders [\$57,857 (See below)], or
- Your Maximum Anniversary Value minus an adjustment for any partial surrenders [\$83,571 (See below)].

ADJUSTMENT FOR PARTIAL SURRENDER FOR TOTAL PREMIUM PAYMENTS

The adjustment to your total Premium Payments for partial Surrenders is on a dollar for dollar basis up to 10% of total Premium Payments. 10% of total Premium Payments is \$10,000. Total Premium Payments adjusted for dollar for dollar partial Surrenders is \$90,000. The remaining partial Surrenders equal \$50,000. This amount will reduce your total Premium Payments by a factor. To determine this factor, we take your Contract Value immediately before the Surrender [\$150,000] and subtract the \$10,000 dollar for dollar adjustment to get \$140,000. The proportional factor is $1 - (50,000/140,000) = .64286$. This factor is multiplied by \$90,000. The result is an adjusted total Premium Payment of \$57,857.

ADJUSTMENT FOR PARTIAL SURRENDER FOR MAXIMUM ANNIVERSARY VALUE

The adjustment to your Maximum Anniversary Value for partial Surrenders is on a dollar for dollar basis up to 10% of total Premium Payments. 10% of Premium Payments is \$10,000. Your Maximum Anniversary Value adjusted for partial Surrenders on a dollar for dollar basis up to 10% of Premium Payments is \$130,000. Remaining partial Surrenders are \$50,000. We use this amount to reduce your Maximum Anniversary Value by a factor. To determine this factor, we take your Contract Value immediately before the Surrender [\$150,000] and subtract the \$10,000 dollar for dollar adjustment to get \$140,000. The proportional factor is $1 - (50,000/140,000) = .64286$. This factor is multiplied by \$130,000. The result is an adjusted Maximum Anniversary Value of \$83,571.

AMOUNT OF ASSET PROTECTION DEATH BENEFIT

Your Asset Protection Death Benefit is \$120,000. This is because your Contract Value at death [\$120,000] was the greatest of:

- The Contract Value of your Contract on the day we calculate the Death Benefit [\$120,000],
- The total Premium Payments you have made to us minus any Premium Payments we receive within 12 months of death and the adjustment for any partial Surrenders [\$57,857], or
- Your Maximum Anniversary Value minus an adjustment for any partial surrenders [\$83,571].

So, your Asset Protection Death Benefit cannot exceed \$120,000.

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PREMIUM PROTECTION DEATH BENEFIT EXAMPLES

EXAMPLE 1

Assume that:

- You purchased your Contract with the Premium Protection Death Benefit instead of the Asset Protection Death Benefit,
- You made an initial Premium Payment of \$100,000,
- In your fourth Contract Year, you made a withdrawal of \$8,000,
- Your Contract Value in your fourth Contract Year immediately before your withdrawal was \$109,273,
- On the day we calculate the Death Benefit, your Contract Value was \$117,403.

ADJUSTMENT FOR PARTIAL SURRENDER FOR TOTAL PREMIUM PAYMENTS

The adjustment to your total Premium Payments for partial Surrenders is on a dollar for dollar basis up to 10% of total Premium Payments. The withdrawal of \$8,000 is less than 10% of premiums. Your adjusted total Premium Payment is \$92,000.

DEATH BENEFIT AMOUNT

Because your Contract Value at death was greater than the adjusted total Premium Payments, your Death Benefit is \$117,403.

EXAMPLE 2

Assume that:

- You purchased your Contract with the Premium Protection Death Benefit instead of the Asset Protection Death Benefit,
- You made an initial Premium Payment of \$100,000,
- In your fourth contract year, you made a partial Surrender of \$60,000,
- Your Contract Value in the fourth year immediately before your surrender was \$150,000,
- On the day we calculate the Death Benefit, your Contract Value was \$120,000.

ADJUSTMENT FOR PARTIAL SURRENDER FOR TOTAL PREMIUM PAYMENTS

The adjustment to your total Premium Payments for partial Surrenders is on a dollar for dollar basis up to 10% of total Premium Payments. 10% of total Premium Payments is \$10,000. Total Premium Payments adjusted for dollar for dollar partial Surrenders is \$90,000. The remaining partial Surrenders equal \$50,000. This amount will reduce your total Premium Payments by a factor. To determine this factor, we take your Contract Value immediately before the Surrender [\$150,000] and subtract the \$10,000 dollar for dollar adjustment to get \$140,000. The proportional factor is $1 - (50,000/140,000) = .64286$. This factor is multiplied by \$90,000. The result is an adjusted total Premium Payment of \$57,857.

DEATH BENEFIT AMOUNT

Because your Contract Value at death was greater than the adjusted total Premium Payments, your Death Benefit is \$120,000.

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HARTFORD LIFE AND ANNUITY INSURANCE COMPANY

MAV/EPB DEATH BENEFIT WITH ASSET PROTECTION DEATH BENEFIT EXAMPLES

EXAMPLE 1

Assume that:

- You elected the MAV/EPB Death Benefit when you purchased your Contract with the Asset Protection Death Benefit,
- You made a single Premium Payment of \$100,000,

- In your fourth Contract Year, you made a withdrawal of \$8,000,
- Your Contract Value in your fourth Contract Year immediately before your withdrawal was \$109,273,
- On the day we calculate the Death Benefit, your Contract Value was \$117,403,
- Your Maximum Anniversary Value was \$117,403,
- The Contract Value on the date we calculate the Death Benefit plus 40% of the Contract gain was greater than the Asset Protection Death Benefit, your adjusted total Premium Payments, and your Maximum Anniversary Value.

ADJUSTMENT FOR PARTIAL SURRENDERS FOR EARNINGS PROTECTION BENEFIT

To calculate the Earnings Protection Benefit, we make an adjustment for partial Surrenders if the amount of a Surrender is greater than the Contract gain in the Contract immediately prior to the Surrender. To determine if the partial Surrender is greater than the Contract gain:

- Add the amount of the partial Surrender (\$8,000) to
- The Contract Value on the date the MAV/EPB Death Benefit is added to your Contract (\$100,000),
- Add Premium Payments made after the MAV/EPB Death Benefit is added to your Contract before you make the partial Surrender (\$0),
- Subtract the Contract Value on the Valuation Day immediately before you make the partial Surrender (\$109,273),
- Subtract the sum of any prior adjustments for all prior partial Surrenders made after the MAV/EPB Death Benefit is added to your Contract (\$0),

Which equals -\$1,273, which is less than zero, so there is no adjustment for the partial Surrender in this case.

CALCULATION OF CONTRACT GAIN

Hartford would calculate the Contract gain as follows:

- Contract Value on the date we receive proof of death (\$117,403),
- Subtract the Contract Value on the date the MAV/EPB Death Benefit was added to your Contract (\$100,000),
- Add any adjustments for partial Surrenders (\$0),

So the Contract gain equals \$17,403.

CALCULATION OF EARNINGS PROTECTION BENEFIT CAP

To determine if the cap applies:

- Hartford calculates the Contract Value on the date the MAV/EPB Death Benefit was added to your Contract (\$100,000),
- plus Premium Payments made since that date (\$0),
- minus Premium Payments made in the 12 months prior to death (\$0),
- minus any adjustments for partial Surrenders (\$0),

Which equals \$100,000. The cap is 200% of \$100,000, which is \$200,000.

ADJUSTMENT FOR PARTIAL SURRENDERS FOR MAXIMUM ANNIVERSARY VALUE

The adjustment to your Maximum Anniversary Value for partial Surrenders is on a dollar for dollar basis up to 10% of total Premium Payments. The withdrawal of \$8,000 is less than 10% of premiums. YOUR ADJUSTED MAXIMUM ANNIVERSARY VALUE IS \$109,403.

ASSET PROTECTION DEATH BENEFIT AMOUNT IS \$117,403. (See Example 1 under Asset Protection Death Benefit for details of calculation.)

ADJUSTED TOTAL PREMIUM PAYMENT AMOUNT IS \$92,000. (See Example 1 under Asset Protection Death Benefit for details of calculation.)

MAV/EPB DEATH BENEFIT

In this situation the cap does not apply, so Hartford takes 40% of \$17,403 or \$6,961 and adds that to the Contract Value on the date we receive proof of death and the total Death Benefit with the Earnings Protection Benefit is \$124,364. This is the greatest of the four values compared.

EXAMPLE 2

Assume that:

- You elected the MAV/EPB Death Benefit when you purchased your Contract with the Asset Protection Death Benefit,
- You made a single Premium Payment of \$100,000,
- In your fourth Contract Year, you made a partial Surrender of \$60,000,
- Your Contract Value in the fourth year immediately before your Surrender was \$150,000,
- Your Maximum Anniversary Value is \$140,000,
- On the day we calculate the Death Benefit, your Contract Value was \$120,000,
- The Contract Value on the date we calculate the Death Benefit plus 40% of the Contract gain was the greatest of the Death Benefit calculations.

ADJUSTMENT FOR PARTIAL SURRENDERS

To calculate the MAV/EPB Death Benefit, we make an adjustment for partial Surrenders if the amount of a Surrender is greater than the Contract gain in the Contract immediately prior to the Surrender. To determine if the partial Surrender is greater than the Contract gain:

- Add the amount of the partial Surrender (\$60,000) to
- The Contract Value on the date the MAV/EPB Death Benefit is added to your Contract (\$100,000),
- Add Premium Payments made after the MAV/EPB Death Benefit is added to your Contract before you make the partial Surrender (\$0),
- Subtract the Contract Value on the Valuation Day immediately before you make the partial Surrender (\$150,000),
- Subtract the sum of any prior adjustments for all prior partial Surrenders made after the MAV/EPB Death Benefit is added to your Contract (\$0),

Which equals +\$10,000, which is greater than zero, so there is a \$10,000 adjustment for the partial Surrender in this case.

CALCULATION OF CONTRACT GAIN

Hartford would calculate the Contract gain as follows:

- Contract Value on the date we receive proof of death (\$120,000),
- Subtract the Contract Value on the date the MAV/EPB Death Benefit was added to your Contract (\$100,000),
- Add any adjustments for partial Surrenders (\$10,000),

So the Contract gain equals \$30,000.

CALCULATION OF EARNINGS PROTECTION BENEFIT CAP

To determine if the cap applies:

- Hartford calculates the Contract Value on the date the MAV/EPB Death Benefit was added to your Contract (\$100,000),
- plus Premium Payments made since that date (\$0),
- minus Premium Payments made in the 12 months prior to death (\$0),
- minus any adjustments for partial Surrenders (\$10,000),

Which equals \$90,000. The cap is 200% of \$90,000, which is \$180,000.

ADJUSTMENT FOR PARTIAL SURRENDERS FOR MAXIMUM ANNIVERSARY VALUE

The adjustment to your Maximum Anniversary Value for partial Surrenders is on a dollar for dollar basis up to 10% of total Premium Payments. 10% of Premium Payments is \$10,000. Maximum Anniversary Value adjusted for dollar for dollar

Surrenders is \$130,000. Remaining Surrenders equal \$50,000. This amount will reduce the Maximum Anniversary Value proportionally. Contract Value immediately before Surrender is \$150,000 minus \$10,000 = \$140,000. The proportional factor is $1 - (50,000/140,000) = .64286$. This factor is multiplied by \$130,000. The result is an adjusted Maximum Anniversary Value of \$83,571.

DEATH BENEFIT WITH EARNINGS PROTECTION BENEFIT

In this situation the cap does not apply, so Hartford takes 40% of \$30,000 or \$12,000 and adds that to the Contract Value on the date we receive proof of death and the total Death Benefit with the Earnings Protection Benefit is \$132,000.

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HARTFORD LIFE AND ANNUITY INSURANCE COMPANY

MAV/EPB DEATH BENEFIT WITH PREMIUM PROTECTION DEATH BENEFIT EXAMPLES

EXAMPLE 1

Assume that:

- You elected the MAV/EPB Death Benefit when you purchased your Contract,
- You elected the Premium Protection Death Benefit and opted out of the Asset Protection Death Benefit when you purchased your Contract,
- You made a single Premium Payment of \$100,000,
- In your fourth Contract Year, you made a withdrawal of \$8,000,
- Your Contract Value in your fourth Contract Year immediately before your withdrawal was \$109,273,
- On the day we calculate the Death Benefit, your Contract Value was \$117,403,
- Your Maximum Anniversary Value was \$117,403,
- The Contract Value on the date we calculate the Death Benefit plus 40% of the Contract gain was the greatest of the three Death Benefit calculations (Premium Protection Death Benefit, Maximum Anniversary Value and Earnings Protection Benefit).

EARNINGS PROTECTION BENEFIT AMOUNT IS \$124,364. (See Example 1 under MAV/EPB Death Benefit with Asset Protection Benefit for details of calculation.)

MAXIMUM ANNIVERSARY VALUE IS \$109,403. (See Example 1 under MAV/EPB Death Benefit with Asset Protection Benefit for details of calculation.)

PREMIUM PROTECTION DEATH BENEFIT AMOUNT IS \$92,000. (See Example 1 under Premium Protection Death Benefit for details of calculation.)

DEATH BENEFIT WITH EARNINGS PROTECTION BENEFIT

The total Death Benefit with the Earnings Protection Benefit is \$124,364. This is the greatest of the three values compared.

EXAMPLE 2

Assume that:

- You elected the MAV/EPB Death Benefit when you purchased your Contract,
- You elected the Premium Protection Death Benefit and opted out of the Asset Protection Death Benefit when you purchased your Contract,
- You made a single Premium Payment of \$100,000,
- In your fourth Contract Year, you made a withdrawal of \$60,000,
- Your Contract Value in your fourth Contract Year immediately before your withdrawal was \$150,000,
- On the day we calculate the Death Benefit, your Contract Value was \$120,000,
- Your Maximum Anniversary Value was \$140,000,
- The Contract Value on the date we calculate the Death Benefit plus 40% of the Contract gain was the greatest of the three Death Benefit calculations (Premium Protection Death Benefit, Maximum Anniversary Value and Earnings Protection Benefit).

EARNINGS PROTECTION BENEFIT AMOUNT IS \$132,000. (See Example 2 under MAV/EPB Death Benefit with Asset Protection Death Benefit for details of calculation.)

MAXIMUM ANNIVERSARY VALUE IS \$83,571. (See Example 2 under MAV/EPB Death Benefit with Asset Protection Death Benefit for details of calculation.)

PREMIUM PROTECTION DEATH BENEFIT AMOUNT IS \$57,857. (See Example 2 under Premium Protection Death Benefit for details of calculation.)

DEATH BENEFIT WITH EARNINGS PROTECTION BENEFIT

The total Death Benefit with the Earnings Protection Benefit is \$132,000. This is the greatest of the three values compared.

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HARTFORD LIFE AND ANNUITY INSURANCE COMPANY

APPENDIX IV -- PRINCIPAL FIRST -- EXAMPLES

EXAMPLE 1: ASSUME YOU SELECT PRINCIPAL FIRST WHEN YOU PURCHASE YOUR CONTRACT AND YOUR INITIAL PREMIUM PAYMENT IS \$100,000.

- Your Benefit Amount is \$100,000, which is your initial Premium Payment.
- Your Benefit Payment is \$7,000, which is 7% of your Benefit Amount.

EXAMPLE 2: IF YOU MAKE AN ADDITIONAL PREMIUM PAYMENT OF \$50,000, THEN

- Your Benefit Amount is \$150,000, which is your prior Benefit Amount (\$100,000) plus your additional Premium Payment (\$50,000).
- Your Benefit Payment is \$10,500, which is your prior Benefit Payment (\$7,000) plus 7% of your additional Premium Payment (\$3,500).

EXAMPLE 3: ASSUME THE SAME FACTS AS EXAMPLE 1. IF YOU TAKE THE MAXIMUM BENEFIT PAYMENT BEFORE THE END OF THE FIRST CONTRACT YEAR, THEN

- Your Benefit Amount becomes \$93,000, which is your prior Benefit Amount (\$100,000) minus the Benefit Payment (\$7,000).
- Your Benefit Payment for the next year remains \$7,000, because you did not take more than your maximum Benefit Payment (\$7,000).

EXAMPLE 4: ASSUME THE SAME FACTS AS EXAMPLE 1. IF YOU SURRENDER \$50,000, AND YOUR CONTRACT VALUE IS \$150,000 AT THE TIME OF THE SURRENDER, THEN

We recalculate your Benefit Amount by comparing the results of two calculations:

- First we deduct the amount of the Surrender (\$50,000) from your Contract Value (\$150,000). This equals \$100,000 and is your "New Contract Value."
- Second, we deduct the amount of the Surrender (\$50,000) from your Benefit Amount (\$100,000). This is \$50,000 and is your "New Benefit Amount."

Since the New Contract Value (\$100,000) is more than or equal to the New Benefit Amount (\$50,000), and it is more than or equal to your Premium Payments invested in the Contract before the Surrender (\$100,000), the Benefit Payment is unchanged and remains \$7,000.

EXAMPLE 5: ASSUME THE SAME FACTS AS EXAMPLE 1. IF YOU SURRENDER \$60,000, AND YOUR CONTRACT VALUE IS \$150,000 AT THE TIME OF THE SURRENDER, THEN

We recalculate your Benefit Amount by comparing the results of two calculations:

- First we deduct the amount of the Surrender (\$60,000) from your Contract Value (\$150,000). This equals \$90,000 and is your "New Contract Value."
- Second, we deduct the amount of the Surrender (\$60,000) from your Benefit Amount (\$100,000). This is \$40,000 and is your "New Benefit Amount."

Since the New Contract Value (\$90,000) is more than or equal to the New Benefit Amount (\$40,000), but less than the Premium Payments invested in the Contract before the Surrender (\$100,000), the Benefit Payment is reduced. The new Benefit Payment is 7% of the greater of your New Contract Value and New Benefit Amount, which is \$6,300.

EXAMPLE 6: ASSUME THE SAME FACTS AS EXAMPLE 1. IF YOU SURRENDER \$50,000, AND YOUR CONTRACT VALUE IS \$80,000 AT THE TIME OF THE SURRENDER, THEN

We recalculate your Benefit Amount by comparing the results of two calculations:

- First we deduct the amount of the Surrender (\$50,000) from your Contract Value

(\$80,000). This equals \$30,000 and is your "New Contract Value."

- Second, we deduct the amount of the Surrender (\$50,000) from your Benefit Amount (\$100,000). This is \$50,000 and is your "New Benefit Amount."

Since the New Contract Value (\$30,000) is less than the New Benefit Amount (\$50,000), your "New Benefit Amount" becomes the New Contract Value (\$30,000), as we have to recalculate your Benefit Payment.

We recalculate the Benefit Payment by comparing the "old" Benefit Payment (\$7,000) to 7% of the New Benefit Amount (\$2,100). Your Benefit Payment becomes the lower of those two values, or \$2,100.

EXAMPLE 7: IF YOU ELECT TO "STEP-UP" PRINCIPAL FIRST AFTER THE 5TH YEAR, ASSUMING YOU HAVE MADE NO WITHDRAWALS, AND YOUR CONTRACT VALUE AT THE TIME OF STEP-UP IS \$200,000, THEN

- We recalculate your Benefit Amount to equal your Contract Value, which is \$200,000.
- Your new Benefit Payment is equal to 7% of your new Benefit Amount, or \$14,000.

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APPENDIX V -- THE HARTFORD'S PRINCIPAL FIRST PREFERRED -- EXAMPLES

EXAMPLE 1: ASSUME YOU SELECT THE HARTFORD'S PRINCIPAL FIRST PREFERRED WHEN YOU PURCHASE YOUR CONTRACT AND YOUR INITIAL PREMIUM PAYMENT IS \$100,000.

- Your Benefit Amount is \$100,000, which is your initial Premium Payment.
- Your Benefit Payment is \$5,000, which is 5% of your Benefit Amount.

EXAMPLE 2: IF YOU MAKE AN ADDITIONAL PREMIUM PAYMENT OF \$50,000, THEN

- Your Benefit Amount is \$150,000, which is your prior Benefit Amount (\$100,000) plus your additional Premium Payment (\$50,000).
- Your Benefit Payment is \$7,500, which is your prior Benefit Payment (\$5,000) plus 5% of your additional Premium Payment (\$2,500).

EXAMPLE 3: ASSUME THE SAME FACTS AS EXAMPLE 1. IF YOU TAKE THE MAXIMUM BENEFIT PAYMENT BEFORE THE END OF THE FIRST CONTRACT YEAR, THEN

- Your Benefit Amount becomes \$95,000, which is your prior Benefit Amount (\$100,000) minus the Benefit Payment (\$5,000).
- Your Benefit Payment for the next year remains \$5,000, because you did not take more than your maximum Benefit Payment (\$5,000).

EXAMPLE 4: ASSUME THE SAME FACTS AS EXAMPLE 1. IF YOU SURRENDER \$50,000, AND YOUR CONTRACT VALUE IS \$150,000 AT THE TIME OF THE SURRENDER, THEN

We recalculate your Benefit Amount by comparing the results of two calculations:

- First we deduct the amount of the Surrender (\$50,000) from your Contract Value (\$150,000). This equals \$100,000 and is your "New Contract Value."
- Second, we deduct the amount of the Surrender (\$50,000) from your Benefit Amount (\$100,000). This is \$50,000 and is your "New Benefit Amount."

Since the New Contract Value (\$100,000) is more than or equal to the New Benefit Amount (\$50,000), and it is more than or equal to your Premium Payments invested in the Contract before the Surrender (\$100,000), the Benefit Payment is unchanged and remains \$5,000.

EXAMPLE 5: ASSUME THE SAME FACTS AS EXAMPLE 1. IF YOU SURRENDER \$60,000, AND YOUR CONTRACT VALUE IS \$150,000 AT THE TIME OF THE SURRENDER, THEN

We recalculate your Benefit Amount by comparing the results of two calculations:

- First we deduct the amount of the Surrender (\$60,000) from your Contract Value (\$150,000). This equals \$90,000 and is your "New Contract Value."
- Second, we deduct the amount of the Surrender (\$60,000) from your Benefit Amount (\$100,000). This is \$40,000 and is your "New Benefit Amount."

Since the New Contract Value (\$90,000) is more than or equal to the New Benefit Amount (\$40,000), but less than the Premium Payments invested in the Contract before the Surrender (\$100,000), the Benefit Payment is reduced. The new Benefit

Payment is 5% of the greater of your New Contract Value and New Benefit Amount, which is \$4,500.

EXAMPLE 6: ASSUME THE SAME FACTS AS EXAMPLE 1. IF YOU SURRENDER \$50,000, AND YOUR CONTRACT VALUE IS \$80,000 AT THE TIME OF THE SURRENDER, THEN

We recalculate your Benefit Amount by comparing the results of two calculations:

- First we deduct the amount of the Surrender (\$50,000) from your Contract Value (\$80,000). This equals \$30,000 and is your "New Contract Value."
- Second, we deduct the amount of the Surrender (\$50,000) from your Benefit Amount (\$100,000). This is \$50,000 and is your "New Benefit Amount."

Since the New Contract Value (\$30,000) is less than the New Benefit Amount (\$50,000), your "New Benefit Amount" becomes the New Contract Value (\$30,000), as we have to recalculate your Benefit Payment.

We recalculate the Benefit Payment by comparing the "old" Benefit Payment (\$5,000) to 5% of the New Benefit Amount (\$1,500). Your Benefit Payment becomes the lower of those two values, or \$1,500.

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HARTFORD LIFE AND ANNUITY INSURANCE COMPANY

APPENDIX VI -- ACCUMULATION UNIT VALUES

(FOR AN ACCUMULATION UNIT OUTSTANDING THROUGHOUT THE PERIOD)

The following information should be read in conjunction with the financial statements for the Separate Account included in the Statement of Additional Information, which is incorporated by reference in this Prospectus.

There are several classes of Accumulation Unit Values under the Contract depending on the number of optional benefits you select. The table below shows only the highest and lowest possible Accumulation Unit Value, assuming you select no optional benefits or assuming you select all optional benefits. A table showing all classes of Accumulation Unit Values corresponding to all combinations of optional benefits is shown in the Statement of Additional Information, which you may obtain free of charge by calling us at 1-800-862-6668.

There is no information for AIM V.I. Core Equity Fund, AIM V. I. Large Cap Growth Fund, Franklin Flex Cap Growth Securities Fund, Franklin Large Cap Value Securities Fund, MFS Research Series, MFS Research Bond Series and MFS Research International Series Sub-Accounts because as of December 31, 2004, the Sub-Accounts had not commenced operations.

<Table>

SUB-ACCOUNT <S>	AS OF DECEMBER 31,	
	2004 <C>	2003 <C>

AIM V.I. AGGRESSIVE GROWTH FUND		
WITHOUT ANY OPTIONAL BENEFITS		
Accumulation Unit Value at beginning of period	\$ 1.117	\$ 0.946

Accumulation Unit Value at end of period	\$ 1.228	\$ 1.117

Number of Accumulation Units outstanding at end of period (in thousands)	4,276	3,602

WITH MAV/EPB DEATH BENEFIT AND THE HARTFORD'S PRINCIPAL FIRST (50 BPS)		
Accumulation Unit Value at beginning of period	\$ 1.130	-- (a)

Accumulation Unit Value at end of period	\$ 1.202	--

Number of Accumulation Units outstanding at end of period (in thousands)	116	--

AIM V.I. BASIC VALUE FUND		
WITHOUT ANY OPTIONAL BENEFITS		
Accumulation Unit Value at beginning of period	\$ 1.176	\$ 1.011

Accumulation Unit Value at end of period	\$	1.285	\$	1.176

Number of Accumulation Units outstanding at end of period (in thousands)		30,328		25,644

WITH MAV/EPB DEATH BENEFIT AND THE HARTFORD'S PRINCIPAL FIRST (50 BPS)				
Accumulation Unit Value at beginning of period	\$	1.176		-- (a)

Accumulation Unit Value at end of period	\$	1.258		--

Number of Accumulation Units outstanding at end of period (in thousands)		2,560		--

AIM V.I. BLUE CHIP FUND				
WITHOUT ANY OPTIONAL BENEFITS				
Accumulation Unit Value at beginning of period	\$	1.062	\$	0.947

Accumulation Unit Value at end of period	\$	1.093	\$	1.062

Number of Accumulation Units outstanding at end of period (in thousands)		5,336		5,557

WITH MAV/EPB DEATH BENEFIT AND THE HARTFORD'S PRINCIPAL FIRST (50 BPS)				
Accumulation Unit Value at beginning of period	\$	1.059		-- (a)

Accumulation Unit Value at end of period	\$	1.071		--

Number of Accumulation Units outstanding at end of period (in thousands)		433		--

AIM V.I. CAPITAL APPRECIATION FUND				
WITHOUT ANY OPTIONAL BENEFITS				
Accumulation Unit Value at beginning of period	\$	1.187	\$	1.016

Accumulation Unit Value at end of period	\$	1.245	\$	1.187

Number of Accumulation Units outstanding at end of period (in thousands)		4,435		3,869

WITH MAV/EPB DEATH BENEFIT AND THE HARTFORD'S PRINCIPAL FIRST (50 BPS)				
Accumulation Unit Value at beginning of period	\$	1.191		-- (a)

Accumulation Unit Value at end of period	\$	1.219		--

Number of Accumulation Units outstanding at end of period (in thousands)		400		--

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<Table>

SUB-ACCOUNT	AS OF DECEMBER 31,	
	2004	2003
<S>	<C>	<C>

AIM V.I. DENT DEMOGRAPHIC TRENDS FUND				
WITHOUT ANY OPTIONAL BENEFITS				
Accumulation Unit Value at beginning of period	\$	1.160	\$	1.001

Accumulation Unit Value at end of period	\$	1.235	\$	1.160

Number of Accumulation Units outstanding at end of period (in thousands)		3,378		3,221

WITH MAV/EPB DEATH BENEFIT AND THE HARTFORD'S PRINCIPAL FIRST (50 BPS) Accumulation Unit Value at beginning of period	\$	1.182		-- (a)

Accumulation Unit Value at end of period	\$	1.209		--

Number of Accumulation Units outstanding at end of period (in thousands)		109		--

AIM V.I. GOVERNMENT SECURITIES FUND				
WITHOUT ANY OPTIONAL BENEFITS				
Accumulation Unit Value at beginning of period	\$	1.070	\$	1.087

Accumulation Unit Value at end of period	\$	1.079	\$	1.070

Number of Accumulation Units outstanding at end of period (in thousands)		44,900		31,448

WITH MAV/EPB DEATH BENEFIT AND THE HARTFORD'S PRINCIPAL FIRST (50 BPS) Accumulation Unit Value at beginning of period	\$	1.060		-- (a)

Accumulation Unit Value at end of period	\$	1.056		--

Number of Accumulation Units outstanding at end of period (in thousands)		5,399		--

AIM V.I. INTERNATIONAL GROWTH FUND				
WITHOUT ANY OPTIONAL BENEFITS				
Accumulation Unit Value at beginning of period	\$	1.157	\$	0.964

Accumulation Unit Value at end of period	\$	1.411	\$	1.157

Number of Accumulation Units outstanding at end of period (in thousands)		2,059		1,233

WITH MAV/EPB DEATH BENEFIT AND THE HARTFORD'S PRINCIPAL FIRST (50 BPS) Accumulation Unit Value at beginning of period	\$	1.176		-- (a)

Accumulation Unit Value at end of period	\$	1.382		--

Number of Accumulation Units outstanding at end of period (in thousands)		228		--

AIM V.I. MID CAP CORE EQUITY FUND				
WITHOUT ANY OPTIONAL BENEFITS				
Accumulation Unit Value at beginning of period	\$	1.260	\$	1.103

Accumulation Unit Value at end of period	\$	1.410	\$	1.260

Number of Accumulation Units outstanding at end of period (in thousands)		26,952		19,586

WITH MAV/EPB DEATH BENEFIT AND THE HARTFORD'S PRINCIPAL FIRST (50 BPS) Accumulation Unit Value at beginning of period	\$	1.265		-- (a)

Accumulation Unit Value at end of period	\$	1.380	--

Number of Accumulation Units outstanding at end of period (in thousands)		2,503	--

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SUB-ACCOUNT <S>	AS OF DECEMBER 31,		
	2004 <C>	2003 <C>	

AIM V.I. PREMIER EQUITY FUND			
WITHOUT ANY OPTIONAL BENEFITS			
Accumulation Unit Value at beginning of period	\$	0.983	\$ 0.872

Accumulation Unit Value at end of period	\$	1.022	\$ 0.983

Number of Accumulation Units outstanding at end of period (in thousands)		24,681	10,804

WITH MAV/EPB DEATH BENEFIT AND THE HARTFORD'S PRINCIPAL FIRST (50 BPS)			
Accumulation Unit Value at beginning of period	\$	0.979	-- (a)

Accumulation Unit Value at end of period	\$	1.001	--

Number of Accumulation Units outstanding at end of period (in thousands)		4,437	--

AIM V.I. SMALL CAP EQUITY FUND			
WITHOUT ANY OPTIONAL BENEFITS			
Accumulation Unit Value at beginning of period	\$	10.782	\$ 10.286

Accumulation Unit Value at end of period	\$	11.598	\$ 10.782

Number of Accumulation Units outstanding at end of period (in thousands)		167	27

WITH MAV/EPB DEATH BENEFIT AND THE HARTFORD'S PRINCIPAL FIRST (50 BPS)			
Accumulation Unit Value at beginning of period	\$	11.045	-- (a)

Accumulation Unit Value at end of period	\$	11.489	--

Number of Accumulation Units outstanding at end of period (in thousands)		28	--

AMERICAN FUNDS ASSET ALLOCATION FUND			
WITHOUT ANY OPTIONAL BENEFITS			
Accumulation Unit Value at beginning of period	\$	10.467	\$ 9.460

Accumulation Unit Value at end of period	\$	11.149	\$ 10.467

Number of Accumulation Units outstanding at end of period (in thousands)		15,320	11,328

WITH MAV/EPB DEATH BENEFIT AND THE HARTFORD'S PRINCIPAL FIRST (50 BPS)			
Accumulation Unit Value at beginning of period	\$	10.368	-- (a)

Accumulation Unit Value at end of period	\$ 10.888	--
Number of Accumulation Units outstanding at end of period (in thousands)	754	--
AMERICAN FUNDS BLUE CHIP INCOME AND GROWTH FUND		
WITHOUT ANY OPTIONAL BENEFITS		
Accumulation Unit Value at beginning of period	\$ 0.912	\$ 0.784
Accumulation Unit Value at end of period	\$ 0.984	\$ 0.912
Number of Accumulation Units outstanding at end of period (in thousands)	122,339	94,254
WITH MAV/EPB DEATH BENEFIT AND THE HARTFORD'S PRINCIPAL FIRST (50 BPS)		
Accumulation Unit Value at beginning of period	\$ 0.915	-- (a)
Accumulation Unit Value at end of period	\$ 0.963	--
Number of Accumulation Units outstanding at end of period (in thousands)	6,031	--

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SUB-ACCOUNT <S>	AS OF DECEMBER 31,	
	2004 <C>	2003 <C>
AMERICAN FUNDS BOND FUND		
WITHOUT ANY OPTIONAL BENEFITS		
Accumulation Unit Value at beginning of period	\$ 12.155	\$ 11.775
Accumulation Unit Value at end of period	\$ 12.633	\$ 12.155
Number of Accumulation Units outstanding at end of period (in thousands)	9,533	8,410
WITH MAV/EPB DEATH BENEFIT AND THE HARTFORD'S PRINCIPAL FIRST (50 BPS)		
Accumulation Unit Value at beginning of period	\$ 12.047	-- (a)
Accumulation Unit Value at end of period	\$ 12.337	--
Number of Accumulation Units outstanding at end of period (in thousands)	540	--
AMERICAN FUNDS GLOBAL GROWTH FUND		
WITHOUT ANY OPTIONAL BENEFITS		
Accumulation Unit Value at beginning of period	\$ 8.184	\$ 6.736
Accumulation Unit Value at end of period	\$ 9.132	\$ 8.184
Number of Accumulation Units outstanding at end of period (in thousands)	5,064	3,677
WITH MAV/EPB DEATH BENEFIT AND THE HARTFORD'S PRINCIPAL FIRST (50 BPS)		
Accumulation Unit Value at beginning of period	\$ 7.492	-- (a)

Accumulation Unit Value at end of period	\$ 8.181	--
Number of Accumulation Units outstanding at end of period (in thousands)	439	--
AMERICAN FUNDS GLOBAL SMALL CAPITALIZATION FUND WITHOUT ANY OPTIONAL BENEFITS		
Accumulation Unit Value at beginning of period	\$ 8.636	\$ 6.481
Accumulation Unit Value at end of period	\$ 10.263	\$ 8.636
Number of Accumulation Units outstanding at end of period (in thousands)	2,520	1,829
WITH MAV/EPB DEATH BENEFIT AND THE HARTFORD'S PRINCIPAL FIRST (50 BPS)		
Accumulation Unit Value at beginning of period	\$ 8.731	-- (a)
Accumulation Unit Value at end of period	\$ 9.893	--
Number of Accumulation Units outstanding at end of period (in thousands)	232	--
AMERICAN FUNDS GROWTH FUND WITHOUT ANY OPTIONAL BENEFITS		
Accumulation Unit Value at beginning of period	\$ 7.219	\$ 6.248
Accumulation Unit Value at end of period	\$ 7.985	\$ 7.219
Number of Accumulation Units outstanding at end of period (in thousands)	39,176	30,880
WITH MAV/EPB DEATH BENEFIT AND THE HARTFORD'S PRINCIPAL FIRST (50 BPS)		
Accumulation Unit Value at beginning of period	\$ 7.305	-- (a)
Accumulation Unit Value at end of period	\$ 7.827	--
Number of Accumulation Units outstanding at end of period (in thousands)	3,086	--

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SUB-ACCOUNT	AS OF DECEMBER 31,	
	2004	2003
<S>	<C>	<C>
AMERICAN FUNDS GROWTH-INCOME FUND WITHOUT ANY OPTIONAL BENEFITS		
Accumulation Unit Value at beginning of period	\$ 10.891	\$ 9.367
Accumulation Unit Value at end of period	\$ 11.819	\$ 10.891
Number of Accumulation Units outstanding at end of period (in thousands)	29,107	22,985
WITH MAV/EPB DEATH BENEFIT AND THE HARTFORD'S PRINCIPAL FIRST (50 BPS)		
Accumulation Unit Value at beginning		

of period	\$ 11.099	-- (a)

Accumulation Unit Value at end of period	\$ 11.710	--

Number of Accumulation Units outstanding at end of period (in thousands)	2,326	--

AMERICAN FUNDS INTERNATIONAL FUND		
WITHOUT ANY OPTIONAL BENEFITS		
Accumulation Unit Value at beginning of period	\$ 7.522	\$ 5.958

Accumulation Unit Value at end of period	\$ 8.824	\$ 7.522

Number of Accumulation Units outstanding at end of period (in thousands)	7,186	4,448

WITH MAV/EPB DEATH BENEFIT AND THE HARTFORD'S PRINCIPAL FIRST (50 BPS)		
Accumulation Unit Value at beginning of period	\$ 6.902	-- (a)

Accumulation Unit Value at end of period	\$ 7.878	--

Number of Accumulation Units outstanding at end of period (in thousands)	941	--

AMERICAN FUNDS NEW WORLD FUND		
WITHOUT ANY OPTIONAL BENEFITS		
Accumulation Unit Value at beginning of period	\$ 11.323	\$ 9.025

Accumulation Unit Value at end of period	\$ 13.224	\$ 11.323

Number of Accumulation Units outstanding at end of period (in thousands)	1,030	649

WITH MAV/EPB DEATH BENEFIT AND THE HARTFORD'S PRINCIPAL FIRST (50 BPS)		
Accumulation Unit Value at beginning of period	\$ 11.301	-- (a)

Accumulation Unit Value at end of period	\$ 12.915	--

Number of Accumulation Units outstanding at end of period (in thousands)	97	--

FRANKLIN INCOME SECURITIES FUND		
WITHOUT ANY OPTIONAL BENEFITS		
Accumulation Unit Value at beginning of period	\$ 11.946	\$ 10.455

Accumulation Unit Value at end of period	\$ 13.372	\$ 11.946

Number of Accumulation Units outstanding at end of period (in thousands)	8,362	4,539

WITH MAV/EPB DEATH BENEFIT AND THE HARTFORD'S PRINCIPAL FIRST (50 BPS)		
Accumulation Unit Value at beginning of period	\$ 11.959	-- (a)

Accumulation Unit Value at end of period	\$ 13.123	--

Number of Accumulation Units outstanding at end of period (in thousands)	862	--

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SUB-ACCOUNT <S>	AS OF DECEMBER 31,	
	2004 <C>	2003 <C>
FRANKLIN LARGE CAP GROWTH SECURITIES FUND		
WITHOUT ANY OPTIONAL BENEFITS		
Accumulation Unit Value at beginning of period	\$ 10.322	\$ 9.137
Accumulation Unit Value at end of period	\$ 10.953	\$ 10.322
Number of Accumulation Units outstanding at end of period (in thousands)	1,200	435
WITH MAV/EPB DEATH BENEFIT AND THE HARTFORD'S PRINCIPAL FIRST (50 BPS)		
Accumulation Unit Value at beginning of period	\$ 10.388	-- (a)
Accumulation Unit Value at end of period	\$ 10.749	--
Number of Accumulation Units outstanding at end of period (in thousands)	214	--
FRANKLIN RISING DIVIDENDS SECURITIES FUND		
WITHOUT ANY OPTIONAL BENEFITS		
Accumulation Unit Value at beginning of period	\$ 12.075	\$ 10.473
Accumulation Unit Value at end of period	\$ 13.177	\$ 12.075
Number of Accumulation Units outstanding at end of period (in thousands)	3,103	1,340
WITH MAV/EPB DEATH BENEFIT AND THE HARTFORD'S PRINCIPAL FIRST (50 BPS)		
Accumulation Unit Value at beginning of period	\$ 12.150	-- (a)
Accumulation Unit Value at end of period	\$ 13.011	--
Number of Accumulation Units outstanding at end of period (in thousands)	581	--
FRANKLIN SMALL CAP FUND		
WITHOUT ANY OPTIONAL BENEFITS		
Accumulation Unit Value at beginning of period	\$ 6.397	\$ 5.300
Accumulation Unit Value at end of period	\$ 7.011	\$ 6.397
Number of Accumulation Units outstanding at end of period (in thousands)	6,030	5,370
WITH MAV/EPB DEATH BENEFIT AND THE HARTFORD'S PRINCIPAL FIRST (50 BPS)		
Accumulation Unit Value at beginning of period	\$ 6.468	-- (a)
Accumulation Unit Value at end of period	\$ 6.816	--
Number of Accumulation Units outstanding at end of period (in thousands)	394	--
FRANKLIN STRATEGIC INCOME SECURITIES		

FUND		
WITHOUT ANY OPTIONAL BENEFITS		
Accumulation Unit Value at beginning of period	\$ 12.718	\$ 11.958
Accumulation Unit Value at end of period	\$ 13.755	\$ 12.718
Number of Accumulation Units outstanding at end of period (in thousands)	3,360	2,620
WITH MAV/EPB DEATH BENEFIT AND THE HARTFORD'S PRINCIPAL FIRST (50 BPS)		
Accumulation Unit Value at beginning of period	\$ 12.721	-- (a)
Accumulation Unit Value at end of period	\$ 13.522	--
Number of Accumulation Units outstanding at end of period (in thousands)	153	--

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HARTFORD LIFE AND ANNUITY INSURANCE COMPANY

<Table>

SUB-ACCOUNT <S>	AS OF DECEMBER 31,	
	2004 <C>	2003 <C>
HARTFORD MONEY MARKET HLS FUND		
WITHOUT ANY OPTIONAL BENEFITS		
Accumulation Unit Value at beginning of period	\$ 1.020	\$ 1.026
Accumulation Unit Value at end of period	\$ 1.013	\$ 1.020
Number of Accumulation Units outstanding at end of period (in thousands)	30,215	32,704
WITH MAV/EPB DEATH BENEFIT AND THE HARTFORD'S PRINCIPAL FIRST (50 BPS)		
Accumulation Unit Value at beginning of period	\$ 1.003	-- (a)
Accumulation Unit Value at end of period	\$ 0.989	--
Number of Accumulation Units outstanding at end of period (in thousands)	1,604	--
MFS-REGISTERED TRADEMARK- CAPITAL OPPORTUNITIES SERIES		
WITHOUT ANY OPTIONAL BENEFITS		
Accumulation Unit Value at beginning of period	\$ 5.719	\$ 5.075
Accumulation Unit Value at end of period	\$ 6.323	\$ 5.719
Number of Accumulation Units outstanding at end of period (in thousands)	1,265	1,463
WITH MAV/EPB DEATH BENEFIT AND THE HARTFORD'S PRINCIPAL FIRST (50 BPS)		
Accumulation Unit Value at beginning of period	\$ 5.752	-- (a)
Accumulation Unit Value at end of period	\$ 6.149	--
Number of Accumulation Units outstanding at end of period (in thousands)	6	--

MFS-REGISTERED TRADEMARK- EMERGING GROWTH SERIES			
WITHOUT ANY OPTIONAL BENEFITS			
Accumulation Unit Value at beginning of period	\$	4.437	\$ 3.952
Accumulation Unit Value at end of period	\$	4.927	\$ 4.437
Number of Accumulation Units outstanding at end of period (in thousands)		1,045	1,079
WITH MAV/EPB DEATH BENEFIT AND THE HARTFORD'S PRINCIPAL FIRST (50 BPS)			
Accumulation Unit Value at beginning of period	\$	4.540	-- (a)
Accumulation Unit Value at end of period	\$	4.856	--
Number of Accumulation Units outstanding at end of period (in thousands)		76	--
MFS-REGISTERED TRADEMARK- GLOBAL EQUITY SERIES			
WITHOUT ANY OPTIONAL BENEFITS			
Accumulation Unit Value at beginning of period	\$	9.270	\$ 7.992
Accumulation Unit Value at end of period	\$	10.780	\$ 9.270
Number of Accumulation Units outstanding at end of period (in thousands)		207	158
WITH MAV/EPB DEATH BENEFIT AND THE HARTFORD'S PRINCIPAL FIRST (50 BPS)			
Accumulation Unit Value at beginning of period	\$	9.275	-- (a)
Accumulation Unit Value at end of period	\$	10.528	--
Number of Accumulation Units outstanding at end of period (in thousands)		61	--

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HARTFORD LIFE AND ANNUITY INSURANCE COMPANY

<Table>

SUB-ACCOUNT	AS OF DECEMBER 31,	
	2004	2003
<S>	<C>	<C>
MFS-REGISTERED TRADEMARK- HIGH INCOME SERIES		
WITHOUT ANY OPTIONAL BENEFITS		
Accumulation Unit Value at beginning of period	\$	10.962 \$ 10.105
Accumulation Unit Value at end of period	\$	11.763 \$ 10.962
Number of Accumulation Units outstanding at end of period (in thousands)		2,830 2,749
WITH MAV/EPB DEATH BENEFIT AND THE HARTFORD'S PRINCIPAL FIRST (50 BPS)		
Accumulation Unit Value at beginning of period	\$	10.877 -- (a)
Accumulation Unit Value at end of period	\$	11.488 --

Number of Accumulation Units outstanding at end of period (in thousands)	119	--

MFS-REGISTERED TRADEMARK- INVESTORS GROWTH STOCK SERIES WITHOUT ANY OPTIONAL BENEFITS		
Accumulation Unit Value at beginning of period	\$ 5.602	\$ 5.151

Accumulation Unit Value at end of period	\$ 6.014	\$ 5.602

Number of Accumulation Units outstanding at end of period (in thousands)	2,030	1,983

WITH MAV/EPB DEATH BENEFIT AND THE HARTFORD'S PRINCIPAL FIRST (50 BPS)		
Accumulation Unit Value at beginning of period	\$ 5.798	-- (a)

Accumulation Unit Value at end of period	\$ 6.041	--

Number of Accumulation Units outstanding at end of period (in thousands)	46	--

MFS-REGISTERED TRADEMARK- INVESTORS TRUST SERIES WITHOUT ANY OPTIONAL BENEFITS		
Accumulation Unit Value at beginning of period	\$ 7.475	\$ 6.709

Accumulation Unit Value at end of period	\$ 8.184	\$ 7.475

Number of Accumulation Units outstanding at end of period (in thousands)	3,224	1,714

WITH MAV/EPB DEATH BENEFIT AND THE HARTFORD'S PRINCIPAL FIRST (50 BPS)		
Accumulation Unit Value at beginning of period	\$ 7.599	-- (a)

Accumulation Unit Value at end of period	\$ 8.165	--

Number of Accumulation Units outstanding at end of period (in thousands)	456	--

MFS-REGISTERED TRADEMARK- MID CAP GROWTH SERIES WITHOUT ANY OPTIONAL BENEFITS		
Accumulation Unit Value at beginning of period	\$ 5.617	\$ 4.809

Accumulation Unit Value at end of period	\$ 6.326	\$ 5.617

Number of Accumulation Units outstanding at end of period (in thousands)	3,665	3,361

WITH MAV/EPB DEATH BENEFIT AND THE HARTFORD'S PRINCIPAL FIRST (50 BPS)		
Accumulation Unit Value at beginning of period	\$ 5.795	-- (a)

Accumulation Unit Value at end of period	\$ 6.178	--

Number of Accumulation Units outstanding at end of period (in thousands)	149	--

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SUB-ACCOUNT <S>	AS OF DECEMBER 31,	
	2004 <C>	2003 <C>

MFS-REGISTERED TRADEMARK- NEW DISCOVERY SERIES		
WITHOUT ANY OPTIONAL BENEFITS		
Accumulation Unit Value at beginning of period	\$ 7.556	\$ 6.341

Accumulation Unit Value at end of period	\$ 7.913	\$ 7.556

Number of Accumulation Units outstanding at end of period (in thousands)	2,543	1,753

WITH MAV/EPB DEATH BENEFIT AND THE HARTFORD'S PRINCIPAL FIRST (50 BPS)		
Accumulation Unit Value at beginning of period	\$ 7.854	-- (a)

Accumulation Unit Value at end of period	\$ 7.728	--

Number of Accumulation Units outstanding at end of period (in thousands)	289	--

MFS-REGISTERED TRADEMARK- TOTAL RETURN SERIES		
WITHOUT ANY OPTIONAL BENEFITS		
Accumulation Unit Value at beginning of period	\$ 11.034	\$ 10.261

Accumulation Unit Value at end of period	\$ 12.076	\$ 11.034

Number of Accumulation Units outstanding at end of period (in thousands)	11,042	8,862

WITH MAV/EPB DEATH BENEFIT AND THE HARTFORD'S PRINCIPAL FIRST (50 BPS)		
Accumulation Unit Value at beginning of period	\$ 11.725	-- (a)

Accumulation Unit Value at end of period	\$ 12.571	--

Number of Accumulation Units outstanding at end of period (in thousands)	853	--

MFS-REGISTERED TRADEMARK- VALUE SERIES		
WITHOUT ANY OPTIONAL BENEFITS		
Accumulation Unit Value at beginning of period	\$ 12.214	\$ 10.604

Accumulation Unit Value at end of period	\$ 13.831	\$ 12.214

Number of Accumulation Units outstanding at end of period (in thousands)	479	204

WITH MAV/EPB DEATH BENEFIT AND THE HARTFORD'S PRINCIPAL FIRST (50 BPS)		
Accumulation Unit Value at beginning of period	\$ 12.278	-- (a)

Accumulation Unit Value at end of period	\$ 13.656	--

Number of Accumulation Units outstanding at end of period (in thousands)	37	--

MUTUAL DISCOVERY SECURITIES FUND		
WITHOUT ANY OPTIONAL BENEFITS		
Accumulation Unit Value at beginning		

of period	\$ 12.402	\$ 10.542
Accumulation Unit Value at end of period	\$ 14.412	\$ 12.402
Number of Accumulation Units outstanding at end of period (in thousands)	943	359
WITH MAV/EPB DEATH BENEFIT AND THE HARTFORD'S PRINCIPAL FIRST (50 BPS)		
Accumulation Unit Value at beginning of period	\$ 12.496	-- (a)
Accumulation Unit Value at end of period	\$ 14.230	--
Number of Accumulation Units outstanding at end of period (in thousands)	221	--

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HARTFORD LIFE AND ANNUITY INSURANCE COMPANY

<Table>

SUB-ACCOUNT <S>	AS OF DECEMBER 31,	
	2004 <C>	2003 <C>
MUTUAL SHARES SECURITIES FUND		
WITHOUT ANY OPTIONAL BENEFITS		
Accumulation Unit Value at beginning of period	\$ 11.776	\$ 10.357
Accumulation Unit Value at end of period	\$ 13.040	\$ 11.776
Number of Accumulation Units outstanding at end of period (in thousands)	10,001	7,652
WITH MAV/EPB DEATH BENEFIT AND THE HARTFORD'S PRINCIPAL FIRST (50 BPS)		
Accumulation Unit Value at beginning of period	\$ 12.170	-- (a)
Accumulation Unit Value at end of period	\$ 13.236	--
Number of Accumulation Units outstanding at end of period (in thousands)	618	--
TEMPLETON DEVELOPING MARKETS SECURITIES FUND		
WITHOUT ANY OPTIONAL BENEFITS		
Accumulation Unit Value at beginning of period	\$ 12.497	\$ 9.273
Accumulation Unit Value at end of period	\$ 15.338	\$ 12.497
Number of Accumulation Units outstanding at end of period (in thousands)	613	350
WITH MAV/EPB DEATH BENEFIT AND THE HARTFORD'S PRINCIPAL FIRST (50 BPS)		
Accumulation Unit Value at beginning of period	\$ 11.219	-- (a)
Accumulation Unit Value at end of period	\$ 13.279	--
Number of Accumulation Units outstanding at end of period (in thousands)	42	--
TEMPLETON FOREIGN SECURITIES FUND		
WITHOUT ANY OPTIONAL BENEFITS		

Accumulation Unit Value at beginning of period	\$ 8.680	\$ 7.102
Accumulation Unit Value at end of period	\$ 10.115	\$ 8.680
Number of Accumulation Units outstanding at end of period (in thousands)	4,445	1,781
WITH MAV/EPB DEATH BENEFIT AND THE HARTFORD'S PRINCIPAL FIRST (50 BPS)		
Accumulation Unit Value at beginning of period	\$ 8.722	-- (a)
Accumulation Unit Value at end of period	\$ 9.878	--
Number of Accumulation Units outstanding at end of period (in thousands)	824	--
TEMPLETON GROWTH SECURITIES FUND WITHOUT ANY OPTIONAL BENEFITS		
Accumulation Unit Value at beginning of period	\$ 10.592	\$ 8.811
Accumulation Unit Value at end of period	\$ 12.082	\$ 10.592
Number of Accumulation Units outstanding at end of period (in thousands)	4,246	2,366
WITH MAV/EPB DEATH BENEFIT AND THE HARTFORD'S PRINCIPAL FIRST (50 BPS)		
Accumulation Unit Value at beginning of period	\$ 10.391	-- (a)
Accumulation Unit Value at end of period	\$ 11.536	--
Number of Accumulation Units outstanding at end of period (in thousands)	780	--

</Table>

(a) Inception date January 30, 2004.

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To obtain a Statement of Additional Information, please complete the form below and mail to:

Hartford Life and Annuity Insurance Company
 Attn: Investment Product Services
 P.O. Box 5085
 Hartford, Connecticut 06102-5085

Please send a Statement of Additional Information for Series I, Series IR and Series II of Hartford Select Leaders M Outlook variable annuity to me at the following address:

 Name

 Address

 City/State
 Zip Code

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PART B

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STATEMENT OF ADDITIONAL INFORMATION
 HARTFORD LIFE AND ANNUITY INSURANCE COMPANY
 SEPARATE ACCOUNT SEVEN

This Statement of Additional Information is not a prospectus. The information contained in this document should be read in conjunction with the prospectus.

To obtain a prospectus, send a written request to Hartford Life and Annuity Insurance Company, Attn: Investment Product Services, P.O. Box 5085, Hartford, CT 06102-5085.

Date of Prospectus: May 2, 2005

Date of Statement of Additional Information: May 2, 2005

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HARTFORD LIFE AND ANNUITY INSURANCE COMPANY

GENERAL INFORMATION

SAFEKEEPING OF ASSETS

Hartford holds title to the assets of the Separate Account. The assets are kept physically segregated and are held separate and apart from Hartford's general corporate assets. Records are maintained of all purchases and redemptions of the underlying fund shares held in each of the Sub-Accounts.

EXPERTS

The statutory basis balance sheets of Hartford Life and Annuity Insurance Company (the "Company") as of December 31, 2004 and 2003, and the related statutory basis statements of operations, changes in capital and surplus, and cash flows for the years then ended have been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their report dated March 29, 2005 and the statements of assets and liabilities of Hartford Life and Annuity Insurance Company Separate Account Seven (the "Account") as of December 31, 2004, and the related statements of operations for the year then ended and the statements of changes in net assets for each of the two years in the period ended December 31, 2004 have been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their report dated February 24, 2005, which are both included in this Statement of Additional Information and have been so included in reliance upon the reports of such firm given upon their authority as experts in accounting and auditing. The principal business address of Deloitte & Touche LLP is City Place, 33rd Floor, 185 Asylum Street, Hartford, Connecticut 06103-3402.

NON-PARTICIPATING

The Contract is non-participating and we pay no dividends.

MISSTATEMENT OF AGE OR SEX

If an Annuitant's age or sex was misstated on the Contract, any Contract payments or benefits will be determined using the correct age and sex. If we have overpaid Annuity Payouts, an adjustment, including interest on the amount of the overpayment, will be made to the next Annuity Payout or Payouts. If we have underpaid due to a misstatement of age or sex, we will credit the next Annuity Payout with the amount we underpaid and credit interest.

PRINCIPAL UNDERWRITER

The Contracts, which are offered continuously, are distributed by Hartford Securities Distribution Company, Inc. ("HSD"). HSD serves as Principal Underwriter for the securities issued with respect to the Separate Account. HSD is registered with the Securities and Exchange Commission under the Securities Exchange Act of 1934 as a Broker-Dealer and is a member of the National Association of Securities Dealers, Inc. HSD is an affiliate of ours. Both HSD and Hartford are ultimately controlled by The Hartford Financial Services Group, Inc. The principal business address of HSD is the same as ours.

Hartford currently pays HSD underwriting commissions for its role as Principal Underwriter of all variable annuities associated with this Separate Account. For the past three years, the aggregate dollar amount of underwriting commissions paid to HSD in its role as Principal Underwriter has been: 2004: \$353,383,271; 2003: \$357,467,609; and 2002: \$193,193,492.

PERFORMANCE RELATED INFORMATION

The Separate Account may advertise certain performance-related information concerning the Sub-Accounts. Performance information about a Sub-Account is based on the Sub-Account's past performance only and is no indication of future performance.

TOTAL RETURN FOR ALL SUB-ACCOUNTS

When a Sub-Account advertises its standardized total return, it will usually be calculated from the date of the inception of the Sub-Account for one, five and ten year periods or some other relevant periods if the Sub-Account has not been in existence for at least ten years. Total return is measured by comparing the value of an investment in the Sub-Account at the beginning of the relevant period to the value of the investment at the end of the period. To calculate standardized total return, Hartford uses a hypothetical initial premium payment of \$1,000.00 and deducts for the mortality and risk expense charge, the highest possible contingent deferred charge, any applicable administrative charge and the Annual Maintenance Fee.

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HARTFORD LIFE AND ANNUITY INSURANCE COMPANY

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The formula Hartford uses to calculate standardized total return is $P(1+T)^n$ TO THE POWER OF $n = ERV$. In this calculation, "P" represents a hypothetical initial premium payment of \$1,000.00, "T" represents the average annual total return, "n" represents the number of years and "ERV" represents the redeemable value at the end of the period.

In addition to the standardized total return, the Sub-Account may advertise a non-standardized total return. These figures will usually be calculated from the date of inception of the underlying fund for one, five and ten year periods or other relevant periods. Non-standardized total return is measured in the same manner as the standardized total return described above, except that the contingent deferred sales charge and the Annual Maintenance Fee are not deducted. Therefore, non-standardized total return for a Sub-Account is higher than standardized total return for a Sub-Account.

YIELD FOR SUB-ACCOUNTS

If applicable, the Sub-Accounts may advertise yield in addition to total return. At any time in the future, yields may be higher or lower than past yields and past performance is no indication of future performance.

The standardized yield will be computed for periods beginning with the inception of the Sub-Account in the following manner. The net investment income per Accumulation Unit earned during a one-month period is divided by the Accumulation Unit Value on the last day of the period. This figure reflects deductions for the mortality and expense risk charge, any applicable administrative charge and the Annual Maintenance Fee.

The formula Hartford uses to calculate yield is: $YIELD = 2[(a-b/cd + 1)^{1/6} - 1]$ TO THE POWER OF 6. In this calculation, "a" represents the net investment income earned during the period by the underlying fund, "b" represents the expenses accrued for the period, "c" represents the average daily number of Accumulation Units outstanding during the period and "d" represents the maximum offering price per Accumulation Unit on the last day of the period.

MONEY MARKET SUB-ACCOUNTS

A money market fund Sub-Account may advertise yield and effective yield. Yield and effective yield figures reflect the deductions for the Contract, which include the mortality and expense risk charge, any applicable administrative charge and the Annual Maintenance Fee. At any time in the future, current and effective yields may be higher or lower than past yields and past performance is no indication of future performance.

Current yield of a money market fund Sub-Account is calculated for a seven-day period or the "base period" without taking into consideration any realized or unrealized gains or losses on shares of the underlying fund. The first step in determining yield is to compute the base period return. Hartford takes a hypothetical account with a balance of one Accumulation Unit of the Sub-Account and calculates the net change in its value from the beginning of the base period to the end of the base period. Hartford then subtracts an amount equal to the total deductions for the Contract and then divides that number by the value of the account at the beginning of the base period. The result is the base period return or "BPR". Once the base period return is calculated, Hartford then multiplies it by 365/7 to compute the current yield. Current yield is calculated to the nearest hundredth of one percent.

The formula for this calculation is $YIELD = BPR \times (365/7)$, where $BPR = (A-B)/C$. "A" is equal to the net change in value of a hypothetical account with a balance of one Accumulation Unit of the Sub-Account from the beginning of the base period to the end of the base period. "B" is equal to the amount that Hartford deducts for mortality and expense risk charge, any applicable administrative charge and the Annual Maintenance Fee. "C" represents the value of the Sub-Account at the beginning of the base period.

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HARTFORD LIFE AND ANNUITY INSURANCE COMPANY

Effective yield is also calculated using the base period return. The effective yield is calculated by adding 1 to the base period return and raising that result to a power equal to 365 divided by 7 and subtracting 1 from the result. The calculation Hartford uses is:

$$EFFECTIVE\ YIELD = [(BASE\ PERIOD\ RETURN + 1)\ TO\ THE\ POWER\ OF\ 365/7] - 1.$$

ADDITIONAL MATERIALS

We may provide information on various topics to Contract Owners and prospective Contract Owners in advertising, sales literature or other materials. These topics may include the relationship between sectors of the economy and the economy as a whole and its effect on various securities markets, investment strategies and techniques (such as value investing, dollar cost averaging and asset allocation), the advantages and disadvantages of investing in tax-deferred and taxable instruments, customer profiles and hypothetical purchase scenarios, financial management and tax and retirement planning, and other investment alternatives, including comparisons between the Contracts and the characteristics of and market for any alternatives.

PERFORMANCE COMPARISONS

Each Sub-Account may from time to time include in advertisements the ranking of its performance figures compared with performance figures of other annuity contract's sub-accounts with the same investment objectives which are created by Lipper Analytical Services, Morningstar, Inc. or other recognized ranking services.

Hartford may also compare the performance of the Sub-Accounts against certain widely acknowledged outside standards or indices for stock and bond market performance, such as:

- The Standard & Poor's 500 Composite Stock Price Index (the "S&P 500") is a stock market index that includes common stocks of 500 companies from several industrial sectors representing a significant portion of the market value of all stocks publicly traded in the United States, most of which are traded on the New York Stock Exchange. Stocks in the S&P 500 are weighted according to their market capitalization (the number of shares outstanding multiplied by the stock's current price).
- The Nasdaq Composite Index measures all Nasdaq domestic and non-U.S. based common stocks listed on The Nasdaq Stock Market. The Index is market-value weighted. This means that each company's security affects the Index in proportion to its market value. The market value, the last sale price multiplied by total shares outstanding, is calculated throughout the trading day, and is related to the total value of the Index. The Nasdaq Composite includes over 5,000 companies. On February 5, 1971, the Nasdaq Composite Index began with a base of 100.00.
- The Morgan Stanley Capital International EAFE Index (the "EAFE Index") of major markets in Europe, Australia and the Far East is a benchmark of international stock performance. The EAFE Index is "capitalization weighted," which means that a company whose securities have a high market value will

contribute proportionately more to the EAFE Index's performance results than a company whose securities have a lower market value.

- The Lehman Brothers High Yield Corporate Index is a broad-based market-value-weighted index that tracks the total return performance of non-investment grade, fixed-rate, publicly placed, dollar denominated and nonconvertible debt registered with the SEC.
- The Lehman Brothers Government/Corporate Bond Index is a broad based unmanaged, market-value-weighted index of all debt obligations of the U.S. Treasury and U.S. Government agencies (excluding mortgage-backed securities) and all publicly-issued fixed-rate, nonconvertible, investment grade domestic corporate debt.

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ACCUMULATION UNIT VALUES

(FOR AN ACCUMULATION UNIT OUTSTANDING THROUGHOUT THE PERIOD)

The following information should be read in conjunction with the financial statements for the Separate Account included in this Statement of Additional Information.

There are several classes of Accumulation Unit Values under the Contract depending on the number of optional benefits you select. The table below shows all possible Accumulation Unit Values corresponding to all combinations of optional benefits. A table showing only the highest and lowest possible Accumulation Unit Values is shown in the prospectus, which assumes you select either no optional benefits or all optional benefits.

There is no information for AIM V.I. Core Equity Fund, AIM V. I. Large Cap Growth Fund, Franklin Flex Cap Growth Securities Fund, Franklin Large Cap Value Securities Fund, MFS Research Series, MFS Research Bond Series and MFS Research International Series Sub-Accounts because as of December 31, 2004, the Sub-Accounts had not commenced operations.

<Table>

SUB-ACCOUNT <S>	AS OF DECEMBER 31,	
	2004 <C>	2003 <C>

AIM V.I. AGGRESSIVE GROWTH FUND		
WITHOUT ANY OPTIONAL BENEFITS		
Accumulation Unit Value at beginning of period	\$ 1.117	\$ 0.946

Accumulation Unit Value at end of period	\$ 1.228	\$ 1.117

Number of Accumulation Units outstanding at end of period (in thousands)	4,276	3,602

WITH THE HARTFORD'S PRINCIPAL FIRST PREFERRED		
Accumulation Unit Value at beginning of period	\$ 1.128	--(b)

Accumulation Unit Value at end of period	\$ 1.220	--

Number of Accumulation Units outstanding at end of period (in thousands)	982	--

WITH MAV/EPB DEATH BENEFIT		
Accumulation Unit Value at beginning of period	\$ 1.109	\$ 0.941

Accumulation Unit Value at end of period	\$ 1.216	\$ 1.109

Number of Accumulation Units outstanding at end of period (in thousands)	4,575	4,744

WITH THE HARTFORD'S PRINCIPAL FIRST (35 BPS)		
Accumulation Unit Value at beginning of period	\$ 1.108	\$ 0.940

Accumulation Unit Value at end of		

period	\$	1.214	\$	1.108

Number of Accumulation Units outstanding at end of period (in thousands)		9,692		9,946

WITH MAV/EPB DEATH BENEFIT AND THE HARTFORD'S PRINCIPAL FIRST PREFERRED Accumulation Unit Value at beginning of period	\$	1.119		-- (b)

Accumulation Unit Value at end of period	\$	1.210		--

Number of Accumulation Units outstanding at end of period (in thousands)		1,739		--

WITH THE HARTFORD'S PRINCIPAL FIRST (50 BPS) Accumulation Unit Value at beginning of period	\$	1.134		-- (a)

Accumulation Unit Value at end of period	\$	1.210		--

Number of Accumulation Units outstanding at end of period (in thousands)		1,739		--

WITH MAV/EPB DEATH BENEFIT AND THE HARTFORD'S PRINCIPAL FIRST (35 BPS) Accumulation Unit Value at beginning of period	\$	1.104	\$	0.938

Accumulation Unit Value at end of period	\$	1.206	\$	1.104

Number of Accumulation Units outstanding at end of period (in thousands)		706		571

WITH MAV/EPB DEATH BENEFIT AND THE HARTFORD'S PRINCIPAL FIRST (50 BPS) Accumulation Unit Value at beginning of period	\$	1.130		-- (a)

Accumulation Unit Value at end of period	\$	1.202		--

Number of Accumulation Units outstanding at end of period (in thousands)		116		--

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HARTFORD LIFE AND ANNUITY INSURANCE COMPANY

<Table>

SUB-ACCOUNT	AS OF DECEMBER 31,	
	2004	2003
<S>	<C>	<C>

AIM V.I. BASIC VALUE FUND WITHOUT ANY OPTIONAL BENEFITS		
Accumulation Unit Value at beginning of period	\$	1.176 \$ 1.011

Accumulation Unit Value at end of period	\$	1.285 \$ 1.176

Number of Accumulation Units outstanding at end of period (in thousands)		30,328 25,644

WITH THE HARTFORD'S PRINCIPAL FIRST PREFERRED Accumulation Unit Value at beginning of period	\$	1.178 -- (b)

Accumulation Unit Value at end of period	\$	1.276 --

Number of Accumulation Units outstanding at end of period (in thousands)	5,099	--

WITH MAV/EPB DEATH BENEFIT		
Accumulation Unit Value at beginning of period	\$ 1.168	\$ 1.005

Accumulation Unit Value at end of period	\$ 1.272	\$ 1.168

Number of Accumulation Units outstanding at end of period (in thousands)	28,262	24,695

WITH THE HARTFORD'S PRINCIPAL FIRST (35 BPS)		
Accumulation Unit Value at beginning of period	\$ 1.167	\$ 1.005

Accumulation Unit Value at end of period	\$ 1.270	\$ 1.167

Number of Accumulation Units outstanding at end of period (in thousands)	54,232	46,113

WITH MAV/EPB DEATH BENEFIT AND THE HARTFORD'S PRINCIPAL FIRST PREFERRED		
Accumulation Unit Value at beginning of period	\$ 1.169	-- (b)

Accumulation Unit Value at end of period	\$ 1.266	--

Number of Accumulation Units outstanding at end of period (in thousands)	17,134	--

WITH THE HARTFORD'S PRINCIPAL FIRST (50 BPS)		
Accumulation Unit Value at beginning of period	\$ 1.180	-- (a)

Accumulation Unit Value at end of period	\$ 1.266	--

Number of Accumulation Units outstanding at end of period (in thousands)	17,134	--

WITH MAV/EPB DEATH BENEFIT AND THE HARTFORD'S PRINCIPAL FIRST (35 BPS)		
Accumulation Unit Value at beginning of period	\$ 1.163	\$ 1.003

Accumulation Unit Value at end of period	\$ 1.261	\$ 1.163

Number of Accumulation Units outstanding at end of period (in thousands)	5,549	3,699

WITH MAV/EPB DEATH BENEFIT AND THE HARTFORD'S PRINCIPAL FIRST (50 BPS)		
Accumulation Unit Value at beginning of period	\$ 1.176	-- (a)

Accumulation Unit Value at end of period	\$ 1.258	--

Number of Accumulation Units outstanding at end of period (in thousands)	2,560	--

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HARTFORD LIFE AND ANNUITY INSURANCE COMPANY

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<Table>

AS OF DECEMBER 31,

SUB-ACCOUNT <S>	2004 <C>	2003 <C>

AIM V.I. BLUE CHIP FUND		
WITHOUT ANY OPTIONAL BENEFITS		
Accumulation Unit Value at beginning of period	\$ 1.062	\$ 0.947

Accumulation Unit Value at end of period	\$ 1.093	\$ 1.062

Number of Accumulation Units outstanding at end of period (in thousands)	5,336	5,557

WITH THE HARTFORD'S PRINCIPAL FIRST PREFERRED		
Accumulation Unit Value at beginning of period	\$ 1.022	-- (b)

Accumulation Unit Value at end of period	\$ 1.086	--

Number of Accumulation Units outstanding at end of period (in thousands)	1,161	--

WITH MAV/EPB DEATH BENEFIT		
Accumulation Unit Value at beginning of period	\$ 1.055	\$ 0.942

Accumulation Unit Value at end of period	\$ 1.083	\$ 1.055

Number of Accumulation Units outstanding at end of period (in thousands)	6,397	6,008

WITH THE HARTFORD'S PRINCIPAL FIRST (35 BPS)		
Accumulation Unit Value at beginning of period	\$ 1.054	\$ 0.942

Accumulation Unit Value at end of period	\$ 1.081	\$ 1.054

Number of Accumulation Units outstanding at end of period (in thousands)	11,652	11,735

WITH MAV/EPB DEATH BENEFIT AND THE HARTFORD'S PRINCIPAL FIRST PREFERRED		
Accumulation Unit Value at beginning of period	\$ 1.014	-- (b)

Accumulation Unit Value at end of period	\$ 1.077	--

Number of Accumulation Units outstanding at end of period (in thousands)	2,124	--

WITH THE HARTFORD'S PRINCIPAL FIRST (50 BPS)		
Accumulation Unit Value at beginning of period	\$ 1.063	-- (a)

Accumulation Unit Value at end of period	\$ 1.077	--

Number of Accumulation Units outstanding at end of period (in thousands)	2,124	--

WITH MAV/EPB DEATH BENEFIT AND THE HARTFORD'S PRINCIPAL FIRST (35 BPS)		
Accumulation Unit Value at beginning of period	\$ 1.050	\$ 0.940

Accumulation Unit Value at end of period	\$ 1.073	\$ 1.050

Number of Accumulation Units outstanding at end of period		

(in thousands)	893	640
WITH MAV/EPB DEATH BENEFIT AND THE HARTFORD'S PRINCIPAL FIRST (50 BPS)		
Accumulation Unit Value at beginning of period	\$ 1.059	-- (a)
Accumulation Unit Value at end of period	\$ 1.071	--
Number of Accumulation Units outstanding at end of period (in thousands)	433	--

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HARTFORD LIFE AND ANNUITY INSURANCE COMPANY

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SUB-ACCOUNT <S>	AS OF DECEMBER 31,	
	2004 <C>	2003 <C>
AIM V.I. CAPITAL APPRECIATION FUND		
WITHOUT ANY OPTIONAL BENEFITS		
Accumulation Unit Value at beginning of period	\$ 1.187	\$ 1.016
Accumulation Unit Value at end of period	\$ 1.245	\$ 1.187
Number of Accumulation Units outstanding at end of period (in thousands)	4,435	3,869
WITH THE HARTFORD'S PRINCIPAL FIRST PREFERRED		
Accumulation Unit Value at beginning of period	\$ 1.155	-- (b)
Accumulation Unit Value at end of period	\$ 1.237	--
Number of Accumulation Units outstanding at end of period (in thousands)	889	--
WITH MAV/EPB DEATH BENEFIT		
Accumulation Unit Value at beginning of period	\$ 1.179	\$ 1.010
Accumulation Unit Value at end of period	\$ 1.233	\$ 1.179
Number of Accumulation Units outstanding at end of period (in thousands)	4,875	4,862
WITH THE HARTFORD'S PRINCIPAL FIRST (35 BPS)		
Accumulation Unit Value at beginning of period	\$ 1.178	\$ 1.009
Accumulation Unit Value at end of period	\$ 1.231	\$ 1.178
Number of Accumulation Units outstanding at end of period (in thousands)	7,872	7,297
WITH MAV/EPB DEATH BENEFIT AND THE HARTFORD'S PRINCIPAL FIRST PREFERRED		
Accumulation Unit Value at beginning of period	\$ 1.146	-- (b)
Accumulation Unit Value at end of period	\$ 1.227	--
Number of Accumulation Units outstanding at end of period (in thousands)	3,249	--

WITH THE HARTFORD'S PRINCIPAL FIRST (50 BPS)		
Accumulation Unit Value at beginning of period	\$ 1.195	-- (a)

Accumulation Unit Value at end of period	\$ 1.227	--

Number of Accumulation Units outstanding at end of period (in thousands)	3,249	--

WITH MAV/EPB DEATH BENEFIT AND THE HARTFORD'S PRINCIPAL FIRST (35 BPS)		
Accumulation Unit Value at beginning of period	\$ 1.174	\$ 1.007

Accumulation Unit Value at end of period	\$ 1.222	\$ 1.174

Number of Accumulation Units outstanding at end of period (in thousands)	1,651	1,503

WITH MAV/EPB DEATH BENEFIT AND THE HARTFORD'S PRINCIPAL FIRST (50 BPS)		
Accumulation Unit Value at beginning of period	\$ 1.191	-- (a)

Accumulation Unit Value at end of period	\$ 1.219	--

Number of Accumulation Units outstanding at end of period (in thousands)	400	--

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SUB-ACCOUNT <S>	AS OF DECEMBER 31,	
	2004 <C>	2003 <C>

AIM V.I. DENT DEMOGRAPHIC TRENDS FUND WITHOUT ANY OPTIONAL BENEFITS		
Accumulation Unit Value at beginning of period	\$ 1.160	\$ 1.001

Accumulation Unit Value at end of period	\$ 1.235	\$ 1.160

Number of Accumulation Units outstanding at end of period (in thousands)	3,378	3,221

WITH THE HARTFORD'S PRINCIPAL FIRST PREFERRED		
Accumulation Unit Value at beginning of period	\$ 1.121	-- (b)

Accumulation Unit Value at end of period	\$ 1.227	--

Number of Accumulation Units outstanding at end of period (in thousands)	666	--

WITH MAV/EPB DEATH BENEFIT		
Accumulation Unit Value at beginning of period	\$ 1.152	\$ 0.996

Accumulation Unit Value at end of period	\$ 1.223	\$ 1.152

Number of Accumulation Units outstanding at end of period (in thousands)	3,152	3,031

WITH THE HARTFORD'S PRINCIPAL FIRST (35 BPS)		

Accumulation Unit Value at beginning of period	\$	1.151	\$	0.995
Accumulation Unit Value at end of period	\$	1.221	\$	1.151
Number of Accumulation Units outstanding at end of period (in thousands)		5,119		5,118
WITH MAV/EPB DEATH BENEFIT AND THE HARTFORD'S PRINCIPAL FIRST PREFERRED				
Accumulation Unit Value at beginning of period	\$	1.113		-- (b)
Accumulation Unit Value at end of period	\$	1.217		--
Number of Accumulation Units outstanding at end of period (in thousands)		2,135		--
WITH THE HARTFORD'S PRINCIPAL FIRST (50 BPS)				
Accumulation Unit Value at beginning of period	\$	1.186		-- (a)
Accumulation Unit Value at end of period	\$	1.217		--
Number of Accumulation Units outstanding at end of period (in thousands)		2,135		--
WITH MAV/EPB DEATH BENEFIT AND THE HARTFORD'S PRINCIPAL FIRST (35 BPS)				
Accumulation Unit Value at beginning of period	\$	1.147	\$	0.993
Accumulation Unit Value at end of period	\$	1.212	\$	1.147
Number of Accumulation Units outstanding at end of period (in thousands)		592		515
WITH MAV/EPB DEATH BENEFIT AND THE HARTFORD'S PRINCIPAL FIRST (50 BPS)				
Accumulation Unit Value at beginning of period	\$	1.182		-- (a)
Accumulation Unit Value at end of period	\$	1.209		--
Number of Accumulation Units outstanding at end of period (in thousands)		109		--

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SUB-ACCOUNT	AS OF DECEMBER 31,	
	2004	2003
<S>	<C>	<C>
AIM V.I. GOVERNMENT SECURITIES FUND		
WITHOUT ANY OPTIONAL BENEFITS		
Accumulation Unit Value at beginning of period	\$	1.070 \$ 1.087
Accumulation Unit Value at end of period	\$	1.079 \$ 1.070
Number of Accumulation Units outstanding at end of period (in thousands)		44,900 31,448
WITH THE HARTFORD'S PRINCIPAL FIRST PREFERRED		
Accumulation Unit Value at beginning		

of period	\$ 1.073	-- (b)
Accumulation Unit Value at end of period	\$ 1.072	--
Number of Accumulation Units outstanding at end of period (in thousands)	5,318	--
WITH MAV/EPB DEATH BENEFIT		
Accumulation Unit Value at beginning of period	\$ 1.062	\$ 1.081
Accumulation Unit Value at end of period	\$ 1.068	\$ 1.062
Number of Accumulation Units outstanding at end of period (in thousands)	34,941	34,186
WITH THE HARTFORD'S PRINCIPAL FIRST (35 BPS)		
Accumulation Unit Value at beginning of period	\$ 1.061	\$ 1.081
Accumulation Unit Value at end of period	\$ 1.066	\$ 1.061
Number of Accumulation Units outstanding at end of period (in thousands)	64,271	58,105
WITH MAV/EPB DEATH BENEFIT AND THE HARTFORD'S PRINCIPAL FIRST PREFERRED		
Accumulation Unit Value at beginning of period	\$ 1.065	-- (b)
Accumulation Unit Value at end of period	\$ 1.063	--
Number of Accumulation Units outstanding at end of period (in thousands)	44,373	--
WITH THE HARTFORD'S PRINCIPAL FIRST (50 BPS)		
Accumulation Unit Value at beginning of period	\$ 1.063	-- (a)
Accumulation Unit Value at end of period	\$ 1.063	--
Number of Accumulation Units outstanding at end of period (in thousands)	44,373	--
WITH MAV/EPB DEATH BENEFIT AND THE HARTFORD'S PRINCIPAL FIRST (35 BPS)		
Accumulation Unit Value at beginning of period	\$ 1.057	\$ 1.078
Accumulation Unit Value at end of period	\$ 1.059	\$ 1.057
Number of Accumulation Units outstanding at end of period (in thousands)	5,298	5,875
WITH MAV/EPB DEATH BENEFIT AND THE HARTFORD'S PRINCIPAL FIRST (50 BPS)		
Accumulation Unit Value at beginning of period	\$ 1.060	-- (a)
Accumulation Unit Value at end of period	\$ 1.056	--
Number of Accumulation Units outstanding at end of period (in thousands)	5,399	--

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SUB-ACCOUNT <S>	AS OF DECEMBER 31,	
	2004 <C>	2003 <C>
AIM V.I. INTERNATIONAL GROWTH FUND		
WITHOUT ANY OPTIONAL BENEFITS		
Accumulation Unit Value at beginning of period	\$ 1.157	\$ 0.964
Accumulation Unit Value at end of period	\$ 1.411	\$ 1.157
Number of Accumulation Units outstanding at end of period (in thousands)	2,059	1,233
WITH THE HARTFORD'S PRINCIPAL FIRST PREFERRED		
Accumulation Unit Value at beginning of period	\$ 1.270	-- (b)
Accumulation Unit Value at end of period	\$ 1.402	--
Number of Accumulation Units outstanding at end of period (in thousands)	607	--
WITH MAV/EPB DEATH BENEFIT		
Accumulation Unit Value at beginning of period	\$ 1.149	\$ 0.959
Accumulation Unit Value at end of period	\$ 1.397	\$ 1.149
Number of Accumulation Units outstanding at end of period (in thousands)	1,991	1,318
WITH THE HARTFORD'S PRINCIPAL FIRST (35 BPS)		
Accumulation Unit Value at beginning of period	\$ 1.148	\$ 0.958
Accumulation Unit Value at end of period	\$ 1.395	\$ 1.148
Number of Accumulation Units outstanding at end of period (in thousands)	3,253	2,054
WITH MAV/EPB DEATH BENEFIT AND THE HARTFORD'S PRINCIPAL FIRST PREFERRED		
Accumulation Unit Value at beginning of period	\$ 1.260	-- (b)
Accumulation Unit Value at end of period	\$ 1.390	--
Number of Accumulation Units outstanding at end of period (in thousands)	1,441	--
WITH THE HARTFORD'S PRINCIPAL FIRST (50 BPS)		
Accumulation Unit Value at beginning of period	\$ 1.180	-- (a)
Accumulation Unit Value at end of period	\$ 1.390	--
Number of Accumulation Units outstanding at end of period (in thousands)	1,441	--
WITH MAV/EPB DEATH BENEFIT AND THE HARTFORD'S PRINCIPAL FIRST (35 BPS)		
Accumulation Unit Value at beginning of period	\$ 1.144	\$ 0.956
Accumulation Unit Value at end of		

period	\$	1.385	\$	1.144

Number of Accumulation Units outstanding at end of period (in thousands)		698		547

WITH MAV/EPB DEATH BENEFIT AND THE HARTFORD'S PRINCIPAL FIRST (50 BPS) Accumulation Unit Value at beginning of period	\$	1.176		-- (a)

Accumulation Unit Value at end of period	\$	1.382		--

Number of Accumulation Units outstanding at end of period (in thousands)		228		--

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HARTFORD LIFE AND ANNUITY INSURANCE COMPANY

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SUB-ACCOUNT <S>	AS OF DECEMBER 31,			
	2004 <C>	2003 <C>		

AIM V.I. MID CAP CORE EQUITY FUND WITHOUT ANY OPTIONAL BENEFITS Accumulation Unit Value at beginning of period	\$	1.260	\$	1.103

Accumulation Unit Value at end of period	\$	1.410	\$	1.260

Number of Accumulation Units outstanding at end of period (in thousands)		26,952		19,586

WITH THE HARTFORD'S PRINCIPAL FIRST PREFERRED Accumulation Unit Value at beginning of period	\$	1.318		-- (b)

Accumulation Unit Value at end of period	\$	1.400		--

Number of Accumulation Units outstanding at end of period (in thousands)		4,562		--

WITH MAV/EPB DEATH BENEFIT Accumulation Unit Value at beginning of period	\$	1.251	\$	1.097

Accumulation Unit Value at end of period	\$	1.396	\$	1.251

Number of Accumulation Units outstanding at end of period (in thousands)		26,309		22,447

WITH THE HARTFORD'S PRINCIPAL FIRST (35 BPS) Accumulation Unit Value at beginning of period	\$	1.250	\$	1.097

Accumulation Unit Value at end of period	\$	1.394	\$	1.250

Number of Accumulation Units outstanding at end of period (in thousands)		61,225		52,140

WITH MAV/EPB DEATH BENEFIT AND THE HARTFORD'S PRINCIPAL FIRST PREFERRED Accumulation Unit Value at beginning of period	\$	1.308		-- (b)

Accumulation Unit Value at end of period	\$	1.389		--

Number of Accumulation Units outstanding at end of period (in thousands)	19,246	--

WITH THE HARTFORD'S PRINCIPAL FIRST (50 BPS)		
Accumulation Unit Value at beginning of period	\$ 1.270	-- (a)

Accumulation Unit Value at end of period	\$ 1.389	--

Number of Accumulation Units outstanding at end of period (in thousands)	19,246	--

WITH MAV/EPB DEATH BENEFIT AND THE HARTFORD'S PRINCIPAL FIRST (35 BPS)		
Accumulation Unit Value at beginning of period	\$ 1.245	\$ 1.094

Accumulation Unit Value at end of period	\$ 1.384	\$ 1.245

Number of Accumulation Units outstanding at end of period (in thousands)	4,761	3,556

WITH MAV/EPB DEATH BENEFIT AND THE HARTFORD'S PRINCIPAL FIRST (50 BPS)		
Accumulation Unit Value at beginning of period	\$ 1.265	-- (a)

Accumulation Unit Value at end of period	\$ 1.380	--

Number of Accumulation Units outstanding at end of period (in thousands)	2,503	--

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<Table>

SUB-ACCOUNT <S>	AS OF DECEMBER 31,	
	2004 <C>	2003 <C>

AIM V.I. PREMIER EQUITY FUND		
WITHOUT ANY OPTIONAL BENEFITS		
Accumulation Unit Value at beginning of period	\$ 0.983	\$ 0.872

Accumulation Unit Value at end of period	\$ 1.022	\$ 0.983

Number of Accumulation Units outstanding at end of period (in thousands)	24,681	10,804

WITH THE HARTFORD'S PRINCIPAL FIRST PREFERRED		
Accumulation Unit Value at beginning of period	\$ 0.950	-- (b)

Accumulation Unit Value at end of period	\$ 1.016	--

Number of Accumulation Units outstanding at end of period (in thousands)	2,234	--

WITH MAV/EPB DEATH BENEFIT		
Accumulation Unit Value at beginning of period	\$ 0.977	\$ 0.868

Accumulation Unit Value at end of period	\$ 1.012	\$ 0.977

Number of Accumulation Units outstanding at end of period		

(in thousands)	19,756	14,142
WITH THE HARTFORD'S PRINCIPAL FIRST (35 BPS)		
Accumulation Unit Value at beginning of period	\$ 0.975	\$ 0.867
Accumulation Unit Value at end of period	\$ 1.011	\$ 0.975
Number of Accumulation Units outstanding at end of period (in thousands)	32,599	20,577
WITH MAV/EPB DEATH BENEFIT AND THE HARTFORD'S PRINCIPAL FIRST PREFERRED		
Accumulation Unit Value at beginning of period	\$ 0.943	-- (b)
Accumulation Unit Value at end of period	\$ 1.008	--
Number of Accumulation Units outstanding at end of period (in thousands)	31,785	--
WITH THE HARTFORD'S PRINCIPAL FIRST (50 BPS)		
Accumulation Unit Value at beginning of period	\$ 0.983	-- (a)
Accumulation Unit Value at end of period	\$ 1.008	--
Number of Accumulation Units outstanding at end of period (in thousands)	31,785	--
WITH MAV/EPB DEATH BENEFIT AND THE HARTFORD'S PRINCIPAL FIRST (35 BPS)		
Accumulation Unit Value at beginning of period	\$ 0.972	\$ 0.865
Accumulation Unit Value at end of period	\$ 1.004	\$ 0.972
Number of Accumulation Units outstanding at end of period (in thousands)	2,368	1,648
WITH MAV/EPB DEATH BENEFIT AND THE HARTFORD'S PRINCIPAL FIRST (50 BPS)		
Accumulation Unit Value at beginning of period	\$ 0.979	-- (a)
Accumulation Unit Value at end of period	\$ 1.001	--
Number of Accumulation Units outstanding at end of period (in thousands)	4,437	--

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SUB-ACCOUNT	AS OF DECEMBER 31,	
	2004	2003
<S>	<C>	<C>
AIM V.I. SMALL CAP EQUITY FUND		
WITHOUT ANY OPTIONAL BENEFITS		
Accumulation Unit Value at beginning of period	\$ 10.782	\$ 10.286
Accumulation Unit Value at end of period	\$ 11.598	\$ 10.782
Number of Accumulation Units outstanding at end of period (in thousands)	167	27

WITH THE HARTFORD'S PRINCIPAL FIRST PREFERRED		
Accumulation Unit Value at beginning of period	\$ 10.692	--(b)
Accumulation Unit Value at end of period	\$ 11.570	--
Number of Accumulation Units outstanding at end of period (in thousands)	10	--
WITH MAV/EPB DEATH BENEFIT		
Accumulation Unit Value at beginning of period	\$ 10.775	\$ 10.284
Accumulation Unit Value at end of period	\$ 11.556	\$ 10.775
Number of Accumulation Units outstanding at end of period (in thousands)	141	19
WITH THE HARTFORD'S PRINCIPAL FIRST (35 BPS)		
Accumulation Unit Value at beginning of period	\$ 10.774	\$ 10.284
Accumulation Unit Value at end of period	\$ 11.549	\$ 10.774
Number of Accumulation Units outstanding at end of period (in thousands)	296	37
WITH MAV/EPB DEATH BENEFIT AND THE HARTFORD'S PRINCIPAL FIRST PREFERRED		
Accumulation Unit Value at beginning of period	\$ 10.658	--(b)
Accumulation Unit Value at end of period	\$ 11.528	--
Number of Accumulation Units outstanding at end of period (in thousands)	324	--
WITH THE HARTFORD'S PRINCIPAL FIRST (50 BPS)		
Accumulation Unit Value at beginning of period	\$ 11.053	--(a)
Accumulation Unit Value at end of period	\$ 11.528	--
Number of Accumulation Units outstanding at end of period (in thousands)	324	--
WITH MAV/EPB DEATH BENEFIT AND THE HARTFORD'S PRINCIPAL FIRST (35 BPS)		
Accumulation Unit Value at beginning of period	\$ 10.768	\$ 10.282
Accumulation Unit Value at end of period	\$ 11.507	\$ 10.768
Number of Accumulation Units outstanding at end of period (in thousands)	22	14
WITH MAV/EPB DEATH BENEFIT AND THE HARTFORD'S PRINCIPAL FIRST (50 BPS)		
Accumulation Unit Value at beginning of period	\$ 11.045	--(a)
Accumulation Unit Value at end of period	\$ 11.489	--
Number of Accumulation Units outstanding at end of period (in thousands)	28	--

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SUB-ACCOUNT <S>	AS OF DECEMBER 31,	
	2004 <C>	2003 <C>
AMERICAN FUNDS ASSET ALLOCATION FUND WITHOUT ANY OPTIONAL BENEFITS		
Accumulation Unit Value at beginning of period	\$ 10.467	\$ 9.460
Accumulation Unit Value at end of period	\$ 11.149	\$ 10.467
Number of Accumulation Units outstanding at end of period (in thousands)	15,320	11,328
WITH THE HARTFORD'S PRINCIPAL FIRST PREFERRED		
Accumulation Unit Value at beginning of period	\$ 10.633	-- (b)
Accumulation Unit Value at end of period	\$ 11.062	--
Number of Accumulation Units outstanding at end of period (in thousands)	2,133	--
WITH MAV/EPB DEATH BENEFIT		
Accumulation Unit Value at beginning of period	\$ 10.107	\$ 9.151
Accumulation Unit Value at end of period	\$ 10.733	\$ 10.107
Number of Accumulation Units outstanding at end of period (in thousands)	9,961	8,216
WITH THE HARTFORD'S PRINCIPAL FIRST (35 BPS)		
Accumulation Unit Value at beginning of period	\$ 10.356	\$ 9.378
Accumulation Unit Value at end of period	\$ 10.992	\$ 10.356
Number of Accumulation Units outstanding at end of period (in thousands)	23,147	19,605
WITH MAV/EPB DEATH BENEFIT AND THE HARTFORD'S PRINCIPAL FIRST PREFERRED		
Accumulation Unit Value at beginning of period	\$ 10.273	-- (b)
Accumulation Unit Value at end of period	\$ 10.681	--
Number of Accumulation Units outstanding at end of period (in thousands)	8,196	--
WITH THE HARTFORD'S PRINCIPAL FIRST (50 BPS)		
Accumulation Unit Value at beginning of period	\$ 10.143	-- (a)
Accumulation Unit Value at end of period	\$ 10.681	--
Number of Accumulation Units outstanding at end of period (in thousands)	8,196	--
WITH MAV/EPB DEATH BENEFIT AND THE HARTFORD'S PRINCIPAL FIRST (35 BPS)		

Accumulation Unit Value at beginning of period	\$ 10.057	\$ 9.124
Accumulation Unit Value at end of period	\$ 10.643	\$ 10.057
Number of Accumulation Units outstanding at end of period (in thousands)	1,457	1,072
WITH MAV/EPB DEATH BENEFIT AND THE HARTFORD'S PRINCIPAL FIRST (50 BPS)		
Accumulation Unit Value at beginning of period	\$ 10.368	-- (a)
Accumulation Unit Value at end of period	\$ 10.888	--
Number of Accumulation Units outstanding at end of period (in thousands)	754	--

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SUB-ACCOUNT	AS OF DECEMBER 31,	
	2004	2003
<S>	<C>	<C>
AMERICAN FUNDS BLUE CHIP INCOME AND GROWTH FUND		
WITHOUT ANY OPTIONAL BENEFITS		
Accumulation Unit Value at beginning of period	\$ 0.912	\$ 0.784
Accumulation Unit Value at end of period	\$ 0.984	\$ 0.912
Number of Accumulation Units outstanding at end of period (in thousands)	122,339	94,254
WITH THE HARTFORD'S PRINCIPAL FIRST PREFERRED		
Accumulation Unit Value at beginning of period	\$ 0.918	-- (b)
Accumulation Unit Value at end of period	\$ 0.977	--
Number of Accumulation Units outstanding at end of period (in thousands)	22,690	--
WITH MAV/EPB DEATH BENEFIT		
Accumulation Unit Value at beginning of period	\$ 0.905	\$ 0.780
Accumulation Unit Value at end of period	\$ 0.974	\$ 0.905
Number of Accumulation Units outstanding at end of period (in thousands)	90,105	77,474
WITH THE HARTFORD'S PRINCIPAL FIRST (35 BPS)		
Accumulation Unit Value at beginning of period	\$ 0.904	\$ 0.779
Accumulation Unit Value at end of period	\$ 0.972	\$ 0.904
Number of Accumulation Units outstanding at end of period (in thousands)	240,211	215,327
WITH MAV/EPB DEATH BENEFIT AND THE HARTFORD'S PRINCIPAL FIRST PREFERRED		
Accumulation Unit Value at beginning		

of period	\$ 0.911	-- (b)
Accumulation Unit Value at end of period	\$ 0.969	--
Number of Accumulation Units outstanding at end of period (in thousands)	69,731	--
WITH THE HARTFORD'S PRINCIPAL FIRST (50 BPS)		
Accumulation Unit Value at beginning of period	\$ 0.918	-- (a)
Accumulation Unit Value at end of period	\$ 0.969	--
Number of Accumulation Units outstanding at end of period (in thousands)	69,731	--
WITH MAV/EPB DEATH BENEFIT AND THE HARTFORD'S PRINCIPAL FIRST (35 BPS)		
Accumulation Unit Value at beginning of period	\$ 0.901	\$ 0.778
Accumulation Unit Value at end of period	\$ 0.966	\$ 0.901
Number of Accumulation Units outstanding at end of period (in thousands)	13,806	10,628
WITH MAV/EPB DEATH BENEFIT AND THE HARTFORD'S PRINCIPAL FIRST (50 BPS)		
Accumulation Unit Value at beginning of period	\$ 0.915	-- (a)
Accumulation Unit Value at end of period	\$ 0.963	--
Number of Accumulation Units outstanding at end of period (in thousands)	6,031	--

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HARTFORD LIFE AND ANNUITY INSURANCE COMPANY

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<Table>

SUB-ACCOUNT <S>	AS OF DECEMBER 31,	
	2004 <C>	2003 <C>
AMERICAN FUNDS BOND FUND		
WITHOUT ANY OPTIONAL BENEFITS		
Accumulation Unit Value at beginning of period	\$ 12.155	\$ 11.775
Accumulation Unit Value at end of period	\$ 12.633	\$ 12.155
Number of Accumulation Units outstanding at end of period (in thousands)	9,533	8,410
WITH THE HARTFORD'S PRINCIPAL FIRST PREFERRED		
Accumulation Unit Value at beginning of period	\$ 12.442	-- (b)
Accumulation Unit Value at end of period	\$ 12.534	--
Number of Accumulation Units outstanding at end of period (in thousands)	1,570	--
WITH MAV/EPB DEATH BENEFIT		
Accumulation Unit Value at beginning of period	\$ 12.439	\$ 12.072

Accumulation Unit Value at end of period	\$ 12.890	\$ 12.439
Number of Accumulation Units outstanding at end of period (in thousands)	6,542	5,817
WITH THE HARTFORD'S PRINCIPAL FIRST (35 BPS)		
Accumulation Unit Value at beginning of period	\$ 12.025	\$ 11.674
Accumulation Unit Value at end of period	\$ 12.455	\$ 12.025
Number of Accumulation Units outstanding at end of period (in thousands)	13,128	11,954
WITH MAV/EPB DEATH BENEFIT AND THE HARTFORD'S PRINCIPAL FIRST PREFERRED		
Accumulation Unit Value at beginning of period	\$ 12.739	-- (b)
Accumulation Unit Value at end of period	\$ 12.827	--
Number of Accumulation Units outstanding at end of period (in thousands)	4,802	--
WITH THE HARTFORD'S PRINCIPAL FIRST (50 BPS)		
Accumulation Unit Value at beginning of period	\$ 12.491	-- (a)
Accumulation Unit Value at end of period	\$ 12.827	--
Number of Accumulation Units outstanding at end of period (in thousands)	4,802	--
WITH MAV/EPB DEATH BENEFIT AND THE HARTFORD'S PRINCIPAL FIRST (35 BPS)		
Accumulation Unit Value at beginning of period	\$ 12.377	\$ 12.036
Accumulation Unit Value at end of period	\$ 12.781	\$ 12.377
Number of Accumulation Units outstanding at end of period (in thousands)	885	742
WITH MAV/EPB DEATH BENEFIT AND THE HARTFORD'S PRINCIPAL FIRST (50 BPS)		
Accumulation Unit Value at beginning of period	\$ 12.047	-- (a)
Accumulation Unit Value at end of period	\$ 12.337	--
Number of Accumulation Units outstanding at end of period (in thousands)	540	--

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	AS OF DECEMBER 31,	
SUB-ACCOUNT	2004	2003
<S>	<C>	<C>
AMERICAN FUNDS GLOBAL GROWTH FUND		
WITHOUT ANY OPTIONAL BENEFITS		
Accumulation Unit Value at beginning of period	\$ 8.184	\$ 6.736
Accumulation Unit Value at end of		

period	\$	9.132	\$	8.184

Number of Accumulation Units outstanding at end of period (in thousands)		5,064		3,677

WITH THE HARTFORD'S PRINCIPAL FIRST PREFERRED				
Accumulation Unit Value at beginning of period	\$	8.413		-- (b)

Accumulation Unit Value at end of period	\$	9.060		--

Number of Accumulation Units outstanding at end of period (in thousands)		1,008		--

WITH MAV/EPB DEATH BENEFIT				
Accumulation Unit Value at beginning of period	\$	10.376	\$	8.555

Accumulation Unit Value at end of period	\$	11.543	\$	10.376

Number of Accumulation Units outstanding at end of period (in thousands)		2,435		1,976

WITH THE HARTFORD'S PRINCIPAL FIRST (35 BPS)				
Accumulation Unit Value at beginning of period	\$	8.097	\$	6.678

Accumulation Unit Value at end of period	\$	9.003	\$	8.097

Number of Accumulation Units outstanding at end of period (in thousands)		8,807		7,595

WITH MAV/EPB DEATH BENEFIT AND THE HARTFORD'S PRINCIPAL FIRST PREFERRED				
Accumulation Unit Value at beginning of period	\$	10.672		-- (b)

Accumulation Unit Value at end of period	\$	11.487		--

Number of Accumulation Units outstanding at end of period (in thousands)		2,321		--

WITH THE HARTFORD'S PRINCIPAL FIRST (50 BPS)				
Accumulation Unit Value at beginning of period	\$	10.491		-- (a)

Accumulation Unit Value at end of period	\$	11.487		--

Number of Accumulation Units outstanding at end of period (in thousands)		2,321		--

WITH MAV/EPB DEATH BENEFIT AND THE HARTFORD'S PRINCIPAL FIRST (35 BPS)				
Accumulation Unit Value at beginning of period	\$	10.325	\$	8.530

Accumulation Unit Value at end of period	\$	11.445	\$	10.325

Number of Accumulation Units outstanding at end of period (in thousands)		509		360

WITH MAV/EPB DEATH BENEFIT AND THE HARTFORD'S PRINCIPAL FIRST (50 BPS)				
Accumulation Unit Value at beginning of period	\$	7.492		-- (a)

Accumulation Unit Value at end of period	\$	8.181		--

Number of Accumulation Units outstanding at end of period (in thousands)	439	--
--	-----	----

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<Table>

SUB-ACCOUNT <S>	AS OF DECEMBER 31,	
	2004 <C>	2003 <C>

AMERICAN FUNDS GLOBAL SMALL
CAPITALIZATION FUND
WITHOUT ANY OPTIONAL BENEFITS

Accumulation Unit Value at beginning of period	\$ 8.636	\$ 6.481
---	----------	----------

Accumulation Unit Value at end of period	\$ 10.263	\$ 8.636
---	-----------	----------

Number of Accumulation Units outstanding at end of period (in thousands)	2,520	1,829
--	-------	-------

WITH THE HARTFORD'S PRINCIPAL FIRST
PREFERRED

Accumulation Unit Value at beginning of period	\$ 9.152	-- (b)
---	----------	--------

Accumulation Unit Value at end of period	\$ 10.183	--
---	-----------	----

Number of Accumulation Units outstanding at end of period (in thousands)	550	--
--	-----	----

WITH MAV/EPB DEATH BENEFIT

Accumulation Unit Value at beginning of period	\$ 11.509	\$ 8.652
---	-----------	----------

Accumulation Unit Value at end of period	\$ 13.637	\$ 11.509
---	-----------	-----------

Number of Accumulation Units outstanding at end of period (in thousands)	1,534	1,024
--	-------	-------

WITH THE HARTFORD'S PRINCIPAL FIRST
(35 BPS)

Accumulation Unit Value at beginning of period	\$ 8.543	\$ 6.424
---	----------	----------

Accumulation Unit Value at end of period	\$ 10.118	\$ 8.543
---	-----------	----------

Number of Accumulation Units outstanding at end of period (in thousands)	4,011	3,228
--	-------	-------

WITH MAV/EPB DEATH BENEFIT AND THE
HARTFORD'S PRINCIPAL FIRST PREFERRED

Accumulation Unit Value at beginning of period	\$ 12.204	-- (b)
---	-----------	--------

Accumulation Unit Value at end of period	\$ 13.572	--
---	-----------	----

Number of Accumulation Units outstanding at end of period (in thousands)	1,568	--
--	-------	----

WITH THE HARTFORD'S PRINCIPAL FIRST
(50 BPS)

Accumulation Unit Value at beginning of period	\$ 11.944	-- (a)
---	-----------	--------

Accumulation Unit Value at end of period	\$ 13.572	--
---	-----------	----

Number of Accumulation Units outstanding at end of period (in thousands)	1,568	--

WITH MAV/EPB DEATH BENEFIT AND THE HARTFORD'S PRINCIPAL FIRST (35 BPS) Accumulation Unit Value at beginning of period	\$ 11.452	\$ 8.627

Accumulation Unit Value at end of period	\$ 13.522	\$ 11.452

Number of Accumulation Units outstanding at end of period (in thousands)	245	171

WITH MAV/EPB DEATH BENEFIT AND THE HARTFORD'S PRINCIPAL FIRST (50 BPS) Accumulation Unit Value at beginning of period	\$ 8.731	-- (a)

Accumulation Unit Value at end of period	\$ 9.893	--

Number of Accumulation Units outstanding at end of period (in thousands)	232	--

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SUB-ACCOUNT <S>	AS OF DECEMBER 31,	
	2004 <C>	2003 <C>

AMERICAN FUNDS GROWTH FUND WITHOUT ANY OPTIONAL BENEFITS Accumulation Unit Value at beginning of period	\$ 7.219	\$ 6.248

Accumulation Unit Value at end of period	\$ 7.985	\$ 7.219

Number of Accumulation Units outstanding at end of period (in thousands)	39,176	30,880

WITH THE HARTFORD'S PRINCIPAL FIRST PREFERRED Accumulation Unit Value at beginning of period	\$ 7.328	-- (b)

Accumulation Unit Value at end of period	\$ 7.922	--

Number of Accumulation Units outstanding at end of period (in thousands)	6,454	--

WITH MAV/EPB DEATH BENEFIT Accumulation Unit Value at beginning of period	\$ 10.217	\$ 8.858

Accumulation Unit Value at end of period	\$ 11.266	\$ 10.217

Number of Accumulation Units outstanding at end of period (in thousands)	22,080	18,446

WITH THE HARTFORD'S PRINCIPAL FIRST (35 BPS) Accumulation Unit Value at beginning of period	\$ 7.142	\$ 6.194

Accumulation Unit Value at end of period	\$ 7.872	\$ 7.142

Number of Accumulation Units outstanding at end of period		

(in thousands)	71,488	63,015
WITH MAV/EPB DEATH BENEFIT AND THE HARTFORD'S PRINCIPAL FIRST PREFERRED		
Accumulation Unit Value at beginning of period	\$ 10.376	-- (b)
Accumulation Unit Value at end of period	\$ 11.212	--
Number of Accumulation Units outstanding at end of period (in thousands)	18,625	--
WITH THE HARTFORD'S PRINCIPAL FIRST (50 BPS)		
Accumulation Unit Value at beginning of period	\$ 10.435	-- (a)
Accumulation Unit Value at end of period	\$ 11.212	--
Number of Accumulation Units outstanding at end of period (in thousands)	18,625	--
WITH MAV/EPB DEATH BENEFIT AND THE HARTFORD'S PRINCIPAL FIRST (35 BPS)		
Accumulation Unit Value at beginning of period	\$ 10.166	\$ 8.832
Accumulation Unit Value at end of period	\$ 11.171	\$ 10.166
Number of Accumulation Units outstanding at end of period (in thousands)	3,470	2,596
WITH MAV/EPB DEATH BENEFIT AND THE HARTFORD'S PRINCIPAL FIRST (50 BPS)		
Accumulation Unit Value at beginning of period	\$ 7.305	-- (a)
Accumulation Unit Value at end of period	\$ 7.827	--
Number of Accumulation Units outstanding at end of period (in thousands)	3,086	--

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SUB-ACCOUNT	AS OF DECEMBER 31,	
<S>	2004	2003
	<C>	<C>

AMERICAN FUNDS GROWTH-INCOME FUND

WITHOUT ANY OPTIONAL BENEFITS

Accumulation Unit Value at beginning of period	\$ 10.891	\$ 9.367
Accumulation Unit Value at end of period	\$ 11.819	\$ 10.891
Number of Accumulation Units outstanding at end of period (in thousands)	29,107	22,985
WITH THE HARTFORD'S PRINCIPAL FIRST PREFERRED		
Accumulation Unit Value at beginning of period	\$ 11.005	-- (b)
Accumulation Unit Value at end of period	\$ 11.726	--
Number of Accumulation Units outstanding at end of period (in thousands)	4,822	--

WITH MAV/EPB DEATH BENEFIT		
Accumulation Unit Value at beginning of period	\$ 10.605	\$ 9.137

Accumulation Unit Value at end of period	\$ 11.474	\$ 10.605

Number of Accumulation Units outstanding at end of period (in thousands)	22,158	18,549

WITH THE HARTFORD'S PRINCIPAL FIRST (35 BPS)		
Accumulation Unit Value at beginning of period	\$ 10.775	\$ 9.286

Accumulation Unit Value at end of period	\$ 11.652	\$ 10.775

Number of Accumulation Units outstanding at end of period (in thousands)	45,391	39,310

WITH MAV/EPB DEATH BENEFIT AND THE HARTFORD'S PRINCIPAL FIRST PREFERRED		
Accumulation Unit Value at beginning of period	\$ 10.722	-- (b)

Accumulation Unit Value at end of period	\$ 11.419	--

Number of Accumulation Units outstanding at end of period (in thousands)	18,096	--

WITH THE HARTFORD'S PRINCIPAL FIRST (50 BPS)		
Accumulation Unit Value at beginning of period	\$ 10.793	-- (a)

Accumulation Unit Value at end of period	\$ 11.419	--

Number of Accumulation Units outstanding at end of period (in thousands)	18,096	--

WITH MAV/EPB DEATH BENEFIT AND THE HARTFORD'S PRINCIPAL FIRST (35 BPS)		
Accumulation Unit Value at beginning of period	\$ 10.553	\$ 9.110

Accumulation Unit Value at end of period	\$ 11.377	\$ 10.553

Number of Accumulation Units outstanding at end of period (in thousands)	3,569	2,742

WITH MAV/EPB DEATH BENEFIT AND THE HARTFORD'S PRINCIPAL FIRST (50 BPS)		
Accumulation Unit Value at beginning of period	\$ 11.099	-- (a)

Accumulation Unit Value at end of period	\$ 11.710	--

Number of Accumulation Units outstanding at end of period (in thousands)	2,326	--

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	AS OF DECEMBER 31,	
SUB-ACCOUNT	2004	2003
<S>	<C>	<C>

AMERICAN FUNDS INTERNATIONAL FUND

WITHOUT ANY OPTIONAL BENEFITS		
Accumulation Unit Value at beginning of period	\$ 7.522	\$ 5.958

Accumulation Unit Value at end of period	\$ 8.824	\$ 7.522

Number of Accumulation Units outstanding at end of period (in thousands)	7,186	4,448

WITH THE HARTFORD'S PRINCIPAL FIRST PREFERRED		
Accumulation Unit Value at beginning of period	\$ 8.014	-- (b)

Accumulation Unit Value at end of period	\$ 8.755	--

Number of Accumulation Units outstanding at end of period (in thousands)	1,400	--

WITH MAV/EPB DEATH BENEFIT		
Accumulation Unit Value at beginning of period	\$ 9.710	\$ 7.705

Accumulation Unit Value at end of period	\$ 11.357	\$ 9.710

Number of Accumulation Units outstanding at end of period (in thousands)	3,048	1,967

WITH THE HARTFORD'S PRINCIPAL FIRST (35 BPS)		
Accumulation Unit Value at beginning of period	\$ 7.442	\$ 5.907

Accumulation Unit Value at end of period	\$ 8.699	\$ 7.442

Number of Accumulation Units outstanding at end of period (in thousands)	11,684	8,730

WITH MAV/EPB DEATH BENEFIT AND THE HARTFORD'S PRINCIPAL FIRST PREFERRED		
Accumulation Unit Value at beginning of period	\$ 10.351	-- (b)

Accumulation Unit Value at end of period	\$ 11.302	--

Number of Accumulation Units outstanding at end of period (in thousands)	4,886	--

WITH THE HARTFORD'S PRINCIPAL FIRST (50 BPS)		
Accumulation Unit Value at beginning of period	\$ 9.874	-- (a)

Accumulation Unit Value at end of period	\$ 11.302	--

Number of Accumulation Units outstanding at end of period (in thousands)	4,886	--

WITH MAV/EPB DEATH BENEFIT AND THE HARTFORD'S PRINCIPAL FIRST (35 BPS)		
Accumulation Unit Value at beginning of period	\$ 9.662	\$ 7.682

Accumulation Unit Value at end of period	\$ 11.261	\$ 9.662

Number of Accumulation Units outstanding at end of period (in thousands)	544	360

WITH MAV/EPB DEATH BENEFIT AND THE HARTFORD'S PRINCIPAL FIRST (50 BPS)		

Accumulation Unit Value at beginning of period	\$ 6.902	-- (a)
Accumulation Unit Value at end of period	\$ 7.878	--
Number of Accumulation Units outstanding at end of period (in thousands)	941	--

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<Table>

SUB-ACCOUNT <S>	AS OF DECEMBER 31,	
	2004 <C>	2003 <C>
AMERICAN FUNDS NEW WORLD FUND		
WITHOUT ANY OPTIONAL BENEFITS		
Accumulation Unit Value at beginning of period	\$ 11.323	\$ 9.025
Accumulation Unit Value at end of period	\$ 13.224	\$ 11.323
Number of Accumulation Units outstanding at end of period (in thousands)	1,030	649
WITH THE HARTFORD'S PRINCIPAL FIRST PREFERRED		
Accumulation Unit Value at beginning of period	\$ 11.939	-- (b)
Accumulation Unit Value at end of period	\$ 13.121	--
Number of Accumulation Units outstanding at end of period (in thousands)	253	--
WITH MAV/EPB DEATH BENEFIT		
Accumulation Unit Value at beginning of period	\$ 11.824	\$ 9.442
Accumulation Unit Value at end of period	\$ 13.769	\$ 11.824
Number of Accumulation Units outstanding at end of period (in thousands)	744	467
WITH THE HARTFORD'S PRINCIPAL FIRST (35 BPS)		
Accumulation Unit Value at beginning of period	\$ 11.202	\$ 8.947
Accumulation Unit Value at end of period	\$ 13.038	\$ 11.202
Number of Accumulation Units outstanding at end of period (in thousands)	1,380	997
WITH MAV/EPB DEATH BENEFIT AND THE HARTFORD'S PRINCIPAL FIRST PREFERRED		
Accumulation Unit Value at beginning of period	\$ 12.475	-- (b)
Accumulation Unit Value at end of period	\$ 13.702	--
Number of Accumulation Units outstanding at end of period (in thousands)	554	--
WITH THE HARTFORD'S PRINCIPAL FIRST (50 BPS)		
Accumulation Unit Value at beginning of period	\$ 11.957	-- (a)

Accumulation Unit Value at end of period	\$ 13.702	--
Number of Accumulation Units outstanding at end of period (in thousands)	554	--
WITH MAV/EPB DEATH BENEFIT AND THE HARTFORD'S PRINCIPAL FIRST (35 BPS)		
Accumulation Unit Value at beginning of period	\$ 11.766	\$ 9.414
Accumulation Unit Value at end of period	\$ 13.653	\$ 11.766
Number of Accumulation Units outstanding at end of period (in thousands)	143	94
WITH MAV/EPB DEATH BENEFIT AND THE HARTFORD'S PRINCIPAL FIRST (50 BPS)		
Accumulation Unit Value at beginning of period	\$ 11.301	-- (a)
Accumulation Unit Value at end of period	\$ 12.915	--
Number of Accumulation Units outstanding at end of period (in thousands)	97	--

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SUB-ACCOUNT	AS OF DECEMBER 31,	
	2004	2003
<S>	<C>	<C>
FRANKLIN INCOME SECURITIES FUND		
WITHOUT ANY OPTIONAL BENEFITS		
Accumulation Unit Value at beginning of period	\$ 11.946	\$ 10.455
Accumulation Unit Value at end of period	\$ 13.372	\$ 11.946
Number of Accumulation Units outstanding at end of period (in thousands)	8,362	4,539
WITH THE HARTFORD'S PRINCIPAL FIRST PREFERRED		
Accumulation Unit Value at beginning of period	\$ 12.652	-- (b)
Accumulation Unit Value at end of period	\$ 13.301	--
Number of Accumulation Units outstanding at end of period (in thousands)	773	--
WITH MAV/EPB DEATH BENEFIT		
Accumulation Unit Value at beginning of period	\$ 11.886	\$ 10.421
Accumulation Unit Value at end of period	\$ 13.265	\$ 11.886
Number of Accumulation Units outstanding at end of period (in thousands)	6,373	4,557
WITH THE HARTFORD'S PRINCIPAL FIRST (35 BPS)		
Accumulation Unit Value at beginning of period	\$ 11.876	\$ 10.415
Accumulation Unit Value at end of		

period	\$	13.248	\$	11.876

Number of Accumulation Units outstanding at end of period (in thousands)		14,826		11,186

WITH MAV/EPB DEATH BENEFIT AND THE HARTFORD'S PRINCIPAL FIRST PREFERRED Accumulation Unit Value at beginning of period	\$	12.564	--	(b)

Accumulation Unit Value at end of period	\$	13.201	--	

Number of Accumulation Units outstanding at end of period (in thousands)		10,265	--	

WITH THE HARTFORD'S PRINCIPAL FIRST (50 BPS) Accumulation Unit Value at beginning of period	\$	11.998	--	(a)

Accumulation Unit Value at end of period	\$	13.201	--	

Number of Accumulation Units outstanding at end of period (in thousands)		10,265	--	

WITH MAV/EPB DEATH BENEFIT AND THE HARTFORD'S PRINCIPAL FIRST (35 BPS) Accumulation Unit Value at beginning of period	\$	11.827	\$	10.390

Accumulation Unit Value at end of period	\$	13.153	\$	11.827

Number of Accumulation Units outstanding at end of period (in thousands)		851		587

WITH MAV/EPB DEATH BENEFIT AND THE HARTFORD'S PRINCIPAL FIRST (50 BPS) Accumulation Unit Value at beginning of period	\$	11.959	--	(a)

Accumulation Unit Value at end of period	\$	13.123	--	

Number of Accumulation Units outstanding at end of period (in thousands)		862	--	

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<Table>

SUB-ACCOUNT	AS OF DECEMBER 31,	
	2004	2003
<S>	<C>	<C>

FRANKLIN LARGE CAP GROWTH SECURITIES FUND		
WITHOUT ANY OPTIONAL BENEFITS		
Accumulation Unit Value at beginning of period	\$	10.322 \$ 9.137

Accumulation Unit Value at end of period	\$	10.953 \$ 10.322

Number of Accumulation Units outstanding at end of period (in thousands)		1,200 435

WITH THE HARTFORD'S PRINCIPAL FIRST PREFERRED Accumulation Unit Value at beginning of period	\$	10.210 --(b)

Accumulation Unit Value at end of		

period	\$ 10.895	--

Number of Accumulation Units outstanding at end of period (in thousands)	69	--

WITH MAV/EPB DEATH BENEFIT		
Accumulation Unit Value at beginning of period	\$ 10.270	\$ 9.107

Accumulation Unit Value at end of period	\$ 10.866	\$ 10.270

Number of Accumulation Units outstanding at end of period (in thousands)	814	448

WITH THE HARTFORD'S PRINCIPAL FIRST (35 BPS)		
Accumulation Unit Value at beginning of period	\$ 10.262	\$ 9.102

Accumulation Unit Value at end of period	\$ 10.851	\$ 10.262

Number of Accumulation Units outstanding at end of period (in thousands)	1,435	844

WITH MAV/EPB DEATH BENEFIT AND THE HARTFORD'S PRINCIPAL FIRST PREFERRED		
Accumulation Unit Value at beginning of period	\$ 10.138	-- (b)

Accumulation Unit Value at end of period	\$ 10.813	--

Number of Accumulation Units outstanding at end of period (in thousands)	1,533	--

WITH THE HARTFORD'S PRINCIPAL FIRST (50 BPS)		
Accumulation Unit Value at beginning of period	\$ 10.422	-- (a)

Accumulation Unit Value at end of period	\$ 10.813	--

Number of Accumulation Units outstanding at end of period (in thousands)	1,533	--

WITH MAV/EPB DEATH BENEFIT AND THE HARTFORD'S PRINCIPAL FIRST (35 BPS)		
Accumulation Unit Value at beginning of period	\$ 10.219	\$ 9.081

Accumulation Unit Value at end of period	\$ 10.774	\$ 10.219

Number of Accumulation Units outstanding at end of period (in thousands)	84	42

WITH MAV/EPB DEATH BENEFIT AND THE HARTFORD'S PRINCIPAL FIRST (50 BPS)		
Accumulation Unit Value at beginning of period	\$ 10.388	-- (a)

Accumulation Unit Value at end of period	\$ 10.749	--

Number of Accumulation Units outstanding at end of period (in thousands)	214	--

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FRANKLIN RISING DIVIDENDS SECURITIES
 FUND

WITHOUT ANY OPTIONAL BENEFITS

Accumulation Unit Value at beginning
 of period \$ 12.075 \$ 10.473

Accumulation Unit Value at end of
 period \$ 13.177 \$ 12.075

Number of Accumulation Units
 outstanding at end of period
 (in thousands) 3,103 1,340

WITH THE HARTFORD'S PRINCIPAL FIRST
 PREFERRED

Accumulation Unit Value at beginning
 of period \$ 12.279 -- (b)

Accumulation Unit Value at end of
 period \$ 13.133 --

Number of Accumulation Units
 outstanding at end of period
 (in thousands) 228 --

WITH MAV/EPB DEATH BENEFIT

Accumulation Unit Value at beginning
 of period \$ 12.051 \$ 10.470

Accumulation Unit Value at end of
 period \$ 13.111 \$ 12.051

Number of Accumulation Units
 outstanding at end of period
 (in thousands) 2,245 1,211

WITH THE HARTFORD'S PRINCIPAL FIRST
 (35 BPS)

Accumulation Unit Value at beginning
 of period \$ 12.047 \$ 10.469

Accumulation Unit Value at end of
 period \$ 13.100 \$ 12.047

Number of Accumulation Units
 outstanding at end of period
 (in thousands) 4,395 2,193

WITH MAV/EPB DEATH BENEFIT AND THE
 HARTFORD'S PRINCIPAL FIRST PREFERRED

Accumulation Unit Value at beginning
 of period \$ 12.223 -- (b)

Accumulation Unit Value at end of
 period \$ 13.067 --

Number of Accumulation Units
 outstanding at end of period
 (in thousands) 4,470 --

WITH THE HARTFORD'S PRINCIPAL FIRST
 (50 BPS)

Accumulation Unit Value at beginning
 of period \$ 12.170 -- (a)

Accumulation Unit Value at end of
 period \$ 13.067 --

Number of Accumulation Units
 outstanding at end of period
 (in thousands) 4,470 --

WITH MAV/EPB DEATH BENEFIT AND THE
 HARTFORD'S PRINCIPAL FIRST (35 BPS)

Accumulation Unit Value at beginning
 of period \$ 12.022 \$ 10.466

Accumulation Unit Value at end of
 period \$ 13.035 \$ 12.022

Number of Accumulation Units outstanding at end of period (in thousands)	555	356

WITH MAV/EPB DEATH BENEFIT AND THE HARTFORD'S PRINCIPAL FIRST (50 BPS) Accumulation Unit Value at beginning of period	\$ 12.150	-- (a)

Accumulation Unit Value at end of period	\$ 13.011	--

Number of Accumulation Units outstanding at end of period (in thousands)	581	--

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HARTFORD LIFE AND ANNUITY INSURANCE COMPANY

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<Table>

SUB-ACCOUNT <S>	AS OF DECEMBER 31,	
	2004 <C>	2003 <C>

FRANKLIN SMALL CAP FUND WITHOUT ANY OPTIONAL BENEFITS		
Accumulation Unit Value at beginning of period	\$ 6.397	\$ 5.300

Accumulation Unit Value at end of period	\$ 7.011	\$ 6.397

Number of Accumulation Units outstanding at end of period (in thousands)	6,030	5,370

WITH THE HARTFORD'S PRINCIPAL FIRST PREFERRED		
Accumulation Unit Value at beginning of period	\$ 6.468	-- (b)

Accumulation Unit Value at end of period	\$ 6.956	--

Number of Accumulation Units outstanding at end of period (in thousands)	1,404	--

WITH MAV/EPB DEATH BENEFIT		
Accumulation Unit Value at beginning of period	\$ 10.877	\$ 9.028

Accumulation Unit Value at end of period	\$ 11.886	\$ 10.877

Number of Accumulation Units outstanding at end of period (in thousands)	3,331	2,748

WITH THE HARTFORD'S PRINCIPAL FIRST (35 BPS)		
Accumulation Unit Value at beginning of period	\$ 6.329	\$ 5.254

Accumulation Unit Value at end of period	\$ 6.912	\$ 6.329

Number of Accumulation Units outstanding at end of period (in thousands)	11,328	10,676

WITH MAV/EPB DEATH BENEFIT AND THE HARTFORD'S PRINCIPAL FIRST PREFERRED		
Accumulation Unit Value at beginning of period	\$ 11.003	-- (b)

Accumulation Unit Value at end of period	\$ 11.828	--

Number of Accumulation Units outstanding at end of period		

(in thousands)	2,028	--

WITH THE HARTFORD'S PRINCIPAL FIRST (50 BPS)		
Accumulation Unit Value at beginning of period	\$ 11.194	-- (a)

Accumulation Unit Value at end of period	\$ 11.828	--

Number of Accumulation Units outstanding at end of period (in thousands)	2,028	--

WITH MAV/EPB DEATH BENEFIT AND THE HARTFORD'S PRINCIPAL FIRST (35 BPS)		
Accumulation Unit Value at beginning of period	\$ 10.824	\$ 9.002

Accumulation Unit Value at end of period	\$ 11.785	\$ 10.824

Number of Accumulation Units outstanding at end of period (in thousands)	468	356

WITH MAV/EPB DEATH BENEFIT AND THE HARTFORD'S PRINCIPAL FIRST (50 BPS)		
Accumulation Unit Value at beginning of period	\$ 6.468	-- (a)

Accumulation Unit Value at end of period	\$ 6.816	--

Number of Accumulation Units outstanding at end of period (in thousands)	394	--

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HARTFORD LIFE AND ANNUITY INSURANCE COMPANY

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SUB-ACCOUNT	AS OF DECEMBER 31,	
	2004	2003
<S>	<C>	<C>

FRANKLIN STRATEGIC INCOME SECURITIES

FUND

WITHOUT ANY OPTIONAL BENEFITS

Accumulation Unit Value at beginning of period	\$ 12.718	\$ 11.958

Accumulation Unit Value at end of period	\$ 13.755	\$ 12.718

Number of Accumulation Units outstanding at end of period (in thousands)	3,360	2,620

WITH THE HARTFORD'S PRINCIPAL FIRST

PREFERRED

Accumulation Unit Value at beginning of period	\$ 13.309	-- (b)

Accumulation Unit Value at end of period	\$ 13.648	--

Number of Accumulation Units outstanding at end of period (in thousands)	472	--

WITH MAV/EPB DEATH BENEFIT

Accumulation Unit Value at beginning of period	\$ 13.058	\$ 12.299

Accumulation Unit Value at end of period	\$ 14.081	\$ 13.058

Number of Accumulation Units outstanding at end of period (in thousands)	2,689	2,229

WITH THE HARTFORD'S PRINCIPAL FIRST (35 BPS)		
Accumulation Unit Value at beginning of period	\$ 12.582	\$ 11.855

Accumulation Unit Value at end of period	\$ 13.561	\$ 12.582

Number of Accumulation Units outstanding at end of period (in thousands)	5,912	4,991

WITH MAV/EPB DEATH BENEFIT AND THE HARTFORD'S PRINCIPAL FIRST PREFERRED		
Accumulation Unit Value at beginning of period	\$ 13.672	-- (b)

Accumulation Unit Value at end of period	\$ 14.013	--

Number of Accumulation Units outstanding at end of period (in thousands)	2,342	--

WITH THE HARTFORD'S PRINCIPAL FIRST (50 BPS)		
Accumulation Unit Value at beginning of period	\$ 13.147	-- (a)

Accumulation Unit Value at end of period	\$ 14.013	--

Number of Accumulation Units outstanding at end of period (in thousands)	2,342	--

WITH MAV/EPB DEATH BENEFIT AND THE HARTFORD'S PRINCIPAL FIRST (35 BPS)		
Accumulation Unit Value at beginning of period	\$ 12.993	\$ 12.263

Accumulation Unit Value at end of period	\$ 13.963	\$ 12.993

Number of Accumulation Units outstanding at end of period (in thousands)	312	212

WITH MAV/EPB DEATH BENEFIT AND THE HARTFORD'S PRINCIPAL FIRST (50 BPS)		
Accumulation Unit Value at beginning of period	\$ 12.721	-- (a)

Accumulation Unit Value at end of period	\$ 13.522	--

Number of Accumulation Units outstanding at end of period (in thousands)	153	--

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<Table>

SUB-ACCOUNT	AS OF DECEMBER 31,	
	2004	2003
<S>	<C>	<C>

HARTFORD MONEY MARKET HLS FUND WITHOUT ANY OPTIONAL BENEFITS		
Accumulation Unit Value at beginning of period	\$ 1.020	\$ 1.026

Accumulation Unit Value at end of period	\$ 1.013	\$ 1.020

Number of Accumulation Units outstanding at end of period (in thousands)	30,215	32,704

WITH THE HARTFORD'S PRINCIPAL FIRST PREFERRED			
Accumulation Unit Value at beginning of period	\$	1.005	-- (b)

Accumulation Unit Value at end of period	\$	1.005	--

Number of Accumulation Units outstanding at end of period (in thousands)		3,738	--

WITH MAV/EPB DEATH BENEFIT			
Accumulation Unit Value at beginning of period	\$	1.060	\$ 1.068

Accumulation Unit Value at end of period	\$	1.048	\$ 1.060

Number of Accumulation Units outstanding at end of period (in thousands)		25,907	28,160

WITH THE HARTFORD'S PRINCIPAL FIRST (35 BPS)			
Accumulation Unit Value at beginning of period	\$	1.009	\$ 1.018

Accumulation Unit Value at end of period	\$	0.998	\$ 1.009

Number of Accumulation Units outstanding at end of period (in thousands)		38,108	51,143

WITH MAV/EPB DEATH BENEFIT AND THE HARTFORD'S PRINCIPAL FIRST PREFERRED			
Accumulation Unit Value at beginning of period	\$	1.044	-- (b)

Accumulation Unit Value at end of period	\$	1.043	--

Number of Accumulation Units outstanding at end of period (in thousands)		13,798	--

WITH THE HARTFORD'S PRINCIPAL FIRST (50 BPS)			
Accumulation Unit Value at beginning of period	\$	1.055	-- (a)

Accumulation Unit Value at end of period	\$	1.043	--

Number of Accumulation Units outstanding at end of period (in thousands)		13,798	--

WITH MAV/EPB DEATH BENEFIT AND THE HARTFORD'S PRINCIPAL FIRST (35 BPS)			
Accumulation Unit Value at beginning of period	\$	1.054	\$ 1.065

Accumulation Unit Value at end of period	\$	1.040	\$ 1.054

Number of Accumulation Units outstanding at end of period (in thousands)		3,364	4,490

WITH MAV/EPB DEATH BENEFIT AND THE HARTFORD'S PRINCIPAL FIRST (50 BPS)			
Accumulation Unit Value at beginning of period	\$	1.003	-- (a)

Accumulation Unit Value at end of period	\$	0.989	--

Number of Accumulation Units outstanding at end of period (in thousands)		1,604	--

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SUB-ACCOUNT <S>	AS OF DECEMBER 31,	
	2004 <C>	2003 <C>

MFS-REGISTERED TRADEMARK- CAPITAL OPPORTUNITIES SERIES WITHOUT ANY OPTIONAL BENEFITS		
Accumulation Unit Value at beginning of period	\$ 5.719	\$ 5.075

Accumulation Unit Value at end of period	\$ 6.323	\$ 5.719

Number of Accumulation Units outstanding at end of period (in thousands)	1,265	1,463

WITH THE HARTFORD'S PRINCIPAL FIRST PREFERRED		
Accumulation Unit Value at beginning of period	\$ 5.779	-- (b)

Accumulation Unit Value at end of period	\$ 6.274	--

Number of Accumulation Units outstanding at end of period (in thousands)	372	--

WITH MAV/EPB DEATH BENEFIT		
Accumulation Unit Value at beginning of period	\$ 7.451	\$ 6.623

Accumulation Unit Value at end of period	\$ 8.214	\$ 7.451

Number of Accumulation Units outstanding at end of period (in thousands)	530	500

WITH THE HARTFORD'S PRINCIPAL FIRST (35 BPS)		
Accumulation Unit Value at beginning of period	\$ 5.658	\$ 5.031

Accumulation Unit Value at end of period	\$ 6.234	\$ 5.658

Number of Accumulation Units outstanding at end of period (in thousands)	1,056	1,162

WITH MAV/EPB DEATH BENEFIT AND THE HARTFORD'S PRINCIPAL FIRST PREFERRED		
Accumulation Unit Value at beginning of period	\$ 7.533	-- (b)

Accumulation Unit Value at end of period	\$ 8.174	--

Number of Accumulation Units outstanding at end of period (in thousands)	161	--

WITH THE HARTFORD'S PRINCIPAL FIRST (50 BPS)		
Accumulation Unit Value at beginning of period	\$ 7.625	-- (a)

Accumulation Unit Value at end of period	\$ 8.174	--

Number of Accumulation Units outstanding at end of period (in thousands)	161	--

WITH MAV/EPB DEATH BENEFIT AND THE HARTFORD'S PRINCIPAL FIRST (35 BPS)		

Accumulation Unit Value at beginning of period	\$	7.414	\$	6.604
Accumulation Unit Value at end of period	\$	8.145	\$	7.414
Number of Accumulation Units outstanding at end of period (in thousands)		50		67
WITH MAV/EPB DEATH BENEFIT AND THE HARTFORD'S PRINCIPAL FIRST (50 BPS)				
Accumulation Unit Value at beginning of period	\$	5.752	--	(a)
Accumulation Unit Value at end of period	\$	6.149	--	
Number of Accumulation Units outstanding at end of period (in thousands)		6	--	

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SUB-ACCOUNT <S>	AS OF DECEMBER 31,			
	2004 <C>	2003 <C>		
MFS-REGISTERED TRADEMARK- EMERGING GROWTH SERIES WITHOUT ANY OPTIONAL BENEFITS				
Accumulation Unit Value at beginning of period	\$	4.437	\$	3.952
Accumulation Unit Value at end of period	\$	4.927	\$	4.437
Number of Accumulation Units outstanding at end of period (in thousands)		1,045		1,079
WITH THE HARTFORD'S PRINCIPAL FIRST PREFERRED				
Accumulation Unit Value at beginning of period	\$	4.456	--	(b)
Accumulation Unit Value at end of period	\$	4.889	--	
Number of Accumulation Units outstanding at end of period (in thousands)		265	--	
WITH MAV/EPB DEATH BENEFIT				
Accumulation Unit Value at beginning of period	\$	6.570	\$	5.862
Accumulation Unit Value at end of period	\$	7.274	\$	6.570
Number of Accumulation Units outstanding at end of period (in thousands)		497		536
WITH THE HARTFORD'S PRINCIPAL FIRST (35 BPS)				
Accumulation Unit Value at beginning of period	\$	4.390	\$	3.918
Accumulation Unit Value at end of period	\$	4.858	\$	4.390
Number of Accumulation Units outstanding at end of period (in thousands)		1,411		1,654
WITH MAV/EPB DEATH BENEFIT AND THE HARTFORD'S PRINCIPAL FIRST PREFERRED				
Accumulation Unit Value at beginning				

of period	\$	6.602	-- (b)
Accumulation Unit Value at end of period	\$	7.239	--
Number of Accumulation Units outstanding at end of period (in thousands)		273	--
WITH THE HARTFORD'S PRINCIPAL FIRST (50 BPS)			
Accumulation Unit Value at beginning of period	\$	6.750	-- (a)
Accumulation Unit Value at end of period	\$	7.239	--
Number of Accumulation Units outstanding at end of period (in thousands)		273	--
WITH MAV/EPB DEATH BENEFIT AND THE HARTFORD'S PRINCIPAL FIRST (35 BPS)			
Accumulation Unit Value at beginning of period	\$	6.537	\$ 5.845
Accumulation Unit Value at end of period	\$	7.213	\$ 6.537
Number of Accumulation Units outstanding at end of period (in thousands)		200	164
WITH MAV/EPB DEATH BENEFIT AND THE HARTFORD'S PRINCIPAL FIRST (50 BPS)			
Accumulation Unit Value at beginning of period	\$	4.540	-- (a)
Accumulation Unit Value at end of period	\$	4.856	--
Number of Accumulation Units outstanding at end of period (in thousands)		76	--

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SUB-ACCOUNT <S>	AS OF DECEMBER 31,	
	2004 <C>	2003 <C>
MFS-REGISTERED TRADEMARK- GLOBAL EQUITY SERIES WITHOUT ANY OPTIONAL BENEFITS		
Accumulation Unit Value at beginning of period	\$	9.270 \$ 7.992
Accumulation Unit Value at end of period	\$	10.780 \$ 9.270
Number of Accumulation Units outstanding at end of period (in thousands)		207 158
WITH THE HARTFORD'S PRINCIPAL FIRST PREFERRED		
Accumulation Unit Value at beginning of period	\$	9.799 -- (b)
Accumulation Unit Value at end of period	\$	10.696 --
Number of Accumulation Units outstanding at end of period (in thousands)		41 --
WITH MAV/EPB DEATH BENEFIT		
Accumulation Unit Value at beginning of period	\$	10.097 \$ 8.719

Accumulation Unit Value at end of period	\$ 11.706	\$ 10.097
Number of Accumulation Units outstanding at end of period (in thousands)	224	218
WITH THE HARTFORD'S PRINCIPAL FIRST (35 BPS)		
Accumulation Unit Value at beginning of period	\$ 9.172	\$ 7.923
Accumulation Unit Value at end of period	\$ 10.628	\$ 9.172
Number of Accumulation Units outstanding at end of period (in thousands)	330	306
WITH MAV/EPB DEATH BENEFIT AND THE HARTFORD'S PRINCIPAL FIRST PREFERRED		
Accumulation Unit Value at beginning of period	\$ 10.677	-- (b)
Accumulation Unit Value at end of period	\$ 11.649	--
Number of Accumulation Units outstanding at end of period (in thousands)	148	--
WITH THE HARTFORD'S PRINCIPAL FIRST (50 BPS)		
Accumulation Unit Value at beginning of period	\$ 10.235	-- (a)
Accumulation Unit Value at end of period	\$ 11.649	--
Number of Accumulation Units outstanding at end of period (in thousands)	148	--
WITH MAV/EPB DEATH BENEFIT AND THE HARTFORD'S PRINCIPAL FIRST (35 BPS)		
Accumulation Unit Value at beginning of period	\$ 10.046	\$ 8.693
Accumulation Unit Value at end of period	\$ 11.607	\$ 10.046
Number of Accumulation Units outstanding at end of period (in thousands)	18	10
WITH MAV/EPB DEATH BENEFIT AND THE HARTFORD'S PRINCIPAL FIRST (50 BPS)		
Accumulation Unit Value at beginning of period	\$ 9.275	-- (a)
Accumulation Unit Value at end of period	\$ 10.528	--
Number of Accumulation Units outstanding at end of period (in thousands)	61	--

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	AS OF DECEMBER 31,	
SUB-ACCOUNT	2004	2003
<S>	<C>	<C>
MFS-REGISTERED TRADEMARK- HIGH INCOME SERIES		
WITHOUT ANY OPTIONAL BENEFITS		
Accumulation Unit Value at beginning of period	\$ 10.962	\$ 10.105

MFS-REGISTERED TRADEMARK- HIGH INCOME

SERIES

WITHOUT ANY OPTIONAL BENEFITS

Accumulation Unit Value at beginning of period \$ 10.962 \$ 10.105

Accumulation Unit Value at end of period	\$ 11.763	\$ 10.962
Number of Accumulation Units outstanding at end of period (in thousands)	2,830	2,749
WITH THE HARTFORD'S PRINCIPAL FIRST PREFERRED		
Accumulation Unit Value at beginning of period	\$ 11.482	-- (b)
Accumulation Unit Value at end of period	\$ 11.672	--
Number of Accumulation Units outstanding at end of period (in thousands)	473	--
WITH MAV/EPB DEATH BENEFIT		
Accumulation Unit Value at beginning of period	\$ 10.700	\$ 9.881
Accumulation Unit Value at end of period	\$ 11.448	\$ 10.700
Number of Accumulation Units outstanding at end of period (in thousands)	2,241	2,318
WITH THE HARTFORD'S PRINCIPAL FIRST (35 BPS)		
Accumulation Unit Value at beginning of period	\$ 10.845	\$ 10.017
Accumulation Unit Value at end of period	\$ 11.597	\$ 10.845
Number of Accumulation Units outstanding at end of period (in thousands)	5,474	4,994
WITH MAV/EPB DEATH BENEFIT AND THE HARTFORD'S PRINCIPAL FIRST PREFERRED		
Accumulation Unit Value at beginning of period	\$ 11.214	-- (b)
Accumulation Unit Value at end of period	\$ 11.393	--
Number of Accumulation Units outstanding at end of period (in thousands)	1,330	--
WITH THE HARTFORD'S PRINCIPAL FIRST (50 BPS)		
Accumulation Unit Value at beginning of period	\$ 10.758	-- (a)
Accumulation Unit Value at end of period	\$ 11.393	--
Number of Accumulation Units outstanding at end of period (in thousands)	1,330	--
WITH MAV/EPB DEATH BENEFIT AND THE HARTFORD'S PRINCIPAL FIRST (35 BPS)		
Accumulation Unit Value at beginning of period	\$ 10.648	\$ 9.852
Accumulation Unit Value at end of period	\$ 11.352	\$ 10.648
Number of Accumulation Units outstanding at end of period (in thousands)	319	271
WITH MAV/EPB DEATH BENEFIT AND THE HARTFORD'S PRINCIPAL FIRST (50 BPS)		
Accumulation Unit Value at beginning of period	\$ 10.877	-- (a)

Accumulation Unit Value at end of period	\$ 11.488	--
--	-----------	----

Number of Accumulation Units outstanding at end of period (in thousands)	119	--
--	-----	----

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	AS OF DECEMBER 31,	
SUB-ACCOUNT	2004	2003
<S>	<C>	<C>

MFS-REGISTERED TRADEMARK- INVESTORS

GROWTH STOCK SERIES

WITHOUT ANY OPTIONAL BENEFITS

Accumulation Unit Value at beginning of period	\$ 5.602	\$ 5.151
--	----------	----------

Accumulation Unit Value at end of period	\$ 6.014	\$ 5.602
--	----------	----------

Number of Accumulation Units outstanding at end of period (in thousands)	2,030	1,983
--	-------	-------

WITH THE HARTFORD'S PRINCIPAL FIRST PREFERRED

Accumulation Unit Value at beginning of period	\$ 5.526	-- (b)
--	----------	--------

Accumulation Unit Value at end of period	\$ 5.967	--
--	----------	----

Number of Accumulation Units outstanding at end of period (in thousands)	666	--
--	-----	----

WITH MAV/EPB DEATH BENEFIT

Accumulation Unit Value at beginning of period	\$ 7.042	\$ 6.487
--	----------	----------

Accumulation Unit Value at end of period	\$ 7.537	\$ 7.042
--	----------	----------

Number of Accumulation Units outstanding at end of period (in thousands)	1,034	986
--	-------	-----

WITH THE HARTFORD'S PRINCIPAL FIRST (35 BPS)

Accumulation Unit Value at beginning of period	\$ 5.542	\$ 5.106
--	----------	----------

Accumulation Unit Value at end of period	\$ 5.929	\$ 5.542
--	----------	----------

Number of Accumulation Units outstanding at end of period (in thousands)	3,599	3,204
--	-------	-------

WITH MAV/EPB DEATH BENEFIT AND THE HARTFORD'S PRINCIPAL FIRST PREFERRED

Accumulation Unit Value at beginning of period	\$ 6.950	-- (b)
--	----------	--------

Accumulation Unit Value at end of period	\$ 7.501	--
--	----------	----

Number of Accumulation Units outstanding at end of period (in thousands)	474	--
--	-----	----

WITH THE HARTFORD'S PRINCIPAL FIRST (50 BPS)

Accumulation Unit Value at beginning of period	\$ 7.179	-- (a)
--	----------	--------

Accumulation Unit Value at end of

period	\$ 7.501	--

Number of Accumulation Units outstanding at end of period (in thousands)	474	--

WITH MAV/EPB DEATH BENEFIT AND THE HARTFORD'S PRINCIPAL FIRST (35 BPS) Accumulation Unit Value at beginning of period	\$ 7.007	\$ 6.468

Accumulation Unit Value at end of period	\$ 7.473	\$ 7.007

Number of Accumulation Units outstanding at end of period (in thousands)	116	78

WITH MAV/EPB DEATH BENEFIT AND THE HARTFORD'S PRINCIPAL FIRST (50 BPS) Accumulation Unit Value at beginning of period	\$ 5.798	-- (a)

Accumulation Unit Value at end of period	\$ 6.041	--

Number of Accumulation Units outstanding at end of period (in thousands)	46	--

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SUB-ACCOUNT <S>	AS OF DECEMBER 31,	
	2004 <C>	2003 <C>

MFS-REGISTERED TRADEMARK- INVESTORS TRUST SERIES WITHOUT ANY OPTIONAL BENEFITS		
Accumulation Unit Value at beginning of period	\$ 7.475	\$ 6.709

Accumulation Unit Value at end of period	\$ 8.184	\$ 7.475

Number of Accumulation Units outstanding at end of period (in thousands)	3,224	1,714

WITH THE HARTFORD'S PRINCIPAL FIRST PREFERRED		
Accumulation Unit Value at beginning of period	\$ 7.519	-- (b)

Accumulation Unit Value at end of period	\$ 8.120	--

Number of Accumulation Units outstanding at end of period (in thousands)	496	--

WITH MAV/EPB DEATH BENEFIT		
Accumulation Unit Value at beginning of period	\$ 7.455	\$ 6.702

Accumulation Unit Value at end of period	\$ 8.137	\$ 7.455

Number of Accumulation Units outstanding at end of period (in thousands)	2,072	1,402

WITH THE HARTFORD'S PRINCIPAL FIRST (35 BPS)		
Accumulation Unit Value at beginning of period	\$ 7.396	\$ 6.651

Accumulation Unit Value at end of period	\$ 8.068	\$ 7.396

Number of Accumulation Units outstanding at end of period (in thousands)	4,472	3,080
WITH MAV/EPB DEATH BENEFIT AND THE HARTFORD'S PRINCIPAL FIRST PREFERRED		
Accumulation Unit Value at beginning of period	\$ 7.502	-- (b)
Accumulation Unit Value at end of period	\$ 8.098	--
Number of Accumulation Units outstanding at end of period (in thousands)	3,466	--
WITH THE HARTFORD'S PRINCIPAL FIRST (50 BPS)		
Accumulation Unit Value at beginning of period	\$ 7.516	-- (a)
Accumulation Unit Value at end of period	\$ 8.098	--
Number of Accumulation Units outstanding at end of period (in thousands)	3,466	--
WITH MAV/EPB DEATH BENEFIT AND THE HARTFORD'S PRINCIPAL FIRST (35 BPS)		
Accumulation Unit Value at beginning of period	\$ 7.418	\$ 6.682
Accumulation Unit Value at end of period	\$ 8.069	\$ 7.418
Number of Accumulation Units outstanding at end of period (in thousands)	221	159
WITH MAV/EPB DEATH BENEFIT AND THE HARTFORD'S PRINCIPAL FIRST (50 BPS)		
Accumulation Unit Value at beginning of period	\$ 7.599	-- (a)
Accumulation Unit Value at end of period	\$ 8.165	--
Number of Accumulation Units outstanding at end of period (in thousands)	456	--

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HARTFORD LIFE AND ANNUITY INSURANCE COMPANY

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SUB-ACCOUNT	AS OF DECEMBER 31,	
	2004	2003
<S>	<C>	<C>
MFS-REGISTERED TRADEMARK- MID CAP GROWTH SERIES		
WITHOUT ANY OPTIONAL BENEFITS		
Accumulation Unit Value at beginning of period	\$ 5.617	\$ 4.809
Accumulation Unit Value at end of period	\$ 6.326	\$ 5.617
Number of Accumulation Units outstanding at end of period (in thousands)	3,665	3,361
WITH THE HARTFORD'S PRINCIPAL FIRST PREFERRED		
Accumulation Unit Value at beginning of period	\$ 5.763	-- (b)
Accumulation Unit Value at end of period	\$ 6.277	--

Number of Accumulation Units outstanding at end of period (in thousands)	908	--

WITH MAV/EPB DEATH BENEFIT		
Accumulation Unit Value at beginning of period	\$ 5.147	\$ 4.415

Accumulation Unit Value at end of period	\$ 5.779	\$ 5.147

Number of Accumulation Units outstanding at end of period (in thousands)	3,306	2,843

WITH THE HARTFORD'S PRINCIPAL FIRST (35 BPS)		
Accumulation Unit Value at beginning of period	\$ 5.557	\$ 4.768

Accumulation Unit Value at end of period	\$ 6.237	\$ 5.557

Number of Accumulation Units outstanding at end of period (in thousands)	5,229	4,971

WITH MAV/EPB DEATH BENEFIT AND THE HARTFORD'S PRINCIPAL FIRST PREFERRED		
Accumulation Unit Value at beginning of period	\$ 5.283	-- (b)

Accumulation Unit Value at end of period	\$ 5.751	--

Number of Accumulation Units outstanding at end of period (in thousands)	1,655	--

WITH THE HARTFORD'S PRINCIPAL FIRST (50 BPS)		
Accumulation Unit Value at beginning of period	\$ 5.380	-- (a)

Accumulation Unit Value at end of period	\$ 5.751	--

Number of Accumulation Units outstanding at end of period (in thousands)	1,655	--

WITH MAV/EPB DEATH BENEFIT AND THE HARTFORD'S PRINCIPAL FIRST (35 BPS)		
Accumulation Unit Value at beginning of period	\$ 5.121	\$ 4.402

Accumulation Unit Value at end of period	\$ 5.731	\$ 5.121

Number of Accumulation Units outstanding at end of period (in thousands)	596	457

WITH MAV/EPB DEATH BENEFIT AND THE HARTFORD'S PRINCIPAL FIRST (50 BPS)		
Accumulation Unit Value at beginning of period	\$ 5.795	-- (a)

Accumulation Unit Value at end of period	\$ 6.178	--

Number of Accumulation Units outstanding at end of period (in thousands)	149	--

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AS OF DECEMBER 31,

SUB-ACCOUNT <S>	2004 <C>	2003 <C>

MFS-REGISTERED TRADEMARK- NEW DISCOVERY SERIES		
WITHOUT ANY OPTIONAL BENEFITS		
Accumulation Unit Value at beginning of period	\$ 7.556	\$ 6.341

Accumulation Unit Value at end of period	\$ 7.913	\$ 7.556

Number of Accumulation Units outstanding at end of period (in thousands)	2,543	1,753

WITH THE HARTFORD'S PRINCIPAL FIRST PREFERRED		
Accumulation Unit Value at beginning of period	\$ 7.124	--(b)

Accumulation Unit Value at end of period	\$ 7.851	--

Number of Accumulation Units outstanding at end of period (in thousands)	337	--

WITH MAV/EPB DEATH BENEFIT		
Accumulation Unit Value at beginning of period	\$ 11.267	\$ 9.472

Accumulation Unit Value at end of period	\$ 11.764	\$ 11.267

Number of Accumulation Units outstanding at end of period (in thousands)	1,259	1,010

WITH THE HARTFORD'S PRINCIPAL FIRST (35 BPS)		
Accumulation Unit Value at beginning of period	\$ 7.476	\$ 6.286

Accumulation Unit Value at end of period	\$ 7.802	\$ 7.476

Number of Accumulation Units outstanding at end of period (in thousands)	4,082	3,575

WITH MAV/EPB DEATH BENEFIT AND THE HARTFORD'S PRINCIPAL FIRST PREFERRED		
Accumulation Unit Value at beginning of period	\$ 10.628	--(b)

Accumulation Unit Value at end of period	\$ 11.708	--

Number of Accumulation Units outstanding at end of period (in thousands)	1,527	--

WITH THE HARTFORD'S PRINCIPAL FIRST (50 BPS)		
Accumulation Unit Value at beginning of period	\$ 11.866	--(a)

Accumulation Unit Value at end of period	\$ 11.708	--

Number of Accumulation Units outstanding at end of period (in thousands)	1,527	--

WITH MAV/EPB DEATH BENEFIT AND THE HARTFORD'S PRINCIPAL FIRST (35 BPS)		
Accumulation Unit Value at beginning of period	\$ 11.212	\$ 9.444

Accumulation Unit Value at end of period	\$ 11.665	\$ 11.212

Number of Accumulation Units		

outstanding at end of period (in thousands)	139	90

WITH MAV/EPB DEATH BENEFIT AND THE HARTFORD'S PRINCIPAL FIRST (50 BPS)		
Accumulation Unit Value at beginning of period	\$ 7.854	-- (a)

Accumulation Unit Value at end of period	\$ 7.728	--

Number of Accumulation Units outstanding at end of period (in thousands)	289	--

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HARTFORD LIFE AND ANNUITY INSURANCE COMPANY

<Table>

SUB-ACCOUNT <S>	AS OF DECEMBER 31,	
	2004 <C>	2003 <C>

MFS-REGISTERED TRADEMARK- TOTAL RETURN SERIES		
WITHOUT ANY OPTIONAL BENEFITS		
Accumulation Unit Value at beginning of period	\$ 11.034	\$ 10.261

Accumulation Unit Value at end of period	\$ 12.076	\$ 11.034

Number of Accumulation Units outstanding at end of period (in thousands)	11,042	8,862

WITH THE HARTFORD'S PRINCIPAL FIRST PREFERRED		
Accumulation Unit Value at beginning of period	\$ 11.391	-- (b)

Accumulation Unit Value at end of period	\$ 11.981	--

Number of Accumulation Units outstanding at end of period (in thousands)	1,837	--

WITH MAV/EPB DEATH BENEFIT		
Accumulation Unit Value at beginning of period	\$ 11.495	\$ 10.708

Accumulation Unit Value at end of period	\$ 12.543	\$ 11.495

Number of Accumulation Units outstanding at end of period (in thousands)	7,408	6,700

WITH THE HARTFORD'S PRINCIPAL FIRST (35 BPS)		
Accumulation Unit Value at beginning of period	\$ 10.916	\$ 10.172

Accumulation Unit Value at end of period	\$ 11.905	\$ 10.916

Number of Accumulation Units outstanding at end of period (in thousands)	15,871	13,537

WITH MAV/EPB DEATH BENEFIT AND THE HARTFORD'S PRINCIPAL FIRST PREFERRED		
Accumulation Unit Value at beginning of period	\$ 11.872	-- (b)

Accumulation Unit Value at end of period	\$ 12.482	--

Number of Accumulation Units outstanding at end of period		

(in thousands)	6,235	--

WITH THE HARTFORD'S PRINCIPAL FIRST (50 BPS)		
Accumulation Unit Value at beginning of period	\$ 11.611	-- (a)

Accumulation Unit Value at end of period	\$ 12.482	--

Number of Accumulation Units outstanding at end of period (in thousands)	6,235	--

WITH MAV/EPB DEATH BENEFIT AND THE HARTFORD'S PRINCIPAL FIRST (35 BPS)		
Accumulation Unit Value at beginning of period	\$ 11.438	\$ 10.677

Accumulation Unit Value at end of period	\$ 12.437	\$ 11.438

Number of Accumulation Units outstanding at end of period (in thousands)	948	768

WITH MAV/EPB DEATH BENEFIT AND THE HARTFORD'S PRINCIPAL FIRST (50 BPS)		
Accumulation Unit Value at beginning of period	\$ 11.725	-- (a)

Accumulation Unit Value at end of period	\$ 12.571	--

Number of Accumulation Units outstanding at end of period (in thousands)	853	--

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HARTFORD LIFE AND ANNUITY INSURANCE COMPANY

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<Table>

SUB-ACCOUNT <S>	AS OF DECEMBER 31,	
	2004 <C>	2003 <C>

MFS-REGISTERED TRADEMARK- VALUE SERIES

WITHOUT ANY OPTIONAL BENEFITS

Accumulation Unit Value at beginning of period	\$ 12.214	\$ 10.604

Accumulation Unit Value at end of period	\$ 13.831	\$ 12.214

Number of Accumulation Units outstanding at end of period (in thousands)	479	204

WITH THE HARTFORD'S PRINCIPAL FIRST
PREFERRED

Accumulation Unit Value at beginning of period	\$ 12.824	-- (b)

Accumulation Unit Value at end of period	\$ 13.784	--

Number of Accumulation Units outstanding at end of period (in thousands)	19	--

WITH MAV/EPB DEATH BENEFIT

Accumulation Unit Value at beginning of period	\$ 12.189	\$ 10.601

Accumulation Unit Value at end of period	\$ 13.761	\$ 12.189

Number of Accumulation Units outstanding at end of period (in thousands)	411	216

WITH THE HARTFORD'S PRINCIPAL FIRST (35 BPS)		
Accumulation Unit Value at beginning of period	\$ 12.185	\$ 10.600
Accumulation Unit Value at end of period	\$ 13.750	\$ 12.185
Number of Accumulation Units outstanding at end of period (in thousands)	688	439

WITH MAV/EPB DEATH BENEFIT AND THE HARTFORD'S PRINCIPAL FIRST PREFERRED		
Accumulation Unit Value at beginning of period	\$ 12.766	-- (b)
Accumulation Unit Value at end of period	\$ 13.716	--
Number of Accumulation Units outstanding at end of period (in thousands)	352	--

WITH THE HARTFORD'S PRINCIPAL FIRST (50 BPS)		
Accumulation Unit Value at beginning of period	\$ 12.298	-- (a)
Accumulation Unit Value at end of period	\$ 13.716	--
Number of Accumulation Units outstanding at end of period (in thousands)	352	--

WITH MAV/EPB DEATH BENEFIT AND THE HARTFORD'S PRINCIPAL FIRST (35 BPS)		
Accumulation Unit Value at beginning of period	\$ 12.161	\$ 10.597
Accumulation Unit Value at end of period	\$ 13.681	\$ 12.161
Number of Accumulation Units outstanding at end of period (in thousands)	92	53

WITH MAV/EPB DEATH BENEFIT AND THE HARTFORD'S PRINCIPAL FIRST (50 BPS)		
Accumulation Unit Value at beginning of period	\$ 12.278	-- (a)
Accumulation Unit Value at end of period	\$ 13.656	--
Number of Accumulation Units outstanding at end of period (in thousands)	37	--

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HARTFORD LIFE AND ANNUITY INSURANCE COMPANY

<Table>

SUB-ACCOUNT <S>	AS OF DECEMBER 31,	
	2004 <C>	2003 <C>
MUTUAL DISCOVERY SECURITIES FUND WITHOUT ANY OPTIONAL BENEFITS		
Accumulation Unit Value at beginning of period	\$ 12.402	\$ 10.542
Accumulation Unit Value at end of period	\$ 14.412	\$ 12.402
Number of Accumulation Units outstanding at end of period (in thousands)	943	359

WITH THE HARTFORD'S PRINCIPAL FIRST

PREFERRED			
Accumulation Unit Value at beginning of period	\$	13.273	--(b)

Accumulation Unit Value at end of period	\$	14.364	--

Number of Accumulation Units outstanding at end of period (in thousands)		46	--

WITH MAV/EPB DEATH BENEFIT			
Accumulation Unit Value at beginning of period	\$	12.377	\$ 10.539

Accumulation Unit Value at end of period	\$	14.340	\$ 12.377

Number of Accumulation Units outstanding at end of period (in thousands)		638	323

WITH THE HARTFORD'S PRINCIPAL FIRST (35 BPS)			
Accumulation Unit Value at beginning of period	\$	12.373	\$ 10.539

Accumulation Unit Value at end of period	\$	14.328	\$ 12.373

Number of Accumulation Units outstanding at end of period (in thousands)		1,479	745

WITH MAV/EPB DEATH BENEFIT AND THE HARTFORD'S PRINCIPAL FIRST PREFERRED			
Accumulation Unit Value at beginning of period	\$	13.214	--(b)

Accumulation Unit Value at end of period	\$	14.292	--

Number of Accumulation Units outstanding at end of period (in thousands)		1,134	--

WITH THE HARTFORD'S PRINCIPAL FIRST (50 BPS)			
Accumulation Unit Value at beginning of period	\$	12.516	--(a)

Accumulation Unit Value at end of period	\$	14.292	--

Number of Accumulation Units outstanding at end of period (in thousands)		1,134	--

WITH MAV/EPB DEATH BENEFIT AND THE HARTFORD'S PRINCIPAL FIRST (35 BPS)			
Accumulation Unit Value at beginning of period	\$	12.348	\$ 10.536

Accumulation Unit Value at end of period	\$	14.256	\$ 12.348

Number of Accumulation Units outstanding at end of period (in thousands)		165	74

WITH MAV/EPB DEATH BENEFIT AND THE HARTFORD'S PRINCIPAL FIRST (50 BPS)			
Accumulation Unit Value at beginning of period	\$	12.496	--(a)

Accumulation Unit Value at end of period	\$	14.230	--

Number of Accumulation Units outstanding at end of period (in thousands)		221	--

</Table>

<Table>

SUB-ACCOUNT <S>	AS OF DECEMBER 31,	
	2004 <C>	2003 <C>

MUTUAL SHARES SECURITIES FUND		
WITHOUT ANY OPTIONAL BENEFITS		
Accumulation Unit Value at beginning of period	\$ 11.776	\$ 10.357

Accumulation Unit Value at end of period	\$ 13.040	\$ 11.776

Number of Accumulation Units outstanding at end of period (in thousands)	10,001	7,652

WITH THE HARTFORD'S PRINCIPAL FIRST PREFERRED		
Accumulation Unit Value at beginning of period	\$ 12.074	-- (b)

Accumulation Unit Value at end of period	\$ 12.938	--

Number of Accumulation Units outstanding at end of period (in thousands)	1,708	--

WITH MAV/EPB DEATH BENEFIT		
Accumulation Unit Value at beginning of period	\$ 12.105	\$ 10.665

Accumulation Unit Value at end of period	\$ 13.364	\$ 12.105

Number of Accumulation Units outstanding at end of period (in thousands)	6,982	5,838

WITH THE HARTFORD'S PRINCIPAL FIRST (35 BPS)		
Accumulation Unit Value at beginning of period	\$ 11.650	\$ 10.267

Accumulation Unit Value at end of period	\$ 12.856	\$ 11.650

Number of Accumulation Units outstanding at end of period (in thousands)	16,808	14,025

WITH MAV/EPB DEATH BENEFIT AND THE HARTFORD'S PRINCIPAL FIRST PREFERRED		
Accumulation Unit Value at beginning of period	\$ 12.417	-- (b)

Accumulation Unit Value at end of period	\$ 13.300	--

Number of Accumulation Units outstanding at end of period (in thousands)	7,736	--

WITH THE HARTFORD'S PRINCIPAL FIRST (50 BPS)		
Accumulation Unit Value at beginning of period	\$ 12.195	-- (a)

Accumulation Unit Value at end of period	\$ 13.300	--

Number of Accumulation Units outstanding at end of period (in thousands)	7,736	--

WITH MAV/EPB DEATH BENEFIT AND THE HARTFORD'S PRINCIPAL FIRST (35 BPS)		
Accumulation Unit Value at beginning of period	\$ 12.045	\$ 10.634

Accumulation Unit Value at end of period	\$ 13.252	\$ 12.045
Number of Accumulation Units outstanding at end of period (in thousands)	834	589
WITH MAV/EPB DEATH BENEFIT AND THE HARTFORD'S PRINCIPAL FIRST (50 BPS)		
Accumulation Unit Value at beginning of period	\$ 12.170	-- (a)
Accumulation Unit Value at end of period	\$ 13.236	--
Number of Accumulation Units outstanding at end of period (in thousands)	618	--

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HARTFORD LIFE AND ANNUITY INSURANCE COMPANY

<Table>

SUB-ACCOUNT <S>	AS OF DECEMBER 31,	
	2004 <C>	2003 <C>
TEMPLETON DEVELOPING MARKETS SECURITIES FUND		
WITHOUT ANY OPTIONAL BENEFITS		
Accumulation Unit Value at beginning of period	\$ 12.497	\$ 9.273
Accumulation Unit Value at end of period	\$ 15.338	\$ 12.497
Number of Accumulation Units outstanding at end of period (in thousands)	613	350
WITH THE HARTFORD'S PRINCIPAL FIRST PREFERRED		
Accumulation Unit Value at beginning of period	\$ 13.604	-- (b)
Accumulation Unit Value at end of period	\$ 15.218	--
Number of Accumulation Units outstanding at end of period (in thousands)	90	--
WITH MAV/EPB DEATH BENEFIT		
Accumulation Unit Value at beginning of period	\$ 10.237	\$ 7.609
Accumulation Unit Value at end of period	\$ 12.527	\$ 10.237
Number of Accumulation Units outstanding at end of period (in thousands)	446	315
WITH THE HARTFORD'S PRINCIPAL FIRST (35 BPS)		
Accumulation Unit Value at beginning of period	\$ 12.364	\$ 9.192
Accumulation Unit Value at end of period	\$ 15.121	\$ 12.364
Number of Accumulation Units outstanding at end of period (in thousands)	761	551
WITH MAV/EPB DEATH BENEFIT AND THE HARTFORD'S PRINCIPAL FIRST PREFERRED		
Accumulation Unit Value at beginning of period	\$ 11.150	-- (b)

Accumulation Unit Value at end of period	\$ 12.466	--
Number of Accumulation Units outstanding at end of period (in thousands)	446	--
WITH THE HARTFORD'S PRINCIPAL FIRST (50 BPS)		
Accumulation Unit Value at beginning of period	\$ 10.504	-- (a)
Accumulation Unit Value at end of period	\$ 12.466	--
Number of Accumulation Units outstanding at end of period (in thousands)	446	--
WITH MAV/EPB DEATH BENEFIT AND THE HARTFORD'S PRINCIPAL FIRST (35 BPS)		
Accumulation Unit Value at beginning of period	\$ 10.187	\$ 7.587
Accumulation Unit Value at end of period	\$ 12.421	\$ 10.187
Number of Accumulation Units outstanding at end of period (in thousands)	117	57
WITH MAV/EPB DEATH BENEFIT AND THE HARTFORD'S PRINCIPAL FIRST (50 BPS)		
Accumulation Unit Value at beginning of period	\$ 11.219	-- (a)
Accumulation Unit Value at end of period	\$ 13.279	--
Number of Accumulation Units outstanding at end of period (in thousands)	42	--

</Table>

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HARTFORD LIFE AND ANNUITY INSURANCE COMPANY

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<Table>

SUB-ACCOUNT <S>	AS OF DECEMBER 31,	
	2004 <C>	2003 <C>
TEMPLETON FOREIGN SECURITIES FUND WITHOUT ANY OPTIONAL BENEFITS		
Accumulation Unit Value at beginning of period	\$ 8.680	\$ 7.102
Accumulation Unit Value at end of period	\$ 10.115	\$ 8.680
Number of Accumulation Units outstanding at end of period (in thousands)	4,445	1,781
WITH THE HARTFORD'S PRINCIPAL FIRST PREFERRED		
Accumulation Unit Value at beginning of period	\$ 9.155	-- (b)
Accumulation Unit Value at end of period	\$ 10.036	--
Number of Accumulation Units outstanding at end of period (in thousands)	397	--
WITH MAV/EPB DEATH BENEFIT		
Accumulation Unit Value at beginning of period	\$ 8.938	\$ 7.326
Accumulation Unit Value at end of period	\$ 10.385	\$ 8.938

Number of Accumulation Units outstanding at end of period (in thousands)	2,336	1,301

WITH THE HARTFORD'S PRINCIPAL FIRST (35 BPS)		
Accumulation Unit Value at beginning of period	\$ 8.587	\$ 7.040

Accumulation Unit Value at end of period	\$ 9.972	\$ 8.587

Number of Accumulation Units outstanding at end of period (in thousands)	6,850	4,761

WITH MAV/EPB DEATH BENEFIT AND THE HARTFORD'S PRINCIPAL FIRST PREFERRED		
Accumulation Unit Value at beginning of period	\$ 9.432	-- (b)

Accumulation Unit Value at end of period	\$ 10.335	--

Number of Accumulation Units outstanding at end of period (in thousands)	5,581	--

WITH THE HARTFORD'S PRINCIPAL FIRST (50 BPS)		
Accumulation Unit Value at beginning of period	\$ 9.100	-- (a)

Accumulation Unit Value at end of period	\$ 10.335	--

Number of Accumulation Units outstanding at end of period (in thousands)	5,581	--

WITH MAV/EPB DEATH BENEFIT AND THE HARTFORD'S PRINCIPAL FIRST (35 BPS)		
Accumulation Unit Value at beginning of period	\$ 8.894	\$ 7.304

Accumulation Unit Value at end of period	\$ 10.297	\$ 8.894

Number of Accumulation Units outstanding at end of period (in thousands)	408	229

WITH MAV/EPB DEATH BENEFIT AND THE HARTFORD'S PRINCIPAL FIRST (50 BPS)		
Accumulation Unit Value at beginning of period	\$ 8.722	-- (a)

Accumulation Unit Value at end of period	\$ 9.878	--

Number of Accumulation Units outstanding at end of period (in thousands)	824	--

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HARTFORD LIFE AND ANNUITY INSURANCE COMPANY

<Table>

SUB-ACCOUNT	AS OF DECEMBER 31,	
	2004	2003
<S>	<C>	<C>

 TEMPLETON GROWTH SECURITIES FUND
 WITHOUT ANY OPTIONAL BENEFITS

Accumulation Unit Value at beginning of period	\$ 10.592	\$ 8.811

Accumulation Unit Value at end of period	\$ 12.082	\$ 10.592

Number of Accumulation Units outstanding at end of period (in thousands)	4,246	2,366

WITH THE HARTFORD'S PRINCIPAL FIRST PREFERRED		
Accumulation Unit Value at beginning of period	\$ 11.041	-- (b)

Accumulation Unit Value at end of period	\$ 11.988	--

Number of Accumulation Units outstanding at end of period (in thousands)	513	--

WITH MAV/EPB DEATH BENEFIT		
Accumulation Unit Value at beginning of period	\$ 10.578	\$ 8.815

Accumulation Unit Value at end of period	\$ 12.031	\$ 10.578

Number of Accumulation Units outstanding at end of period (in thousands)	3,108	2,385

WITH THE HARTFORD'S PRINCIPAL FIRST (35 BPS)		
Accumulation Unit Value at beginning of period	\$ 10.479	\$ 8.735

Accumulation Unit Value at end of period	\$ 11.912	\$ 10.479

Number of Accumulation Units outstanding at end of period (in thousands)	6,516	4,824

WITH MAV/EPB DEATH BENEFIT AND THE HARTFORD'S PRINCIPAL FIRST PREFERRED		
Accumulation Unit Value at beginning of period	\$ 11.032	-- (b)

Accumulation Unit Value at end of period	\$ 11.973	--

Number of Accumulation Units outstanding at end of period (in thousands)	5,497	--

WITH THE HARTFORD'S PRINCIPAL FIRST (50 BPS)		
Accumulation Unit Value at beginning of period	\$ 10.755	-- (a)

Accumulation Unit Value at end of period	\$ 11.973	--

Number of Accumulation Units outstanding at end of period (in thousands)	5,497	--

WITH MAV/EPB DEATH BENEFIT AND THE HARTFORD'S PRINCIPAL FIRST (35 BPS)		
Accumulation Unit Value at beginning of period	\$ 10.526	\$ 8.789

Accumulation Unit Value at end of period	\$ 11.929	\$ 10.526

Number of Accumulation Units outstanding at end of period (in thousands)	457	251

WITH MAV/EPB DEATH BENEFIT AND THE HARTFORD'S PRINCIPAL FIRST (50 BPS)		
Accumulation Unit Value at beginning of period	\$ 10.391	-- (a)

Accumulation Unit Value at end of period	\$ 11.536	--

Number of Accumulation Units		

</Table>

(a) Inception date January 30, 2004.

(b) Inception date November 1, 2004.

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

TO THE CONTRACT OWNERS OF HARTFORD LIFE AND ANNUITY INSURANCE COMPANY
SEPARATE ACCOUNT SEVEN AND THE
BOARD OF DIRECTORS OF HARTFORD LIFE AND ANNUITY INSURANCE COMPANY

We have audited the accompanying statements of assets and liabilities of each of the individual sub-accounts disclosed in Note 1 which comprise the Hartford Life and Annuity Insurance Company Separate Account Seven (the "Account") as of December 31, 2004, and the related statements of operations for the year then ended and the statements of changes in net assets for each of the two years in the period ended December 31, 2004. These financial statements are the responsibility of the Account's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. Our procedures included confirmation of investments owned as of December 31, 2004, by correspondence with investment companies; where replies were not received, we performed other auditing procedures. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of each of the individual sub-accounts constituting the Hartford Life and Annuity Insurance Company Separate Account Seven as of December 31, 2004, the results of their operations for the year then ended, and the changes in their net assets for each of the two years in the period ended December 31, 2004, in conformity with accounting principles generally accepted in the United States of America.

/s/ Deloitte & Touche LLP
Hartford, Connecticut
February 24, 2005

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SEPARATE ACCOUNT SEVEN

HARTFORD LIFE AND ANNUITY INSURANCE COMPANY
STATEMENTS OF ASSETS AND LIABILITIES
DECEMBER 31, 2004

<Table>

<Caption>

	AIM V.I. AGGRESSIVE GROWTH FUND SUB-ACCOUNT	AIM V.I. BASIC VALUE FUND SUB-ACCOUNT	AIM V.I. BLUE CHIP FUND SUB-ACCOUNT
<S>	<C>	<C>	<C>
ASSETS:			
Investments:			
Number of Shares.....	3,677,649	24,283,004	7,331,593
Cost.....	\$34,061,654	\$230,624,108	\$43,307,914
Market Value.....	\$43,543,362	\$287,510,763	\$50,368,042
Due from Hartford Life and Annuity Insurance Company.....	92,832	--	54,011
Receivable from fund shares sold.....	--	1,496	--
Other assets.....	--	16	--
Total Assets.....	43,636,194	287,512,275	50,422,053

LIABILITIES:			
Due to Hartford Life and Annuity Insurance Company.....	--	1,496	--
Payable for fund shares purchased.....	92,832	--	54,011
Other liabilities.....	85	--	32
Total Liabilities.....	92,917	1,496	54,043

NET ASSETS:			
For Variable Annuity Contract Liabilities.....	\$43,543,277	\$287,510,779	\$50,368,010

</Table>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

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<Page>

<Table>

<Caption>

	AIM V.I. CAPITAL APPRECIATION FUND SUB-ACCOUNT	AIM V.I. DEMOGRAPHIC TRENDS FUND SUB-ACCOUNT	AIM V.I. GOVERNMENT SECURITIES FUND SUB-ACCOUNT	AIM V.I. INTERNATIONAL GROWTH FUND SUB-ACCOUNT	AIM V.I. MID CAP CORE EQUITY FUND SUB-ACCOUNT	AIM V.I. PREMIER EQUITY FUND SUB-ACCOUNT
<S>	<C>	<C>	<C>	<C>	<C>	<C>
ASSETS:						
Investments:						
Number of Shares.....	2,103,450	5,229,079	30,855,933	1,270,296	24,933,140	9,539,300
Cost.....	\$40,047,416	\$24,482,556	\$379,700,090	\$19,890,559	\$277,843,975	\$185,507,545
Market Value.....	\$47,727,272	\$29,492,007	\$372,431,113	\$25,113,743	\$326,873,468	\$203,187,087
Due from Hartford Life and Annuity Insurance Company.....	4,708	14,083	278,038	107,667	--	287,686
Receivable from fund shares sold.....	--	--	--	--	35,283	--
Other assets.....	--	36	--	49	63	389
Total Assets.....	47,731,980	29,506,126	372,709,151	25,221,459	326,908,814	203,475,162
LIABILITIES:						
Due to Hartford Life and Annuity Insurance Company.....	--	--	--	--	35,283	--
Payable for fund shares purchased.....	4,708	14,083	278,038	107,667	--	287,686
Other liabilities.....	14	--	710	--	--	--
Total Liabilities.....	4,722	14,083	278,748	107,667	35,283	287,686
NET ASSETS:						
For Variable Annuity Contract Liabilities.....	\$47,727,258	\$29,492,043	\$372,430,403	\$25,113,792	\$326,873,531	\$203,187,476

<Caption>

AIM V.I. SMALL CAP EQUITY FUND SUB-ACCOUNT

<S>

<C>

ASSETS:

Investments:

Number of Shares.....	1,556,592
Cost.....	\$18,226,231
Market Value.....	\$19,379,566
Due from Hartford Life and Annuity Insurance Company.....	50,491
Receivable from fund shares sold.....	--
Other assets.....	--
Total Assets.....	19,430,057

LIABILITIES:	
Due to Hartford Life and Annuity Insurance Company.....	--
Payable for fund shares purchased.....	50,492
Other liabilities.....	--

Total Liabilities.....	50,492

NET ASSETS:	
For Variable Annuity Contract Liabilities.....	\$19,379,565
	=====

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SEPARATE ACCOUNT SEVEN

HARTFORD LIFE AND ANNUITY INSURANCE COMPANY
STATEMENTS OF ASSETS AND LIABILITIES -- (CONTINUED)
DECEMBER 31, 2004

<Table>
<Caption>

	AMERICAN FUNDS ASSET ALLOCATION FUND SUB-ACCOUNT	AMERICAN FUNDS BLUE CHIP INCOME AND GROWTH FUND SUB-ACCOUNT	AMERICAN FUNDS BOND FUND SUB-ACCOUNT
<S>	<C>	<C>	<C>
ASSETS:			
Investments:			
Number of Shares.....	89,908,699	108,899,538	80,692,698
	=====	=====	=====
Cost.....	\$1,241,914,402	\$ 914,294,096	\$860,916,168
	=====	=====	=====
Market Value.....	\$1,386,392,127	\$1,110,775,280	\$926,352,172
Due from Hartford Life and Annuity Insurance Company.....	1,280,537	726,083	693,728
Receivable from fund shares sold.....	--	--	--
Other assets.....	--	--	--
	-----	-----	-----
Total Assets.....	1,387,672,664	1,111,501,363	927,045,900
	-----	-----	-----
LIABILITIES:			
Due to Hartford Life and Annuity Insurance Company.....	--	--	--
Payable for fund shares purchased.....	1,280,537	726,083	693,728
Other liabilities.....	315	515	109
	-----	-----	-----
Total Liabilities.....	1,280,852	726,598	693,837
	-----	-----	-----
NET ASSETS:			
For Variable Annuity Contract Liabilities.....	\$1,386,391,812	\$1,110,774,765	\$926,352,063
	=====	=====	=====

</Table>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

<Page>
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	AMERICAN FUNDS GLOBAL GROWTH FUND SUB-ACCOUNT	AMERICAN FUNDS GROWTH FUND SUB-ACCOUNT	AMERICAN FUNDS GROWTH-INCOME FUND SUB-ACCOUNT	AMERICAN FUNDS INTERNATIONAL FUND SUB-ACCOUNT	AMERICAN FUNDS NEW WORLD FUND SUB-ACCOUNT
<S>	<C>	<C>	<C>	<C>	<C>
ASSETS:					
Investments:					
Number of Shares.....	25,767,687	55,278,651	86,731,601	37,376,641	9,181,353
	=====	=====	=====	=====	=====
Cost.....	\$380,719,540	\$2,484,442,752	\$2,709,506,943	\$531,293,693	\$100,372,035
	=====	=====	=====	=====	=====
Market Value.....	\$443,977,244	\$2,824,739,039	\$3,177,845,839	\$590,177,161	\$127,528,985

Due from Hartford Life and Annuity Insurance Company.....	332,307	2,199,501	2,287,968	650,565	360,249
Receivable from fund shares sold.....	--	--	--	--	--
Other assets.....	15	--	--	--	25
Total Assets.....	444,309,566	2,826,938,540	3,180,133,807	590,827,726	127,889,259
LIABILITIES:					
Due to Hartford Life and Annuity Insurance Company.....	--	--	--	--	--
Payable for fund shares purchased.....	332,307	2,199,501	2,287,969	650,565	360,249
Other liabilities.....	--	646	243	98	--
Total Liabilities.....	332,307	2,200,147	2,288,212	650,663	360,249
NET ASSETS:					
For Variable Annuity Contract Liabilities.....	\$443,977,259	\$2,824,738,393	\$3,177,845,595	\$590,177,063	\$127,529,010

<Caption>

	AMERICAN FUNDS GLOBAL SMALL CAPITALIZATION FUND SUB-ACCOUNT	FRANKLIN RISING DIVIDENDS SECURITIES FUND SUB-ACCOUNT
<S>	<C>	<C>
ASSETS:		
Investments:		
Number of Shares.....	14,705,941	20,268,438
Cost.....	\$198,509,797	\$325,222,044
Market Value.....	\$250,295,111	\$354,900,345
Due from Hartford Life and Annuity Insurance Company.....	143,197	1,047,029
Receivable from fund shares sold.....	--	--
Other assets.....	--	19
Total Assets.....	250,438,308	355,947,393
LIABILITIES:		
Due to Hartford Life and Annuity Insurance Company.....	--	--
Payable for fund shares purchased.....	143,197	1,047,029
Other liabilities.....	9	--
Total Liabilities.....	143,206	1,047,029
NET ASSETS:		
For Variable Annuity Contract Liabilities.....	\$250,295,102	\$354,900,364

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SEPARATE ACCOUNT SEVEN

HARTFORD LIFE AND ANNUITY INSURANCE COMPANY
STATEMENTS OF ASSETS AND LIABILITIES -- (CONTINUED)
DECEMBER 31, 2004

<Table>

<Caption>

	FRANKLIN INCOME SECURITIES FUND SUB-ACCOUNT	FRANKLIN LARGE CAP GROWTH SECURITIES FUND SUB-ACCOUNT	FRANKLIN REAL ESTATE FUND SUB-ACCOUNT
<S>	<C>	<C>	<C>
ASSETS:			
Investments:			
Number of Shares.....	57,176,065	6,775,450	1,367,629

Cost.....	=====	=====	=====
	\$777,603,066	\$ 92,239,045	\$24,309,258
Market Value.....	=====	=====	=====
	\$895,948,941	\$100,954,195	\$41,699,001
Due from Hartford Life and Annuity Insurance Company.....	1,236,322	339,706	--
Receivable from fund shares sold.....	--	--	169
Other assets.....	23	--	3
Total Assets.....	-----	-----	-----
	897,185,286	101,293,901	41,699,173
LIABILITIES:			
Due to Hartford Life and Annuity Insurance Company.....	--	--	169
Payable for fund shares purchased.....	1,236,322	339,706	--
Other liabilities.....	--	17	--
Total Liabilities.....	-----	-----	-----
	1,236,322	339,723	169
NET ASSETS:			
For Variable Annuity Contract Liabilities.....	=====	=====	=====
	\$895,948,964	\$100,954,178	\$41,699,004

</Table>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

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<Table>

<Caption>

	FRANKLIN SMALL CAP FUND SUB-ACCOUNT	FRANKLIN STRATEGIC INCOME SECURITIES FUND SUB-ACCOUNT	MUTUAL SHARES SECURITIES FUND SUB-ACCOUNT	TEMPLETON DEVELOPING MARKETS SECURITIES FUND SUB-ACCOUNT	TEMPLETON FOREIGN SECURITIES FUND SUB-ACCOUNT
<S>	<C>	<C>	<C>	<C>	<C>
ASSETS:					
Investments:					
Number of Shares.....	18,140,961	29,540,580	59,138,240	8,359,384	24,818,150
Cost.....	\$297,748,077	\$333,982,209	\$819,050,655	\$53,587,682	\$303,328,180
Market Value.....	\$352,478,865	\$381,664,295	\$984,060,317	\$72,977,417	\$356,140,453
Due from Hartford Life and Annuity Insurance Company.....	--	220,054	634,804	95,732	503,362
Receivable from fund shares sold.....	18,515	--	--	--	--
Other assets.....	21	--	140	--	15
Total Assets.....	-----	-----	-----	-----	-----
	352,497,401	381,884,349	984,695,261	73,073,149	356,643,830
LIABILITIES:					
Due to Hartford Life and Annuity Insurance Company.....	18,515	--	--	--	--
Payable for fund shares purchased.....	--	220,054	634,804	95,733	503,362
Other liabilities.....	--	20	--	--	--
Total Liabilities.....	-----	-----	-----	-----	-----
	18,515	220,074	634,804	95,733	503,362
NET ASSETS:					
For Variable Annuity Contract Liabilities.....	=====	=====	=====	=====	=====
	\$352,478,886	\$381,664,275	\$984,060,457	\$72,977,416	\$356,140,468

<Caption>

	TEMPLETON GLOBAL ASSET ALLOCATION FUND SUB-ACCOUNT	TEMPLETON GROWTH SECURITIES FUND SUB-ACCOUNT
<S>	<C>	<C>
ASSETS:		
Investments:		
Number of Shares.....	746,507	31,871,527

Cost.....	\$14,017,938	\$343,906,275
	=====	=====
Market Value.....	\$15,639,333	\$408,911,691
Due from Hartford Life and Annuity Insurance Company.....	--	784,493
Receivable from fund shares sold.....	1,006	--
Other assets.....	3	--
	-----	-----
Total Assets.....	15,640,342	409,696,184
	-----	-----

LIABILITIES:

Due to Hartford Life and Annuity Insurance Company.....	1,006	--
Payable for fund shares purchased.....	--	784,493
Other liabilities.....	--	2
	-----	-----
Total Liabilities.....	1,006	784,495
	-----	-----

NET ASSETS:

For Variable Annuity Contract Liabilities.....	\$15,639,336	\$408,911,689
	=====	=====

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SEPARATE ACCOUNT SEVEN

HARTFORD LIFE AND ANNUITY INSURANCE COMPANY
STATEMENTS OF ASSETS AND LIABILITIES -- (CONTINUED)
DECEMBER 31, 2004

<Table>

<Caption>

	MUTUAL DISCOVERY SECURITIES FUND SUB-ACCOUNT	HARTFORD MONEY MARKET HLS FUND SUB-ACCOUNT	MFS CAPITAL OPPORTUNITIES SERIES SUB-ACCOUNT
	-----	-----	-----
<S>	<C>	<C>	<C>
ASSETS:			
Investments:			
Number of Shares.....	6,474,986	223,838,362	4,887,959
	=====	=====	=====
Cost.....	\$ 91,397,152	\$223,838,362	\$83,074,414
	=====	=====	=====
Market Value.....	\$105,218,518	\$223,838,362	\$66,329,599
Due from Hartford Life and Annuity Insurance Company.....	332,493	--	--
Receivable from fund shares sold.....	--	116,655	26,107
Other assets.....	15	1,051	15
	-----	-----	-----
Total Assets.....	105,551,026	223,956,068	66,355,721
	-----	-----	-----
LIABILITIES:			
Due to Hartford Life and Annuity Insurance Company.....	--	116,655	26,107
Payable for fund shares purchased.....	332,493	--	--
Other liabilities.....	--	--	--
	-----	-----	-----
Total Liabilities.....	332,493	116,655	26,107
	-----	-----	-----
NET ASSETS:			
For Variable Annuity Contract Liabilities.....	\$105,218,533	\$223,839,413	\$66,329,614
	=====	=====	=====

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THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

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<Page>

<Table>

<Caption>

MFS EMERGING MFS GLOBAL MFS HIGH MFS INVESTORS MFS INVESTORS MFS MID CAP

	GROWTH SERIES SUB-ACCOUNT	EQUITY SERIES SUB-ACCOUNT	INCOME SERIES SUB-ACCOUNT	GROWTH STOCK SERIES SUB-ACCOUNT	TRUST SERIES SUB-ACCOUNT	GROWTH SERIES SUB-ACCOUNT
<S>	<C>	<C>	<C>	<C>	<C>	<C>
ASSETS:						
Investments:						
Number of Shares.....	3,279,680	1,704,039	23,853,800	12,914,070	13,348,501	23,997,411
Cost.....	\$80,761,863	\$17,395,669	\$223,875,284	\$132,979,066	\$227,679,387	\$151,814,249
Market Value.....	\$57,459,995	\$21,811,692	\$247,363,907	\$122,812,803	\$241,340,900	\$169,901,668
Due from Hartford Life and Annuity Insurance Company.....	--	101,282	135,847	--	248,244	37,209
Receivable from fund shares sold.....	18,974	--	--	18,220	--	--
Other assets.....	--	--	--	--	--	65
Total Assets.....	57,478,969	21,912,974	247,499,754	122,831,023	241,589,144	169,938,942
LIABILITIES:						
Due to Hartford Life and Annuity Insurance Company.....	18,974	--	--	18,220	--	--
Payable for fund shares purchased.....	--	101,283	135,847	--	248,243	37,209
Other liabilities.....	13	--	34	20	3	--
Total Liabilities.....	18,987	101,283	135,881	18,240	248,246	37,209
NET ASSETS:						
For Variable Annuity Contract Liabilities.....	\$57,459,982	\$21,811,691	\$247,363,873	\$122,812,783	\$241,340,898	\$169,901,733

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SEPARATE ACCOUNT SEVEN

HARTFORD LIFE AND ANNUITY INSURANCE COMPANY
STATEMENTS OF ASSETS AND LIABILITIES -- (CONTINUED)
DECEMBER 31, 2004

<Table>

<Caption>

	MFS NEW DISCOVERY SERIES SUB-ACCOUNT	MFS TOTAL RETURN SERIES SUB-ACCOUNT	MFS VALUE SERIES SUB-ACCOUNT
<S>	<C>	<C>	<C>
ASSETS:			
Investments:			
Number of Shares.....	11,091,647	46,948,364	3,974,970
Cost.....	\$150,124,836	\$ 867,401,879	\$42,094,076
Market Value.....	\$164,932,792	\$1,006,103,425	\$48,216,391
Due from Hartford Life and Annuity Insurance Company.....	327,712	946,391	83,087
Receivable from fund shares sold.....	--	--	--
Other assets.....	--	--	--
Total Assets.....	165,260,504	1,007,049,816	48,299,478
LIABILITIES:			
Due to Hartford Life and Annuity Insurance Company.....	--	--	--
Payable for fund shares purchased.....	327,712	946,391	83,087
Other liabilities.....	10	156	10
Total Liabilities.....	327,722	946,547	83,097
NET ASSETS:			
For Variable Annuity Contract Liabilities.....	\$164,932,782	\$1,006,103,269	\$48,216,381

</Table>

	MERRILL LYNCH GLOBAL GROWTH V.I. FUND SUB-ACCOUNT	MERRILL LYNCH LARGE CAP GROWTH V.I. FUND SUB-ACCOUNT	JENNISON 20/20 FOCUS PORTFOLIO SUB-ACCOUNT	JENNISON PORTFOLIO SUB-ACCOUNT	PRUDENTIAL VALUE PORTFOLIO SUB-ACCOUNT
<S>	<C>	<C>	<C>	<C>	<C>
ASSETS:					
Investments:					
Number of Shares.....	134,578	286,016	34,574	18,091	31,053
Cost.....	\$1,112,298	\$2,344,373	\$356,478	\$321,357	\$484,917
Market Value.....	\$1,300,022	\$2,848,717	\$422,845	\$325,091	\$619,189
Due from Hartford Life and Annuity Insurance Company.....	--	--	--	--	--
Receivable from fund shares sold.....	82	149	21	18	33
Other assets.....	--	--	--	--	--
Total Assets.....	1,300,104	2,848,866	422,866	325,109	619,222
LIABILITIES:					
Due to Hartford Life and Annuity Insurance Company.....	81	150	21	17	34
Payable for fund shares purchased.....	--	--	--	--	--
Other liabilities.....	--	--	2	--	--
Total Liabilities.....	81	150	23	17	34
NET ASSETS:					
For Variable Annuity Contract Liabilities.....	\$1,300,023	\$2,848,716	\$422,843	\$325,092	\$619,188

<Caption>

WELLS FARGO
ASSET ALLOCATION FUND
SUB-ACCOUNT

<S>	<C>
ASSETS:	
Investments:	
Number of Shares.....	137,696
Cost.....	\$1,704,139
Market Value.....	\$1,785,920
Due from Hartford Life and Annuity Insurance Company.....	--
Receivable from fund shares sold.....	98
Other assets.....	--
Total Assets.....	1,786,018
LIABILITIES:	
Due to Hartford Life and Annuity Insurance Company.....	98
Payable for fund shares purchased.....	--
Other liabilities.....	4
Total Liabilities.....	102
NET ASSETS:	
For Variable Annuity Contract Liabilities.....	\$1,785,916

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SEPARATE ACCOUNT SEVEN

HARTFORD LIFE AND ANNUITY INSURANCE COMPANY
 STATEMENTS OF ASSETS AND LIABILITIES -- (CONTINUED)
 DECEMBER 31, 2004

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	WELLS FARGO TOTAL RETURN BOND FUND SUB-ACCOUNT	WELLS FARGO EQUITY INCOME FUND SUB-ACCOUNT
<S>	<C>	<C>
ASSETS:		
Investments:		
Number of Shares.....	368,196	65,539
	=====	=====
Cost.....	\$3,842,751	\$ 984,757
	=====	=====
Market Value.....	\$3,711,421	\$1,070,247
Due from Hartford Life and Annuity Insurance Company.....	6,067	--
Receivable from fund shares sold.....	--	60
Other assets.....	--	--
	-----	-----
Total Assets.....	3,717,488	1,070,307
	-----	-----
LIABILITIES:		
Due to Hartford Life and Annuity Insurance Company.....	--	60
Payable for fund shares purchased.....	6,067	--
Other liabilities.....	512	--
	-----	-----
Total Liabilities.....	6,579	60
	-----	-----
NET ASSETS:		
For Variable Annuity Contract Liabilities.....	\$3,710,909	\$1,070,247
	=====	=====

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THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

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	WELLS FARGO EQUITY VALUE FUND SUB-ACCOUNT	WELLS FARGO GROWTH FUND SUB-ACCOUNT	WELLS FARGO INTERNATIONAL EQUITY FUND SUB-ACCOUNT	WELLS FARGO LARGE COMPANY GROWTH FUND SUB-ACCOUNT	WELLS FARGO MONEY MARKET FUND SUB-ACCOUNT	WELLS FARGO SMALL CAP GROWTH FUND SUB-ACCOUNT
<S>	<C>	<C>	<C>	<C>	<C>	<C>
ASSETS:						
Investments:						
Number of Shares.....	27,246	7,621	74,997	316,837	1,448,785	129,368
	=====	=====	=====	=====	=====	=====
Cost.....	\$220,196	\$ 97,735	\$557,694	\$2,685,362	\$1,448,785	\$ 899,639
	=====	=====	=====	=====	=====	=====
Market Value.....	\$248,755	\$106,467	\$620,227	\$2,813,516	\$1,448,785	\$1,015,539
Due from Hartford Life and Annuity Insurance Company.....	--	--	--	--	--	--
Receivable from fund shares sold.....	15	6	35	604	77	150
Other assets.....	--	--	--	3	3	--
	-----	-----	-----	-----	-----	-----
Total Assets.....	248,770	106,473	620,262	2,814,123	1,448,865	1,015,689
	-----	-----	-----	-----	-----	-----
LIABILITIES:						
Due to Hartford Life and Annuity Insurance Company.....	15	6	36	604	77	150
Payable for fund shares purchased.....	--	--	--	--	--	--
Other liabilities.....	--	--	--	--	--	--

Total Liabilities.....	15	6	36	604	77	150
NET ASSETS:						
For Variable Annuity Contract Liabilities.....	\$248,755	\$106,467	\$620,226	\$2,813,519	\$1,448,788	\$1,015,539

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SEPARATE ACCOUNT SEVEN

HARTFORD LIFE AND ANNUITY INSURANCE COMPANY
STATEMENTS OF ASSETS AND LIABILITIES -- (CONTINUED)
DECEMBER 31, 2004

<Table>
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FUND	FEES (NOTE 3)	UNITS OWNED BY PARTICIPANTS	UNIT PRICE #	CONTRACT LIABILITY
<S>	<C>	<C>	<C>	<C>
DEFERRED ANNUITY CONTRACTS IN THE ACCUMULATION PERIOD:				
AIM V.I. Aggressive Growth Fund -- Class I.....	0.95%	90,782	\$ 1.258432	\$ 114,243
AIM V.I. Aggressive Growth Fund -- Class I.....	1.15%	9,487	1.250217	11,861
AIM V.I. Aggressive Growth Fund -- Class I.....	1.25%	45,918	1.245103	57,173
AIM V.I. Aggressive Growth Fund -- Class I.....	1.30%	48,508	1.244064	60,347
AIM V.I. Aggressive Growth Fund -- Class I.....	1.35%	662,155	1.243035	823,082
AIM V.I. Aggressive Growth Fund -- Class I.....	1.40%	1,799,363	1.239999	2,231,208
AIM V.I. Aggressive Growth Fund -- Class I.....	1.45%	35,690	1.239568	44,240
AIM V.I. Aggressive Growth Fund -- Class I.....	1.50%	9,929	1.238083	12,293
AIM V.I. Aggressive Growth Fund -- Class I.....	1.55%	312,469	1.233942	385,568
AIM V.I. Aggressive Growth Fund -- Class I.....	1.60%	171,559	1.231913	211,346
AIM V.I. Aggressive Growth Fund -- Class I.....	1.65%	1,965,808	1.229873	2,417,694
AIM V.I. Aggressive Growth Fund -- Class I.....	1.70%	4,275,853	1.227859	5,250,144
AIM V.I. Aggressive Growth Fund -- Class I.....	1.75%	2,094,621	1.225836	2,567,662
AIM V.I. Aggressive Growth Fund -- Class I.....	1.80%	241,839	1.223852	295,975
AIM V.I. Aggressive Growth Fund -- Class I.....	1.85%	2,447,682	1.221850	2,990,701
AIM V.I. Aggressive Growth Fund -- Class I.....	1.90%	982,390	1.219843	1,198,361
AIM V.I. Aggressive Growth Fund -- Class I.....	1.95%	177,510	1.219957	216,554
AIM V.I. Aggressive Growth Fund -- Class I.....	2.00%	4,574,911	1.215844	5,562,378
AIM V.I. Aggressive Growth Fund -- Class I.....	2.05%	9,692,460	1.213849	11,765,183
AIM V.I. Aggressive Growth Fund -- Class I.....	2.10%	117,200	1.215534	142,461
AIM V.I. Aggressive Growth Fund -- Class I.....	2.15%	1,506,946	1.211436	1,825,569
AIM V.I. Aggressive Growth Fund -- Class I.....	2.20%	1,738,927	1.209994	2,104,091
AIM V.I. Aggressive Growth Fund -- Class I.....	2.25%	1,020,055	1.208000	1,232,227
AIM V.I. Aggressive Growth Fund -- Class I.....	2.30%	310,105	1.206986	374,292
AIM V.I. Aggressive Growth Fund -- Class I.....	2.35%	705,920	1.205594	851,053
AIM V.I. Aggressive Growth Fund -- Class I.....	2.40%	266,857	1.203622	321,195
AIM V.I. Aggressive Growth Fund -- Class I.....	2.45%	272,330	1.203018	327,618
AIM V.I. Aggressive Growth Fund -- Class I.....	2.50%	116,328	1.202408	139,874

Fund -- Class I.....	2.55%	7,392	1.201813	8,884
AIM V.I. Basic Value Fund -- Class I.....	0.95%	1,518,236	1.316677	1,999,026
AIM V.I. Basic Value Fund -- Class I.....	1.10%	105,676	1.310219	138,458
AIM V.I. Basic Value Fund -- Class I.....	1.15%	77,961	1.308080	101,979
AIM V.I. Basic Value Fund -- Class I.....	1.25%	121,948	1.302755	158,868
AIM V.I. Basic Value Fund -- Class I.....	1.30%	1,327,579	1.301655	1,728,050
AIM V.I. Basic Value Fund -- Class I.....	1.35%	4,739,486	1.300569	6,164,028
AIM V.I. Basic Value Fund -- Class I.....	1.40%	13,398,156	1.297380	17,382,503
AIM V.I. Basic Value Fund -- Class I.....	1.45%	682,029	1.296930	884,544
AIM V.I. Basic Value Fund -- Class I.....	1.50%	9,997	1.295382	12,949
AIM V.I. Basic Value Fund -- Class I.....	1.55%	1,916,001	1.291024	2,473,603
AIM V.I. Basic Value Fund -- Class I.....	1.60%	2,134,505	1.288919	2,751,204
AIM V.I. Basic Value Fund -- Class I.....	1.65%	13,221,905	1.286811	17,014,093
AIM V.I. Basic Value Fund -- Class I.....	1.70%	30,327,918	1.284695	38,962,125
AIM V.I. Basic Value Fund -- Class I.....	1.75%	10,819,474	1.282604	13,877,100
AIM V.I. Basic Value Fund -- Class I.....	1.80%	1,138,286	1.280496	1,457,570
AIM V.I. Basic Value Fund -- Class I.....	1.85%	12,118,571	1.278389	15,492,248
AIM V.I. Basic Value Fund -- Class I.....	1.90%	5,099,027	1.276312	6,507,949

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

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FUND	FEES (NOTE 3)	UNITS		CONTRACT LIABILITY
		OWNED BY PARTICIPANTS	UNIT PRICE #	
<S>	<C>	<C>	<C>	<C>
AIM V.I. Basic Value Fund -- Class I.....	1.95%	1,494,179	\$ 1.276416	\$ 1,907,194
AIM V.I. Basic Value Fund -- Class I.....	2.00%	28,262,472	1.272121	35,953,284
AIM V.I. Basic Value Fund -- Class I.....	2.05%	54,232,034	1.270030	68,876,310
AIM V.I. Basic Value Fund -- Class I.....	2.10%	710,936	1.271801	904,169
AIM V.I. Basic Value Fund -- Class I.....	2.15%	8,833,070	1.267504	11,195,951
AIM V.I. Basic Value Fund -- Class I.....	2.20%	17,134,435	1.265981	21,691,869
AIM V.I. Basic Value Fund -- Class I.....	2.25%	2,112,014	1.263904	2,669,383
AIM V.I. Basic Value Fund -- Class I.....	2.30%	2,085,614	1.262849	2,633,815
AIM V.I. Basic Value Fund -- Class I.....	2.35%	5,548,845	1.261399	6,999,307
AIM V.I. Basic Value Fund -- Class I.....	2.40%	1,939,492	1.259341	2,442,482
AIM V.I. Basic Value Fund -- Class I.....	2.45%	1,471,179	1.258716	1,851,796
AIM V.I. Basic Value Fund -- Class I.....	2.50%	2,559,770	1.258072	3,220,374
AIM V.I. Basic Value Fund -- Class I.....	2.55%	20,775	1.257441	26,124
AIM V.I. Blue Chip Fund -- Class I.....	0.55%	7,921	1.135305	8,993
AIM V.I. Blue Chip Fund -- Class I.....	0.95%	569,849	1.120506	638,519
AIM V.I. Blue Chip Fund -- Class I.....	1.10%	27,853	1.115004	31,056
AIM V.I. Blue Chip Fund -- Class I.....	1.15%	23,855	1.113203	26,555
AIM V.I. Blue Chip Fund -- Class I.....	1.25%	108,540	1.108636	120,331

Class I.....	1.30%	120,143	1.107710	133,084
AIM V.I. Blue Chip Fund --				
Class I.....	1.35%	1,034,245	1.106811	1,144,714
AIM V.I. Blue Chip Fund --				
Class I.....	1.40%	3,627,058	1.104116	4,004,692
AIM V.I. Blue Chip Fund --				
Class I.....	1.45%	32,080	1.103711	35,407
AIM V.I. Blue Chip Fund --				
Class I.....	1.55%	417,804	1.098667	459,027
AIM V.I. Blue Chip Fund --				
Class I.....	1.60%	357,945	1.096882	392,624
AIM V.I. Blue Chip Fund --				
Class I.....	1.65%	2,845,887	1.095076	3,116,462
AIM V.I. Blue Chip Fund --				
Class I.....	1.70%	5,336,257	1.093288	5,834,066
AIM V.I. Blue Chip Fund --				
Class I.....	1.75%	2,013,925	1.091498	2,198,195
AIM V.I. Blue Chip Fund --				
Class I.....	1.80%	247,235	1.089710	269,415
AIM V.I. Blue Chip Fund --				
Class I.....	1.85%	2,204,983	1.087923	2,398,852
AIM V.I. Blue Chip Fund --				
Class I.....	1.90%	1,161,098	1.086146	1,261,122
AIM V.I. Blue Chip Fund --				
Class I.....	1.95%	395,110	1.086214	429,174
AIM V.I. Blue Chip Fund --				
Class I.....	2.00%	6,396,883	1.082586	6,925,176
AIM V.I. Blue Chip Fund --				
Class I.....	2.05%	11,651,823	1.080806	12,593,357
AIM V.I. Blue Chip Fund --				
Class I.....	2.10%	285,219	1.082282	308,688
AIM V.I. Blue Chip Fund --				
Class I.....	2.15%	1,943,213	1.078665	2,096,075
AIM V.I. Blue Chip Fund --				
Class I.....	2.20%	2,123,819	1.077359	2,288,116
AIM V.I. Blue Chip Fund --				
Class I.....	2.25%	478,932	1.075593	515,136
AIM V.I. Blue Chip Fund --				
Class I.....	2.30%	707,192	1.074688	760,011
AIM V.I. Blue Chip Fund --				
Class I.....	2.35%	893,389	1.073449	959,007
AIM V.I. Blue Chip Fund --				
Class I.....	2.40%	621,769	1.071702	666,352
AIM V.I. Blue Chip Fund --				
Class I.....	2.45%	263,171	1.071163	281,899
AIM V.I. Blue Chip Fund --				
Class I.....	2.50%	432,832	1.070633	463,404
AIM V.I. Blue Chip Fund --				
Class I.....	2.55%	7,944	1.070087	8,501
AIM V.I. Capital Appreciation				
Fund -- Class I.....	0.95%	392,766	1.275804	501,092
AIM V.I. Capital Appreciation				
Fund -- Class I.....	1.10%	20,696	1.269544	26,274
AIM V.I. Capital Appreciation				
Fund -- Class I.....	1.15%	18,318	1.267450	23,217
AIM V.I. Capital Appreciation				
Fund -- Class I.....	1.25%	44,160	1.262282	55,742
AIM V.I. Capital Appreciation				
Fund -- Class I.....	1.30%	509,420	1.261227	642,494

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SEPARATE ACCOUNT SEVEN

HARTFORD LIFE AND ANNUITY INSURANCE COMPANY
STATEMENTS OF ASSETS AND LIABILITIES -- (CONTINUED)
DECEMBER 31, 2004

<Table>

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FUND	FEES (NOTE 3)	UNITS		CONTRACT LIABILITY
		OWNED BY PARTICIPANTS	UNIT PRICE #	
<S>	<C>	<C>	<C>	<C>
AIM V.I. Capital Appreciation				
Fund -- Class I.....	1.35%	629,613	\$ 1.260166	\$ 793,417
AIM V.I. Capital Appreciation				
Fund -- Class I.....	1.40%	2,327,983	1.257105	2,926,519
AIM V.I. Capital Appreciation				
Fund -- Class I.....	1.45%	266,574	1.256663	334,993
AIM V.I. Capital Appreciation				
Fund -- Class I.....	1.55%	352,722	1.250938	441,234
AIM V.I. Capital Appreciation				

Fund -- Class I.....	1.60%	286,934	1.248880	358,346
AIM V.I. Capital Appreciation				
Fund -- Class I.....	1.65%	2,355,208	1.246827	2,936,537
AIM V.I. Capital Appreciation				
Fund -- Class I.....	1.70%	4,434,662	1.244800	5,520,267
AIM V.I. Capital Appreciation				
Fund -- Class I.....	1.75%	2,219,244	1.242768	2,758,006
AIM V.I. Capital Appreciation				
Fund -- Class I.....	1.80%	257,990	1.240718	320,093
AIM V.I. Capital Appreciation				
Fund -- Class I.....	1.85%	2,461,113	1.238691	3,048,559
AIM V.I. Capital Appreciation				
Fund -- Class I.....	1.90%	888,535	1.236658	1,098,814
AIM V.I. Capital Appreciation				
Fund -- Class I.....	1.95%	449,526	1.236755	555,954
AIM V.I. Capital Appreciation				
Fund -- Class I.....	2.00%	4,875,440	1.232623	6,009,579
AIM V.I. Capital Appreciation				
Fund -- Class I.....	2.05%	7,871,923	1.230599	9,687,179
AIM V.I. Capital Appreciation				
Fund -- Class I.....	2.10%	160,863	1.232282	198,228
AIM V.I. Capital Appreciation				
Fund -- Class I.....	2.15%	1,508,721	1.228149	1,852,935
AIM V.I. Capital Appreciation				
Fund -- Class I.....	2.20%	3,248,673	1.226672	3,985,056
AIM V.I. Capital Appreciation				
Fund -- Class I.....	2.25%	177,767	1.224655	217,704
AIM V.I. Capital Appreciation				
Fund -- Class I.....	2.30%	314,674	1.223633	385,045
AIM V.I. Capital Appreciation				
Fund -- Class I.....	2.35%	1,650,957	1.222228	2,017,846
AIM V.I. Capital Appreciation				
Fund -- Class I.....	2.40%	208,843	1.220224	254,835
AIM V.I. Capital Appreciation				
Fund -- Class I.....	2.45%	231,259	1.219611	282,046
AIM V.I. Capital Appreciation				
Fund -- Class I.....	2.50%	400,467	1.218998	488,169
AIM V.I. Capital Appreciation				
Fund -- Class I.....	2.55%	5,809	1.218395	7,078
AIM V.I. Dent Demographic				
Trends Fund -- Class I.....	0.95%	48,137	1.265512	60,917
AIM V.I. Dent Demographic				
Trends Fund -- Class I.....	1.10%	3,118	1.259314	3,926
AIM V.I. Dent Demographic				
Trends Fund -- Class I.....	1.15%	10,103	1.257232	12,702
AIM V.I. Dent Demographic				
Trends Fund -- Class I.....	1.25%	47,012	1.252104	58,864
AIM V.I. Dent Demographic				
Trends Fund -- Class I.....	1.30%	13,625	1.251065	17,046
AIM V.I. Dent Demographic				
Trends Fund -- Class I.....	1.35%	710,728	1.250026	888,428
AIM V.I. Dent Demographic				
Trends Fund -- Class I.....	1.40%	1,200,452	1.246987	1,496,948
AIM V.I. Dent Demographic				
Trends Fund -- Class I.....	1.45%	9,633	1.246543	12,008
AIM V.I. Dent Demographic				
Trends Fund -- Class I.....	1.50%	9,430	1.245037	11,740
AIM V.I. Dent Demographic				
Trends Fund -- Class I.....	1.55%	143,939	1.240863	178,609
AIM V.I. Dent Demographic				
Trends Fund -- Class I.....	1.60%	177,505	1.238815	219,896
AIM V.I. Dent Demographic				
Trends Fund -- Class I.....	1.65%	1,635,713	1.236789	2,023,032
AIM V.I. Dent Demographic				
Trends Fund -- Class I.....	1.70%	3,377,872	1.234776	4,170,915
AIM V.I. Dent Demographic				
Trends Fund -- Class I.....	1.75%	815,616	1.232747	1,005,448
AIM V.I. Dent Demographic				
Trends Fund -- Class I.....	1.80%	124,870	1.230732	153,682
AIM V.I. Dent Demographic				
Trends Fund -- Class I.....	1.85%	1,313,999	1.228709	1,614,522
AIM V.I. Dent Demographic				
Trends Fund -- Class I.....	1.90%	665,922	1.226697	816,885
AIM V.I. Dent Demographic				
Trends Fund -- Class I.....	1.95%	259,088	1.226790	317,847
AIM V.I. Dent Demographic				
Trends Fund -- Class I.....	2.00%	3,152,024	1.222679	3,853,914
AIM V.I. Dent Demographic				
Trends Fund -- Class I.....	2.05%	5,119,330	1.220687	6,249,098
AIM V.I. Dent Demographic				
Trends Fund -- Class I.....	2.10%	93,369	1.222352	114,129
AIM V.I. Dent Demographic				
Trends Fund -- Class I.....	2.15%	1,231,784	1.218258	1,500,629
AIM V.I. Dent Demographic				

Trends Fund -- Class I.....	2.20%	2,134,751	1.216792	2,597,548
AIM V.I. Dent Demographic				
Trends Fund -- Class I.....	2.25%	95,701	1.214780	116,255

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

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FUND	FEES (NOTE 3)	UNITS	UNIT PRICE #	CONTRACT LIABILITY
		OWNED BY PARTICIPANTS		
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AIM V.I. Dent Demographic				
Trends Fund -- Class I.....	2.30%	580,430	\$ 1.213768	\$ 704,507
AIM V.I. Dent Demographic				
Trends Fund -- Class I.....	2.35%	591,751	1.212398	717,438
AIM V.I. Dent Demographic				
Trends Fund -- Class I.....	2.40%	251,727	1.210366	304,682
AIM V.I. Dent Demographic				
Trends Fund -- Class I.....	2.45%	108,914	1.209764	131,760
AIM V.I. Dent Demographic				
Trends Fund -- Class I.....	2.50%	109,422	1.209161	132,309
AIM V.I. Government Securities				
Fund -- Class I.....	0.95%	1,769,004	1.105472	1,955,584
AIM V.I. Government Securities				
Fund -- Class I.....	1.10%	117,919	1.100046	129,717
AIM V.I. Government Securities				
Fund -- Class I.....	1.15%	18,463	1.098247	20,277
AIM V.I. Government Securities				
Fund -- Class I.....	1.25%	179,941	1.093789	196,817
AIM V.I. Government Securities				
Fund -- Class I.....	1.30%	746,979	1.092858	816,342
AIM V.I. Government Securities				
Fund -- Class I.....	1.35%	10,436,078	1.091958	11,395,759
AIM V.I. Government Securities				
Fund -- Class I.....	1.40%	16,791,219	1.089293	18,290,558
AIM V.I. Government Securities				
Fund -- Class I.....	1.45%	230,486	1.088900	250,976
AIM V.I. Government Securities				
Fund -- Class I.....	1.50%	8,945	1.087588	9,729
AIM V.I. Government Securities				
Fund -- Class I.....	1.55%	3,679,995	1.083943	3,988,905
AIM V.I. Government Securities				
Fund -- Class I.....	1.60%	1,388,505	1.082171	1,502,600
AIM V.I. Government Securities				
Fund -- Class I.....	1.65%	22,799,444	1.080381	24,632,086
AIM V.I. Government Securities				
Fund -- Class I.....	1.70%	44,900,070	1.078619	48,430,065
AIM V.I. Government Securities				
Fund -- Class I.....	1.75%	17,891,508	1.076866	19,266,756
AIM V.I. Government Securities				
Fund -- Class I.....	1.80%	1,754,461	1.075087	1,886,198
AIM V.I. Government Securities				
Fund -- Class I.....	1.85%	27,054,381	1.073345	29,038,685
AIM V.I. Government Securities				
Fund -- Class I.....	1.90%	5,317,676	1.071584	5,698,337
AIM V.I. Government Securities				
Fund -- Class I.....	1.95%	2,619,260	1.071651	2,806,933
AIM V.I. Government Securities				
Fund -- Class I.....	2.00%	34,941,098	1.068065	37,319,364
AIM V.I. Government Securities				
Fund -- Class I.....	2.05%	64,271,106	1.066299	68,532,217
AIM V.I. Government Securities				
Fund -- Class I.....	2.10%	889,139	1.067795	949,418
AIM V.I. Government Securities				
Fund -- Class I.....	2.15%	26,008,037	1.064200	27,677,753
AIM V.I. Government Securities				
Fund -- Class I.....	2.20%	44,373,032	1.062893	47,163,785
AIM V.I. Government Securities				
Fund -- Class I.....	2.25%	1,892,431	1.061170	2,008,191
AIM V.I. Government Securities				
Fund -- Class I.....	2.30%	1,955,526	1.060265	2,073,376
AIM V.I. Government Securities				
Fund -- Class I.....	2.35%	5,298,479	1.059041	5,611,307
AIM V.I. Government Securities				
Fund -- Class I.....	2.40%	2,107,096	1.057315	2,227,864
AIM V.I. Government Securities				
Fund -- Class I.....	2.45%	2,596,595	1.056779	2,744,027
AIM V.I. Government Securities				
Fund -- Class I.....	2.50%	5,398,834	1.056247	5,702,502
AIM V.I. Government Securities				

Fund -- Class I.....	2.55%	72,196	1.055721	76,219
AIM V.I. International Growth				
Fund -- Class I.....	0.95%	88,480	1.445927	127,935
AIM V.I. International Growth				
Fund -- Class I.....	1.10%	56,182	1.438825	80,836
AIM V.I. International Growth				
Fund -- Class I.....	1.15%	18,431	1.436489	26,476
AIM V.I. International Growth				
Fund -- Class I.....	1.25%	14,682	1.430640	21,004
AIM V.I. International Growth				
Fund -- Class I.....	1.30%	21,816	1.429432	31,184
AIM V.I. International Growth				
Fund -- Class I.....	1.35%	503,659	1.428246	719,350
AIM V.I. International Growth				
Fund -- Class I.....	1.40%	885,244	1.424775	1,261,273
AIM V.I. International Growth				
Fund -- Class I.....	1.45%	121,810	1.424261	173,489
AIM V.I. International Growth				
Fund -- Class I.....	1.55%	86,645	1.417764	122,842
AIM V.I. International Growth				
Fund -- Class I.....	1.60%	107,037	1.415457	151,507
AIM V.I. International Growth				
Fund -- Class I.....	1.65%	1,133,354	1.413144	1,601,593
AIM V.I. International Growth				
Fund -- Class I.....	1.70%	2,059,076	1.410825	2,904,996
AIM V.I. International Growth				
Fund -- Class I.....	1.75%	987,295	1.408510	1,390,614

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SEPARATE ACCOUNT SEVEN

HARTFORD LIFE AND ANNUITY INSURANCE COMPANY
STATEMENTS OF ASSETS AND LIABILITIES -- (CONTINUED)
DECEMBER 31, 2004

<Table>

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FUND	FEES (NOTE 3)	UNITS	UNIT PRICE #	CONTRACT LIABILITY
		OWNED BY PARTICIPANTS		
<S>	<C>	<C>	<C>	<C>
AIM V.I. International Growth				
Fund -- Class I.....	1.80%	62,244	\$ 1.406196	\$ 87,527
AIM V.I. International Growth				
Fund -- Class I.....	1.85%	1,528,051	1.403902	2,145,234
AIM V.I. International Growth				
Fund -- Class I.....	1.90%	606,574	1.401609	850,179
AIM V.I. International Growth				
Fund -- Class I.....	1.95%	272,077	1.401725	381,377
AIM V.I. International Growth				
Fund -- Class I.....	2.00%	1,990,861	1.397023	2,781,279
AIM V.I. International Growth				
Fund -- Class I.....	2.05%	3,253,019	1.394744	4,537,129
AIM V.I. International Growth				
Fund -- Class I.....	2.10%	35,720	1.396646	49,888
AIM V.I. International Growth				
Fund -- Class I.....	2.15%	1,001,841	1.391958	1,394,521
AIM V.I. International Growth				
Fund -- Class I.....	2.20%	1,440,814	1.390275	2,003,127
AIM V.I. International Growth				
Fund -- Class I.....	2.25%	119,979	1.388001	166,531
AIM V.I. International Growth				
Fund -- Class I.....	2.30%	242,899	1.386855	336,866
AIM V.I. International Growth				
Fund -- Class I.....	2.35%	697,553	1.385249	966,285
AIM V.I. International Growth				
Fund -- Class I.....	2.40%	129,891	1.382975	179,636
AIM V.I. International Growth				
Fund -- Class I.....	2.45%	212,770	1.382282	294,109
AIM V.I. International Growth				
Fund -- Class I.....	2.50%	227,521	1.381589	314,340
AIM V.I. International Growth				
Fund -- Class I.....	2.55%	9,171	1.380892	12,665
AIM V.I. Mid Cap Core Equity				
Fund -- Class I.....	0.95%	2,997,792	1.444712	4,330,946
AIM V.I. Mid Cap Core Equity				
Fund -- Class I.....	1.10%	373,873	1.437612	537,485
AIM V.I. Mid Cap Core Equity				
Fund -- Class I.....	1.15%	137,644	1.435258	197,555
AIM V.I. Mid Cap Core Equity				
Fund -- Class I.....	1.25%	435,844	1.429422	623,005
AIM V.I. Mid Cap Core Equity				

Fund -- Class I.....	1.30%	2,259,114	1.428236	3,226,548
AIM V.I. Mid Cap Core Equity				
Fund -- Class I.....	1.35%	3,972,108	1.427030	5,668,315
AIM V.I. Mid Cap Core Equity				
Fund -- Class I.....	1.40%	11,964,276	1.423532	17,031,530
AIM V.I. Mid Cap Core Equity				
Fund -- Class I.....	1.45%	1,095,539	1.423067	1,559,025
AIM V.I. Mid Cap Core Equity				
Fund -- Class I.....	1.50%	16,575	1.421341	23,559
AIM V.I. Mid Cap Core Equity				
Fund -- Class I.....	1.55%	2,517,872	1.416574	3,566,752
AIM V.I. Mid Cap Core Equity				
Fund -- Class I.....	1.60%	2,408,151	1.414262	3,405,756
AIM V.I. Mid Cap Core Equity				
Fund -- Class I.....	1.65%	14,319,402	1.411931	20,218,007
AIM V.I. Mid Cap Core Equity				
Fund -- Class I.....	1.70%	26,951,843	1.409623	37,991,938
AIM V.I. Mid Cap Core Equity				
Fund -- Class I.....	1.75%	14,939,141	1.407321	21,024,167
AIM V.I. Mid Cap Core Equity				
Fund -- Class I.....	1.80%	833,461	1.405002	1,171,014
AIM V.I. Mid Cap Core Equity				
Fund -- Class I.....	1.85%	11,540,935	1.402701	16,188,481
AIM V.I. Mid Cap Core Equity				
Fund -- Class I.....	1.90%	4,561,969	1.400396	6,388,563
AIM V.I. Mid Cap Core Equity				
Fund -- Class I.....	1.95%	2,024,578	1.400519	2,835,460
AIM V.I. Mid Cap Core Equity				
Fund -- Class I.....	2.00%	26,309,273	1.395829	36,723,246
AIM V.I. Mid Cap Core Equity				
Fund -- Class I.....	2.05%	61,224,591	1.393538	85,318,793
AIM V.I. Mid Cap Core Equity				
Fund -- Class I.....	2.10%	901,534	1.395460	1,258,055
AIM V.I. Mid Cap Core Equity				
Fund -- Class I.....	2.15%	8,935,516	1.390779	12,427,328
AIM V.I. Mid Cap Core Equity				
Fund -- Class I.....	2.20%	19,245,860	1.389103	26,734,482
AIM V.I. Mid Cap Core Equity				
Fund -- Class I.....	2.25%	2,009,800	1.386816	2,787,223
AIM V.I. Mid Cap Core Equity				
Fund -- Class I.....	2.30%	1,153,252	1.385662	1,598,018
AIM V.I. Mid Cap Core Equity				
Fund -- Class I.....	2.35%	4,760,554	1.384060	6,588,893
AIM V.I. Mid Cap Core Equity				
Fund -- Class I.....	2.40%	1,915,815	1.381798	2,647,269
AIM V.I. Mid Cap Core Equity				
Fund -- Class I.....	2.45%	898,638	1.381096	1,241,105
AIM V.I. Mid Cap Core Equity				
Fund -- Class I.....	2.50%	2,502,999	1.380406	3,455,155
AIM V.I. Mid Cap Core Equity				
Fund -- Class I.....	2.55%	33,815	1.379716	46,655
AIM V.I. Premier Equity Fund				
-- Class I.....	0.95%	468,054	1.047934	490,489
AIM V.I. Premier Equity Fund				
-- Class I.....	1.10%	41,743	1.042795	43,530

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

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FUND	FEES (NOTE 3)	UNITS		CONTRACT LIABILITY
		OWNED BY PARTICIPANTS	UNIT PRICE #	
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AIM V.I. Premier Equity Fund				
-- Class I.....	1.15%	38,454	\$ 1.041083	\$ 40,033
AIM V.I. Premier Equity Fund				
-- Class I.....	1.25%	39,277	1.036831	40,723
AIM V.I. Premier Equity Fund				
-- Class I.....	1.30%	403,257	1.035949	417,753
AIM V.I. Premier Equity Fund				
-- Class I.....	1.35%	8,585,466	1.035098	8,886,799
AIM V.I. Premier Equity Fund				
-- Class I.....	1.40%	5,493,516	1.032581	5,672,500
AIM V.I. Premier Equity Fund				
-- Class I.....	1.45%	159,892	1.032217	165,044
AIM V.I. Premier Equity Fund				
-- Class I.....	1.55%	821,413	1.027518	844,017
AIM V.I. Premier Equity Fund				
-- Class I.....	1.60%	622,974	1.025833	639,067
AIM V.I. Premier Equity Fund				

-- Class I.....	1.65%	11,090,755	1.024162	11,358,730
AIM V.I. Premier Equity Fund				
-- Class I.....	1.70%	24,681,159	1.022485	25,236,115
AIM V.I. Premier Equity Fund				
-- Class I.....	1.75%	6,654,894	1.020802	6,793,329
AIM V.I. Premier Equity Fund				
-- Class I.....	1.80%	592,654	1.019122	603,987
AIM V.I. Premier Equity Fund				
-- Class I.....	1.85%	19,488,265	1.017458	19,828,491
AIM V.I. Premier Equity Fund				
-- Class I.....	1.90%	2,233,992	1.015768	2,269,218
AIM V.I. Premier Equity Fund				
-- Class I.....	1.95%	1,510,437	1.015875	1,534,415
AIM V.I. Premier Equity Fund				
-- Class I.....	2.00%	19,755,609	1.012479	20,002,139
AIM V.I. Premier Equity Fund				
-- Class I.....	2.05%	32,598,612	1.010799	32,950,645
AIM V.I. Premier Equity Fund				
-- Class I.....	2.10%	489,719	1.012187	495,687
AIM V.I. Premier Equity Fund				
-- Class I.....	2.15%	19,406,199	1.008797	19,576,915
AIM V.I. Premier Equity Fund				
-- Class I.....	2.20%	31,785,498	1.007588	32,026,686
AIM V.I. Premier Equity Fund				
-- Class I.....	2.25%	1,038,104	1.005941	1,044,271
AIM V.I. Premier Equity Fund				
-- Class I.....	2.30%	1,278,978	1.005088	1,285,485
AIM V.I. Premier Equity Fund				
-- Class I.....	2.35%	2,367,733	1.003926	2,377,029
AIM V.I. Premier Equity Fund				
-- Class I.....	2.40%	1,514,034	1.002284	1,517,492
AIM V.I. Premier Equity Fund				
-- Class I.....	2.45%	2,466,792	1.001779	2,471,180
AIM V.I. Premier Equity Fund				
-- Class I.....	2.50%	4,437,218	1.001280	4,442,898
AIM V.I. Premier Equity Fund				
-- Class I.....	2.55%	97,266	1.000777	97,342
AIM V.I. Small Cap Equity Fund				
-- Class S1.....	0.95%	7,059	11.703215	82,611
AIM V.I. Small Cap Equity Fund				
-- Class S1.....	1.25%	275	11.660882	3,204
AIM V.I. Small Cap Equity Fund				
-- Class S1.....	1.30%	1,511	11.653846	17,607
AIM V.I. Small Cap Equity Fund				
-- Class S1.....	1.35%	42,154	11.646808	490,960
AIM V.I. Small Cap Equity Fund				
-- Class S1.....	1.40%	68,401	11.639796	796,177
AIM V.I. Small Cap Equity Fund				
-- Class S1.....	1.45%	3,321	11.632766	38,629
AIM V.I. Small Cap Equity Fund				
-- Class S1.....	1.55%	6,761	11.618714	78,552
AIM V.I. Small Cap Equity Fund				
-- Class S1.....	1.60%	7,249	11.611698	84,174
AIM V.I. Small Cap Equity Fund				
-- Class S1.....	1.65%	78,179	11.604678	907,240
AIM V.I. Small Cap Equity Fund				
-- Class S1.....	1.70%	167,259	11.597675	1,939,810
AIM V.I. Small Cap Equity Fund				
-- Class S1.....	1.75%	25,913	11.590678	300,353
AIM V.I. Small Cap Equity Fund				
-- Class S1.....	1.80%	3,320	11.583693	38,458
AIM V.I. Small Cap Equity Fund				
-- Class S1.....	1.85%	207,382	11.576688	2,400,799
AIM V.I. Small Cap Equity Fund				
-- Class S1.....	1.90%	9,694	11.569700	112,161
AIM V.I. Small Cap Equity Fund				
-- Class S1.....	1.95%	26,718	11.562718	308,927
AIM V.I. Small Cap Equity Fund				
-- Class S1.....	2.00%	141,422	11.555735	1,634,227
AIM V.I. Small Cap Equity Fund				
-- Class S1.....	2.05%	296,122	11.548759	3,419,845
AIM V.I. Small Cap Equity Fund				
-- Class S1.....	2.10%	42	11.541778	487
AIM V.I. Small Cap Equity Fund				
-- Class S1.....	2.15%	189,553	11.534830	2,186,460
AIM V.I. Small Cap Equity Fund				
-- Class S1.....	2.20%	323,552	11.527864	3,729,856
AIM V.I. Small Cap Equity Fund				
-- Class S1.....	2.25%	5,437	11.520895	62,644

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HARTFORD LIFE AND ANNUITY INSURANCE COMPANY
 STATEMENTS OF ASSETS AND LIABILITIES -- (CONTINUED)
 DECEMBER 31, 2004

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FUND	FEES (NOTE 3)	UNITS		CONTRACT LIABILITY
		OWNED BY PARTICIPANTS	UNIT PRICE #	
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<S>	<C>	<C>	<C>	<C>
AIM V.I. Small Cap Equity Fund -- Class S1.....	2.30%	4,475	\$11.513938	\$ 51,525
AIM V.I. Small Cap Equity Fund -- Class S1.....	2.35%	21,950	11.506991	252,583
AIM V.I. Small Cap Equity Fund -- Class S1.....	2.45%	10,052	11.494297	115,546
AIM V.I. Small Cap Equity Fund -- Class S1.....	2.50%	28,440	11.488515	326,730
American Funds Asset Allocation Fund -- Class 2...	0.55%	10,465	11.786704	123,350
American Funds Asset Allocation Fund -- Class 2...	0.70%	1,451	11.714544	16,995
American Funds Asset Allocation Fund -- Class 2...	0.95%	5,629,852	12.192260	68,640,616
American Funds Asset Allocation Fund -- Class 2...	1.10%	425,835	12.097301	5,151,446
American Funds Asset Allocation Fund -- Class 2...	1.15%	243,957	12.097035	2,951,154
American Funds Asset Allocation Fund -- Class 2...	1.25%	532,457	12.012815	6,396,310
American Funds Asset Allocation Fund -- Class 2...	1.30%	3,027,807	12.002787	36,342,120
American Funds Asset Allocation Fund -- Class 2...	1.35%	3,096,659	11.992768	37,137,505
American Funds Asset Allocation Fund -- Class 2...	1.40%	12,637,246	11.054301	139,695,922
American Funds Asset Allocation Fund -- Class 2...	1.45%	1,564,920	11.959333	18,715,401
American Funds Asset Allocation Fund -- Class 2...	1.50%	34,646	11.944883	413,838
American Funds Asset Allocation Fund -- Class 2...	1.55%	2,350,920	10.963433	25,774,146
American Funds Asset Allocation Fund -- Class 2...	1.60%	1,625,759	10.967927	17,831,203
American Funds Asset Allocation Fund -- Class 2...	1.65%	11,007,076	10.903283	120,013,260
American Funds Asset Allocation Fund -- Class 2...	1.70%	15,319,732	11.149082	170,800,950
American Funds Asset Allocation Fund -- Class 2...	1.75%	7,643,799	10.877799	83,147,710
American Funds Asset Allocation Fund -- Class 2...	1.80%	772,614	10.817768	8,357,961
American Funds Asset Allocation Fund -- Class 2...	1.85%	5,921,169	11.078298	65,596,472
American Funds Asset Allocation Fund -- Class 2...	1.90%	2,132,535	11.061983	23,590,060
American Funds Asset Allocation Fund -- Class 2...	1.95%	923,874	10.825316	10,001,226
American Funds Asset Allocation Fund -- Class 2...	2.00%	9,961,413	10.733235	106,918,180
American Funds Asset Allocation Fund -- Class 2...	2.05%	23,147,063	10.991757	254,426,887
American Funds Asset Allocation Fund -- Class 2...	2.10%	239,092	10.786101	2,578,869
American Funds Asset Allocation Fund -- Class 2...	2.15%	3,922,551	10.694390	41,949,292
American Funds Asset Allocation Fund -- Class 2...	2.20%	8,195,733	10.681459	87,542,391
American Funds Asset Allocation Fund -- Class 2...	2.25%	877,705	10.938720	9,600,970
American Funds Asset Allocation Fund -- Class 2...	2.30%	760,695	10.929581	8,314,075
American Funds Asset Allocation Fund -- Class 2...	2.35%	1,456,767	10.642768	15,504,037
American Funds Asset Allocation Fund -- Class 2...	2.40%	640,908	10.899099	6,985,318
American Funds Asset Allocation Fund -- Class 2...	2.45%	308,414	10.893637	3,359,755
American Funds Asset Allocation Fund -- Class 2...	2.50%	753,721	10.888180	8,206,655
American Funds Asset Allocation Fund -- Class 2...	2.55%	1,641	10.882712	17,854
American Funds Blue Chip				

Income and Growth Fund -- Class 2.....	0.55%	14,037	1.024433	14,380
American Funds Blue Chip Income and Growth Fund -- Class 2.....	0.70%	9,170	1.019083	9,345
American Funds Blue Chip Income and Growth Fund -- Class 2.....	0.95%	48,955,281	1.010226	49,455,898
American Funds Blue Chip Income and Growth Fund -- Class 2.....	1.10%	2,851,235	1.004957	2,865,369
American Funds Blue Chip Income and Growth Fund -- Class 2.....	1.15%	2,357,725	1.003208	2,365,288
American Funds Blue Chip Income and Growth Fund -- Class 2.....	1.25%	5,708,113	0.998791	5,701,212
American Funds Blue Chip Income and Growth Fund -- Class 2.....	1.30%	29,473,391	0.997950	29,412,971
American Funds Blue Chip Income and Growth Fund -- Class 2.....	1.35%	25,003,728	0.997131	24,931,992
American Funds Blue Chip Income and Growth Fund -- Class 2.....	1.40%	102,854,906	0.994492	102,288,381
American Funds Blue Chip Income and Growth Fund -- Class 2.....	1.45%	13,387,008	0.994337	13,311,197
American Funds Blue Chip Income and Growth Fund -- Class 2.....	1.50%	274,045	0.993148	272,167
American Funds Blue Chip Income and Growth Fund -- Class 2.....	1.55%	15,747,152	0.989296	15,578,594

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

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FUND	FEES (NOTE 3)	UNITS		CONTRACT LIABILITY
		OWNED BY PARTICIPANTS	UNIT PRICE #	
<S>	<C>	<C>	<C>	<C>
American Funds Blue Chip Income and Growth Fund -- Class 2.....	1.60%	20,094,658	\$ 0.987576	\$ 19,845,002
American Funds Blue Chip Income and Growth Fund -- Class 2.....	1.65%	75,252,024	0.985862	74,188,111
American Funds Blue Chip Income and Growth Fund -- Class 2.....	1.70%	122,338,502	0.984137	120,397,846
American Funds Blue Chip Income and Growth Fund -- Class 2.....	1.75%	94,253,917	0.982412	92,596,179
American Funds Blue Chip Income and Growth Fund -- Class 2.....	1.80%	5,583,816	0.980675	5,475,909
American Funds Blue Chip Income and Growth Fund -- Class 2.....	1.85%	51,922,165	0.978978	50,830,657
American Funds Blue Chip Income and Growth Fund -- Class 2.....	1.90%	22,690,366	0.977279	22,174,818
American Funds Blue Chip Income and Growth Fund -- Class 2.....	1.95%	8,765,136	0.977667	8,569,384
American Funds Blue Chip Income and Growth Fund -- Class 2.....	2.00%	90,104,518	0.973866	87,749,726
American Funds Blue Chip Income and Growth Fund -- Class 2.....	2.05%	240,210,512	0.972159	233,522,811
American Funds Blue Chip Income and Growth Fund -- Class 2.....	2.10%	4,011,390	0.974131	3,907,619
American Funds Blue Chip Income and Growth Fund -- Class 2.....	2.15%	32,185,124	0.970333	31,230,288

Income and Growth Fund -- Class 2.....	2.20%	69,731,315	0.969147	67,579,895
American Funds Blue Chip Income and Growth Fund -- Class 2.....	2.25%	11,141,267	0.967477	10,778,919
American Funds Blue Chip Income and Growth Fund -- Class 2.....	2.30%	5,556,024	0.966652	5,370,741
American Funds Blue Chip Income and Growth Fund -- Class 2.....	2.35%	13,805,511	0.965651	13,331,306
American Funds Blue Chip Income and Growth Fund -- Class 2.....	2.40%	8,257,378	0.963988	7,960,013
American Funds Blue Chip Income and Growth Fund -- Class 2.....	2.45%	3,213,115	0.963488	3,095,798
American Funds Blue Chip Income and Growth Fund -- Class 2.....	2.50%	6,031,287	0.963014	5,808,213
American Funds Bond Fund -- Class 2.....	2.55%	36,346	0.962536	34,985
American Funds Bond Fund -- Class 2.....	0.55%	2,141	13.409593	28,716
American Funds Bond Fund -- Class 2.....	0.95%	2,143,498	13.723684	29,416,691
American Funds Bond Fund -- Class 2.....	1.10%	137,913	13.616768	1,877,930
American Funds Bond Fund -- Class 2.....	1.15%	103,382	13.616486	1,407,698
American Funds Bond Fund -- Class 2.....	1.25%	194,527	13.521716	2,630,339
American Funds Bond Fund -- Class 2.....	1.30%	1,163,010	13.510438	15,712,783
American Funds Bond Fund -- Class 2.....	1.35%	1,367,961	13.499153	18,466,315
American Funds Bond Fund -- Class 2.....	1.40%	7,294,433	13.274950	96,833,243
American Funds Bond Fund -- Class 2.....	1.45%	567,268	13.461520	7,636,292
American Funds Bond Fund -- Class 2.....	1.50%	10,979	13.445252	147,613
American Funds Bond Fund -- Class 2.....	1.55%	1,086,548	13.165841	14,305,314
American Funds Bond Fund -- Class 2.....	1.60%	1,099,990	13.171266	14,488,261
American Funds Bond Fund -- Class 2.....	1.65%	6,389,993	13.093620	83,668,135
American Funds Bond Fund -- Class 2.....	1.70%	9,533,238	12.632827	120,431,748
American Funds Bond Fund -- Class 2.....	1.75%	4,453,857	13.063027	58,180,859
American Funds Bond Fund -- Class 2.....	1.80%	532,297	12.990975	6,915,059
American Funds Bond Fund -- Class 2.....	1.85%	3,657,561	12.552649	45,912,074
American Funds Bond Fund -- Class 2.....	1.90%	1,570,185	12.534195	19,681,010
American Funds Bond Fund -- Class 2.....	1.95%	409,747	13.000006	5,326,712
American Funds Bond Fund -- Class 2.....	2.00%	6,542,172	12.889521	84,325,461
American Funds Bond Fund -- Class 2.....	2.05%	13,127,603	12.454636	163,499,513
American Funds Bond Fund -- Class 2.....	2.10%	169,239	12.952923	2,192,136
American Funds Bond Fund -- Class 2.....	2.15%	2,523,299	12.842839	32,406,317
American Funds Bond Fund -- Class 2.....	2.20%	4,801,881	12.827324	61,595,282
American Funds Bond Fund -- Class 2.....	2.25%	535,870	12.394556	6,641,868
American Funds Bond Fund -- Class 2.....	2.30%	404,720	12.384201	5,012,133
American Funds Bond Fund -- Class 2.....	2.35%	884,825	12.780863	11,308,832
American Funds Bond Fund -- Class 2.....	2.40%	529,944	12.349650	6,544,627

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HARTFORD LIFE AND ANNUITY INSURANCE COMPANY
 STATEMENTS OF ASSETS AND LIABILITIES -- (CONTINUED)
 DECEMBER 31, 2004

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FUND	FEES (NOTE 3)	UNITS	UNIT PRICE #	CONTRACT LIABILITY
		OWNED BY PARTICIPANTS		
<S>	<C>	<C>	<C>	<C>
American Funds Bond Fund -- Class 2.....	2.45%	216,922	\$12.343467	\$ 2,677,569
American Funds Bond Fund -- Class 2.....	2.50%	539,903	12.337271	6,660,929
American Funds Bond Fund -- Class 2.....	2.55%	7,194	12.331092	88,704
American Funds Global Growth Fund -- Class 2.....	0.55%	3,328	10.711021	35,645
American Funds Global Growth Fund -- Class 2.....	0.95%	1,904,328	11.947825	22,752,572
American Funds Global Growth Fund -- Class 2.....	1.10%	183,219	11.854684	2,172,003
American Funds Global Growth Fund -- Class 2.....	1.15%	77,094	11.854451	913,911
American Funds Global Growth Fund -- Class 2.....	1.25%	251,782	11.771893	2,963,952
American Funds Global Growth Fund -- Class 2.....	1.30%	744,945	11.762088	8,762,118
American Funds Global Growth Fund -- Class 2.....	1.35%	882,226	11.752269	10,368,159
American Funds Global Growth Fund -- Class 2.....	1.40%	5,225,450	11.887898	62,119,619
American Funds Global Growth Fund -- Class 2.....	1.45%	549,003	11.719494	6,434,036
American Funds Global Growth Fund -- Class 2.....	1.50%	6,973	11.705321	81,627
American Funds Global Growth Fund -- Class 2.....	1.55%	760,820	11.790179	8,970,202
American Funds Global Growth Fund -- Class 2.....	1.60%	588,097	11.794979	6,936,597
American Funds Global Growth Fund -- Class 2.....	1.65%	3,088,992	11.725454	36,219,831
American Funds Global Growth Fund -- Class 2.....	1.70%	5,064,480	9.131685	46,247,235
American Funds Global Growth Fund -- Class 2.....	1.75%	2,263,037	11.698050	26,473,123
American Funds Global Growth Fund -- Class 2.....	1.80%	235,023	11.633500	2,734,135
American Funds Global Growth Fund -- Class 2.....	1.85%	2,616,855	9.073645	23,744,413
American Funds Global Growth Fund -- Class 2.....	1.90%	1,007,501	9.060289	9,128,252
American Funds Global Growth Fund -- Class 2.....	1.95%	227,252	11.641618	2,645,580
American Funds Global Growth Fund -- Class 2.....	2.00%	2,435,015	11.542525	28,106,226
American Funds Global Growth Fund -- Class 2.....	2.05%	8,806,771	9.002754	79,285,191
American Funds Global Growth Fund -- Class 2.....	2.10%	55,797	11.599446	647,216
American Funds Global Growth Fund -- Class 2.....	2.15%	924,130	11.500773	10,628,205
American Funds Global Growth Fund -- Class 2.....	2.20%	2,321,403	11.486870	26,665,658
American Funds Global Growth Fund -- Class 2.....	2.25%	414,185	8.959306	3,710,806
American Funds Global Growth Fund -- Class 2.....	2.30%	132,953	8.951838	1,190,169
American Funds Global Growth Fund -- Class 2.....	2.35%	509,440	11.445274	5,830,680
American Funds Global Growth Fund -- Class 2.....	2.40%	378,721	8.926886	3,380,801
American Funds Global Growth Fund -- Class 2.....	2.45%	119,403	8.184662	977,275
American Funds Global Growth Fund -- Class 2.....	2.50%	439,268	8.180564	3,593,459
American Funds Global Growth Fund -- Class 2.....	2.55%	5,074	8.176466	41,484
American Funds Growth Fund -- Class 2.....	0.55%	9,193	9.179128	84,386
American Funds Growth Fund -- Class 2.....	0.70%	4,534	9.122898	41,359

Class 2.....	0.95%	7,412,543	12.197135	90,411,791
American Funds Growth Fund -- Class 2.....	1.10%	424,890	12.102064	5,142,050
American Funds Growth Fund -- Class 2.....	1.15%	479,120	12.101776	5,798,203
American Funds Growth Fund -- Class 2.....	1.25%	796,260	12.017478	9,569,032
American Funds Growth Fund -- Class 2.....	1.30%	3,830,842	12.007456	45,998,664
American Funds Growth Fund -- Class 2.....	1.35%	4,937,328	11.997422	59,235,205
American Funds Growth Fund -- Class 2.....	1.40%	24,941,910	11.603152	289,404,775
American Funds Growth Fund -- Class 2.....	1.45%	2,018,174	11.963986	24,145,404
American Funds Growth Fund -- Class 2.....	1.50%	26,142	11.949513	312,386
American Funds Growth Fund -- Class 2.....	1.55%	4,070,975	11.507743	46,847,740
American Funds Growth Fund -- Class 2.....	1.60%	4,109,981	11.512438	47,315,906
American Funds Growth Fund -- Class 2.....	1.65%	18,754,516	11.444565	214,637,280

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

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FUND	UNITS			
	FEES (NOTE 3)	OWNED BY PARTICIPANTS	UNIT PRICE #	CONTRACT LIABILITY
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American Funds Growth Fund -- Class 2.....	1.70%	39,176,434	\$ 7.984799	\$ 312,815,948
American Funds Growth Fund -- Class 2.....	1.75%	13,742,974	11.417752	156,913,864
American Funds Growth Fund -- Class 2.....	1.80%	1,538,641	11.354745	17,470,877
American Funds Growth Fund -- Class 2.....	1.85%	19,703,897	7.934057	156,331,838
American Funds Growth Fund -- Class 2.....	1.90%	6,454,030	7.922366	51,131,186
American Funds Growth Fund -- Class 2.....	1.95%	1,504,429	11.362684	17,094,351
American Funds Growth Fund -- Class 2.....	2.00%	22,079,872	11.266000	248,751,835
American Funds Growth Fund -- Class 2.....	2.05%	71,487,859	7.871994	562,751,994
American Funds Growth Fund -- Class 2.....	2.10%	556,107	11.321555	6,295,994
American Funds Growth Fund -- Class 2.....	2.15%	10,695,002	11.225211	120,053,657
American Funds Growth Fund -- Class 2.....	2.20%	18,625,208	11.211639	208,819,111
American Funds Growth Fund -- Class 2.....	2.25%	2,672,507	7.834033	20,936,506
American Funds Growth Fund -- Class 2.....	2.30%	1,952,998	7.827485	15,287,061
American Funds Growth Fund -- Class 2.....	2.35%	3,469,934	11.171043	38,762,786
American Funds Growth Fund -- Class 2.....	2.40%	1,784,802	7.805651	13,931,542
American Funds Growth Fund -- Class 2.....	2.45%	1,682,800	7.831177	13,178,306
American Funds Growth Fund -- Class 2.....	2.50%	3,085,991	7.827248	24,154,821
American Funds Growth Fund -- Class 2.....	2.55%	32,993	7.823331	258,116
American Funds Growth-Income Fund -- Class 2.....	0.55%	14,880	12.475956	185,646
American Funds Growth-Income Fund -- Class 2.....	0.70%	2,037	12.399574	25,259
American Funds Growth-Income Fund -- Class 2.....	0.95%	10,777,331	13.442572	144,875,041
American Funds Growth-Income Fund -- Class 2.....	1.10%	686,293	13.337844	9,153,665
American Funds Growth-Income Fund -- Class 2.....	1.15%	531,829	13.337522	7,093,284
American Funds Growth-Income Fund -- Class 2.....	1.25%	1,017,666	13.244699	13,478,673

Fund -- Class 2.....	1.30%	5,285,615	13.233627	69,947,857
American Funds Growth-Income				
Fund -- Class 2.....	1.35%	5,475,694	13.222603	72,402,931
American Funds Growth-Income				
Fund -- Class 2.....	1.40%	34,168,157	11.817193	403,771,701
American Funds Growth-Income				
Fund -- Class 2.....	1.45%	2,530,106	13.185716	33,361,256
American Funds Growth-Income				
Fund -- Class 2.....	1.50%	28,482	13.169804	375,106
American Funds Growth-Income				
Fund -- Class 2.....	1.55%	5,305,188	11.720052	62,177,074
American Funds Growth-Income				
Fund -- Class 2.....	1.60%	4,962,043	11.724892	58,179,417
American Funds Growth-Income				
Fund -- Class 2.....	1.65%	19,977,450	11.655786	232,852,877
American Funds Growth-Income				
Fund -- Class 2.....	1.70%	29,106,503	11.818773	344,003,150
American Funds Growth-Income				
Fund -- Class 2.....	1.75%	16,914,941	11.628492	196,695,254
American Funds Growth-Income				
Fund -- Class 2.....	1.80%	1,917,141	11.564309	22,170,409
American Funds Growth-Income				
Fund -- Class 2.....	1.85%	14,280,766	11.743706	167,709,122
American Funds Growth-Income				
Fund -- Class 2.....	1.90%	4,821,621	11.726414	56,540,328
American Funds Growth-Income				
Fund -- Class 2.....	1.95%	1,625,935	11.572399	18,815,968
American Funds Growth-Income				
Fund -- Class 2.....	2.00%	22,158,447	11.473991	254,245,821
American Funds Growth-Income				
Fund -- Class 2.....	2.05%	45,391,023	11.651955	528,894,152
American Funds Growth-Income				
Fund -- Class 2.....	2.10%	661,980	11.530506	7,632,959
American Funds Growth-Income				
Fund -- Class 2.....	2.15%	11,515,766	11.432438	131,653,277
American Funds Growth-Income				
Fund -- Class 2.....	2.20%	18,095,960	11.418631	206,631,088
American Funds Growth-Income				
Fund -- Class 2.....	2.25%	1,818,270	11.595756	21,084,214
American Funds Growth-Income				
Fund -- Class 2.....	2.30%	1,170,992	11.586062	13,567,188
American Funds Growth-Income				
Fund -- Class 2.....	2.35%	3,569,180	11.377256	40,607,474
American Funds Growth-Income				
Fund -- Class 2.....	2.40%	1,351,181	11.553751	15,611,214
American Funds Growth-Income				
Fund -- Class 2.....	2.45%	1,272,005	11.716059	14,902,887

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SEPARATE ACCOUNT SEVEN

HARTFORD LIFE AND ANNUITY INSURANCE COMPANY
STATEMENTS OF ASSETS AND LIABILITIES -- (CONTINUED)
DECEMBER 31, 2004

<Table>

<Caption>

FUND	FEES (NOTE 3)	UNITS		CONTRACT LIABILITY
		OWNED BY PARTICIPANTS	UNIT PRICE #	
----	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>
American Funds Growth-Income				
Fund -- Class 2.....	2.50%	2,325,776	\$11.710192	\$ 27,235,289
American Funds Growth-Income				
Fund -- Class 2.....	2.55%	22,931	11.704328	268,390
American Funds International				
Fund -- Class 2.....	0.55%	4,397	10.393491	45,696
American Funds International				
Fund -- Class 2.....	0.70%	1,631	10.329822	16,843
American Funds International				
Fund -- Class 2.....	0.95%	1,163,278	11.258248	13,096,467
American Funds International				
Fund -- Class 2.....	1.10%	89,355	11.170498	998,141
American Funds International				
Fund -- Class 2.....	1.15%	64,260	11.170255	717,803
American Funds International				
Fund -- Class 2.....	1.25%	173,468	11.092474	1,924,185
American Funds International				
Fund -- Class 2.....	1.30%	448,999	11.083225	4,976,357
American Funds International				
Fund -- Class 2.....	1.35%	1,396,244	11.073981	15,461,981
American Funds International				

FUND	(NOTE 3)	PARTICIPANTS	PRICE #	LIABILITY
<S>	<C>	<C>	<C>	<C>
American Funds New World Fund -- Class 2.....	1.70%	1,029,543	\$13.224307	\$ 13,614,987
American Funds New World Fund -- Class 2.....	1.75%	564,447	13.954276	7,876,443
American Funds New World Fund -- Class 2.....	1.80%	41,188	13.877248	571,582
American Funds New World Fund -- Class 2.....	1.85%	609,426	13.140341	8,008,070
American Funds New World Fund -- Class 2.....	1.90%	252,504	13.120983	3,313,098
American Funds New World Fund -- Class 2.....	1.95%	71,782	13.886969	996,837
American Funds New World Fund -- Class 2.....	2.00%	743,510	13.768841	10,237,266
American Funds New World Fund -- Class 2.....	2.05%	1,379,565	13.037675	17,986,315
American Funds New World Fund -- Class 2.....	2.10%	43,092	13.836682	596,255
American Funds New World Fund -- Class 2.....	2.15%	411,824	13.718991	5,649,810
American Funds New World Fund -- Class 2.....	2.20%	554,273	13.702424	7,594,879
American Funds New World Fund -- Class 2.....	2.25%	85,406	12.974768	1,108,119
American Funds New World Fund -- Class 2.....	2.30%	36,735	12.963947	476,228
American Funds New World Fund -- Class 2.....	2.35%	143,030	13.652805	1,952,756
American Funds New World Fund -- Class 2.....	2.40%	46,194	12.927796	597,191
American Funds New World Fund -- Class 2.....	2.45%	42,209	12.921331	545,392
American Funds New World Fund -- Class 2.....	2.50%	96,737	12.914857	1,249,339
American Funds New World Fund -- Class 2.....	2.55%	65	12.908373	840
American Funds Global Small Capitalization Fund -- Class 2.....	0.95%	471,158	13.406321	6,316,499
American Funds Global Small Capitalization Fund -- Class 2.....	1.10%	54,394	13.301860	723,541
American Funds Global Small Capitalization Fund -- Class 2.....	1.15%	23,151	13.301567	307,945
American Funds Global Small Capitalization Fund -- Class 2.....	1.25%	95,659	13.208950	1,263,549
American Funds Global Small Capitalization Fund -- Class 2.....	1.30%	194,651	13.197927	2,568,992
American Funds Global Small Capitalization Fund -- Class 2.....	1.35%	437,931	13.186926	5,774,968
American Funds Global Small Capitalization Fund -- Class 2.....	1.40%	2,302,390	14.045346	32,337,868
American Funds Global Small Capitalization Fund -- Class 2.....	1.45%	184,252	13.150171	2,422,948
American Funds Global Small Capitalization Fund -- Class 2.....	1.50%	634	13.134276	8,324
American Funds Global Small Capitalization Fund -- Class 2.....	1.55%	370,589	13.929904	5,162,264
American Funds Global Small Capitalization Fund -- Class 2.....	1.60%	299,797	13.935574	4,177,850
American Funds Global Small Capitalization Fund -- Class 2.....	1.65%	1,361,237	13.853417	18,857,790
American Funds Global Small Capitalization Fund -- Class 2.....	1.70%	2,519,532	10.262848	25,857,571
American Funds Global Small Capitalization Fund -- Class 2.....	1.75%	1,001,709	13.821020	13,844,647
American Funds Global Small Capitalization Fund -- Class 2.....	1.80%	117,363	13.744728	1,613,117

American Funds Global Small Capitalization Fund -- Class 2.....	1.85%	1,579,599	10.197628	16,108,167
American Funds Global Small Capitalization Fund -- Class 2.....	1.90%	550,405	10.182629	5,604,566
American Funds Global Small Capitalization Fund -- Class 2.....	1.95%	104,120	13.754346	1,432,097
American Funds Global Small Capitalization Fund -- Class 2.....	2.00%	1,534,423	13.637291	20,925,368
American Funds Global Small Capitalization Fund -- Class 2.....	2.05%	4,011,226	10.117947	40,585,375
American Funds Global Small Capitalization Fund -- Class 2.....	2.10%	55,592	13.704582	761,859
American Funds Global Small Capitalization Fund -- Class 2.....	2.15%	773,227	13.587938	10,506,556
American Funds Global Small Capitalization Fund -- Class 2.....	2.20%	1,568,261	13.571516	21,283,673
American Funds Global Small Capitalization Fund -- Class 2.....	2.25%	205,956	10.069149	2,073,803
American Funds Global Small Capitalization Fund -- Class 2.....	2.30%	130,028	10.060752	1,308,178
American Funds Global Small Capitalization Fund -- Class 2.....	2.35%	245,282	13.522404	3,316,799
American Funds Global Small Capitalization Fund -- Class 2.....	2.40%	152,865	10.032697	1,533,652
American Funds Global Small Capitalization Fund -- Class 2.....	2.45%	121,564	9.898005	1,203,244
American Funds Global Small Capitalization Fund -- Class 2.....	2.50%	232,357	9.893043	2,298,722
American Funds Global Small Capitalization Fund -- Class 2.....	2.55%	365	9.888098	3,606

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SEPARATE ACCOUNT SEVEN

HARTFORD LIFE AND ANNUITY INSURANCE COMPANY
STATEMENTS OF ASSETS AND LIABILITIES -- (CONTINUED)
DECEMBER 31, 2004

<Table>

<Caption>

FUND	FEES (NOTE 3)	UNITS OWNED BY PARTICIPANTS	UNIT PRICE #	CONTRACT LIABILITY
<S>	<C>	<C>	<C>	<C>
Franklin Rising Dividends Securities Fund -- Class 2...	0.95%	550,441	\$13.343129	\$ 7,344,611
Franklin Rising Dividends Securities Fund -- Class 2...	1.10%	11,330	13.309756	150,796
Franklin Rising Dividends Securities Fund -- Class 2...	1.15%	13,909	13.298639	184,974
Franklin Rising Dividends Securities Fund -- Class 2...	1.25%	91,250	13.276451	1,211,479
Franklin Rising Dividends Securities Fund -- Class 2...	1.30%	356,054	13.265383	4,723,194
Franklin Rising Dividends Securities Fund -- Class 2...	1.35%	1,108,498	13.254307	14,692,381
Franklin Rising Dividends Securities Fund -- Class 2...	1.40%	651,864	13.243237	8,632,788
Franklin Rising Dividends Securities Fund -- Class 2...	1.45%	403,786	13.232196	5,342,984
Franklin Rising Dividends Securities Fund -- Class 2...	1.50%	515	13.221147	6,815
Franklin Rising Dividends Securities Fund -- Class 2...	1.55%	141,638	13.210109	1,871,059
Franklin Rising Dividends Securities Fund -- Class 2...	1.60%	134,383	13.199075	1,773,730
Franklin Rising Dividends				

Securities Fund -- Class 2...	1.65%	1,629,274	13.188066	21,486,969
Franklin Rising Dividends Securities Fund -- Class 2...	1.70%	3,102,762	13.177066	40,885,299
Franklin Rising Dividends Securities Fund -- Class 2...	1.75%	815,694	13.166056	10,739,475
Franklin Rising Dividends Securities Fund -- Class 2...	1.80%	66,287	13.155082	872,014
Franklin Rising Dividends Securities Fund -- Class 2...	1.85%	2,536,995	13.144091	33,346,492
Franklin Rising Dividends Securities Fund -- Class 2...	1.90%	228,491	13.133129	3,000,796
Franklin Rising Dividends Securities Fund -- Class 2...	1.95%	191,458	13.122165	2,512,340
Franklin Rising Dividends Securities Fund -- Class 2...	2.00%	2,245,192	13.111210	29,437,179
Franklin Rising Dividends Securities Fund -- Class 2...	2.05%	4,395,376	13.100271	57,580,617
Franklin Rising Dividends Securities Fund -- Class 2...	2.10%	34,999	13.089343	458,120
Franklin Rising Dividends Securities Fund -- Class 2...	2.15%	2,050,244	13.078414	26,813,935
Franklin Rising Dividends Securities Fund -- Class 2...	2.20%	4,470,201	13.067497	58,414,341
Franklin Rising Dividends Securities Fund -- Class 2...	2.25%	108,817	13.056591	1,420,775
Franklin Rising Dividends Securities Fund -- Class 2...	2.30%	202,254	13.045692	2,638,539
Franklin Rising Dividends Securities Fund -- Class 2...	2.35%	555,269	13.034812	7,237,825
Franklin Rising Dividends Securities Fund -- Class 2...	2.40%	93,741	13.023921	1,220,869
Franklin Rising Dividends Securities Fund -- Class 2...	2.45%	254,868	13.017393	3,317,712
Franklin Rising Dividends Securities Fund -- Class 2...	2.50%	581,258	13.010868	7,562,677
Franklin Income Securities Fund -- Class 2.....	0.95%	863,574	13.642332	11,781,159
Franklin Income Securities Fund -- Class 2.....	1.10%	10,713	13.587823	145,560
Franklin Income Securities Fund -- Class 2.....	1.15%	13,896	13.569696	188,568
Franklin Income Securities Fund -- Class 2.....	1.25%	107,748	13.526761	1,457,478
Franklin Income Securities Fund -- Class 2.....	1.30%	554,723	13.515456	7,497,339
Franklin Income Securities Fund -- Class 2.....	1.35%	2,088,838	13.504175	28,208,023
Franklin Income Securities Fund -- Class 2.....	1.40%	1,678,203	13.479430	22,621,222
Franklin Income Securities Fund -- Class 2.....	1.45%	524,346	13.466551	7,061,139
Franklin Income Securities Fund -- Class 2.....	1.50%	930	13.450287	12,503
Franklin Income Securities Fund -- Class 2.....	1.55%	407,880	13.425558	5,476,020
Franklin Income Securities Fund -- Class 2.....	1.60%	304,053	13.407647	4,076,641
Franklin Income Securities Fund -- Class 2.....	1.65%	4,693,566	13.389761	62,845,729
Franklin Income Securities Fund -- Class 2.....	1.70%	8,362,095	13.371884	111,816,965
Franklin Income Securities Fund -- Class 2.....	1.75%	2,942,277	13.354059	39,291,343
Franklin Income Securities Fund -- Class 2.....	1.80%	160,047	13.336240	2,134,425
Franklin Income Securities Fund -- Class 2.....	1.85%	4,543,951	13.318445	60,518,359
Franklin Income Securities Fund -- Class 2.....	1.90%	772,986	13.300681	10,281,235
Franklin Income Securities Fund -- Class 2.....	1.95%	592,722	13.289641	7,877,066
Franklin Income Securities Fund -- Class 2.....	2.00%	6,373,482	13.265242	84,545,777

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

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FUND	FEES (NOTE 3)	UNITS	UNIT	CONTRACT
		OWNED BY PARTICIPANTS	PRICE #	LIABILITY
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<S>	<C>	<C>	<C>	<C>
Franklin Income Securities Fund -- Class 2.....	2.05%	14,825,859	\$13.247511	\$ 196,405,724
Franklin Income Securities Fund -- Class 2.....	2.10%	146,885	13.241553	1,944,983
Franklin Income Securities Fund -- Class 2.....	2.15%	4,107,275	13.217219	54,286,756
Franklin Income Securities Fund -- Class 2.....	2.20%	10,264,841	13.201258	135,508,813
Franklin Income Securities Fund -- Class 2.....	2.25%	456,349	13.183637	6,016,340
Franklin Income Securities Fund -- Class 2.....	2.30%	294,897	13.172620	3,884,563
Franklin Income Securities Fund -- Class 2.....	2.35%	850,518	13.153448	11,187,239
Franklin Income Securities Fund -- Class 2.....	2.40%	200,875	13.135925	2,638,676
Franklin Income Securities Fund -- Class 2.....	2.45%	370,163	13.129337	4,859,995
Franklin Income Securities Fund -- Class 2.....	2.50%	861,993	13.122761	11,311,726
Franklin Large Cap Growth Securities Fund -- Class 2...	0.95%	26,893	11.174616	300,520
Franklin Large Cap Growth Securities Fund -- Class 2...	1.15%	262	11.115080	2,915
Franklin Large Cap Growth Securities Fund -- Class 2...	1.25%	3,707	11.079869	41,069
Franklin Large Cap Growth Securities Fund -- Class 2...	1.30%	22,732	11.070633	251,660
Franklin Large Cap Growth Securities Fund -- Class 2...	1.35%	421,045	11.061388	4,657,342
Franklin Large Cap Growth Securities Fund -- Class 2...	1.40%	196,389	11.041099	2,168,351
Franklin Large Cap Growth Securities Fund -- Class 2...	1.45%	19,931	11.030527	219,849
Franklin Large Cap Growth Securities Fund -- Class 2...	1.55%	47,713	10.996958	524,700
Franklin Large Cap Growth Securities Fund -- Class 2...	1.60%	6,564	10.982282	72,091
Franklin Large Cap Growth Securities Fund -- Class 2...	1.65%	593,996	10.967633	6,514,732
Franklin Large Cap Growth Securities Fund -- Class 2...	1.70%	1,200,439	10.953000	13,148,400
Franklin Large Cap Growth Securities Fund -- Class 2...	1.75%	255,876	10.938356	2,798,862
Franklin Large Cap Growth Securities Fund -- Class 2...	1.80%	31,229	10.923765	341,142
Franklin Large Cap Growth Securities Fund -- Class 2...	1.85%	995,210	10.909182	10,856,926
Franklin Large Cap Growth Securities Fund -- Class 2...	1.90%	68,756	10.894628	749,071
Franklin Large Cap Growth Securities Fund -- Class 2...	1.95%	76,057	10.885587	827,925
Franklin Large Cap Growth Securities Fund -- Class 2...	2.00%	814,213	10.865554	8,846,879
Franklin Large Cap Growth Securities Fund -- Class 2...	2.05%	1,434,979	10.851077	15,571,061
Franklin Large Cap Growth Securities Fund -- Class 2...	2.10%	22,602	10.846183	245,140
Franklin Large Cap Growth Securities Fund -- Class 2...	2.15%	939,217	10.826228	10,168,177
Franklin Large Cap Growth Securities Fund -- Class 2...	2.20%	1,533,170	10.813136	16,578,380
Franklin Large Cap Growth Securities Fund -- Class 2...	2.25%	20,503	10.798702	221,403
Franklin Large Cap Growth Securities Fund -- Class 2...	2.30%	83,655	10.789690	902,615
Franklin Large Cap Growth Securities Fund -- Class 2...	2.35%	84,148	10.773963	906,606
Franklin Large Cap Growth Securities Fund -- Class 2...	2.40%	35,834	10.759579	385,561
Franklin Large Cap Growth Securities Fund -- Class 2...	2.45%	124,236	10.754187	1,336,053
Franklin Large Cap Growth Securities Fund -- Class 2...	2.50%	214,327	10.748796	2,303,754
Franklin Large Cap Growth Securities Fund -- Class 2...	2.55%	1,209	10.743408	12,994
Franklin Real Estate Fund -- Class 2.....	0.95%	32,236	25.112355	809,528
Franklin Real Estate Fund -- Class 2.....	1.10%	2,874	24.916833	71,619
Franklin Real Estate Fund -- Class 2.....	1.15%	2,422	24.916327	60,355
Franklin Real Estate Fund --				

Class 2.....	1.30%	2,506	24.722280	61,960
Franklin Real Estate Fund --				
Class 2.....	1.40%	711,204	21.373611	15,201,007
Franklin Real Estate Fund --				
Class 2.....	1.45%	801	24.632782	19,719
Franklin Real Estate Fund --				
Class 2.....	1.55%	93,884	21.197982	1,990,160
Franklin Real Estate Fund --				
Class 2.....	1.60%	88,995	21.206749	1,887,288
Franklin Real Estate Fund --				
Class 2.....	1.65%	294,136	21.081719	6,200,889
Franklin Real Estate Fund --				
Class 2.....	1.70%	286,665	19.286323	5,528,707

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SEPARATE ACCOUNT SEVEN

HARTFORD LIFE AND ANNUITY INSURANCE COMPANY
STATEMENTS OF ASSETS AND LIABILITIES -- (CONTINUED)
DECEMBER 31, 2004

<Table>

<Caption>

FUND	FEES (NOTE 3)	UNITS	UNIT PRICE #	CONTRACT LIABILITY
		OWNED BY PARTICIPANTS		
----	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>
Franklin Real Estate Fund --				
Class 2.....	1.75%	37,456	\$21.032508	\$ 787,792
Franklin Real Estate Fund --				
Class 2.....	1.80%	31,381	20.916450	656,373
Franklin Real Estate Fund --				
Class 2.....	1.85%	190,960	19.163888	3,659,538
Franklin Real Estate Fund --				
Class 2.....	1.90%	74,096	19.135694	1,417,869
Franklin Real Estate Fund --				
Class 2.....	1.95%	1,591	20.931056	33,309
Franklin Real Estate Fund --				
Class 2.....	2.00%	51,741	20.753135	1,073,787
Franklin Real Estate Fund --				
Class 2.....	2.05%	84,070	19.014302	1,598,525
Franklin Real Estate Fund --				
Class 2.....	2.10%	3,496	20.855278	72,904
Franklin Real Estate Fund --				
Class 2.....	2.15%	1,837	20.678033	37,984
Franklin Real Estate Fund --				
Class 2.....	2.20%	2,710	20.653032	55,971
Franklin Real Estate Fund --				
Class 2.....	2.25%	8,530	18.922550	161,409
Franklin Real Estate Fund --				
Class 2.....	2.30%	2,008	18.913065	37,970
Franklin Real Estate Fund --				
Class 2.....	2.35%	124	20.578259	2,550
Franklin Real Estate Fund --				
Class 2.....	2.40%	12,414	18.854076	234,060
Franklin Small Cap Fund --				
Class 2.....	0.95%	199,676	11.869463	2,370,052
Franklin Small Cap Fund --				
Class 2.....	1.10%	11,726	11.776956	138,092
Franklin Small Cap Fund --				
Class 2.....	1.15%	24,478	11.776701	288,275
Franklin Small Cap Fund --				
Class 2.....	1.25%	14,560	11.694637	170,274
Franklin Small Cap Fund --				
Class 2.....	1.30%	85,994	11.684875	1,004,825
Franklin Small Cap Fund --				
Class 2.....	1.35%	413,809	11.675142	4,831,276
Franklin Small Cap Fund --				
Class 2.....	1.40%	2,958,833	12.241196	36,219,658
Franklin Small Cap Fund --				
Class 2.....	1.45%	27,374	11.642583	318,701
Franklin Small Cap Fund --				
Class 2.....	1.50%	1,084	11.628526	12,601
Franklin Small Cap Fund --				
Class 2.....	1.55%	567,098	12.140557	6,884,886
Franklin Small Cap Fund --				
Class 2.....	1.60%	504,009	12.145513	6,121,452
Franklin Small Cap Fund --				
Class 2.....	1.65%	2,100,922	12.073889	25,366,299
Franklin Small Cap Fund --				
Class 2.....	1.70%	6,029,807	7.010929	42,274,548
Franklin Small Cap Fund --				

Class 2.....	1.75%	2,155,067	12.045644	25,959,168
Franklin Small Cap Fund -- Class 2.....	1.80%	197,918	11.979147	2,370,893
Franklin Small Cap Fund -- Class 2.....	1.85%	2,153,864	6.966385	15,004,643
Franklin Small Cap Fund -- Class 2.....	1.90%	1,404,047	6.956116	9,766,717
Franklin Small Cap Fund -- Class 2.....	1.95%	214,388	11.987535	2,569,981
Franklin Small Cap Fund -- Class 2.....	2.00%	3,330,526	11.885529	39,585,061
Franklin Small Cap Fund -- Class 2.....	2.05%	11,328,324	6.911905	78,300,299
Franklin Small Cap Fund -- Class 2.....	2.10%	129,717	11.944148	1,549,354
Franklin Small Cap Fund -- Class 2.....	2.15%	837,587	11.842472	9,919,098
Franklin Small Cap Fund -- Class 2.....	2.20%	2,027,730	11.828167	23,984,324
Franklin Small Cap Fund -- Class 2.....	2.25%	347,528	6.878566	2,390,495
Franklin Small Cap Fund -- Class 2.....	2.30%	252,628	6.872827	1,736,267
Franklin Small Cap Fund -- Class 2.....	2.35%	468,071	11.785344	5,516,375
Franklin Small Cap Fund -- Class 2.....	2.40%	486,256	6.853671	3,332,637
Franklin Small Cap Fund -- Class 2.....	2.45%	247,010	6.819597	1,684,511
Franklin Small Cap Fund -- Class 2.....	2.50%	394,309	6.816177	2,687,681
Franklin Small Cap Fund -- Class 2.....	2.55%	9,454	6.812757	64,408
Franklin Strategic Income Securities Fund -- Class 1...	0.95%	366,668	15.102795	5,537,709
Franklin Strategic Income Securities Fund -- Class 1...	1.10%	19,166	14.985185	287,205
Franklin Strategic Income Securities Fund -- Class 1...	1.15%	15,188	14.984872	227,597
Franklin Strategic Income Securities Fund -- Class 1...	1.25%	53,308	14.880592	793,259

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

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FUND	FEES (NOTE 3)	UNITS	UNIT	CONTRACT
		OWNED BY PARTICIPANTS	PRICE #	LIABILITY
<S>	<C>	<C>	<C>	<C>
Franklin Strategic Income Securities Fund -- Class 1...	1.30%	322,781	\$14.868167	\$ 4,799,171
Franklin Strategic Income Securities Fund -- Class 1...	1.35%	627,237	14.855743	9,318,078
Franklin Strategic Income Securities Fund -- Class 1...	1.40%	2,016,738	14.502377	29,247,499
Franklin Strategic Income Securities Fund -- Class 1...	1.45%	179,209	14.814338	2,654,871
Franklin Strategic Income Securities Fund -- Class 1...	1.50%	4,865	14.796445	71,994
Franklin Strategic Income Securities Fund -- Class 1...	1.55%	448,410	14.383202	6,449,581
Franklin Strategic Income Securities Fund -- Class 1...	1.60%	347,188	14.389106	4,995,735
Franklin Strategic Income Securities Fund -- Class 1...	1.65%	2,086,467	14.304321	29,845,498
Franklin Strategic Income Securities Fund -- Class 1...	1.70%	3,359,996	13.755476	46,218,341
Franklin Strategic Income Securities Fund -- Class 1...	1.75%	1,934,530	14.270856	27,607,405
Franklin Strategic Income Securities Fund -- Class 1...	1.80%	165,040	14.192140	2,342,277
Franklin Strategic Income Securities Fund -- Class 1...	1.85%	1,171,877	13.668159	16,017,409
Franklin Strategic Income Securities Fund -- Class 1...	1.90%	471,703	13.648055	6,437,826
Franklin Strategic Income Securities Fund -- Class 1...	1.95%	141,519	14.202025	2,009,855
Franklin Strategic Income Securities Fund -- Class 1...	2.00%	2,688,996	14.081305	37,864,582
Franklin Strategic Income				

Securities Fund -- Class 1...	2.05%	5,912,177	13.561432	80,177,580
Franklin Strategic Income Securities Fund -- Class 1...	2.10%	129,048	14.150605	1,826,105
Franklin Strategic Income Securities Fund -- Class 1...	2.15%	1,248,684	14.030339	17,519,459
Franklin Strategic Income Securities Fund -- Class 1...	2.20%	2,342,433	14.013390	32,825,427
Franklin Strategic Income Securities Fund -- Class 1...	2.25%	153,578	13.496010	2,072,687
Franklin Strategic Income Securities Fund -- Class 1...	2.30%	280,228	13.484736	3,778,795
Franklin Strategic Income Securities Fund -- Class 1...	2.35%	312,438	13.962653	4,362,464
Franklin Strategic Income Securities Fund -- Class 1...	2.40%	176,762	13.447148	2,376,948
Franklin Strategic Income Securities Fund -- Class 1...	2.45%	132,594	13.528520	1,793,799
Franklin Strategic Income Securities Fund -- Class 1...	2.50%	153,356	13.521731	2,073,637
Franklin Strategic Income Securities Fund -- Class 1...	2.55%	1,721	13.514956	23,264
Mutual Shares Securities Fund -- Class 2.....	0.55%	1,316	13.744675	18,091
Mutual Shares Securities Fund -- Class 2.....	0.70%	1,614	13.660546	22,051
Mutual Shares Securities Fund -- Class 2.....	0.95%	997,343	15.549701	15,508,383
Mutual Shares Securities Fund -- Class 2.....	1.10%	67,183	15.428584	1,036,541
Mutual Shares Securities Fund -- Class 2.....	1.15%	85,100	15.428236	1,312,945
Mutual Shares Securities Fund -- Class 2.....	1.25%	77,923	15.320858	1,193,849
Mutual Shares Securities Fund -- Class 2.....	1.30%	478,529	15.308071	7,325,353
Mutual Shares Securities Fund -- Class 2.....	1.35%	1,145,104	15.295281	17,514,676
Mutual Shares Securities Fund -- Class 2.....	1.40%	5,249,136	13.764052	72,249,371
Mutual Shares Securities Fund -- Class 2.....	1.45%	260,368	15.252632	3,971,297
Mutual Shares Securities Fund -- Class 2.....	1.50%	4,263	15.234194	64,946
Mutual Shares Securities Fund -- Class 2.....	1.55%	817,335	13.650916	11,157,362
Mutual Shares Securities Fund -- Class 2.....	1.60%	929,906	13.656519	12,699,273
Mutual Shares Securities Fund -- Class 2.....	1.65%	5,658,432	13.576032	76,819,055
Mutual Shares Securities Fund -- Class 2.....	1.70%	10,000,570	13.039912	130,406,556
Mutual Shares Securities Fund -- Class 2.....	1.75%	3,609,653	13.544291	48,890,194
Mutual Shares Securities Fund -- Class 2.....	1.80%	498,367	13.469539	6,712,774
Mutual Shares Securities Fund -- Class 2.....	1.85%	4,080,667	12.957155	52,873,831
Mutual Shares Securities Fund -- Class 2.....	1.90%	1,707,666	12.938068	22,093,898
Mutual Shares Securities Fund -- Class 2.....	1.95%	462,503	13.478928	6,234,046
Mutual Shares Securities Fund -- Class 2.....	2.00%	6,982,407	13.364320	93,315,114
Mutual Shares Securities Fund -- Class 2.....	2.05%	16,808,304	12.855937	216,086,499

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SEPARATE ACCOUNT SEVEN

HARTFORD LIFE AND ANNUITY INSURANCE COMPANY
STATEMENTS OF ASSETS AND LIABILITIES -- (CONTINUED)
DECEMBER 31, 2004

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FUND	FEES (NOTE 3)	UNITS OWNED BY PARTICIPANTS	UNIT PRICE #	CONTRACT LIABILITY
<S>	<C>	<C>	<C>	<C>
Mutual Shares Securities Fund -- Class 2.....	2.10%	197,023	\$13.430117	\$ 2,646,041
Mutual Shares Securities Fund				

-- Class 2.....	2.15%	2,934,815	13.315943	39,079,834
Mutual Shares Securities Fund				
-- Class 2.....	2.20%	7,735,856	13.299838	102,885,624
Mutual Shares Securities Fund				
-- Class 2.....	2.25%	588,936	12.793898	7,534,791
Mutual Shares Securities Fund				
-- Class 2.....	2.30%	352,950	12.783218	4,511,833
Mutual Shares Securities Fund				
-- Class 2.....	2.35%	834,006	13.251681	11,051,985
Mutual Shares Securities Fund				
-- Class 2.....	2.40%	484,687	12.747565	6,178,577
Mutual Shares Securities Fund				
-- Class 2.....	2.45%	291,456	13.243042	3,859,763
Mutual Shares Securities Fund				
-- Class 2.....	2.50%	618,343	13.236404	8,184,636
Mutual Shares Securities Fund				
-- Class 2.....	2.55%	20,101	13.229769	265,933
Templeton Developing Markets Securities Fund -- Class 1...	0.95%	48,759	15.109178	736,710
Templeton Developing Markets Securities Fund -- Class 1...	1.10%	1,291	14.991426	19,347
Templeton Developing Markets Securities Fund -- Class 1...	1.15%	103	14.991145	1,541
Templeton Developing Markets Securities Fund -- Class 1...	1.25%	4,326	14.886753	64,401
Templeton Developing Markets Securities Fund -- Class 1...	1.30%	8,436	14.874330	125,476
Templeton Developing Markets Securities Fund -- Class 1...	1.35%	219,429	14.861922	3,261,138
Templeton Developing Markets Securities Fund -- Class 1...	1.40%	619,930	12.901593	7,998,093
Templeton Developing Markets Securities Fund -- Class 1...	1.45%	15,984	14.820508	236,894
Templeton Developing Markets Securities Fund -- Class 1...	1.55%	167,721	12.795500	2,146,071
Templeton Developing Markets Securities Fund -- Class 1...	1.60%	97,005	12.800825	1,241,742
Templeton Developing Markets Securities Fund -- Class 1...	1.65%	439,880	12.725286	5,597,604
Templeton Developing Markets Securities Fund -- Class 1...	1.70%	613,184	15.337772	9,404,872
Templeton Developing Markets Securities Fund -- Class 1...	1.75%	346,332	12.695565	4,396,878
Templeton Developing Markets Securities Fund -- Class 1...	1.80%	31,609	12.625428	399,071
Templeton Developing Markets Securities Fund -- Class 1...	1.85%	355,772	15.240375	5,422,099
Templeton Developing Markets Securities Fund -- Class 1...	1.90%	90,240	15.217933	1,373,271
Templeton Developing Markets Securities Fund -- Class 1...	1.95%	63,722	12.634294	805,089
Templeton Developing Markets Securities Fund -- Class 1...	2.00%	445,978	12.526773	5,586,664
Templeton Developing Markets Securities Fund -- Class 1...	2.05%	761,059	15.121286	11,508,188
Templeton Developing Markets Securities Fund -- Class 1...	2.10%	48,111	12.588575	605,650
Templeton Developing Markets Securities Fund -- Class 1...	2.15%	233,387	12.481437	2,913,011
Templeton Developing Markets Securities Fund -- Class 1...	2.20%	445,663	12.466375	5,555,796
Templeton Developing Markets Securities Fund -- Class 1...	2.25%	18,580	15.048359	279,593
Templeton Developing Markets Securities Fund -- Class 1...	2.30%	34,766	15.035801	522,739
Templeton Developing Markets Securities Fund -- Class 1...	2.35%	117,337	12.421248	1,457,473
Templeton Developing Markets Securities Fund -- Class 1...	2.40%	30,395	14.993886	455,738
Templeton Developing Markets Securities Fund -- Class 1...	2.45%	21,766	13.285521	289,171
Templeton Developing Markets Securities Fund -- Class 1...	2.50%	42,346	13.278865	562,305
Templeton Developing Markets Securities Fund -- Class 1...	2.55%	594	13.272221	7,881
Templeton Foreign Securities Fund -- Class 2.....	0.95%	253,723	11.321045	2,872,413
Templeton Foreign Securities Fund -- Class 2.....	1.10%	11,142	11.232806	125,156
Templeton Foreign Securities Fund -- Class 2.....	1.15%	9,992	11.232581	112,232
Templeton Foreign Securities Fund -- Class 2.....	1.25%	36,488	11.154345	407,003
Templeton Foreign Securities				

Fund -- Class 2.....	1.30%	107,116	11.145045	1,193,814
Templeton Foreign Securities				
Fund -- Class 2.....	1.35%	1,328,478	11.135743	14,793,589
Templeton Foreign Securities				
Fund -- Class 2.....	1.40%	1,131,169	10.695378	12,098,282
Templeton Foreign Securities				
Fund -- Class 2.....	1.45%	103,275	11.104690	1,146,836
Templeton Foreign Securities				
Fund -- Class 2.....	1.50%	65	11.091257	718

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

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FUND	FEEES (NOTE 3)	UNITS OWNED BY PARTICIPANTS	UNIT PRICE #	CONTRACT LIABILITY
<S>	<C>	<C>	<C>	<C>
Templeton Foreign Securities				
Fund -- Class 2.....	1.55%	217,438	\$10.607457	\$ 2,306,461
Templeton Foreign Securities				
Fund -- Class 2.....	1.60%	136,690	10.611797	1,450,524
Templeton Foreign Securities				
Fund -- Class 2.....	1.65%	1,932,661	10.549219	20,388,061
Templeton Foreign Securities				
Fund -- Class 2.....	1.70%	4,444,565	10.114855	44,956,130
Templeton Foreign Securities				
Fund -- Class 2.....	1.75%	992,128	10.524539	10,441,685
Templeton Foreign Securities				
Fund -- Class 2.....	1.80%	141,131	10.466441	1,477,140
Templeton Foreign Securities				
Fund -- Class 2.....	1.85%	3,406,386	10.050625	34,236,307
Templeton Foreign Securities				
Fund -- Class 2.....	1.90%	396,866	10.035800	3,982,865
Templeton Foreign Securities				
Fund -- Class 2.....	1.95%	218,992	10.473758	2,293,669
Templeton Foreign Securities				
Fund -- Class 2.....	2.00%	2,336,223	10.384665	24,260,897
Templeton Foreign Securities				
Fund -- Class 2.....	2.05%	6,849,958	9.972078	68,308,313
Templeton Foreign Securities				
Fund -- Class 2.....	2.10%	70,557	10.435839	736,318
Templeton Foreign Securities				
Fund -- Class 2.....	2.15%	2,813,274	10.347059	29,109,111
Templeton Foreign Securities				
Fund -- Class 2.....	2.20%	5,580,868	10.334544	57,675,730
Templeton Foreign Securities				
Fund -- Class 2.....	2.25%	131,286	9.923969	1,302,882
Templeton Foreign Securities				
Fund -- Class 2.....	2.30%	191,056	9.915694	1,894,451
Templeton Foreign Securities				
Fund -- Class 2.....	2.35%	408,311	10.297119	4,204,426
Templeton Foreign Securities				
Fund -- Class 2.....	2.40%	184,450	9.888020	1,823,843
Templeton Foreign Securities				
Fund -- Class 2.....	2.45%	424,642	9.883078	4,196,772
Templeton Foreign Securities				
Fund -- Class 2.....	2.50%	823,663	9.878123	8,136,247
Templeton Foreign Securities				
Fund -- Class 2.....	2.55%	8,289	9.873173	81,842
Templeton Global Asset				
Allocation Fund -- Class 2...	0.95%	65,767	14.043980	923,633
Templeton Global Asset				
Allocation Fund -- Class 2...	1.10%	746	13.934560	10,396
Templeton Global Asset				
Allocation Fund -- Class 2...	1.15%	2,598	13.934282	36,208
Templeton Global Asset				
Allocation Fund -- Class 2...	1.30%	9,832	13.825725	135,934
Templeton Global Asset				
Allocation Fund -- Class 2...	1.40%	457,834	13.328990	6,102,458
Templeton Global Asset				
Allocation Fund -- Class 2...	1.45%	1,266	13.775649	17,443
Templeton Global Asset				
Allocation Fund -- Class 2...	1.55%	137,156	13.219423	1,813,128
Templeton Global Asset				
Allocation Fund -- Class 2...	1.60%	45,118	13.224871	596,681
Templeton Global Asset				
Allocation Fund -- Class 2...	1.65%	140,048	13.146890	1,841,198
Templeton Global Asset				
Allocation Fund -- Class 2...	1.70%	110,403	12.426817	1,371,956
Templeton Global Asset				

Allocation Fund -- Class 2...	1.75%	38,428	13.116166	504,028
Templeton Global Asset				
Allocation Fund -- Class 2...	1.80%	23,146	13.043764	301,911
Templeton Global Asset				
Allocation Fund -- Class 2...	1.85%	47,221	12.347914	583,077
Templeton Global Asset				
Allocation Fund -- Class 2...	1.90%	76,457	12.329724	942,698
Templeton Global Asset				
Allocation Fund -- Class 2...	1.95%	2,803	13.052901	36,584
Templeton Global Asset				
Allocation Fund -- Class 2...	2.00%	7,248	12.941910	93,803
Templeton Global Asset				
Allocation Fund -- Class 2...	2.05%	19,028	12.251426	233,114
Templeton Global Asset				
Allocation Fund -- Class 2...	2.15%	326	12.895042	4,207
Templeton Global Asset				
Allocation Fund -- Class 2...	2.20%	3,740	12.879467	48,165
Templeton Global Asset				
Allocation Fund -- Class 2...	2.35%	2,738	12.832838	35,141
Templeton Growth Securities				
Fund -- Class 2.....	0.95%	333,523	13.443331	4,483,660
Templeton Growth Securities				
Fund -- Class 2.....	1.10%	1,900	13.338593	25,342
Templeton Growth Securities				
Fund -- Class 2.....	1.15%	14,677	13.338291	195,772
Templeton Growth Securities				
Fund -- Class 2.....	1.25%	29,534	13.245457	391,192
Templeton Growth Securities				
Fund -- Class 2.....	1.30%	186,357	13.234393	2,466,317
Templeton Growth Securities				
Fund -- Class 2.....	1.35%	849,254	13.223345	11,229,980
Templeton Growth Securities				
Fund -- Class 2.....	1.40%	1,532,547	12.390441	18,988,930

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SEPARATE ACCOUNT SEVEN

HARTFORD LIFE AND ANNUITY INSURANCE COMPANY
STATEMENTS OF ASSETS AND LIABILITIES -- (CONTINUED)
DECEMBER 31, 2004

<Table>

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FUND	FEEES (NOTE 3)	UNITS OWNED BY PARTICIPANTS	UNIT PRICE #	CONTRACT LIABILITY
<S>	<C>	<C>	<C>	<C>
Templeton Growth Securities				
Fund -- Class 2.....	1.45%	208,767	\$13.186453	\$ 2,752,894
Templeton Growth Securities				
Fund -- Class 2.....	1.55%	329,750	12.288641	4,052,180
Templeton Growth Securities				
Fund -- Class 2.....	1.60%	246,426	12.293676	3,029,485
Templeton Growth Securities				
Fund -- Class 2.....	1.65%	2,567,053	12.221194	31,372,449
Templeton Growth Securities				
Fund -- Class 2.....	1.70%	4,246,416	12.082421	51,306,992
Templeton Growth Securities				
Fund -- Class 2.....	1.75%	1,218,364	12.192621	14,855,051
Templeton Growth Securities				
Fund -- Class 2.....	1.80%	105,174	12.125336	1,275,273
Templeton Growth Securities				
Fund -- Class 2.....	1.85%	2,114,465	12.005711	25,385,653
Templeton Growth Securities				
Fund -- Class 2.....	1.90%	513,446	11.988015	6,155,198
Templeton Growth Securities				
Fund -- Class 2.....	1.95%	256,252	12.133777	3,109,309
Templeton Growth Securities				
Fund -- Class 2.....	2.00%	3,107,840	12.030607	37,389,198
Templeton Growth Securities				
Fund -- Class 2.....	2.05%	6,516,392	11.911900	77,622,610
Templeton Growth Securities				
Fund -- Class 2.....	2.10%	64,941	12.089857	785,127
Templeton Growth Securities				
Fund -- Class 2.....	2.15%	1,923,470	11.987053	23,056,739
Templeton Growth Securities				
Fund -- Class 2.....	2.20%	5,496,914	11.972532	65,811,973
Templeton Growth Securities				
Fund -- Class 2.....	2.25%	120,813	11.854413	1,432,169
Templeton Growth Securities				
Fund -- Class 2.....	2.30%	181,840	11.844522	2,153,807

Fund -- Class 2.....	2.35%	457,416	11.929197	5,456,610
Templeton Growth Securities				
Fund -- Class 2.....	2.40%	119,199	11.811474	1,407,914
Templeton Growth Securities				
Fund -- Class 2.....	2.45%	315,869	11.541318	3,645,542
Templeton Growth Securities				
Fund -- Class 2.....	2.50%	779,824	11.535531	8,995,682
Mutual Discovery Securities				
Fund -- Class 2.....	0.55%	1,052	14.691110	15,450
Mutual Discovery Securities				
Fund -- Class 2.....	0.95%	85,409	14.593317	1,246,404
Mutual Discovery Securities				
Fund -- Class 2.....	1.10%	545	14.556806	7,938
Mutual Discovery Securities				
Fund -- Class 2.....	1.15%	1,989	14.544656	28,927
Mutual Discovery Securities				
Fund -- Class 2.....	1.25%	8,293	14.520388	120,421
Mutual Discovery Securities				
Fund -- Class 2.....	1.30%	30,672	14.508279	444,992
Mutual Discovery Securities				
Fund -- Class 2.....	1.35%	238,802	14.496182	3,461,718
Mutual Discovery Securities				
Fund -- Class 2.....	1.40%	228,309	14.484061	3,306,841
Mutual Discovery Securities				
Fund -- Class 2.....	1.45%	35,739	14.471978	517,208
Mutual Discovery Securities				
Fund -- Class 2.....	1.55%	16,980	14.447828	245,323
Mutual Discovery Securities				
Fund -- Class 2.....	1.60%	30,187	14.435780	435,764
Mutual Discovery Securities				
Fund -- Class 2.....	1.65%	480,120	14.423725	6,925,118
Mutual Discovery Securities				
Fund -- Class 2.....	1.70%	943,476	14.411679	13,597,075
Mutual Discovery Securities				
Fund -- Class 2.....	1.75%	271,025	14.399659	3,902,670
Mutual Discovery Securities				
Fund -- Class 2.....	1.80%	21,555	14.387641	310,119
Mutual Discovery Securities				
Fund -- Class 2.....	1.85%	538,433	14.375625	7,740,313
Mutual Discovery Securities				
Fund -- Class 2.....	1.90%	46,173	14.363634	663,202
Mutual Discovery Securities				
Fund -- Class 2.....	1.95%	67,923	14.351652	974,809
Mutual Discovery Securities				
Fund -- Class 2.....	2.00%	638,092	14.339684	9,150,035
Mutual Discovery Securities				
Fund -- Class 2.....	2.05%	1,478,855	14.327708	21,188,599
Mutual Discovery Securities				
Fund -- Class 2.....	2.10%	9,151	14.315747	131,006
Mutual Discovery Securities				
Fund -- Class 2.....	2.15%	452,662	14.303805	6,474,779
Mutual Discovery Securities				
Fund -- Class 2.....	2.20%	1,133,973	14.291865	16,206,583
Mutual Discovery Securities				
Fund -- Class 2.....	2.25%	22,845	14.279926	326,227
Mutual Discovery Securities				
Fund -- Class 2.....	2.30%	60,510	14.268016	863,357
Mutual Discovery Securities				
Fund -- Class 2.....	2.35%	165,036	14.256091	2,352,759
Mutual Discovery Securities				
Fund -- Class 2.....	2.40%	18,175	14.244200	258,892

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

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FUND	FEES (NOTE 3)	UNITS		CONTRACT LIABILITY
		OWNED BY PARTICIPANTS	UNIT PRICE #	
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<S>	<C>	<C>	<C>	<C>
Mutual Discovery Securities				
Fund -- Class 2.....	2.45%	81,239	\$14.237077	\$ 1,156,613
Mutual Discovery Securities				
Fund -- Class 2.....	2.50%	220,966	14.229936	3,144,325
Hartford Money Market HLS Fund				
-- Class IA.....	0.95%	550,277	1.094675	602,374
Hartford Money Market HLS Fund				
-- Class IA.....	1.10%	77,687	1.086133	84,378
Hartford Money Market HLS Fund				
-- Class IA.....	1.25%	40,490	1.078558	43,671
Hartford Money Market HLS Fund				

-- Class IA.....	1.30%	345,096	1.077651	371,893
Hartford Money Market HLS Fund				
-- Class IA.....	1.35%	4,047,138	1.076767	4,357,824
Hartford Money Market HLS Fund				
-- Class IA.....	1.40%	15,206,184	1.079824	16,420,002
Hartford Money Market HLS Fund				
-- Class IA.....	1.45%	113,416	1.073753	121,781
Hartford Money Market HLS Fund				
-- Class IA.....	1.55%	3,013,234	1.070940	3,226,993
Hartford Money Market HLS Fund				
-- Class IA.....	1.60%	3,559,407	1.071392	3,813,520
Hartford Money Market HLS Fund				
-- Class IA.....	1.65%	31,860,475	1.065068	33,933,572
Hartford Money Market HLS Fund				
-- Class IA.....	1.70%	30,214,731	1.012519	30,592,989
Hartford Money Market HLS Fund				
-- Class IA.....	1.75%	8,001,384	1.062574	8,502,062
Hartford Money Market HLS Fund				
-- Class IA.....	1.80%	2,259,739	1.056713	2,387,896
Hartford Money Market HLS Fund				
-- Class IA.....	1.85%	10,727,024	1.006093	10,792,384
Hartford Money Market HLS Fund				
-- Class IA.....	1.90%	3,737,746	1.004622	3,755,022
Hartford Money Market HLS Fund				
-- Class IA.....	1.95%	2,622,140	1.057454	2,772,793
Hartford Money Market HLS Fund				
-- Class IA.....	2.00%	25,906,824	1.048462	27,162,321
Hartford Money Market HLS Fund				
-- Class IA.....	2.05%	38,108,000	0.998220	38,040,168
Hartford Money Market HLS Fund				
-- Class IA.....	2.10%	573,025	1.053627	603,754
Hartford Money Market HLS Fund				
-- Class IA.....	2.15%	10,272,826	1.044671	10,731,723
Hartford Money Market HLS Fund				
-- Class IA.....	2.20%	13,797,878	1.043408	14,396,816
Hartford Money Market HLS Fund				
-- Class IA.....	2.25%	2,171,370	0.993403	2,157,046
Hartford Money Market HLS Fund				
-- Class IA.....	2.30%	845,814	0.992573	839,532
Hartford Money Market HLS Fund				
-- Class IA.....	2.35%	3,363,533	1.039628	3,496,823
Hartford Money Market HLS Fund				
-- Class IA.....	2.40%	1,547,050	0.989803	1,531,275
Hartford Money Market HLS Fund				
-- Class IA.....	2.45%	1,462,447	0.989310	1,446,814
Hartford Money Market HLS Fund				
-- Class IA.....	2.50%	1,604,016	0.988810	1,586,067
Hartford Money Market HLS Fund				
-- Class IA.....	2.55%	21,189	0.988311	20,941
MFS Capital Opportunities				
Series -- Class INIT.....	0.95%	217,101	9.151640	1,986,831
MFS Capital Opportunities				
Series -- Class INIT.....	1.10%	23,226	9.080287	210,902
MFS Capital Opportunities				
Series -- Class INIT.....	1.15%	6,336	9.080086	57,527
MFS Capital Opportunities				
Series -- Class INIT.....	1.25%	18,580	9.016825	167,529
MFS Capital Opportunities				
Series -- Class INIT.....	1.30%	77,234	9.009312	695,829
MFS Capital Opportunities				
Series -- Class INIT.....	1.35%	62,668	9.001785	564,127
MFS Capital Opportunities				
Series -- Class INIT.....	1.40%	2,133,733	8.459697	18,050,736
MFS Capital Opportunities				
Series -- Class INIT.....	1.45%	30,349	8.976681	272,430
MFS Capital Opportunities				
Series -- Class INIT.....	1.50%	1,341	8.965824	12,020
MFS Capital Opportunities				
Series -- Class INIT.....	1.55%	311,227	8.390117	2,611,231
MFS Capital Opportunities				
Series -- Class INIT.....	1.60%	177,907	8.393545	1,493,270
MFS Capital Opportunities				
Series -- Class INIT.....	1.65%	1,013,516	8.344059	8,456,832
MFS Capital Opportunities				
Series -- Class INIT.....	1.70%	1,264,864	6.323453	7,998,310
MFS Capital Opportunities				
Series -- Class INIT.....	1.75%	233,644	8.324528	1,944,978
MFS Capital Opportunities				
Series -- Class INIT.....	1.80%	183,552	8.278575	1,519,550
MFS Capital Opportunities				
Series -- Class INIT.....	1.85%	419,955	6.283262	2,638,685
MFS Capital Opportunities				
Series -- Class INIT.....	1.90%	371,664	6.274036	2,331,831
MFS Capital Opportunities				

Series -- Class INIT..... 1.95% 27,012 8.284356 223,780
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 SEPARATE ACCOUNT SEVEN

HARTFORD LIFE AND ANNUITY INSURANCE COMPANY
 STATEMENTS OF ASSETS AND LIABILITIES -- (CONTINUED)
 DECEMBER 31, 2004

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FUND	FEES (NOTE 3)	UNITS OWNED BY PARTICIPANTS	UNIT PRICE #	CONTRACT LIABILITY
<S>	<C>	<C>	<C>	<C>
MFS Capital Opportunities				
Series -- Class INIT.....	2.00%	530,127	\$ 8.213846	\$ 4,354,385
MFS Capital Opportunities				
Series -- Class INIT.....	2.05%	1,056,365	6.234162	6,585,553
MFS Capital Opportunities				
Series -- Class INIT.....	2.10%	45,565	8.254361	376,108
MFS Capital Opportunities				
Series -- Class INIT.....	2.15%	75,168	8.184096	615,179
MFS Capital Opportunities				
Series -- Class INIT.....	2.20%	160,778	8.174205	1,314,229
MFS Capital Opportunities				
Series -- Class INIT.....	2.25%	50,561	6.204054	313,685
MFS Capital Opportunities				
Series -- Class INIT.....	2.30%	79,832	6.198880	494,868
MFS Capital Opportunities				
Series -- Class INIT.....	2.35%	49,718	8.144593	404,935
MFS Capital Opportunities				
Series -- Class INIT.....	2.40%	44,027	6.181606	272,159
MFS Capital Opportunities				
Series -- Class INIT.....	2.45%	48,601	6.152207	299,002
MFS Capital Opportunities				
Series -- Class INIT.....	2.50%	6,115	6.149111	37,600
MFS Emerging Growth Series --				
Class INIT.....	0.95%	166,739	7.694402	1,282,957
MFS Emerging Growth Series --				
Class INIT.....	1.10%	14,762	7.634409	112,699
MFS Emerging Growth Series --				
Class INIT.....	1.15%	3,709	7.634222	28,316
MFS Emerging Growth Series --				
Class INIT.....	1.25%	2,801	7.581019	21,235
MFS Emerging Growth Series --				
Class INIT.....	1.30%	24,083	7.574699	182,421
MFS Emerging Growth Series --				
Class INIT.....	1.35%	63,485	7.568372	480,475
MFS Emerging Growth Series --				
Class INIT.....	1.40%	1,993,378	7.491736	14,933,858
MFS Emerging Growth Series --				
Class INIT.....	1.45%	5,091	7.547279	38,422
MFS Emerging Growth Series --				
Class INIT.....	1.50%	419	7.538141	3,158
MFS Emerging Growth Series --				
Class INIT.....	1.55%	420,287	7.430126	3,122,786
MFS Emerging Growth Series --				
Class INIT.....	1.60%	225,608	7.433156	1,676,980
MFS Emerging Growth Series --				
Class INIT.....	1.65%	773,115	7.389333	5,712,807
MFS Emerging Growth Series --				
Class INIT.....	1.70%	1,045,309	4.927374	5,150,630
MFS Emerging Growth Series --				
Class INIT.....	1.75%	367,905	7.372030	2,712,206
MFS Emerging Growth Series --				
Class INIT.....	1.80%	90,276	7.331330	661,844
MFS Emerging Growth Series --				
Class INIT.....	1.85%	447,081	4.896040	2,188,925
MFS Emerging Growth Series --				
Class INIT.....	1.90%	264,871	4.888838	1,294,910
MFS Emerging Growth Series --				
Class INIT.....	1.95%	43,738	7.336454	320,884
MFS Emerging Growth Series --				
Class INIT.....	2.00%	497,330	7.274001	3,617,578
MFS Emerging Growth Series --				
Class INIT.....	2.05%	1,410,558	4.857757	6,852,146
MFS Emerging Growth Series --				
Class INIT.....	2.10%	29,355	7.309877	214,581
MFS Emerging Growth Series --				
Class INIT.....	2.15%	167,706	7.247648	1,215,474

Class INIT.....	2.20%	273,449	7.238892	1,979,469
MFS Emerging Growth Series -- Class INIT.....	2.25%	59,706	4.834316	288,636
MFS Emerging Growth Series -- Class INIT.....	2.30%	84,217	4.830273	406,789
MFS Emerging Growth Series -- Class INIT.....	2.35%	200,149	7.212680	1,443,609
MFS Emerging Growth Series -- Class INIT.....	2.40%	175,296	4.816813	844,369
MFS Emerging Growth Series -- Class INIT.....	2.45%	58,823	4.858215	285,777
MFS Emerging Growth Series -- Class INIT.....	2.50%	75,645	4.855786	367,316
MFS Emerging Growth Series -- Class INIT.....	2.55%	749	4.853345	3,636
MFS Global Equity Series -- Class INIT.....	0.95%	25,536	12.802636	326,926
MFS Global Equity Series -- Class INIT.....	1.10%	3,471	12.702880	44,093
MFS Global Equity Series -- Class INIT.....	1.15%	673	12.702610	8,552
MFS Global Equity Series -- Class INIT.....	1.25%	433	12.614152	5,462
MFS Global Equity Series -- Class INIT.....	1.30%	3,393	12.603611	42,770
MFS Global Equity Series -- Class INIT.....	1.35%	32,004	12.593096	403,031
MFS Global Equity Series -- Class INIT.....	1.40%	252,561	12.055944	3,044,859

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

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FUND	FEES (NOTE 3)	UNITS		CONTRACT LIABILITY
		OWNED BY PARTICIPANTS	UNIT PRICE #	
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<S>	<C>	<C>	<C>	<C>
MFS Global Equity Series -- Class INIT.....	1.45%	3,168	\$12.557992	\$ 39,785
MFS Global Equity Series -- Class INIT.....	1.55%	47,306	11.956853	565,628
MFS Global Equity Series -- Class INIT.....	1.60%	15,994	11.961723	191,319
MFS Global Equity Series -- Class INIT.....	1.65%	160,669	11.891226	1,910,549
MFS Global Equity Series -- Class INIT.....	1.70%	206,999	10.780345	2,231,515
MFS Global Equity Series -- Class INIT.....	1.75%	101,795	11.863427	1,207,643
MFS Global Equity Series -- Class INIT.....	1.80%	14,024	11.797986	165,456
MFS Global Equity Series -- Class INIT.....	1.85%	108,361	10.711911	1,160,750
MFS Global Equity Series -- Class INIT.....	1.90%	41,464	10.696120	443,508
MFS Global Equity Series -- Class INIT.....	1.95%	11,306	11.806187	133,475
MFS Global Equity Series -- Class INIT.....	2.00%	223,932	11.705804	2,621,298
MFS Global Equity Series -- Class INIT.....	2.05%	329,975	10.628208	3,507,037
MFS Global Equity Series -- Class INIT.....	2.10%	4,191	11.763415	49,296
MFS Global Equity Series -- Class INIT.....	2.15%	57,800	11.663389	674,140
MFS Global Equity Series -- Class INIT.....	2.20%	147,595	11.649302	1,719,376
MFS Global Equity Series -- Class INIT.....	2.25%	9,420	10.576939	99,637
MFS Global Equity Series -- Class INIT.....	2.30%	17,132	10.568111	181,053
MFS Global Equity Series -- Class INIT.....	2.35%	17,676	11.607114	205,165
MFS Global Equity Series -- Class INIT.....	2.40%	8,337	10.538619	87,860
MFS Global Equity Series -- Class INIT.....	2.45%	9,349	10.533340	98,474
MFS Global Equity Series -- Class INIT.....	2.50%	61,078	10.528057	643,034
MFS High Income Series --				

Class INIT.....	0.55%	655	13.219296	8,658
MFS High Income Series -- Class INIT.....	0.95%	335,115	12.303541	4,123,105
MFS High Income Series -- Class INIT.....	1.10%	24,810	12.207708	302,874
MFS High Income Series -- Class INIT.....	1.15%	11,224	12.207480	137,015
MFS High Income Series -- Class INIT.....	1.25%	18,968	12.122495	229,939
MFS High Income Series -- Class INIT.....	1.30%	220,359	12.112361	2,669,075
MFS High Income Series -- Class INIT.....	1.35%	331,170	12.102259	4,007,907
MFS High Income Series -- Class INIT.....	1.40%	1,461,435	11.790653	17,231,272
MFS High Income Series -- Class INIT.....	1.45%	51,153	12.068531	617,337
MFS High Income Series -- Class INIT.....	1.50%	316	12.053944	3,805
MFS High Income Series -- Class INIT.....	1.55%	306,910	11.693798	3,588,938
MFS High Income Series -- Class INIT.....	1.60%	159,869	11.698616	1,870,249
MFS High Income Series -- Class INIT.....	1.65%	1,944,911	11.629628	22,618,586
MFS High Income Series -- Class INIT.....	1.70%	2,830,395	11.763437	33,295,178
MFS High Income Series -- Class INIT.....	1.75%	1,186,097	11.602462	13,761,641
MFS High Income Series -- Class INIT.....	1.80%	101,368	11.538461	1,169,626
MFS High Income Series -- Class INIT.....	1.85%	816,856	11.688753	9,548,033
MFS High Income Series -- Class INIT.....	1.90%	473,314	11.671578	5,524,325
MFS High Income Series -- Class INIT.....	1.95%	117,685	11.546481	1,358,848
MFS High Income Series -- Class INIT.....	2.00%	2,241,266	11.448357	25,658,810
MFS High Income Series -- Class INIT.....	2.05%	5,473,573	11.597468	63,479,583
MFS High Income Series -- Class INIT.....	2.10%	166,746	11.504685	1,918,363
MFS High Income Series -- Class INIT.....	2.15%	513,522	11.406916	5,857,700
MFS High Income Series -- Class INIT.....	2.20%	1,329,799	11.393114	15,150,553
MFS High Income Series -- Class INIT.....	2.25%	271,062	11.541520	3,128,472
MFS High Income Series -- Class INIT.....	2.30%	157,842	11.531886	1,820,219
MFS High Income Series -- Class INIT.....	2.35%	318,604	11.351882	3,616,750

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SEPARATE ACCOUNT SEVEN

HARTFORD LIFE AND ANNUITY INSURANCE COMPANY
STATEMENTS OF ASSETS AND LIABILITIES -- (CONTINUED)
DECEMBER 31, 2004

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FUND	FEES (NOTE 3)	UNITS		CONTRACT LIABILITY
		OWNED BY PARTICIPANTS	UNIT PRICE #	
<S>	<C>	<C>	<C>	<C>
MFS High Income Series -- Class INIT.....	2.40%	173,143	\$11.499726	\$ 1,991,101
MFS High Income Series -- Class INIT.....	2.45%	103,904	11.493960	1,194,269
MFS High Income Series -- Class INIT.....	2.50%	118,675	11.488203	1,363,359
MFS High Income Series -- Class INIT.....	2.55%	124	11.482449	1,427
MFS Investors Growth Stock Series -- Class INIT.....	0.95%	190,227	8.242582	1,567,963
MFS Investors Growth Stock Series -- Class INIT.....	1.10%	41,627	8.178342	340,439
MFS Investors Growth Stock Series -- Class INIT.....	1.15%	16,736	8.178180	136,871

Series -- Class INIT.....	1.25%	4,519	8.121193	36,697
MFS Investors Growth Stock				
Series -- Class INIT.....	1.30%	29,816	8.114413	241,940
MFS Investors Growth Stock				
Series -- Class INIT.....	1.35%	116,959	8.107637	948,264
MFS Investors Growth Stock				
Series -- Class INIT.....	1.40%	3,541,220	7.762533	27,488,837
MFS Investors Growth Stock				
Series -- Class INIT.....	1.45%	5,848	8.085031	47,278
MFS Investors Growth Stock				
Series -- Class INIT.....	1.55%	810,620	7.698709	6,240,725
MFS Investors Growth Stock				
Series -- Class INIT.....	1.60%	567,895	7.701867	4,373,851
MFS Investors Growth Stock				
Series -- Class INIT.....	1.65%	1,046,986	7.656448	8,016,190
MFS Investors Growth Stock				
Series -- Class INIT.....	1.70%	2,029,760	6.013571	12,206,103
MFS Investors Growth Stock				
Series -- Class INIT.....	1.75%	1,793,541	7.638544	13,700,039
MFS Investors Growth Stock				
Series -- Class INIT.....	1.80%	138,044	7.596393	1,048,634
MFS Investors Growth Stock				
Series -- Class INIT.....	1.85%	640,801	5.975362	3,829,020
MFS Investors Growth Stock				
Series -- Class INIT.....	1.90%	665,958	5.966577	3,973,493
MFS Investors Growth Stock				
Series -- Class INIT.....	1.95%	85,099	7.601666	646,894
MFS Investors Growth Stock				
Series -- Class INIT.....	2.00%	1,033,567	7.536986	7,789,980
MFS Investors Growth Stock				
Series -- Class INIT.....	2.05%	3,599,298	5.928665	21,339,034
MFS Investors Growth Stock				
Series -- Class INIT.....	2.10%	93,225	7.574124	706,099
MFS Investors Growth Stock				
Series -- Class INIT.....	2.15%	188,211	7.509700	1,413,405
MFS Investors Growth Stock				
Series -- Class INIT.....	2.20%	473,652	7.500612	3,552,680
MFS Investors Growth Stock				
Series -- Class INIT.....	2.25%	117,057	5.900046	690,644
MFS Investors Growth Stock				
Series -- Class INIT.....	2.30%	85,479	5.895131	503,909
MFS Investors Growth Stock				
Series -- Class INIT.....	2.35%	116,185	7.473443	868,298
MFS Investors Growth Stock				
Series -- Class INIT.....	2.40%	103,913	5.878665	610,867
MFS Investors Growth Stock				
Series -- Class INIT.....	2.45%	30,754	6.044293	185,885
MFS Investors Growth Stock				
Series -- Class INIT.....	2.50%	45,826	6.041268	276,846
MFS Investors Trust Series --				
Class INIT.....	0.70%	1,910	8.780130	16,768
MFS Investors Trust Series --				
Class INIT.....	0.95%	292,473	9.584470	2,803,201
MFS Investors Trust Series --				
Class INIT.....	1.10%	35,167	9.509825	334,430
MFS Investors Trust Series --				
Class INIT.....	1.15%	25,108	9.509590	238,767
MFS Investors Trust Series --				
Class INIT.....	1.25%	7,291	9.443360	68,852
MFS Investors Trust Series --				
Class INIT.....	1.30%	44,427	9.435488	419,193
MFS Investors Trust Series --				
Class INIT.....	1.35%	796,177	9.427597	7,506,033
MFS Investors Trust Series --				
Class INIT.....	1.40%	3,750,467	8.380645	31,431,331
MFS Investors Trust Series --				
Class INIT.....	1.45%	18,139	9.401312	170,530
MFS Investors Trust Series --				
Class INIT.....	1.55%	917,271	8.311730	7,624,110
MFS Investors Trust Series --				
Class INIT.....	1.60%	458,176	8.315153	3,809,805
MFS Investors Trust Series --				
Class INIT.....	1.65%	1,824,669	8.266131	15,082,954
MFS Investors Trust Series --				
Class INIT.....	1.70%	3,224,091	8.183938	26,385,757
MFS Investors Trust Series --				
Class INIT.....	1.75%	1,420,293	8.246769	11,712,827
MFS Investors Trust Series --				
Class INIT.....	1.80%	171,925	8.201269	1,410,003
MFS Investors Trust Series --				
Class INIT.....	1.85%	2,241,588	8.131952	18,228,489

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

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FUND	UNITS			
	FEES (NOTE 3)	OWNED BY PARTICIPANTS	UNIT PRICE #	CONTRACT LIABILITY
<S>	<C>	<C>	<C>	<C>
MFS Investors Trust Series -- Class INIT.....	1.90%	496,040	\$ 8.119982	\$ 4,027,836
MFS Investors Trust Series -- Class INIT.....	1.95%	208,546	8.206973	1,711,527
MFS Investors Trust Series -- Class INIT.....	2.00%	2,072,382	8.137163	16,863,307
MFS Investors Trust Series -- Class INIT.....	2.05%	4,472,208	8.068390	36,083,519
MFS Investors Trust Series -- Class INIT.....	2.10%	73,023	8.177243	597,128
MFS Investors Trust Series -- Class INIT.....	2.15%	2,074,013	8.107697	16,815,467
MFS Investors Trust Series -- Class INIT.....	2.20%	3,466,116	8.097909	28,068,292
MFS Investors Trust Series -- Class INIT.....	2.25%	74,069	8.029462	594,736
MFS Investors Trust Series -- Class INIT.....	2.30%	128,203	8.022764	1,028,545
MFS Investors Trust Series -- Class INIT.....	2.35%	220,691	8.068584	1,780,662
MFS Investors Trust Series -- Class INIT.....	2.40%	96,801	8.000393	774,443
MFS Investors Trust Series -- Class INIT.....	2.45%	241,435	8.168698	1,972,210
MFS Investors Trust Series -- Class INIT.....	2.50%	456,204	8.164604	3,724,724
MFS Investors Trust Series -- Class INIT.....	2.55%	5,534	8.160518	45,159
MFS Mid Cap Growth Series -- Class INIT.....	0.55%	1,539	6.149285	9,465
MFS Mid Cap Growth Series -- Class INIT.....	0.70%	1,863	6.109405	11,380
MFS Mid Cap Growth Series -- Class INIT.....	0.95%	336,580	6.043547	2,034,135
MFS Mid Cap Growth Series -- Class INIT.....	1.10%	11,723	6.004363	70,388
MFS Mid Cap Growth Series -- Class INIT.....	1.15%	43,378	5.996297	260,109
MFS Mid Cap Growth Series -- Class INIT.....	1.25%	48,250	5.962396	287,685
MFS Mid Cap Growth Series -- Class INIT.....	1.30%	178,881	5.957415	1,065,670
MFS Mid Cap Growth Series -- Class INIT.....	1.35%	425,796	5.952447	2,534,529
MFS Mid Cap Growth Series -- Class INIT.....	1.40%	2,618,004	5.926768	15,516,301
MFS Mid Cap Growth Series -- Class INIT.....	1.45%	76,214	5.935854	452,397
MFS Mid Cap Growth Series -- Class INIT.....	1.50%	927	5.928679	5,494
MFS Mid Cap Growth Series -- Class INIT.....	1.55%	421,197	5.888357	2,480,156
MFS Mid Cap Growth Series -- Class INIT.....	1.60%	712,091	5.880432	4,187,406
MFS Mid Cap Growth Series -- Class INIT.....	1.65%	2,212,700	5.862875	12,972,783
MFS Mid Cap Growth Series -- Class INIT.....	1.70%	3,664,613	6.326048	23,182,518
MFS Mid Cap Growth Series -- Class INIT.....	1.75%	1,934,708	5.842324	11,303,190
MFS Mid Cap Growth Series -- Class INIT.....	1.80%	179,536	5.824872	1,045,777
MFS Mid Cap Growth Series -- Class INIT.....	1.85%	1,325,568	6.285822	8,332,287
MFS Mid Cap Growth Series -- Class INIT.....	1.90%	908,201	6.276552	5,700,371
MFS Mid Cap Growth Series -- Class INIT.....	1.95%	272,180	5.814109	1,582,483
MFS Mid Cap Growth Series -- Class INIT.....	2.00%	3,305,787	5.779320	19,105,202
MFS Mid Cap Growth Series -- Class INIT.....	2.05%	5,229,373	6.236670	32,613,876
MFS Mid Cap Growth Series -- Class INIT.....	2.10%	73,226	5.793055	424,203

Class INIT.....	2.15%	861,403	5.758402	4,960,303
MFS Mid Cap Growth Series -- Class INIT.....	2.20%	1,655,462	5.751436	9,521,282
MFS Mid Cap Growth Series -- Class INIT.....	2.25%	246,446	6.206566	1,529,583
MFS Mid Cap Growth Series -- Class INIT.....	2.30%	294,623	6.201387	1,827,072
MFS Mid Cap Growth Series -- Class INIT.....	2.35%	595,701	5.730576	3,413,708
MFS Mid Cap Growth Series -- Class INIT.....	2.40%	332,942	6.184097	2,058,944
MFS Mid Cap Growth Series -- Class INIT.....	2.45%	79,688	6.180994	492,553
MFS Mid Cap Growth Series -- Class INIT.....	2.50%	148,500	6.177888	917,419
MFS Mid Cap Growth Series -- Class INIT.....	2.55%	496	6.174799	3,064
MFS New Discovery Series -- Class INIT.....	0.55%	1,133	9.340625	10,586
MFS New Discovery Series -- Class INIT.....	0.95%	55,622	13.353210	742,739

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SEPARATE ACCOUNT SEVEN

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STATEMENTS OF ASSETS AND LIABILITIES -- (CONTINUED)
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FUND	FEES (NOTE 3)	UNITS		CONTRACT LIABILITY
		OWNED BY PARTICIPANTS	UNIT PRICE #	
<S>	<C>	<C>	<C>	<C>
MFS New Discovery Series -- Class INIT.....	1.10%	17,567	\$13.249100	\$ 232,744
MFS New Discovery Series -- Class INIT.....	1.15%	4,573	13.248830	60,585
MFS New Discovery Series -- Class INIT.....	1.25%	6,188	13.156545	81,420
MFS New Discovery Series -- Class INIT.....	1.30%	35,768	13.145554	470,191
MFS New Discovery Series -- Class INIT.....	1.35%	369,694	13.134589	4,855,783
MFS New Discovery Series -- Class INIT.....	1.40%	990,953	12.116333	12,006,724
MFS New Discovery Series -- Class INIT.....	1.45%	4,304	13.097983	56,376
MFS New Discovery Series -- Class INIT.....	1.55%	187,535	12.016690	2,253,546
MFS New Discovery Series -- Class INIT.....	1.60%	110,038	12.021622	1,322,829
MFS New Discovery Series -- Class INIT.....	1.65%	1,278,011	11.950725	15,273,159
MFS New Discovery Series -- Class INIT.....	1.70%	2,543,448	7.913271	20,126,991
MFS New Discovery Series -- Class INIT.....	1.75%	519,238	11.922777	6,190,754
MFS New Discovery Series -- Class INIT.....	1.80%	146,052	11.856969	1,731,737
MFS New Discovery Series -- Class INIT.....	1.85%	1,395,878	7.862983	10,975,762
MFS New Discovery Series -- Class INIT.....	1.90%	336,538	7.851400	2,642,297
MFS New Discovery Series -- Class INIT.....	1.95%	120,880	11.865234	1,434,270
MFS New Discovery Series -- Class INIT.....	2.00%	1,259,225	11.764259	14,813,853
MFS New Discovery Series -- Class INIT.....	2.05%	4,082,236	7.801514	31,847,623
MFS New Discovery Series -- Class INIT.....	2.10%	26,359	11.822262	311,623
MFS New Discovery Series -- Class INIT.....	2.15%	908,784	11.721669	10,652,461
MFS New Discovery Series -- Class INIT.....	2.20%	1,526,919	11.707510	17,876,418
MFS New Discovery Series -- Class INIT.....	2.25%	115,258	7.763884	894,850
MFS New Discovery Series -- Class INIT.....	2.30%	146,457	7.757399	1,136,127

Class INIT.....	2.35%	139,265	11.665109	1,624,537
MFS New Discovery Series --				
Class INIT.....	2.40%	130,600	7.735743	1,010,286
MFS New Discovery Series --				
Class INIT.....	2.45%	233,166	7.731873	1,802,810
MFS New Discovery Series --				
Class INIT.....	2.50%	289,193	7.727987	2,234,880
MFS New Discovery Series --				
Class INIT.....	2.55%	11,227	7.724119	86,715
MFS Total Return Series --				
Class INIT.....	0.55%	2,250	12.495591	28,115
MFS Total Return Series --				
Class INIT.....	0.70%	2,230	12.419119	27,700
MFS Total Return Series --				
Class INIT.....	0.95%	2,012,241	14.092027	28,356,556
MFS Total Return Series --				
Class INIT.....	1.10%	170,581	13.982286	2,385,119
MFS Total Return Series --				
Class INIT.....	1.15%	113,622	13.981952	1,588,653
MFS Total Return Series --				
Class INIT.....	1.25%	166,627	13.884648	2,313,551
MFS Total Return Series --				
Class INIT.....	1.30%	1,298,831	13.873078	18,018,780
MFS Total Return Series --				
Class INIT.....	1.35%	1,548,861	13.861485	21,469,513
MFS Total Return Series --				
Class INIT.....	1.40%	6,511,458	12.917678	84,112,920
MFS Total Return Series --				
Class INIT.....	1.45%	554,089	13.822815	7,659,065
MFS Total Return Series --				
Class INIT.....	1.50%	10,113	13.806111	139,617
MFS Total Return Series --				
Class INIT.....	1.55%	1,060,778	12.811508	13,590,165
MFS Total Return Series --				
Class INIT.....	1.60%	1,053,397	12.816786	13,501,166
MFS Total Return Series --				
Class INIT.....	1.65%	6,177,614	12.741229	78,710,399
MFS Total Return Series --				
Class INIT.....	1.70%	11,042,455	12.075745	133,345,872
MFS Total Return Series --				
Class INIT.....	1.75%	4,966,092	12.711434	63,126,148
MFS Total Return Series --				
Class INIT.....	1.80%	698,516	12.641315	8,830,161
MFS Total Return Series --				
Class INIT.....	1.85%	4,773,177	11.999082	57,273,737
MFS Total Return Series --				
Class INIT.....	1.90%	1,837,085	11.981418	22,010,879
MFS Total Return Series --				
Class INIT.....	1.95%	473,757	12.650086	5,993,064

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

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FUND	FEES (NOTE 3)	UNITS		CONTRACT LIABILITY
		OWNED BY PARTICIPANTS	UNIT PRICE #	
<S>	<C>	<C>	<C>	<C>
MFS Total Return Series --				
Class INIT.....	2.00%	7,408,485	\$12.542590	\$ 92,921,593
MFS Total Return Series --				
Class INIT.....	2.05%	15,870,878	11.905358	188,948,479
MFS Total Return Series --				
Class INIT.....	2.10%	206,031	12.604277	2,596,867
MFS Total Return Series --				
Class INIT.....	2.15%	3,231,812	12.497162	40,388,477
MFS Total Return Series --				
Class INIT.....	2.20%	6,234,563	12.482069	77,820,242
MFS Total Return Series --				
Class INIT.....	2.25%	494,220	11.847896	5,855,466
MFS Total Return Series --				
Class INIT.....	2.30%	284,303	11.837995	3,365,575
MFS Total Return Series --				
Class INIT.....	2.35%	948,141	12.436857	11,791,896
MFS Total Return Series --				
Class INIT.....	2.40%	411,389	11.804998	4,856,447
MFS Total Return Series --				
Class INIT.....	2.45%	289,358	12.576878	3,639,220
MFS Total Return Series --				
Class INIT.....	2.50%	852,956	12.570577	10,722,153

Class INIT.....	2.55%	10,033	12.564284	126,057
MFS Value Series -- Class INIT.....	0.95%	43,978	14.004824	615,902
MFS Value Series -- Class INIT.....	1.25%	10,236	13.934862	142,637
MFS Value Series -- Class INIT.....	1.30%	10,848	13.923223	151,040
MFS Value Series -- Class INIT.....	1.35%	134,830	13.911613	1,875,701
MFS Value Series -- Class INIT.....	1.40%	138,146	13.899996	1,920,224
MFS Value Series -- Class INIT.....	1.45%	21,686	13.888402	301,186
MFS Value Series -- Class INIT.....	1.55%	9,513	13.865228	131,899
MFS Value Series -- Class INIT.....	1.60%	9,998	13.853659	138,499
MFS Value Series -- Class INIT.....	1.65%	244,270	13.842100	3,381,210
MFS Value Series -- Class INIT.....	1.70%	479,034	13.830546	6,625,305
MFS Value Series -- Class INIT.....	1.75%	64,076	13.819006	885,460
MFS Value Series -- Class INIT.....	1.80%	18,095	13.807483	249,846
MFS Value Series -- Class INIT.....	1.85%	233,690	13.795952	3,223,977
MFS Value Series -- Class INIT.....	1.90%	18,887	13.784438	260,347
MFS Value Series -- Class INIT.....	1.95%	36,825	13.772939	507,183
MFS Value Series -- Class INIT.....	2.00%	411,491	13.761448	5,662,711
MFS Value Series -- Class INIT.....	2.05%	687,582	13.749946	9,454,210
MFS Value Series -- Class INIT.....	2.10%	4,942	13.738499	67,898
MFS Value Series -- Class INIT.....	2.15%	283,605	13.727024	3,893,051
MFS Value Series -- Class INIT.....	2.20%	351,971	13.715558	4,827,473
MFS Value Series -- Class INIT.....	2.25%	27,237	13.704127	373,264
MFS Value Series -- Class INIT.....	2.30%	65,834	13.692688	901,444
MFS Value Series -- Class INIT.....	2.35%	91,919	13.681257	1,257,571
MFS Value Series -- Class INIT.....	2.40%	14,208	13.669839	194,221
MFS Value Series -- Class INIT.....	2.45%	49,451	13.662985	675,645
MFS Value Series -- Class INIT.....	2.50%	36,502	13.656146	498,477
Merrill Lynch Global Growth V.I. Fund -- Class I.....	1.40%	22,753	8.471165	192,741
Merrill Lynch Global Growth V.I. Fund -- Class I.....	1.55%	5,374	8.405786	45,172
Merrill Lynch Global Growth V.I. Fund -- Class I.....	1.65%	2,031	10.759995	21,850
Merrill Lynch Global Growth V.I. Fund -- Class I.....	1.70%	125	10.744853	1,348
Merrill Lynch Global Growth V.I. Fund -- Class I.....	1.75%	17,297	8.340096	144,258
Merrill Lynch Global Growth V.I. Fund -- Class I.....	1.90%	6,417	10.684427	68,558
Merrill Lynch Global Growth V.I. Fund -- Class I.....	2.00%	8,911	10.654361	94,937
Merrill Lynch Global Growth V.I. Fund -- Class I.....	2.05%	49,790	10.639336	529,727
Merrill Lynch Global Growth V.I. Fund -- Class I.....	2.15%	4,926	10.615793	52,292
Merrill Lynch Global Growth V.I. Fund -- Class I.....	2.20%	4,110	10.602956	43,574

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SEPARATE ACCOUNT SEVEN

HARTFORD LIFE AND ANNUITY INSURANCE COMPANY
STATEMENTS OF ASSETS AND LIABILITIES -- (CONTINUED)
DECEMBER 31, 2004

<Table>

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FUND	FEES (NOTE 3)	UNITS		CONTRACT LIABILITY
		OWNED BY PARTICIPANTS	UNIT PRICE #	
----	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>
Merrill Lynch Global Growth V.I. Fund -- Class I.....	2.35%	9,140	\$10.564578	\$ 96,563
Merrill Lynch Global Growth V.I. Fund -- Class I.....	2.40%	853	10.549693	9,003
Merrill Lynch Large Cap Growth V.I. Fund -- Class I.....	1.40%	41,165	8.690929	357,763
Merrill Lynch Large Cap Growth V.I. Fund -- Class I.....	1.55%	27,917	8.623811	240,752
Merrill Lynch Large Cap Growth V.I. Fund -- Class I.....	1.60%	643	8.623002	5,541
Merrill Lynch Large Cap Growth V.I. Fund -- Class I.....	1.65%	2,704	10.588346	28,631
Merrill Lynch Large Cap Growth V.I. Fund -- Class I.....	1.70%	6,449	10.573424	68,185
Merrill Lynch Large Cap Growth V.I. Fund -- Class I.....	1.75%	48,047	8.556429	411,104
Merrill Lynch Large Cap Growth V.I. Fund -- Class I.....	1.85%	1,606	10.528796	16,910
Merrill Lynch Large Cap Growth V.I. Fund -- Class I.....	1.90%	8,059	10.513971	84,734
Merrill Lynch Large Cap Growth V.I. Fund -- Class I.....	2.00%	25,556	10.484366	267,937
Merrill Lynch Large Cap Growth V.I. Fund -- Class I.....	2.05%	55,343	10.469597	579,418
Merrill Lynch Large Cap Growth V.I. Fund -- Class I.....	2.10%	3,059	8.484287	25,951
Merrill Lynch Large Cap Growth V.I. Fund -- Class I.....	2.15%	12,153	10.446393	126,955
Merrill Lynch Large Cap Growth V.I. Fund -- Class I.....	2.20%	35,522	10.433773	370,627
Merrill Lynch Large Cap Growth V.I. Fund -- Class I.....	2.25%	6,549	10.419074	68,233
Merrill Lynch Large Cap Growth V.I. Fund -- Class I.....	2.35%	9,718	10.395989	101,024
Merrill Lynch Large Cap Growth V.I. Fund -- Class I.....	2.40%	9,146	10.381336	94,951
Jennison 20/20 Focus Portfolio -- Class II.....	1.70%	252,780	1.063806	268,908
Jennison 20/20 Focus Portfolio -- Class II.....	1.90%	47,453	1.055682	50,096
Jennison 20/20 Focus Portfolio -- Class II.....	2.05%	15,339	1.049642	16,101
Jennison 20/20 Focus Portfolio -- Class II.....	2.20%	83,835	1.046563	87,738
Jennison Portfolio -- Class II.....	1.70%	103,873	0.828484	86,057
Jennison Portfolio -- Class II.....	1.85%	61,484	0.823706	50,645
Jennison Portfolio -- Class II.....	1.90%	105,822	0.822138	87,000
Jennison Portfolio -- Class II.....	2.05%	115,025	0.817420	94,024
Jennison Portfolio -- Class II.....	2.25%	9,055	0.813488	7,366
Prudential Value Portfolio -- Class II.....	1.70%	182,966	1.025520	187,636
Prudential Value Portfolio -- Class II.....	1.85%	43,824	1.019889	44,696
Prudential Value Portfolio -- Class II.....	2.05%	212,581	1.012425	215,221
Prudential Value Portfolio -- Class II.....	2.20%	170,039	1.009386	171,635
Wells Fargo Asset Allocation Fund.....	1.35%	57,473	1.151803	66,197
Wells Fargo Asset Allocation Fund.....	1.70%	291,492	1.140990	332,590
Wells Fargo Asset Allocation Fund.....	1.85%	136,901	1.135949	155,513
Wells Fargo Asset Allocation Fund.....	2.00%	20,700	1.131040	23,413
Wells Fargo Asset Allocation Fund.....	2.05%	388,908	1.130086	439,500
Wells Fargo Asset Allocation Fund.....	2.20%	623,638	1.126381	702,454
Wells Fargo Asset Allocation Fund.....	2.35%	6,843	1.123828	7,691
Wells Fargo Asset Allocation Fund.....	2.50%	52,184	1.122137	58,558
Wells Fargo Total Return Bond				

Fund.....	1.35%	109,558	1.151424	126,148
Wells Fargo Total Return Bond Fund.....	1.65%	6,455	1.141532	7,368
Wells Fargo Total Return Bond Fund.....	1.70%	251,172	1.140577	286,481
Wells Fargo Total Return Bond Fund.....	1.85%	32,332	1.135577	36,715
Wells Fargo Total Return Bond Fund.....	1.90%	3,317	1.135004	3,765
Wells Fargo Total Return Bond Fund.....	2.05%	975,201	1.129705	1,101,689
Wells Fargo Total Return Bond Fund.....	2.20%	1,429,852	1.126001	1,610,016
Wells Fargo Total Return Bond Fund.....	2.35%	376,326	1.123435	422,778
Wells Fargo Total Return Bond Fund.....	2.50%	103,365	1.121743	115,949

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

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FUND	FEES (NOTE 3)	UNITS		CONTRACT LIABILITY
		OWNED BY PARTICIPANTS	UNIT PRICE #	
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<S>	<C>	<C>	<C>	<C>
Wells Fargo Equity Income Fund.....	1.35%	42,053	\$ 1.155148	\$ 48,578
Wells Fargo Equity Income Fund.....	1.65%	34,734	1.145272	39,780
Wells Fargo Equity Income Fund.....	1.70%	83,306	1.144311	95,328
Wells Fargo Equity Income Fund.....	1.85%	46,682	1.139247	53,183
Wells Fargo Equity Income Fund.....	2.05%	238,817	1.133382	270,671
Wells Fargo Equity Income Fund.....	2.20%	390,756	1.129656	441,419
Wells Fargo Equity Income Fund.....	2.35%	92,600	1.127088	104,368
Wells Fargo Equity Income Fund.....	2.50%	15,035	1.125397	16,920
Wells Fargo Equity Value Fund.....	1.35%	3,008	1.079439	3,247
Wells Fargo Equity Value Fund.....	2.05%	33,603	1.059093	35,589
Wells Fargo Equity Value Fund.....	2.20%	68,952	1.055621	72,787
Wells Fargo Equity Value Fund.....	2.35%	130,201	1.053230	137,132
Wells Fargo Growth Fund.....	1.70%	12,310	1.007804	12,406
Wells Fargo Growth Fund.....	1.85%	39,346	1.003353	39,479
Wells Fargo Growth Fund.....	2.20%	26,209	0.994891	26,075
Wells Fargo Growth Fund.....	2.35%	28,719	0.992631	28,507
Wells Fargo International Equity Fund.....	1.35%	50,434	1.125003	56,739
Wells Fargo International Equity Fund.....	1.70%	64,342	1.114424	71,704
Wells Fargo International Equity Fund.....	1.85%	32,268	1.109528	35,803
Wells Fargo International Equity Fund.....	2.00%	8,120	1.104723	8,970
Wells Fargo International Equity Fund.....	2.05%	74,814	1.103808	82,581
Wells Fargo International Equity Fund.....	2.20%	289,117	1.100168	318,075
Wells Fargo International Equity Fund.....	2.35%	16,662	1.097667	18,290
Wells Fargo International Equity Fund.....	2.50%	25,606	1.096017	28,064
Wells Fargo Large Company Growth Fund.....	1.35%	104,399	1.015612	106,029
Wells Fargo Large Company Growth Fund.....	1.70%	284,870	1.006052	286,594
Wells Fargo Large Company Growth Fund.....	1.85%	52,780	1.001632	52,866
Wells Fargo Large Company Growth Fund.....	1.90%	7,548	1.001129	7,556
Wells Fargo Large Company Growth Fund.....	2.05%	1,027,897	0.996466	1,024,264

Growth Fund.....	2.20%	1,132,961	0.993195	1,125,252
Wells Fargo Large Company Growth Fund.....	2.35%	149,594	0.990944	148,239
Wells Fargo Large Company Growth Fund.....	2.50%	63,388	0.989443	62,719
Wells Fargo Money Market Fund.....	1.35%	6,939	0.984231	6,830
Wells Fargo Money Market Fund.....	1.70%	582,443	0.974986	567,872
Wells Fargo Money Market Fund.....	2.05%	508,347	0.965657	490,889
Wells Fargo Money Market Fund.....	2.15%	16,068	0.962979	15,474
Wells Fargo Money Market Fund.....	2.20%	382,052	0.962494	367,723
Wells Fargo Small Cap Growth Fund.....	1.35%	73,515	1.108382	81,482
Wells Fargo Small Cap Growth Fund.....	1.70%	47,358	1.097950	51,997
Wells Fargo Small Cap Growth Fund.....	1.85%	128,128	1.093116	140,059
Wells Fargo Small Cap Growth Fund.....	1.90%	1,772	1.092567	1,936
Wells Fargo Small Cap Growth Fund.....	2.00%	13,555	1.088399	14,753
Wells Fargo Small Cap Growth Fund.....	2.05%	251,897	1.087470	273,930
Wells Fargo Small Cap Growth Fund.....	2.20%	327,735	1.083908	355,235
Wells Fargo Small Cap Growth Fund.....	2.35%	50,862	1.081439	55,004
Wells Fargo Small Cap Growth Fund.....	2.50%	38,102	1.079819	41,143
SUB-TOTAL.....				\$18,696,921,885

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SEPARATE ACCOUNT SEVEN

HARTFORD LIFE AND ANNUITY INSURANCE COMPANY
STATEMENTS OF ASSETS AND LIABILITIES -- (CONTINUED)
DECEMBER 31, 2004

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FUND	FEES (NOTE 3)	UNITS		CONTRACT LIABILITY
		OWNED BY PARTICIPANTS	UNIT PRICE #	
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ANNUITY CONTRACTS IN THE ANNUITY PERIOD:				
AIM V.I. Basic Value Fund -- Class I.....	1.35%	15,505	\$ 1.300569	\$ 20,165
AIM V.I. Basic Value Fund -- Class I.....	1.65%	9,527	1.286811	12,259
AIM V.I. Dent Demographic Trends Fund -- Class I.....	1.70%	5,150	1.234776	6,359
AIM V.I. Government Securities Fund -- Class I.....	1.40%	2,418	1.089293	2,634
AIM V.I. Government Securities Fund -- Class I.....	1.65%	8,148	1.080381	8,803
AIM V.I. Government Securities Fund -- Class I.....	1.70%	15,408	1.078619	16,619
AIM V.I. Mid Cap Core Equity Fund -- Class I.....	1.35%	14,180	1.427030	20,235
AIM V.I. Mid Cap Core Equity Fund -- Class I.....	1.40%	7,762	1.423532	11,049
AIM V.I. Mid Cap Core Equity Fund -- Class I.....	1.65%	14,028	1.411931	19,807
AIM V.I. Mid Cap Core Equity Fund -- Class I.....	1.70%	5,755	1.409623	8,112
AIM V.I. Premier Equity Fund -- Class I.....	1.65%	34,630	1.024162	35,467
American Funds Asset Allocation Fund -- Class 2...	0.95%	416	12.192260	5,074
American Funds Asset Allocation Fund -- Class 2...	1.40%	15,997	11.054301	176,837
American Funds Asset Allocation Fund -- Class 2...	1.70%	9,684	11.149082	107,973
American Funds Blue Chip Income and Growth Fund --				

Class 2.....	0.95%	5,032	1.010226	5,083
American Funds Blue Chip Income and Growth Fund -- Class 2.....	1.35%	10,045	0.997131	10,016
American Funds Blue Chip Income and Growth Fund -- Class 2.....	1.40%	32,484	0.994492	32,305
American Funds Blue Chip Income and Growth Fund -- Class 2.....	1.70%	73,513	0.984137	72,347
American Funds Bond Fund -- Class 2.....	1.40%	21,102	13.274950	280,122
American Funds Bond Fund -- Class 2.....	1.65%	1,354	13.093620	17,730
American Funds Bond Fund -- Class 2.....	1.70%	2,695	12.632827	34,048
American Funds Global Growth Fund -- Class 2.....	0.95%	442	11.947825	5,275
American Funds Global Growth Fund -- Class 2.....	1.40%	17,817	11.887898	211,804
American Funds Growth Fund -- Class 2.....	0.95%	424	12.197135	5,176
American Funds Growth Fund -- Class 2.....	1.35%	7,229	11.997422	86,730
American Funds Growth Fund -- Class 2.....	1.40%	49,493	11.603152	574,275
American Funds Growth Fund -- Class 2.....	1.65%	8,388	11.444565	95,992
American Funds Growth Fund -- Class 2.....	1.70%	11,553	7.984799	92,246
American Funds Growth-Income Fund -- Class 2.....	0.95%	379	13.442572	5,098
American Funds Growth-Income Fund -- Class 2.....	1.35%	10,608	13.222603	140,267
American Funds Growth-Income Fund -- Class 2.....	1.40%	123,010	11.817193	1,453,633
American Funds Growth-Income Fund -- Class 2.....	1.65%	6,866	11.655786	80,025
American Funds Growth-Income Fund -- Class 2.....	1.70%	1,574	11.818773	18,601
American Funds International Fund -- Class 2.....	1.40%	9,773	11.696530	114,305
American Funds International Fund -- Class 2.....	1.70%	1,048	8.823995	9,251
American Funds New World Fund -- Class 2.....	1.35%	1,646	14.962078	24,635
American Funds New World Fund -- Class 2.....	1.40%	410	14.180702	5,819
American Funds Global Small Capitalization Fund -- Class 2.....	1.40%	6,806	14.045346	95,587
American Funds Global Small Capitalization Fund -- Class 2.....	1.65%	398	13.853417	5,516
American Funds Global Small Capitalization Fund -- Class 2.....	1.70%	1,019	10.262848	10,461
Franklin Rising Dividends Securities Fund -- Class 2...	1.35%	1,477	13.254307	19,579
Franklin Income Securities Fund -- Class 2.....	1.35%	4,842	13.504175	65,393
Franklin Income Securities Fund -- Class 2.....	1.40%	164	13.479430	2,205
Franklin Real Estate Fund -- Class 2.....	1.40%	579	21.373611	12,377
Franklin Real Estate Fund -- Class 2.....	1.70%	1,315	19.286323	25,354
Franklin Small Cap Fund -- Class 2.....	1.35%	3,398	11.675142	39,670
Franklin Small Cap Fund -- Class 2.....	1.40%	888	12.241196	10,870

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

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FUND	FEEES (NOTE 3)	UNITS OWNED BY PARTICIPANTS	UNIT PRICE #	CONTRACT LIABILITY
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Franklin Small Cap Fund --				

Class 2.....	1.65%	455	\$12.073889	\$	5,495
Franklin Strategic Income Securities Fund -- Class 1...	1.35%	1,304	14.855743		19,365
Franklin Strategic Income Securities Fund -- Class 1...	1.40%	1,815	14.502377		26,321
Franklin Strategic Income Securities Fund -- Class 1...	1.70%	4,546	13.755476		62,532
Mutual Shares Securities Fund -- Class 2.....	1.35%	4,640	15.295281		70,970
Mutual Shares Securities Fund -- Class 2.....	1.40%	17,646	13.764052		242,885
Mutual Shares Securities Fund -- Class 2.....	1.70%	3,181	13.039912		41,480
Templeton Developing Markets Securities Fund -- Class 1...	1.35%	196	14.861922		2,910
Templeton Foreign Securities Fund -- Class 2.....	1.40%	11,851	10.695378		126,751
Templeton Global Asset Allocation Fund -- Class 2...	1.40%	568	13.328990		7,573
Templeton Growth Securities Fund -- Class 2.....	1.35%	2,367	13.223345		31,297
Templeton Growth Securities Fund -- Class 2.....	1.40%	2,430	12.390441		30,107
Templeton Growth Securities Fund -- Class 2.....	1.65%	374	12.221194		4,574
Templeton Growth Securities Fund -- Class 2.....	1.70%	1,048	12.082421		12,663
Mutual Discovery Securities Fund -- Class 2.....	1.35%	1,453	14.496182		21,066
Hartford Money Market HLS Fund -- Class IA.....	0.95%	30,342	1.094675		33,214
Hartford Money Market HLS Fund -- Class IA.....	1.40%	6,823	1.079824		7,368
Hartford Money Market HLS Fund -- Class IA.....	1.70%	6,318	1.012519		6,397
MFS Capital Opportunities Series -- Class INIT.....	1.40%	3,016	8.459697		25,513
MFS Emerging Growth Series -- Class INIT.....	1.40%	2,014	7.491736		15,089
MFS High Income Series -- Class INIT.....	1.40%	1,132	11.790653		13,347
MFS High Income Series -- Class INIT.....	1.65%	433	11.629628		5,033
MFS High Income Series -- Class INIT.....	1.70%	8,371	11.763437		98,476
MFS Investors Growth Stock Series -- Class INIT.....	1.40%	4,109	7.762533		31,898
MFS Investors Trust Series -- Class INIT.....	1.40%	1,228	8.380645		10,293
MFS New Discovery Series -- Class INIT.....	1.40%	13,701	12.116333		166,004
MFS New Discovery Series -- Class INIT.....	1.65%	511	11.950725		6,102
MFS Total Return Series -- Class INIT.....	1.35%	1,449	13.861485		20,086
MFS Total Return Series -- Class INIT.....	1.40%	37,364	12.917678		482,655
MFS Total Return Series -- Class INIT.....	1.65%	3,430	12.741229		43,700
MFS Total Return Series -- Class INIT.....	1.70%	3,575	12.075745		43,176
SUB-TOTAL.....				\$	5,827,528
GRAND TOTAL.....					\$18,702,749,413

</Table>

Rounded unit price.

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<Page>

SEPARATE ACCOUNT SEVEN

HARTFORD LIFE AND ANNUITY INSURANCE COMPANY
STATEMENTS OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2004

<Table>

<Caption>

AIM V.I.		
AGGRESSIVE GROWTH FUND	AIM V.I. BASIC VALUE FUND	AIM V.I. BLUE CHIP FUND
SUB-ACCOUNT	SUB-ACCOUNT	SUB-ACCOUNT

<S>	<C>	<C>	<C>
INVESTMENT INCOME:			
Dividends.....	\$ --	\$ --	\$ 51,933
EXPENSES:			
Mortality and expense undertakings.....	(690,260)	(4,200,414)	(824,297)
Net Investment income (loss).....	(690,260)	(4,200,414)	(772,364)
CAPITAL GAINS INCOME.....	--	--	--
NET REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS:			
Net realized gain (loss) on security transactions.....	(177,302)	136,139	62,283
Net unrealized appreciation (depreciation) of investments during the year.....	4,366,607	26,867,975	2,095,948
Net gain (loss) on investments.....	4,189,305	27,004,114	2,158,231
Net increase (decrease) in net assets resulting from operations.....	\$3,499,045	\$22,803,700	\$1,385,867

</Table>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

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<Page>

<Table>

<Caption>

	AIM V.I. CAPITAL APPRECIATION FUND SUB-ACCOUNT	AIM V.I. DENT DEMOGRAPHIC TRENDS FUND SUB-ACCOUNT	AIM V.I. GOVERNMENT SECURITIES FUND SUB-ACCOUNT	AIM V.I. INTERNATIONAL GROWTH FUND SUB-ACCOUNT	AIM V.I. MID CAP CORE EQUITY FUND SUB-ACCOUNT	AIM V.I. PREMIER EQUITY FUND SUB-ACCOUNT
<S>	<C>	<C>	<C>	<C>	<C>	<C>
INVESTMENT INCOME:						
Dividends.....	\$ --	\$ --	\$13,835,544	\$ 142,750	\$ 472,398	\$ 890,982
EXPENSES:						
Mortality and expense undertakings.....	(729,462)	(485,294)	(5,362,059)	(276,132)	(4,608,078)	(2,316,320)
Net Investment income (loss).....	(729,462)	(485,294)	8,473,485	(133,382)	(4,135,680)	(1,425,338)
CAPITAL GAINS INCOME.....	--	--	--	--	13,942,833	--
NET REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS:						
Net realized gain (loss) on security transactions.....	(43,058)	85,550	(135,111)	31,719	26,235	28,301
Net unrealized appreciation (depreciation) of investments during the year.....	2,916,484	2,120,533	(5,680,118)	3,762,990	21,222,465	10,454,431
Net gain (loss) on investments.....	2,873,426	2,206,083	(5,815,229)	3,794,709	21,248,700	10,482,732
Net increase (decrease) in net assets resulting from operations.....	\$2,143,964	\$1,720,789	\$ 2,658,256	\$3,661,327	\$31,055,853	\$ 9,057,394

<Caption>

AIM V.I. SMALL CAP EQUITY FUND

SUB-ACCOUNT

<S>	<C>
INVESTMENT INCOME:	
Dividends.....	\$ 715

EXPENSES:	
Mortality and expense undertakings.....	(205,104)

Net Investment income (loss).....	(204,389)

CAPITAL GAINS INCOME.....	--

NET REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS:	
Net realized gain (loss) on security transactions.....	(109,930)
Net unrealized appreciation (depreciation) of investments during the year.....	1,117,688

Net gain (loss) on investments.....	1,007,758

Net increase (decrease) in net assets resulting from operations.....	\$ 803,369
	=====

</Table>

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SEPARATE ACCOUNT SEVEN

HARTFORD LIFE AND ANNUITY INSURANCE COMPANY
STATEMENTS OF OPERATIONS -- (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2004

<Table>

<Caption>

	AMERICAN FUNDS ASSET ALLOCATION FUND SUB-ACCOUNT	AMERICAN FUNDS BLUE CHIP INCOME AND GROWTH FUND SUB-ACCOUNT	AMERICAN FUNDS BOND FUND SUB-ACCOUNT
<S>	<C>	<C>	<C>
INVESTMENT INCOME:			
Dividends.....	\$ 25,324,181	\$ 6,592,806	\$ 29,707,448
	-----	-----	-----
EXPENSES:			
Mortality and expense undertakings.....	(18,371,396)	(15,324,823)	(13,452,869)
	-----	-----	-----
Net Investment income (loss).....	6,952,785	(8,732,017)	16,254,579
	-----	-----	-----
CAPITAL GAINS INCOME.....	--	--	--
	-----	-----	-----
NET REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS:			
Net realized gain (loss) on security transactions.....	286,981	26,672	1,027,010
Net unrealized appreciation (depreciation) of investments during the year.....	74,406,871	86,742,273	16,464,644
	-----	-----	-----
Net gain (loss) on investments.....	74,693,852	86,768,945	17,491,654
	-----	-----	-----
Net increase (decrease) in net assets resulting from operations.....	\$ 81,646,637	\$ 78,036,928	\$ 33,746,233

</Table>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

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<Page>

<Table>

<Caption>

	AMERICAN FUNDS GLOBAL GROWTH FUND SUB-ACCOUNT	AMERICAN FUNDS GROWTH FUND SUB-ACCOUNT	AMERICAN FUNDS GROWTH-INCOME FUND SUB-ACCOUNT	AMERICAN FUNDS INTERNATIONAL FUND SUB-ACCOUNT	AMERICAN FUNDS NEW WORLD FUND SUB-ACCOUNT
<S>	<C>	<C>	<C>	<C>	<C>
INVESTMENT INCOME:					
Dividends.....	\$ 1,603,470	\$ 4,447,650	\$ 25,691,076	\$ 6,750,234	\$ 1,935,205
EXPENSES:					
Mortality and expense undertakings.....	(5,691,202)	(37,726,780)	(41,866,233)	(6,935,845)	(1,545,360)
Net Investment income (loss).....	(4,087,732)	(33,279,130)	(16,175,157)	(185,611)	389,845
CAPITAL GAINS INCOME.....	--	--	--	--	--
NET REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS:					
Net realized gain (loss) on security transactions.....	824,289	3,264,341	4,046,629	400,852	136,884
Net unrealized appreciation (depreciation) of investments during the year.....	46,981,054	286,398,544	248,250,137	77,733,205	16,115,876
Net gain (loss) on investments.....	47,805,343	289,662,885	252,296,766	78,134,057	16,252,760
Net increase (decrease) in net assets resulting from operations.....	\$43,717,611	\$256,383,755	\$236,121,609	\$77,948,446	\$16,642,605

<Caption>

	AMERICAN FUNDS GLOBAL SMALL CAPITALIZATION FUND SUB-ACCOUNT	FRANKLIN RISING DIVIDENDS SECURITIES FUND SUB-ACCOUNT
<S>	<C>	<C>
INVESTMENT INCOME:		
Dividends.....	\$ --	\$ 1,316,125
EXPENSES:		
Mortality and expense undertakings.....	(3,122,806)	(3,675,709)
Net Investment income (loss).....	(3,122,806)	(2,359,584)
CAPITAL GAINS INCOME.....	--	2,591,384
NET REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS:		
Net realized gain (loss) on security transactions.....	500,603	24,220
Net unrealized appreciation (depreciation) of investments during the year.....	38,462,255	23,773,440
Net gain (loss) on investments.....	38,962,858	23,797,660
Net increase (decrease) in net assets resulting		

from operations..... \$35,840,052 \$24,029,460
=====

</Table>

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<Page>

SEPARATE ACCOUNT SEVEN

HARTFORD LIFE AND ANNUITY INSURANCE COMPANY
STATEMENTS OF OPERATIONS -- (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2004

<Table>

<Caption>

	FRANKLIN INCOME SECURITIES FUND SUB-ACCOUNT	FRANKLIN LARGE CAP GROWTH SECURITIES FUND SUB-ACCOUNT	FRANKLIN REAL ESTATE FUND SUB-ACCOUNT
<S>	<C>	<C>	<C>
INVESTMENT INCOME:			
Dividends.....	\$ 18,718,367	\$ 275,424	\$ 692,853
EXPENSES:			
Mortality and expense undertakings.....	(10,570,390)	(1,065,994)	(529,024)
Net Investment income (loss).....	8,147,977	(790,570)	163,829
CAPITAL GAINS INCOME.....	--	--	52,309
NET REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS:			
Net realized gain (loss) on security transactions.....	101,135	(10,281)	1,079,277
Net unrealized appreciation (depreciation) of investments during the year.....	74,334,979	5,812,676	8,431,083
Net gain (loss) on investments.....	74,436,114	5,802,395	9,510,360
Net increase (decrease) in net assets resulting from operations.....	\$ 82,584,091	\$ 5,011,825	\$9,726,498

</Table>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

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<Page>

<Table>

<Caption>

	FRANKLIN SMALL CAP FUND SUB-ACCOUNT	FRANKLIN STRATEGIC INCOME SECURITIES FUND SUB-ACCOUNT	MUTUAL SHARES SECURITIES FUND SUB-ACCOUNT	TEMPLETON DEVELOPING MARKETS SECURITIES FUND SUB-ACCOUNT	TEMPLETON FOREIGN SECURITIES FUND SUB-ACCOUNT
<S>	<C>	<C>	<C>	<C>	<C>
INVESTMENT INCOME:					
Dividends.....	\$ --	\$10,023,753	\$ 6,026,482	\$ 952,565	\$ 2,205,923
EXPENSES:					
Mortality and expense undertakings.....	(5,011,821)	(5,288,473)	(13,206,815)	(853,164)	(3,764,879)
Net Investment income (loss).....	(5,011,821)	4,735,280	(7,180,333)	99,401	(1,558,956)
CAPITAL GAINS INCOME.....	--	404,285	--	--	--
NET REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS:					
Net realized gain (loss) on security transactions.....	784,697	304,466	741,981	83,055	46,161
Net unrealized					

appreciation (depreciation) of investments during the year.....	33,694,531	21,242,927	95,114,034	11,887,442	43,832,445
Net gain (loss) on investments.....	34,479,228	21,547,393	95,856,015	11,970,497	43,878,606
Net increase (decrease) in net assets resulting from operations.....	\$29,467,407	\$26,686,958	\$ 88,675,682	\$12,069,898	\$42,319,650

<Caption>

	TEMPLETON GLOBAL ASSET ALLOCATION FUND SUB-ACCOUNT	TEMPLETON GROWTH SECURITIES FUND SUB-ACCOUNT
<S>	<C>	<C>
INVESTMENT INCOME:		
Dividends.....	\$ 417,146	\$ 3,131,415
EXPENSES:		
Mortality and expense undertakings.....	(202,196)	(4,749,994)
Net Investment income (loss).....	214,950	(1,618,579)
CAPITAL GAINS INCOME.....	--	--
NET REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS:		
Net realized gain (loss) on security transactions.....	189,942	47,950
Net unrealized appreciation (depreciation) of investments during the year.....	1,541,386	44,889,784
Net gain (loss) on investments.....	1,731,328	44,937,734
Net increase (decrease) in net assets resulting from operations.....	\$1,946,278	\$43,319,155

</Table>

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<Page>

SEPARATE ACCOUNT SEVEN

HARTFORD LIFE AND ANNUITY INSURANCE COMPANY
STATEMENTS OF OPERATIONS -- (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2004

<Table>

<Caption>

	MUTUAL DISCOVERY SECURITIES FUND SUB-ACCOUNT	HARTFORD MONEY MARKET HLS FUND SUB-ACCOUNT	MFS CAPITAL OPPORTUNITIES SERIES SUB-ACCOUNT
<S>	<C>	<C>	<C>
INVESTMENT INCOME:			
Dividends.....	\$ 569,292	\$ 2,460,129	\$ 235,433
EXPENSES:			
Mortality and expense undertakings.....	(1,018,483)	(4,380,802)	(976,587)
Net Investment income (loss).....	(449,191)	(1,920,673)	(741,154)
CAPITAL GAINS INCOME.....	--	--	--
NET REALIZED AND UNREALIZED GAIN (LOSS)			

ON INVESTMENTS:			
Net realized gain (loss) on security transactions.....	1,705	--	(1,905,038)
Net unrealized appreciation (depreciation) of investments during the year.....	11,581,859	--	9,304,199
Net gain (loss) on investments.....	11,583,564	--	7,399,161
Net increase (decrease) in net assets resulting from operations.....	\$11,134,373	\$(1,920,673)	\$ 6,658,007

</Table>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

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<Page>

<Table>

<Caption>

	MFS EMERGING GROWTH SERIES SUB-ACCOUNT	MFS GLOBAL EQUITY SERIES SUB-ACCOUNT	MFS HIGH INCOME SERIES SUB-ACCOUNT	MFS INVESTORS GROWTH STOCK SERIES SUB-ACCOUNT	MFS INVESTORS TRUST SERIES SUB-ACCOUNT	MFS MID CAP GROWTH SERIES SUB-ACCOUNT
<S>	<C>	<C>	<C>	<C>	<C>	<C>
INVESTMENT INCOME:						
Dividends.....	\$ --	\$ 51,326	\$10,610,277	\$ --	\$ 973,149	\$ --
EXPENSES:						
Mortality and expense undertakings.....	(849,731)	(277,076)	(3,733,230)	(1,814,626)	(2,824,985)	(2,503,659)
Net Investment income (loss).....	(849,731)	(225,750)	6,877,047	(1,814,626)	(1,851,836)	(2,503,659)
CAPITAL GAINS INCOME.....	--	--	--	--	--	--
NET REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS:						
Net realized gain (loss) on security transactions.....	(4,227,263)	73,551	(55,479)	(585,857)	(856,758)	179,940
Net unrealized appreciation (depreciation) of investments during the year.....	10,777,692	2,962,363	8,865,039	10,812,547	22,699,279	19,994,564
Net gain (loss) on investments.....	6,550,429	3,035,914	8,809,560	10,226,690	21,842,521	20,174,504
Net increase (decrease) in net assets resulting from operations.....	\$ 5,700,698	\$2,810,164	\$15,686,607	\$ 8,412,064	\$19,990,685	\$17,670,845

</Table>

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SEPARATE ACCOUNT SEVEN

HARTFORD LIFE AND ANNUITY INSURANCE COMPANY
STATEMENTS OF OPERATIONS -- (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2004

<Table>

<Caption>

	MFS NEW DISCOVERY SERIES SUB-ACCOUNT	MFS TOTAL RETURN SERIES SUB-ACCOUNT	MFS VALUE SERIES SUB-ACCOUNT
<S>	<C>	<C>	<C>
INVESTMENT INCOME:			
Dividends.....	\$ --	\$13,059,075	\$ 129,494
EXPENSES:			

Mortality and expense undertakings.....	(2,140,014)	(13,536,314)	(522,600)
Net Investment income (loss).....	(2,140,014)	(477,239)	(393,106)
CAPITAL GAINS INCOME.....	--	--	384,180
NET REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS:			
Net realized gain (loss) on security transactions.....	(54,330)	1,249,050	26,403
Net unrealized appreciation (depreciation) of investments during the year.....	10,329,172	81,094,080	4,654,212
Net gain (loss) on investments.....	10,274,842	82,343,130	4,680,615
Net increase (decrease) in net assets resulting from operations.....	\$ 8,134,828	\$81,865,891	\$4,671,689

</Table>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

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<Page>

<Table>

<Caption>

	MERRILL LYNCH GLOBAL GROWTH V.I. FUND SUB-ACCOUNT	MERRILL LYNCH LARGE CAP GROWTH V.I. FUND SUB-ACCOUNT	JENNISON 20/20 FOCUS PORTFOLIO SUB-ACCOUNT	JENNISON PORTFOLIO SUB-ACCOUNT	PRUDENTIAL VALUE PORTFOLIO SUB-ACCOUNT	SP WILLIAM BLAIR INTERNATIONAL GROWTH PORTFOLIO SUB-ACCOUNT (A)
<S>	<C>	<C>	<C>	<C>	<C>	<C>
INVESTMENT INCOME:						
Dividends.....	\$ 19,278	\$ 5,828	\$--	\$ 132	\$ 5,464	\$ --
EXPENSES:						
Mortality and expense undertakings.....	(19,432)	(49,314)	(6,111)	(5,691)	(11,377)	(49)
Net Investment income (loss).....	(154)	(43,486)	(6,111)	(5,559)	(5,913)	(49)
CAPITAL GAINS INCOME.....	--	--	--	--	--	--
NET REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS:						
Net realized gain (loss) on security transactions.....	(12,964)	15,220	2,309	(59,612)	5,728	1,535
Net unrealized appreciation (depreciation) of investments during the year.....	167,771	181,445	51,650	94,115	74,428	(1,686)
Net gain (loss) on investments.....	154,807	196,665	53,959	34,503	80,156	(151)
Net increase (decrease) in net assets resulting from operations.....	\$154,653	\$153,179	\$47,848	\$ 28,944	\$ 74,243	\$ (200)

</Table>

(a) Formerly SP Jennison International Growth Portfolio Sub-Account. Change effective May 3 ,2004.

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SEPARATE ACCOUNT SEVEN

HARTFORD LIFE AND ANNUITY INSURANCE COMPANY

STATEMENTS OF OPERATIONS -- (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2004

<Table>

<Caption>

	WELLS FARGO ASSET ALLOCATION SUB-ACCOUNT	WELLS FARGO TOTAL RETURN BOND FUND SUB-ACCOUNT	WELLS FARGO EQUITY INCOME FUND SUB-ACCOUNT
<S>	<C>	<C>	<C>
INVESTMENT INCOME:			
Dividends.....	\$ 29,129	\$ 84,363	\$ 12,093
EXPENSES:			
Mortality and expense undertakings.....	(23,836)	(53,316)	(13,192)
Net Investment income (loss).....	5,293	31,047	(1,099)
CAPITAL GAINS INCOME.....	43,194	171,268	--
NET REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS:			
Net realized gain (loss) on security transactions.....	369	(6,459)	(75)
Net unrealized appreciation (depreciation) of investments during the year.....	60,857	(137,798)	73,445
Net gain (loss) on investments.....	61,226	(144,257)	73,370
Net increase (decrease) in net assets resulting from operations.....	\$ 109,713	\$ 58,058	\$ 72,271

</Table>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

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<Page>

<Table>

<Caption>

	WELLS FARGO EQUITY VALUE FUND SUB-ACCOUNT	WELLS FARGO GROWTH FUND SUB-ACCOUNT	WELLS FARGO INTERNATIONAL EQUITY FUND SUB-ACCOUNT	WELLS FARGO LARGE COMPANY GROWTH FUND SUB-ACCOUNT	WELLS FARGO MONEY MARKET FUND SUB-ACCOUNT	WELLS FARGO SMALL CAP GROWTH FUND SUB-ACCOUNT
<S>	<C>	<C>	<C>	<C>	<C>	<C>
INVESTMENT INCOME:						
Dividends.....	\$ 3,474	\$--	\$ 508	\$ --	\$ 8,300	\$--
EXPENSES:						
Mortality and expense undertakings.....	(4,578)	(1,384)	(5,812)	(39,816)	(19,962)	(11,626)
Net Investment income (loss).....	(1,104)	(1,384)	(5,304)	(39,816)	(11,662)	(11,626)
CAPITAL GAINS INCOME.....	--	--	--	--	--	--
NET REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS:						
Net realized gain (loss) on security transactions.....	109	41	(324)	(3,598)	--	(5,291)
Net unrealized appreciation (depreciation) of investments during the year.....	19,381	8,470	58,400	111,958	--	111,128
Net gain (loss) on investments.....	19,490	8,511	58,076	108,360	--	105,837

Net increase (decrease) in net assets resulting from operations.....	\$18,386 =====	\$ 7,127 =====	\$52,772 =====	\$ 68,544 =====	\$(11,662) =====	\$ 94,211 =====
---	-------------------	-------------------	-------------------	--------------------	---------------------	--------------------

</Table>

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<Page>

SEPARATE ACCOUNT SEVEN

HARTFORD LIFE AND ANNUITY INSURANCE COMPANY
STATEMENTS OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2004

<Table>

<Caption>

	AIM V.I. AGGRESSIVE GROWTH FUND SUB-ACCOUNT	AIM V.I. BASIC VALUE FUND SUB-ACCOUNT	AIM V.I. BLUE CHIP FUND SUB-ACCOUNT
<S>	<C>	<C>	<C>
OPERATIONS:			
Net investment income (loss).....	\$ (690,260)	\$ (4,200,414)	\$ (772,364)
Capital gains income...	--	--	--
Net realized gain (loss) on security transactions.....	(177,302)	136,139	62,283
Net unrealized appreciation (depreciation) of investments during the year.....	4,366,607	26,867,975	2,095,948
Net increase (decrease) in net assets resulting from operations.....	3,499,045	22,803,700	1,385,867
UNIT TRANSACTIONS:			
Purchases.....	8,067,062	53,125,912	9,163,314
Net transfers.....	423,463	26,750,074	(159,540)
Surrenders for benefit payments and fees....	(1,775,329)	(11,171,257)	(3,310,256)
Net annuity transactions.....	--	18,758	--
Net increase (decrease) in net assets resulting from unit transactions.....	6,715,196	68,723,487	5,693,518
Net increase (decrease) in net assets.....	10,214,241	91,527,187	7,079,385
NET ASSETS:			
Beginning of year.....	33,329,036	195,983,592	43,288,625
End of year.....	\$43,543,277 =====	\$287,510,779 =====	\$50,368,010 =====

</Table>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

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<Page>

<Table>

<Caption>

	AIM V.I. CAPITAL APPRECIATION FUND SUB-ACCOUNT	AIM V.I. DENT DEMOGRAPHIC TRENDS FUND SUB-ACCOUNT	AIM V.I. GOVERNMENT SECURITIES FUND SUB-ACCOUNT	AIM V.I. INTERNATIONAL GROWTH FUND SUB-ACCOUNT	AIM V.I. MID CAP CORE EQUITY FUND SUB-ACCOUNT	AIM V.I. PREMIER EQUITY FUND SUB-ACCOUNT
<S>	<C>	<C>	<C>	<C>	<C>	<C>
OPERATIONS:						
Net investment income (loss).....	\$ (729,462)	\$ (485,294)	\$ 8,473,485	\$ (133,382)	\$ (4,135,680)	\$ (1,425,338)
Capital gains income...	--	--	--	--	13,942,833	--
Net realized gain (loss) on security transactions.....	(43,058)	85,550	(135,111)	31,719	26,235	28,301
Net unrealized appreciation (depreciation) of						

investments during the year.....	2,916,484	2,120,533	(5,680,118)	3,762,990	21,222,465	10,454,431
Net increase (decrease) in net assets resulting from operations.....	2,143,964	1,720,789	2,658,256	3,661,327	31,055,853	9,057,394
UNIT TRANSACTIONS:						
Purchases.....	9,826,186	7,187,828	141,561,258	6,289,393	61,684,279	85,893,352
Net transfers.....	1,412,500	(1,711,601)	(2,912,422)	6,182,793	39,924,902	41,017,207
Surrenders for benefit payments and fees.....	(2,203,969)	(1,441,457)	(19,953,076)	(612,192)	(10,975,106)	(5,703,334)
Net annuity transactions.....	--	(3,344)	15,544	--	24,361	8,579
Net increase (decrease) in net assets resulting from unit transactions.....	9,034,717	4,031,426	118,711,304	11,859,994	90,658,436	121,215,804
Net increase (decrease) in net assets.....	11,178,681	5,752,215	121,369,560	15,521,321	121,714,289	130,273,198
NET ASSETS:						
Beginning of year.....	36,548,577	23,739,828	251,060,843	9,592,471	205,159,242	72,914,278
End of year.....	\$47,727,258	\$29,492,043	\$372,430,403	\$25,113,792	\$326,873,531	\$203,187,476

<Caption>

AIM V.I. SMALL CAP
EQUITY FUND
SUB-ACCOUNT

<S>	<C>
OPERATIONS:	
Net investment income (loss).....	\$ (204,389)
Capital gains income...	--
Net realized gain (loss) on security transactions.....	(109,930)
Net unrealized appreciation (depreciation) of investments during the year.....	1,117,688
Net increase (decrease) in net assets resulting from operations.....	803,369
UNIT TRANSACTIONS:	
Purchases.....	9,107,979
Net transfers.....	8,558,467
Surrenders for benefit payments and fees.....	(356,235)
Net annuity transactions.....	--
Net increase (decrease) in net assets resulting from unit transactions.....	17,310,211
Net increase (decrease) in net assets.....	18,113,580
NET ASSETS:	
Beginning of year.....	1,265,985
End of year.....	\$19,379,565

</Table>

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<Page>
SEPARATE ACCOUNT SEVEN

HARTFORD LIFE AND ANNUITY INSURANCE COMPANY
STATEMENTS OF CHANGES IN NET ASSETS -- (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2004

<Table>
<Caption>

	AMERICAN FUNDS ASSET ALLOCATION FUND SUB-ACCOUNT	AMERICAN FUNDS BLUE CHIP INCOME AND GROWTH FUND SUB-ACCOUNT	AMERICAN FUNDS BOND FUND SUB-ACCOUNT
<S>	<C>	<C>	<C>
OPERATIONS:			
Net investment income (loss).....	\$ 6,952,785	\$ (8,732,017)	\$ 16,254,579
Capital gains income...	--	--	--
Net realized gain (loss) on security transactions.....	286,981	26,672	1,027,010
Net unrealized appreciation (depreciation) of investments during the year.....	74,406,871	86,742,273	16,464,644
Net increase (decrease) in net assets resulting from operations.....	81,646,637	78,036,928	33,746,233
UNIT TRANSACTIONS:			
Purchases.....	270,445,299	200,240,620	168,299,731
Net transfers.....	152,694,103	94,151,869	45,990,785
Surrenders for benefit payments and fees....	(57,585,731)	(39,240,810)	(51,132,197)
Net annuity transactions.....	28,194	37,042	(58,132)
Net increase (decrease) in net assets resulting from unit transactions.....	365,581,865	255,188,721	163,100,187
Net increase (decrease) in net assets.....	447,228,502	333,225,649	196,846,420
NET ASSETS:			
Beginning of year.....	939,163,310	777,549,116	729,505,643
End of year.....	\$1,386,391,812	\$1,110,774,765	\$926,352,063

</Table>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

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<Page>
<Table>
<Caption>

	AMERICAN FUNDS GLOBAL GROWTH FUND SUB-ACCOUNT	AMERICAN FUNDS GROWTH FUND SUB-ACCOUNT	AMERICAN FUNDS GROWTH-INCOME FUND SUB-ACCOUNT	AMERICAN FUNDS INTERNATIONAL FUND SUB-ACCOUNT	AMERICAN FUNDS NEW WORLD FUND SUB-ACCOUNT
<S>	<C>	<C>	<C>	<C>	<C>
OPERATIONS:					
Net investment income (loss).....	\$ (4,087,732)	\$ (33,279,130)	\$ (16,175,157)	\$ (185,611)	\$ 389,845
Capital gains income...	--	--	--	--	--
Net realized gain (loss) on security transactions.....	824,289	3,264,341	4,046,629	400,852	136,884
Net unrealized appreciation (depreciation) of investments during the year.....	46,981,054	286,398,544	248,250,137	77,733,205	16,115,876
Net increase (decrease) in net assets resulting from operations.....	43,717,611	256,383,755	236,121,609	77,948,446	16,642,605
UNIT TRANSACTIONS:					
Purchases.....	88,605,297	593,698,579	658,577,392	139,113,677	24,879,791
Net transfers.....	35,552,308	193,672,458	248,639,462	76,929,335	17,060,241
Surrenders for benefit payments and fees....	(17,031,765)	(106,579,902)	(133,240,929)	(18,567,920)	(3,939,874)
Net annuity transactions.....	(61,573)	94,188	49,761	(14,027)	19,344

Net increase (decrease) in net assets resulting from unit transactions.....	107,064,267	680,885,323	774,025,686	197,461,065	38,019,502
Net increase (decrease) in net assets.....	150,781,878	937,269,078	1,010,147,295	275,409,511	54,662,107
NET ASSETS:					
Beginning of year.....	293,195,381	1,887,469,315	2,167,698,300	314,767,552	72,866,903
End of year.....	\$443,977,259	\$2,824,738,393	\$3,177,845,595	\$590,177,063	\$127,529,010

<Caption>

	AMERICAN FUNDS GLOBAL SMALL CAPITALIZATION FUND SUB-ACCOUNT	FRANKLIN RISING DIVIDENDS SECURITIES FUND SUB-ACCOUNT
<S>	<C>	<C>
OPERATIONS:		
Net investment income (loss).....	\$ (3,122,806)	\$ (2,359,584)
Capital gains income...	--	2,591,384
Net realized gain (loss) on security transactions.....	500,603	24,220
Net unrealized appreciation (depreciation) of investments during the year.....	38,462,255	23,773,440
Net increase (decrease) in net assets resulting from operations.....	35,840,052	24,029,460
UNIT TRANSACTIONS:		
Purchases.....	60,207,759	154,541,180
Net transfers.....	22,691,966	96,898,231
Surrenders for benefit payments and fees....	(8,880,872)	(8,355,529)
Net annuity transactions.....	17,270	18,361
Net increase (decrease) in net assets resulting from unit transactions.....	74,036,123	243,102,243
Net increase (decrease) in net assets.....	109,876,175	267,131,703
NET ASSETS:		
Beginning of year.....	140,418,927	87,768,661
End of year.....	\$250,295,102	\$354,900,364

</Table>

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SEPARATE ACCOUNT SEVEN

HARTFORD LIFE AND ANNUITY INSURANCE COMPANY
STATEMENTS OF CHANGES IN NET ASSETS -- (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2004

<Table>

<Caption>

	FRANKLIN INCOME SECURITIES FUND SUB-ACCOUNT	FRANKLIN LARGE CAP GROWTH SECURITIES FUND SUB-ACCOUNT	FRANKLIN REAL ESTATE FUND SUB-ACCOUNT
<S>	<C>	<C>	<C>
OPERATIONS:			
Net investment income (loss).....	\$ 8,147,977	\$ (790,570)	\$ 163,829
Capital gains income...	--	--	52,309
Net realized gain (loss) on security transactions.....	101,135	(10,281)	1,079,277

Net unrealized appreciation (depreciation) of investments during the year.....	74,334,979	5,812,676	8,431,083
Net increase (decrease) in net assets resulting from operations.....	82,584,091	5,011,825	9,726,498
UNIT TRANSACTIONS:			
Purchases.....	309,511,265	48,609,086	212,867
Net transfers.....	156,095,082	23,776,209	(997,030)
Surrenders for benefit payments and fees.....	(26,494,984)	(2,987,310)	(3,066,554)
Net annuity transactions.....	62,872	--	(11,169)
Net increase (decrease) in net assets resulting from unit transactions.....	439,174,235	69,397,985	(3,861,886)
Net increase (decrease) in net assets.....	521,758,326	74,409,810	5,864,612
NET ASSETS:			
Beginning of year.....	374,190,638	26,544,368	35,834,392
End of year.....	\$895,948,964	\$100,954,178	\$41,699,004

</Table>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

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<Page>

<Table>

<Caption>

	FRANKLIN SMALL CAP FUND SUB-ACCOUNT	FRANKLIN STRATEGIC INCOME SECURITIES FUND SUB-ACCOUNT	MUTUAL SHARES SECURITIES FUND SUB-ACCOUNT	TEMPLETON DEVELOPING MARKETS SECURITIES FUND SUB-ACCOUNT	TEMPLETON FOREIGN SECURITIES FUND SUB-ACCOUNT
<S>	<C>	<C>	<C>	<C>	<C>
OPERATIONS:					
Net investment income (loss).....	\$ (5,011,821)	\$ 4,735,280	\$ (7,180,333)	\$ 99,401	\$ (1,558,956)
Capital gains income...	--	404,285	--	--	--
Net realized gain (loss) on security transactions.....	784,697	304,466	741,981	83,055	46,161
Net unrealized appreciation (depreciation) of investments during the year.....	33,694,531	21,242,927	95,114,034	11,887,442	43,832,445
Net increase (decrease) in net assets resulting from operations.....	29,467,407	26,686,958	88,675,682	12,069,898	42,319,650
UNIT TRANSACTIONS:					
Purchases.....	55,175,485	78,219,944	212,777,998	12,939,704	143,137,278
Net transfers.....	14,497,636	39,455,867	98,122,721	14,439,285	68,970,267
Surrenders for benefit payments and fees.....	(14,409,317)	(16,560,788)	(38,265,950)	(2,476,732)	(8,193,469)
Net annuity transactions.....	33,383	44,912	50,314	2,328	(7,198)
Net increase (decrease) in net assets resulting from unit transactions.....	55,297,187	101,159,935	272,685,083	24,904,585	203,906,878
Net increase (decrease) in net assets.....	84,764,594	127,846,893	361,360,765	36,974,483	246,226,528
NET ASSETS:					
Beginning of year.....	267,714,292	253,817,382	622,699,692	36,002,933	109,913,940
End of year.....	\$352,478,886	\$381,664,275	\$984,060,457	\$72,977,416	\$356,140,468

<Caption>

	TEMPLETON GLOBAL ASSET ALLOCATION FUND SUB-ACCOUNT	TEMPLETON GROWTH SECURITIES FUND SUB-ACCOUNT
--	--	--

<S>	<C>	<C>
OPERATIONS:		
Net investment income (loss).....	\$ 214,950	\$ (1,618,579)
Capital gains income...	--	--
Net realized gain (loss) on security transactions.....	189,942	47,950
Net unrealized appreciation (depreciation) of investments during the year.....	1,541,386	44,889,784
Net increase (decrease) in net assets resulting from operations.....	1,946,278	43,319,155
UNIT TRANSACTIONS:		
Purchases.....	47,808	138,015,334
Net transfers.....	41,954	60,391,033
Surrenders for benefit payments and fees....	(1,330,795)	(12,638,030)
Net annuity transactions.....	(4,843)	33,560
Net increase (decrease) in net assets resulting from unit transactions.....	(1,245,876)	185,801,897
Net increase (decrease) in net assets.....	700,402	229,121,052
NET ASSETS:		
Beginning of year.....	14,938,934	179,790,637
End of year.....	\$15,639,336	\$408,911,689

</Table>

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<Page>
SEPARATE ACCOUNT SEVEN

HARTFORD LIFE AND ANNUITY INSURANCE COMPANY
STATEMENTS OF CHANGES IN NET ASSETS -- (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2004

<Table>
<Caption>

	MUTUAL DISCOVERY SECURITIES FUND SUB-ACCOUNT	HARTFORD MONEY MARKET HLS FUND SUB-ACCOUNT	MFS CAPITAL OPPORTUNITIES SERIES SUB-ACCOUNT
--	--	--	--

<S>	<C>	<C>	<C>
OPERATIONS:			
Net investment income (loss).....	\$ (449,191)	\$ (1,920,673)	\$ (741,154)
Capital gains income...	--	--	--
Net realized gain (loss) on security transactions.....	1,705	--	(1,905,038)
Net unrealized appreciation (depreciation) of investments during the year.....	11,581,859	--	9,304,199
Net increase (decrease) in net assets resulting from operations.....	11,134,373	(1,920,673)	6,658,007
UNIT TRANSACTIONS:			
Purchases.....	41,486,243	138,007,409	3,851,574
Net transfers.....	29,286,746	(92,560,143)	(5,020,967)
Surrenders for benefit payments and fees....	(1,589,456)	(60,047,384)	(4,548,671)

Net annuity transactions.....	18,731	28,123	(1,547)
Net increase (decrease) in net assets resulting from unit transactions.....	69,202,264	(14,571,995)	(5,719,611)
Net increase (decrease) in net assets.....	80,336,637	(16,492,668)	938,396
NET ASSETS:			
Beginning of year.....	24,881,896	240,332,081	65,391,218
End of year.....	\$105,218,533	\$223,839,413	\$66,329,614

</Table>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

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<Page>

<Table>

<Caption>

	MFS EMERGING GROWTH SERIES SUB-ACCOUNT	MFS GLOBAL EQUITY SERIES SUB-ACCOUNT	MFS HIGH INCOME SERIES SUB-ACCOUNT	MFS INVESTORS GROWTH STOCK SERIES SUB-ACCOUNT	MFS INVESTORS TRUST SERIES SUB-ACCOUNT	MFS MID CAP GROWTH SERIES SUB-ACCOUNT
<S>	<C>	<C>	<C>	<C>	<C>	<C>
OPERATIONS:						
Net investment income (loss).....	\$ (849,731)	\$ (225,750)	\$ 6,877,047	\$ (1,814,626)	\$ (1,851,836)	\$ (2,503,659)
Capital gains income...	--	--	--	--	--	--
Net realized gain (loss) on security transactions.....	(4,227,263)	73,551	(55,479)	(585,857)	(856,758)	179,940
Net unrealized appreciation (depreciation) of investments during the year.....	10,777,692	2,962,363	8,865,039	10,812,547	22,699,279	19,994,564
Net increase (decrease) in net assets resulting from operations.....	5,700,698	2,810,164	15,686,607	8,412,064	19,990,685	17,670,845
UNIT TRANSACTIONS:						
Purchases.....	6,499,845	3,107,142	33,267,954	8,093,421	72,527,178	23,380,387
Net transfers.....	(6,388,329)	3,072,533	5,488,276	679,311	32,208,310	5,550,613
Surrenders for benefit payments and fees.....	(3,335,802)	(736,080)	(13,771,785)	(6,975,946)	(9,538,818)	(7,831,332)
Net annuity transactions.....	(3,371)	--	87,504	(2,965)	(1,844)	--
Net increase (decrease) in net assets resulting from unit transactions.....	(3,227,657)	5,443,595	25,071,949	1,793,821	95,194,826	21,099,668
Net increase (decrease) in net assets.....	2,473,041	8,253,759	40,758,556	10,205,885	115,185,511	38,770,513
NET ASSETS:						
Beginning of year.....	54,986,941	13,557,932	206,605,317	112,606,898	126,155,387	131,131,220
End of year.....	\$57,459,982	\$21,811,691	\$247,363,873	\$122,812,783	\$241,340,898	\$169,901,733

</Table>

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<Page>

SEPARATE ACCOUNT SEVEN

HARTFORD LIFE AND ANNUITY INSURANCE COMPANY
STATEMENTS OF CHANGES IN NET ASSETS -- (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2004

<Table>

<Caption>

	MFS NEW DISCOVERY SERIES SUB-ACCOUNT	MFS TOTAL RETURN SERIES SUB-ACCOUNT	MFS VALUE SERIES SUB-ACCOUNT
<S>	<C>	<C>	<C>
OPERATIONS:			

Net investment income (loss).....	\$ (2,140,014)	\$ (477,239)	\$ (393,106)
Capital gains income...	--	--	384,180
Net realized gain (loss) on security transactions.....	(54,330)	1,249,050	26,403
Net unrealized appreciation (depreciation) of investments during the year.....	10,329,172	81,094,080	4,654,212
-----	-----	-----	-----
Net increase (decrease) in net assets resulting from operations.....	8,134,828	81,865,891	4,671,689
-----	-----	-----	-----
UNIT TRANSACTIONS:			
Purchases.....	46,952,486	195,937,175	17,187,262
Net transfers.....	14,207,886	91,912,813	12,399,886
Surrenders for benefit payments and fees.....	(5,877,759)	(45,403,849)	(1,036,521)
Net annuity transactions.....	12,459	(5,028)	--
-----	-----	-----	-----
Net increase (decrease) in net assets resulting from unit transactions.....	55,295,072	242,441,111	28,550,627
-----	-----	-----	-----
Net increase (decrease) in net assets.....	63,429,900	324,307,002	33,222,316
NET ASSETS:			
Beginning of year.....	101,502,882	681,796,267	14,994,065
-----	-----	-----	-----
End of year.....	\$164,932,782	\$1,006,103,269	\$48,216,381
=====	=====	=====	=====

</Table>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

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<Page>

<Table>

<Caption>

	MERRILL LYNCH GLOBAL GROWTH V.I. FUND SUB-ACCOUNT	MERRILL LYNCH LARGE CAP GROWTH V.I. FUND SUB-ACCOUNT	JENNISON 20/20 FOCUS PORTFOLIO SUB-ACCOUNT	JENNISON PORTFOLIO SUB-ACCOUNT
<S>	<C>	<C>	<C>	<C>
OPERATIONS:				
Net investment income (loss).....	\$ (154)	\$ (43,486)	\$ (6,111)	\$ (5,559)
Capital gains income...	--	--	--	--
Net realized gain (loss) on security transactions.....	(12,964)	15,220	2,309	(59,612)
Net unrealized appreciation (depreciation) of investments during the year.....	167,771	181,445	51,650	94,115
-----	-----	-----	-----	-----
Net increase (decrease) in net assets resulting from operations.....	154,653	153,179	47,848	28,944
-----	-----	-----	-----	-----
UNIT TRANSACTIONS:				
Purchases.....	117,433	68,506	42,280	--
Net transfers.....	(23,315)	(197,189)	(5,443)	(444,602)
Surrenders for benefit payments and fees.....	(39,913)	(240,448)	(11,939)	(17,590)
Net annuity transactions.....	--	(16,216)	--	--
-----	-----	-----	-----	-----
Net increase (decrease) in net assets resulting from unit transactions.....	54,205	(385,347)	24,898	(462,192)
-----	-----	-----	-----	-----
Net increase (decrease) in net assets.....	208,858	(232,168)	72,746	(433,248)
-----	-----	-----	-----	-----
NET ASSETS:				

Beginning of year.....	1,091,165	3,080,884	350,097	758,340
	-----	-----	-----	-----
End of year.....	\$1,300,023	\$2,848,716	\$422,843	\$ 325,092
	=====	=====	=====	=====

<Caption>

	PRUDENTIAL VALUE PORTFOLIO SUB-ACCOUNT	SP WILLIAM BLAIR INTERNATIONAL GROWTH PORTFOLIO SUB-ACCOUNT (A)
	-----	-----
<S>	<C>	<C>
OPERATIONS:		
Net investment income (loss).....	\$ (5,913)	\$ (49)
Capital gains income...	--	--
Net realized gain (loss) on security transactions.....	5,728	1,535
Net unrealized appreciation (depreciation) of investments during the year.....	74,428	(1,686)
	-----	-----
Net increase (decrease) in net assets resulting from operations.....	74,243	(200)
	-----	-----
UNIT TRANSACTIONS:		
Purchases.....	10,491	--
Net transfers.....	(32,283)	(6,222)
Surrenders for benefit payments and fees.....	(4,623)	(9)
Net annuity transactions.....	--	--
	-----	-----
Net increase (decrease) in net assets resulting from unit transactions.....	(26,415)	(6,231)
	-----	-----
Net increase (decrease) in net assets.....	47,828	(6,431)
NET ASSETS:		
Beginning of year.....	571,360	6,431
	-----	-----
End of year.....	\$619,188	\$--
	=====	=====

</Table>

(a) Formerly SP Jennison International Growth Portfolio Sub-Account. Change effective May 3, 2004.

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<Page>

SEPARATE ACCOUNT SEVEN

HARTFORD LIFE AND ANNUITY INSURANCE COMPANY
STATEMENTS OF CHANGES IN NET ASSETS -- (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2004

<Table>

<Caption>

	WELLS FARGO ASSET ALLOCATION FUND SUB-ACCOUNT	WELLS FARGO TOTAL RETURN BOND FUND SUB-ACCOUNT	WELLS FARGO EQUITY INCOME FUND SUB-ACCOUNT
	-----	-----	-----
<S>	<C>	<C>	<C>
OPERATIONS:			
Net investment income (loss).....	\$ 5,293	\$ 31,047	\$ (1,099)
Capital gains income...	43,194	171,268	--
Net realized gain (loss) on security transactions.....	369	(6,459)	(75)
Net unrealized appreciation (depreciation) of investments during the year.....	60,857	(137,798)	73,445
	-----	-----	-----

Net increase (decrease) in net assets resulting from operations.....	109,713	58,058	72,271
UNIT TRANSACTIONS:			
Purchases.....	783,156	1,915,937	582,280
Net transfers.....	447,310	873,517	176,375
Surrenders for benefit payments and fees.....	(19,557)	(108,706)	(11,312)
Net annuity transactions.....	--	--	--
Net increase (decrease) in net assets resulting from unit transactions.....	1,210,909	2,680,748	747,343
Net increase (decrease) in net assets.....	1,320,622	2,738,806	819,614
NET ASSETS:			
Beginning of year.....	465,294	972,103	250,633
End of year.....	\$1,785,916	\$3,710,909	\$1,070,247

</Table>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

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<Page>

<Table>
<Caption>

	WELLS FARGO EQUITY VALUE FUND SUB-ACCOUNT	WELLS FARGO GROWTH FUND SUB-ACCOUNT	WELLS FARGO INTERNATIONAL EQUITY FUND SUB-ACCOUNT	WELLS FARGO LARGE COMPANY GROWTH FUND SUB-ACCOUNT	WELLS FARGO MONEY MARKET FUND SUB-ACCOUNT	WELLS FARGO SMALL CAP GROWTH FUND SUB-ACCOUNT
<S>	<C>	<C>	<C>	<C>	<C>	<C>
OPERATIONS:						
Net investment income (loss).....	\$ (1,104)	\$ (1,384)	\$ (5,304)	\$ (39,816)	\$ (11,662)	\$ (11,626)
Capital gains income...	--	--	--	--	--	--
Net realized gain (loss) on security transactions.....	109	41	(324)	(3,598)	--	(5,291)
Net unrealized appreciation (depreciation) of investments during the year.....	19,381	8,470	58,400	111,958	--	111,128
Net increase (decrease) in net assets resulting from operations.....	18,386	7,127	52,772	68,544	(11,662)	94,211
UNIT TRANSACTIONS:						
Purchases.....	31,098	84,187	409,141	1,682,901	1,616,166	511,594
Net transfers.....	63,127	8,580	74,041	494,734	(476,908)	237,979
Surrenders for benefit payments and fees.....	(5,530)	(596)	(6,750)	(60,067)	(11,061)	(22,493)
Net annuity transactions.....	--	--	--	--	--	--
Net increase (decrease) in net assets resulting from unit transactions.....	88,695	92,171	476,432	2,117,568	1,128,197	727,080
Net increase (decrease) in net assets.....	107,081	99,298	529,204	2,186,112	1,116,535	821,291
NET ASSETS:						
Beginning of year.....	141,674	7,169	91,022	627,407	332,253	194,248
End of year.....	\$248,755	\$106,467	\$620,226	\$2,813,519	\$1,448,788	\$1,015,539

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SEPARATE ACCOUNT SEVEN

HARTFORD LIFE AND ANNUITY INSURANCE COMPANY

STATEMENTS OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2003

	AIM V.I. AGGRESSIVE GROWTH FUND SUB-ACCOUNT	AIM V.I. BASIC VALUE FUND SUB-ACCOUNT	AIM V.I. BLUE CHIP FUND SUB-ACCOUNT
<S>	<C>	<C>	<C>
OPERATIONS:			
Net investment income.....	\$ (375,589)	\$ (1,888,925)	\$ (452,205)
Capital gains income...	--	--	--
Net realized gain (loss) on security transactions.....	181,550	141,379	(15,671)
Net unrealized appreciation (depreciation) of investments during the year.....	5,827,792	38,169,912	6,452,919
Net increase (decrease) in net assets resulting from operations.....	5,633,753	36,422,366	5,985,043
UNIT TRANSACTIONS:			
Purchases.....	17,500,087	64,547,269	14,991,080
Net transfers.....	2,055,922	39,931,784	10,736,768
Surrenders for benefit payments and fees.....	(810,534)	(4,188,276)	(1,097,567)
Net annuity transactions.....	--	(933)	--
Net increase (decrease) in net assets resulting from unit transactions.....	18,745,475	100,289,844	24,630,281
Net increase (decrease) in net assets.....	24,379,228	136,712,210	30,615,324
NET ASSETS:			
Beginning of year.....	8,949,808	59,271,382	12,673,301
End of year.....	\$33,329,036	\$195,983,592	\$43,288,625

</Table>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

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	AIM V.I. CAPITAL APPRECIATION FUND SUB-ACCOUNT	AIM V.I. DENT DEMOGRAPHIC TRENDS FUND SUB-ACCOUNT	AIM V.I. GOVERNMENT SECURITIES FUND SUB-ACCOUNT	AIM V.I. INTERNATIONAL GROWTH FUND SUB-ACCOUNT	AIM V.I. MID CAP CORE EQUITY FUND SUB-ACCOUNT	AIM V.I. PREMIER EQUITY FUND SUB-ACCOUNT
<S>	<C>	<C>	<C>	<C>	<C>	<C>
OPERATIONS:						
Net investment income.....	\$ (359,323)	\$ (200,514)	\$ 1,958,129	\$ (51,420)	\$ (1,919,459)	\$ (518,192)
Capital gains income...	--	--	88,606	--	1,158,344	--
Net realized gain (loss) on security transactions.....	464,079	35,204	(255,690)	(251,369)	(22,493)	47,860
Net unrealized appreciation (depreciation) of investments during the year.....	5,894,670	3,451,855	(3,633,209)	1,634,299	30,076,515	10,097,445
Net increase (decrease) in net assets resulting from operations.....	5,999,426	3,286,545	(1,842,164)	1,331,510	29,292,907	9,627,113
UNIT TRANSACTIONS:						
Purchases.....	14,856,794	10,677,838	122,134,590	4,728,741	82,548,428	27,404,020
Net transfers.....	7,878,437	6,987,590	(5,126,032)	4,584,771	54,378,246	17,505,829
Surrenders for benefit						

payments and fees.....	(837,427)	(587,275)	(16,195,127)	(3,665,838)	(3,981,891)	(1,620,099)
Net annuity transactions.....	--	(3,054)	(1,032)	--	4,509	(1,314)
Net increase (decrease) in net assets resulting from unit transactions.....	21,897,804	17,075,099	100,812,399	5,647,674	132,949,292	43,288,436
Net increase (decrease) in net assets.....	27,897,230	20,361,644	98,970,235	6,979,184	162,242,199	52,915,549
NET ASSETS:						
Beginning of year.....	8,651,347	3,378,184	152,090,608	2,613,287	42,917,043	19,998,729
End of year.....	\$36,548,577	\$23,739,828	\$251,060,843	\$ 9,592,471	\$205,159,242	\$72,914,278

<Caption>

AIM V.I. SMALL CAP
EQUITY FUND
SUB-ACCOUNT (A)

<S>

<C>

OPERATIONS:

Net investment income.....	\$ (1,054)
Capital gains income...	358
Net realized gain (loss) on security transactions.....	(29)
Net unrealized appreciation (depreciation) of investments during the year.....	35,647
Net increase (decrease) in net assets resulting from operations.....	34,922

UNIT TRANSACTIONS:

Purchases.....	796,381
Net transfers.....	435,158
Surrenders for benefit payments and fees.....	(476)
Net annuity transactions.....	--
Net increase (decrease) in net assets resulting from unit transactions.....	1,231,063
Net increase (decrease) in net assets.....	1,265,985

NET ASSETS:

Beginning of year.....	--
End of year.....	\$1,265,985

</Table>

(a) From inception, October 16, 2003 to December 31, 2003.

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SEPARATE ACCOUNT SEVEN

HARTFORD LIFE AND ANNUITY INSURANCE COMPANY
STATEMENTS OF CHANGES IN NET ASSETS -- (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2003

<Table>

<Caption>

AMERICAN FUNDS	AMERICAN FUNDS	AMERICAN FUNDS
ASSET ALLOCATION FUND	BLUE CHIP INCOME AND GROWTH FUND	BOND FUND
SUB-ACCOUNT	SUB-ACCOUNT	SUB-ACCOUNT

<S>

<C>

<C>

<C>

OPERATIONS:

Net investment

income.....	\$ 9,041,681	\$ (7,567,959)	\$ 11,611,777
Capital gains income...	--	--	--
Net realized gain (loss) on security transactions.....	(5,789)	69,789	5,852
Net unrealized appreciation (depreciation) of investments during the year.....	113,240,541	143,653,846	43,288,363
Net increase (decrease) in net assets resulting from operations.....	122,276,433	136,155,676	54,905,992
UNIT TRANSACTIONS:			
Purchases.....	289,334,757	258,870,367	214,631,241
Net transfers.....	216,852,000	168,368,420	143,206,041
Surrenders for benefit payments and fees....	(27,032,407)	(16,951,370)	(29,642,285)
Net annuity transactions.....	11,121	19,400	107,035
Net increase (decrease) in net assets resulting from unit transactions.....	479,165,471	410,306,817	328,302,032
Net increase (decrease) in net assets.....	601,441,904	546,462,493	383,208,024
NET ASSETS:			
Beginning of year.....	337,721,406	231,086,623	346,297,619
End of year.....	\$939,163,310	\$777,549,116	\$729,505,643

</Table>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

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<Page>

<Table>

<Caption>

	AMERICAN FUNDS GLOBAL GROWTH FUND SUB-ACCOUNT	AMERICAN FUNDS GROWTH FUND SUB-ACCOUNT	AMERICAN FUNDS GROWTH-INCOME FUND SUB-ACCOUNT	AMERICAN FUNDS INTERNATIONAL FUND SUB-ACCOUNT	AMERICAN FUNDS NEW WORLD FUND SUB-ACCOUNT
<S>	<C>	<C>	<C>	<C>	<C>
OPERATIONS:					
Net investment income.....	\$ (2,135,875)	\$ (16,749,511)	\$ (3,200,636)	\$ 197,128	\$ 65,806
Capital gains income...	--	--	--	--	--
Net realized gain (loss) on security transactions.....	56,463	(42,739)	(130,360)	(286,469)	66,229
Net unrealized appreciation (depreciation) of investments during the year.....	63,933,226	378,826,262	410,210,254	68,191,945	16,394,421
Net increase (decrease) in net assets resulting from operations.....	61,853,814	362,034,012	406,879,258	68,102,604	16,526,456
UNIT TRANSACTIONS:					
Purchases.....	70,296,507	584,584,277	590,055,637	76,432,112	16,558,476
Net transfers.....	40,547,346	314,170,335	351,145,278	38,316,155	9,542,115
Surrenders for benefit payments and fees....	(7,556,994)	(44,852,350)	(59,262,866)	(12,336,450)	(2,116,162)
Net annuity transactions.....	100,466	168,048	116,410	65,222	2,841
Net increase (decrease) in net assets resulting from unit transactions.....	103,387,325	854,070,310	882,054,459	102,477,039	23,987,270
Net increase (decrease) in net assets.....	165,241,139	1,216,104,322	1,288,933,717	170,579,643	40,513,726
NET ASSETS:					
Beginning of year.....	127,954,242	671,364,993	878,764,583	144,187,909	32,353,177

End of year.....	\$293,195,381	\$1,887,469,315	\$2,167,698,300	\$314,767,552	\$72,866,903
------------------	---------------	-----------------	-----------------	---------------	--------------

<Caption>

AMERICAN FUNDS
GLOBAL SMALL CAPITALIZATION FUND SUB-ACCOUNT
FRANKLIN RISING DIVIDENDS SECURITIES FUND SUB-ACCOUNT (B)

<S>	<C>	<C>
OPERATIONS:		
Net investment income.....	\$ (771,716)	\$ (306,363)
Capital gains income...	--	154,902
Net realized gain (loss) on security transactions.....	118,414	3,546
Net unrealized appreciation (depreciation) of investments during the year.....	36,604,605	5,904,861
Net increase (decrease) in net assets resulting from operations.....	35,951,303	5,756,946
UNIT TRANSACTIONS:		
Purchases.....	36,247,292	52,711,580
Net transfers.....	22,670,347	29,864,673
Surrenders for benefit payments and fees....	(3,484,850)	(564,538)
Net annuity transactions.....	56,740	--
Net increase (decrease) in net assets resulting from unit transactions.....	55,489,529	82,011,715
Net increase (decrease) in net assets.....	91,440,832	87,768,661
NET ASSETS:		
Beginning of year.....	48,978,095	--
End of year.....	\$140,418,927	\$87,768,661

</Table>

(b) From inception, August 11, 2003 to December 31, 2003.

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<Page>
SEPARATE ACCOUNT SEVEN

HARTFORD LIFE AND ANNUITY INSURANCE COMPANY
STATEMENTS OF CHANGES IN NET ASSETS -- (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2003

<Table>
<Caption>

FRANKLIN INCOME SECURITIES FUND SUB-ACCOUNT
FRANKLIN LARGE CAP GROWTH SECURITIES FUND SUB-ACCOUNT
FRANKLIN REAL ESTATE FUND SUB-ACCOUNT

<S>	<C>	<C>	<C>
OPERATIONS:			
Net investment income.....	\$ 4,267,654	\$ (124,388)	\$ 349,713
Capital gains income...	--	--	--
Net realized gain (loss) on security transactions.....	28,606	(18,631)	246,595
Net unrealized appreciation (depreciation) of investments during the year.....	43,105,739	2,945,949	8,754,206
Net increase (decrease) in net assets			

resulting from operations.....	47,401,999	2,802,930	9,350,514
UNIT TRANSACTIONS:			
Purchases.....	178,790,581	13,868,159	179,788
Net transfers.....	122,764,396	7,144,252	(1,388,842)
Surrenders for benefit payments and fees....	(7,776,618)	(371,036)	(1,876,797)
Net annuity transactions.....	2,017	--	(8,210)
Net increase (decrease) in net assets resulting from unit transactions.....	293,780,376	20,641,375	(3,094,061)
Net increase (decrease) in net assets.....	341,182,375	23,444,305	6,256,453
NET ASSETS:			
Beginning of year.....	33,008,263	3,100,063	29,577,939
End of year.....	\$374,190,638	\$26,544,368	\$35,834,392

</Table>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

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<Page>

<Table>

<Caption>

	FRANKLIN SMALL CAP FUND SUB-ACCOUNT (C)	FRANKLIN STRATEGIC INCOME SECURITIES FUND SUB-ACCOUNT	MUTUAL SHARES SECURITIES FUND SUB-ACCOUNT	TEMPLETON DEVELOPING MARKETS SECURITIES FUND SUB-ACCOUNT	TEMPLETON FOREIGN SECURITIES FUND SUB-ACCOUNT
<S>	<C>	<C>	<C>	<C>	<C>
OPERATIONS:					
Net investment income.....	\$ (2,546,346)	\$ 1,432,982	\$ (2,458,068)	\$ (66,121)	\$ (21,951)
Capital gains income...	--	--	--	--	--
Net realized gain (loss) on security transactions.....	(4,147,739)	13,428	19,597	146,986	33,051
Net unrealized appreciation (depreciation) of investments during the year.....	59,134,447	23,917,995	97,538,258	9,146,217	19,100,609
Net increase (decrease) in net assets resulting from operations.....	52,440,362	25,364,405	95,099,787	9,227,082	19,111,709
UNIT TRANSACTIONS:					
Purchases.....	75,473,010	89,764,102	179,763,284	10,253,369	43,739,350
Net transfers.....	55,269,400	74,756,291	123,916,645	7,388,398	20,176,811
Surrenders for benefit payments and fees....	(6,288,309)	(8,755,790)	(16,561,324)	(856,841)	(2,184,379)
Net annuity transactions.....	6,378	(4,499)	19,789	--	(5,631)
Net increase (decrease) in net assets resulting from unit transactions.....	124,460,479	155,760,104	287,138,394	16,784,926	61,726,151
Net increase (decrease) in net assets.....	176,900,841	181,124,509	382,238,181	26,012,008	80,837,860
NET ASSETS:					
Beginning of year.....	90,813,451	72,692,873	240,461,511	9,990,925	29,076,080
End of year.....	\$267,714,292	\$253,817,382	\$622,699,692	\$36,002,933	\$109,913,940

<Caption>

	TEMPLETON GLOBAL ASSET ALLOCATION FUND SUB-ACCOUNT	TEMPLETON GROWTH SECURITIES FUND SUB-ACCOUNT
<S>	<C>	<C>
OPERATIONS:		
Net investment		

income.....	\$ 163,391	\$ (191,503)
Capital gains income...	--	--
Net realized gain (loss) on security transactions.....	8,490	64,000
Net unrealized appreciation (depreciation) of investments during the year.....	3,402,136	31,258,346
	-----	-----
Net increase (decrease) in net assets resulting from operations.....	3,574,017	31,130,843
	-----	-----
UNIT TRANSACTIONS:		
Purchases.....	100,869	69,274,792
Net transfers.....	(379,122)	36,249,344
Surrenders for benefit payments and fees....	(956,002)	(4,257,384)
Net annuity transactions.....	(4,176)	(38,962)
	-----	-----
Net increase (decrease) in net assets resulting from unit transactions.....	(1,238,431)	101,227,790
	-----	-----
Net increase (decrease) in net assets.....	2,335,586	132,358,633
NET ASSETS:		
Beginning of year.....	12,603,348	47,432,004
	-----	-----
End of year.....	\$14,938,934	\$179,790,637
	=====	=====

</Table>

(c) Effective April 30, 2003, Franklin Technology Securities Fund Sub-Account merged with Franklin Small Cap Fund Sub-Account.

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<Page>

SEPARATE ACCOUNT SEVEN

HARTFORD LIFE AND ANNUITY INSURANCE COMPANY
STATEMENTS OF CHANGES IN NET ASSETS -- (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2003

<Table>

<Caption>

	MUTUAL DISCOVERY SECURITIES FUND SUB-ACCOUNT (D)	HARTFORD MONEY MARKET HLS FUND SUB-ACCOUNT	MFS CAPITAL OPPORTUNITIES SERIES SUB-ACCOUNT
<S>	<C>	<C>	<C>
OPERATIONS:			
Net investment income.....	\$ (68,891)	\$ (2,191,144)	\$ (670,400)
Capital gains income...	--	--	--
Net realized gain (loss) on security transactions.....	4,664	48	(2,196,815)
Net unrealized appreciation (depreciation) of investments during the year.....	2,239,507	--	15,455,841
	-----	-----	-----
Net increase (decrease) in net assets resulting from operations.....	2,175,280	(2,191,096)	12,588,626
	-----	-----	-----
UNIT TRANSACTIONS:			
Purchases.....	15,819,675	188,039,346	7,775,493
Net transfers.....	7,156,202	(126,516,697)	1,756,949
Surrenders for benefit payments and fees....	(269,261)	(107,456,847)	(2,987,209)
Net annuity transactions.....	--	(4,885)	22,297
	-----	-----	-----
Net increase (decrease) in net assets			

resulting from unit transactions.....	22,706,616	(45,939,083)	6,567,530
Net increase (decrease) in net assets.....	24,881,896	(48,130,179)	19,156,156
NET ASSETS:			
Beginning of year.....	--	288,462,260	46,235,062
End of year.....	\$24,881,896	\$ 240,332,081	\$65,391,218

</Table>

(d) From inception, April 30, 2003 to December 31, 2003.

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

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<Page>

<Table>

<Caption>

	MFS EMERGING GROWTH SERIES SUB-ACCOUNT	MFS GLOBAL EQUITY SERIES SUB-ACCOUNT	MFS HIGH INCOME SERIES SUB-ACCOUNT	MFS INVESTORS GROWTH STOCK SERIES SUB-ACCOUNT	MFS INVESTORS TRUST SERIES SUB-ACCOUNT	MFS MID CAP GROWTH SERIES SUB-ACCOUNT
<S>	<C>	<C>	<C>	<C>	<C>	<C>
OPERATIONS:						
Net investment income.....	\$ (604,856)	\$ (136,764)	\$ 2,264,067	\$ (1,289,310)	\$ (798,058)	\$ (1,315,153)
Capital gains income...	--	--	--	--	--	--
Net realized gain (loss) on security transactions.....	(3,146,002)	210	(49,386)	(286,424)	(729,106)	(8,862)
Net unrealized appreciation (depreciation) of investments during the year.....	13,889,927	2,521,344	17,395,148	18,086,063	19,595,193	25,449,171
Net increase (decrease) in net assets resulting from operations.....	10,139,069	2,384,790	19,609,829	16,510,329	18,068,029	24,125,156
UNIT TRANSACTIONS:						
Purchases.....	9,544,834	3,706,239	72,937,077	22,126,701	27,623,025	35,539,869
Net transfers.....	4,550,419	2,628,409	63,974,843	15,379,320	16,155,429	26,356,997
Surrenders for benefit payments and fees....	(2,152,101)	(436,211)	(7,316,394)	(4,283,335)	(4,214,265)	(3,366,707)
Net annuity transactions.....	(22,665)	--	4,052	1,614	(31,990)	--
Net increase (decrease) in net assets resulting from unit transactions.....	11,920,487	5,898,437	129,599,578	33,224,300	39,532,199	58,530,159
Net increase (decrease) in net assets.....	22,059,556	8,283,227	149,209,407	49,734,629	57,600,228	82,655,315
NET ASSETS:						
Beginning of year.....	32,927,385	5,274,705	57,395,910	62,872,269	68,555,159	48,475,905
End of year.....	\$54,986,941	\$13,557,932	\$206,605,317	\$112,606,898	\$126,155,387	\$131,131,220

</Table>

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SEPARATE ACCOUNT SEVEN

HARTFORD LIFE AND ANNUITY INSURANCE COMPANY
STATEMENTS OF CHANGES IN NET ASSETS -- (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2003

<Table>

<Caption>

	MFS NEW DISCOVERY SERIES SUB-ACCOUNT	MFS TOTAL RETURN SERIES SUB-ACCOUNT	MFS VALUE SERIES SUB-ACCOUNT (D)
<S>	<C>	<C>	<C>
OPERATIONS:			
Net investment income.....	\$ (1,045,641)	\$ (391,997)	\$ (68,845)
Capital gains income...	--	--	--

Net realized gain (loss) on security transactions.....	(236,341)	67,199	8,850
Net unrealized appreciation (depreciation) of investments during the year.....	19,616,695	72,425,815	1,468,102
Net increase (decrease) in net assets resulting from operations.....	18,334,713	72,101,017	1,408,107
UNIT TRANSACTIONS:			
Purchases.....	27,759,059	198,384,191	9,508,678
Net transfers.....	17,332,314	146,109,609	4,179,100
Surrenders for benefit payments and fees.....	(2,862,247)	(21,463,034)	(101,820)
Net annuity transactions.....	96,741	184,916	--
Net increase (decrease) in net assets resulting from unit transactions.....	42,325,867	323,215,682	13,585,958
Net increase (decrease) in net assets.....	60,660,580	395,316,699	14,994,065
NET ASSETS:			
Beginning of year.....	40,842,302	286,479,568	--
End of year.....	\$101,502,882	\$681,796,267	\$14,994,065

</Table>

(d) From inception, April 30, 2003 to December 31, 2003.

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

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<Page>

<Table>

<Caption>

	MERRILL LYNCH GLOBAL GROWTH V.I. FUND SUB-ACCOUNT	MERRILL LYNCH LARGE CAP GROWTH V.I. FUND SUB-ACCOUNT (E)	JENNISON 20/20 FOCUS PORTFOLIO SUB-ACCOUNT	JENNISON PORTFOLIO SUB-ACCOUNT
<S>	<C>	<C>	<C>	<C>
OPERATIONS:				
Net investment income.....	\$ (4,469)	\$ (20,436)	\$ (5,245)	\$ (11,813)
Capital gains income...	--	--	--	--
Net realized gain (loss) on security transactions.....	(6,303)	(10,853)	(3,982)	(1,767)
Net unrealized appreciation (depreciation) of investments during the year.....	278,071	716,239	84,514	181,635
Net increase (decrease) in net assets resulting from operations.....	267,299	684,950	75,287	168,055
UNIT TRANSACTIONS:				
Purchases.....	233,646	817,900	64,016	13,440
Net transfers.....	19,357	478,002	(29,406)	9,348
Surrenders for benefit payments and fees.....	(30,021)	(102,005)	(36,076)	(19,054)
Net annuity transactions.....	--	--	--	--
Net increase (decrease) in net assets resulting from unit transactions.....	222,982	1,193,897	(1,466)	3,734
Net increase (decrease) in net assets.....	490,281	1,878,847	73,821	171,789
NET ASSETS:				
Beginning of year.....	600,884	1,202,037	276,276	586,551

End of year.....	\$1,091,165	\$3,080,884	\$350,097	\$758,340
	=====	=====	=====	=====

<Caption>

	PRUDENTIAL VALUE PORTFOLIO SUB-ACCOUNT	PRUDENTIAL JENNISON INTERNATIONAL GROWTH PORTFOLIO SUB-ACCOUNT
<S>	<C>	<C>
OPERATIONS:		
Net investment income.....	\$ (3,195)	\$ (100)
Capital gains income...	--	--
Net realized gain (loss) on security transactions.....	592	110
Net unrealized appreciation (depreciation) of investments during the year.....	112,701	1,912
Net increase (decrease) in net assets resulting from operations.....	110,098	1,922
UNIT TRANSACTIONS:		
Purchases.....	47,240	--
Net transfers.....	132,949	4,820
Surrenders for benefit payments and fees....	(4,323)	(1,547)
Net annuity transactions.....	--	--
Net increase (decrease) in net assets resulting from unit transactions.....	175,866	3,273
Net increase (decrease) in net assets.....	285,964	5,195
NET ASSETS:		
Beginning of year.....	285,396	1,236
End of year.....	\$571,360	\$ 6,431

</Table>

(e) Effective November 21, 2003, Merrill Lynch Large Cap Growth V.I. Fund Sub-Account merged with Merrill Lynch Large Cap Growth V.I. Fund Sub-Account.

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SEPARATE ACCOUNT SEVEN

HARTFORD LIFE AND ANNUITY INSURANCE COMPANY
STATEMENTS OF CHANGES IN NET ASSETS -- (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2003

<Table>

<Caption>

	WELLS FARGO ASSET ALLOCATION FUND SUB-ACCOUNT (B)	WELLS FARGO TOTAL RETURN BOND FUND SUB-ACCOUNT (B)	WELLS FARGO EQUITY INCOME FUND SUB-ACCOUNT (B)
<S>	<C>	<C>	<C>
OPERATIONS:			
Net investment income.....	\$ (328)	\$ 1,693	\$ 32
Capital gains income...	--	--	--
Net realized gain (loss) on security transactions.....	7,342	(1,615)	572
Net unrealized appreciation (depreciation) of investments during the year.....	20,924	6,468	12,045

Net increase (decrease) in net assets resulting from operations.....	27,938	6,546	12,649
UNIT TRANSACTIONS:			
Purchases.....	1,240,756	1,241,880	336,274
Net transfers.....	(803,400)	(270,838)	(97,547)
Surrenders for benefit payments and fees.....	--	(5,485)	(743)
Net annuity transactions.....	--	--	--
Net increase (decrease) in net assets resulting from unit transactions.....	437,356	965,557	237,984
Net increase (decrease) in net assets.....	465,294	972,103	250,633
NET ASSETS:			
Beginning of year.....	--	--	--
End of year.....	\$ 465,294	\$ 972,103	\$250,633

</Table>

(b) From inception, August 11, 2003 to December 31, 2003.

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

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<Page>

<Table>

<Caption>

	WELLS FARGO EQUITY VALUE FUND SUB-ACCOUNT (B)	WELLS FARGO GROWTH FUND SUB-ACCOUNT (B)	WELLS FARGO INTERNATIONAL EQUITY FUND SUB-ACCOUNT (B)	WELLS FARGO LARGE COMPANY GROWTH FUND SUB-ACCOUNT (B)	WELLS FARGO MONEY MARKET FUND SUB-ACCOUNT (B)
<S>	<C>	<C>	<C>	<C>	<C>
OPERATIONS:					
Net investment income.....	\$ 127	\$ (7)	\$ (105)	\$ (1,332)	\$ (842)
Capital gains income...	--	--	--	--	--
Net realized gain (loss) on security transactions.....	7	--	3	7	--
Net unrealized appreciation (depreciation) of investments during the year.....	9,179	261	4,133	16,196	--
Net increase (decrease) in net assets resulting from operations.....	9,313	254	4,031	14,871	(842)
UNIT TRANSACTIONS:					
Purchases.....	129,263	6,915	86,653	577,516	430,580
Net transfers.....	3,400	--	338	36,336	(97,485)
Surrenders for benefit payments and fees.....	(302)	--	--	(1,316)	--
Net annuity transactions.....	--	--	--	--	--
Net increase (decrease) in net assets resulting from unit transactions.....	132,361	6,915	86,991	612,536	333,095
Net increase (decrease) in net assets.....	141,674	7,169	91,022	627,407	332,253
NET ASSETS:					
Beginning of year.....	--	--	--	--	--
End of year.....	\$141,674	\$7,169	\$91,022	\$627,407	\$332,253

<Caption>

WELLS FARGO
SMALL CAP GROWTH FUND
SUB-ACCOUNT (B)

<S>	<C>
OPERATIONS:	
Net investment income.....	\$ (279)
Capital gains income...	--
Net realized gain (loss) on security transactions.....	4
Net unrealized appreciation (depreciation) of investments during the year.....	4,772

Net increase (decrease) in net assets resulting from operations.....	4,497

UNIT TRANSACTIONS:	
Purchases.....	188,978
Net transfers.....	773
Surrenders for benefit payments and fees.....	--
Net annuity transactions.....	--

Net increase (decrease) in net assets resulting from unit transactions.....	189,751

Net increase (decrease) in net assets.....	194,248
NET ASSETS:	
Beginning of year.....	--

End of year.....	\$194,248
	=====

</Table>

(b) From inception, August 11, 2003 to December 31, 2003.

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SEPARATE ACCOUNT SEVEN

HARTFORD LIFE AND ANNUITY INSURANCE COMPANY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2004

1. ORGANIZATION:

Separate Account Seven (the "Account") is a separate investment account within Hartford Life and Annuity Insurance Company (the "Company") and is registered with the Securities and Exchange Commission ("SEC") as a unit investment trust under the Investment Company Act of 1940, as amended. Both the Company and the Account are subject to supervision and regulation by the Department of Insurance of the State of Connecticut and the SEC. The Account invests deposits by variable annuity contract owners of the Company in various mutual funds (the "Funds") as directed by the contract owners.

The Account invests in the following sub-accounts (collectively, the "Sub-Accounts"): the AIM V.I. Aggressive Growth Fund, AIM V.I. Basic Value Fund, AIM V.I. Blue Chip Fund, AIM V.I. Capital Appreciation Fund, AIM V.I. Dent Demographic Trends Fund, AIM V.I. Government Securities Fund, AIM V.I. International Growth Fund, AIM V.I. Mid Cap Core Equity Fund, AIM V.I. Premier Equity Fund, AIM V.I. Small Cap Equity Fund, American Funds Asset Allocation Fund, American Funds Blue Chip Income and Growth Fund, American Funds Bond Fund, American Funds Global Growth Fund, American Funds Growth Fund, American Funds Growth-Income Fund, American Funds International Fund, American Funds New World Fund, American Funds Global Small Capitalization Fund, Franklin Rising Dividends Securities Fund, Franklin Income Securities Fund, Franklin Large Cap Growth Securities Fund, Franklin Real Estate Fund, Franklin Small Cap Fund, Franklin Strategic Income Securities Fund, Mutual Shares Securities Fund, Templeton Developing Markets Securities Fund, Templeton Foreign Securities Fund, Templeton Global Asset Allocation Fund, Templeton Growth Securities Fund, Mutual Discovery Securities Fund, Hartford Money Market HLS Fund, MFS Capital Opportunities Series, MFS Emerging Growth Series, MFS Global Equity Series, MFS High Income Series, MFS Investors Growth Stock Series, MFS Investors Trust Series, MFS Mid Cap Growth Series, MFS New Discovery Series, MFS Total Return Series, MFS Value Series, Merrill Lynch Global Growth V.I. Fund, Merrill Lynch Large Cap Growth V.I. Fund,

Jennison 20/20 Focus Portfolio, Jennison Portfolio, Prudential Value Portfolio, SP William Blair International Growth Portfolio, Wells Fargo Asset Allocation Fund, Wells Fargo Total Return Bond Fund, Wells Fargo Equity Income Fund, Wells Fargo Equity Value Fund, Wells Fargo Growth Fund, Wells Fargo International Equity Fund, Wells Fargo Large Company Growth Fund, Wells Fargo Money Market Fund, and Wells Fargo Small Cap Growth Fund.

2. SIGNIFICANT ACCOUNTING POLICIES:

The following is a summary of significant accounting policies of the Account, which are in accordance with accounting principles generally accepted in the United States of America in the investment company industry:

- a) SECURITY TRANSACTIONS--Security transactions are recorded on the trade date (date the order to buy or sell is executed). Realized gains and losses on the sales of securities are computed on the basis of identified cost of the fund shares sold. Dividend and capital gains income is accrued as of the ex-dividend date. Capital gains income represents dividends from the Funds which are characterized as capital gains under tax regulations.
- b) SECURITY VALUATION--The investment in shares of the Funds are valued at the closing net asset value per share as determined by the appropriate Fund as of December 31, 2004.
- c) UNIT TRANSACTIONS--Unit transactions are executed based on the unit values calculated at the close of the business day.
- d) FEDERAL INCOME TAXES--The operations of the Account form a part of, and are taxed with, the total operations of the Company, which is taxed as an insurance company under the Internal Revenue Code. Under current law, no Federal income taxes are payable with respect to the operations of the Account.
- e) USE OF ESTIMATES--The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the date of the financial statements and the reported amounts of income and expenses during the period. Operating results in the future could vary from the amounts derived from management's estimates.
- f) MORTALITY RISK--Net assets allocated to contracts in the payout period are computed according to the 1983a Individual Annuitant Mortality Table and the Annuity 2000 Table. The Mortality Risk is fully

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borne by the Company and may result in additional amounts being transferred into the variable annuity account by the Company to cover greater longevity of annuitants than expected. Conversely, if amounts allocated exceed amounts required, transfers may be made to the Company.

3. ADMINISTRATION OF THE ACCOUNT AND RELATED CHARGES:

- a) MORTALITY AND EXPENSE RISK CHARGES--The Company will make deductions at a maximum annual rate of 1.50% of the contract's value for the mortality and expense risks which the company undertakes.
- b) TAX EXPENSE CHARGE--If applicable, the Company will make deductions at a maximum rate of 3.5% of the contract's value to meet premium tax requirements. An additional tax charge based on a percentage of the contract's value may be assessed to partial withdrawals or surrenders. These expenses are included in surrenders for benefit payments and fees on the accompanying statements of changes in net assets.
- c) ADMINISTRATIVE CHARGE--The Company will make deductions to cover administrative expenses at a maximum annual rate of 0.20% of the contract's value. These expenses are included in surrenders for benefit payments and fees on the accompanying statements of changes in net assets.
- d) ANNUAL MAINTENANCE FEE--An annual maintenance fee in the amount of \$30 may be deducted from the contract's value each contract year. However, this fee is not applicable to contracts with values of \$50,000 or more, as determined on the most recent contract anniversary. These expenses are included in surrenders for benefit payments and fees on the accompanying statements of changes in net assets.

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SEPARATE ACCOUNT SEVEN

HARTFORD LIFE AND ANNUITY INSURANCE COMPANY

4. PURCHASES AND SALES OF INVESTMENTS

The cost of purchases and proceeds from sales of investments for the year ended December 31, 2004 were as follows:

<Table>
 <Caption>

FUND	PURCHASES AT COST	PROCEEDS FROM SALES
----	-----	-----
<S>	<C>	<C>
AIM V.I. Aggressive Growth Fund.....	\$ 16,409,620	\$ 10,384,578
AIM V.I. Basic Value Fund.....	94,536,546	30,013,438
AIM V.I. Blue Chip Fund.....	26,053,491	21,132,282
AIM V.I. Capital Appreciation Fund.....	18,665,104	10,359,811
AIM V.I. Dent Demographic Trends Fund...	14,323,617	10,777,506
AIM V.I. Government Securities Fund.....	195,279,841	68,094,595
AIM V.I. International Growth Fund.....	16,172,407	4,445,827
AIM V.I. Mid Cap Core Equity Fund.....	121,390,381	20,924,734
AIM V.I. Premier Equity Fund.....	126,516,204	6,726,103
AIM V.I. Small Cap Equity Fund.....	24,968,505	7,862,682
American Funds Asset Allocation Fund...	428,043,285	55,508,322
American Funds Blue Chip Income and Growth Fund.....	290,824,306	44,367,015
American Funds Bond Fund.....	265,062,746	85,707,903
American Funds Global Growth Fund.....	127,094,451	24,117,911
American Funds Growth Fund.....	740,197,466	92,590,764
American Funds Growth-Income Fund.....	854,063,552	96,212,783
American Funds International Fund.....	219,809,179	22,533,649
American Funds New World Fund.....	51,543,836	13,134,512
American Funds Global Small Capitalization Fund.....	96,323,544	25,410,210
Franklin Rising Dividends Securities Fund.....	252,148,119	8,814,098
Franklin Income Securities Fund.....	467,910,701	20,588,540
Franklin Large Cap Growth Securities Fund.....	75,353,477	6,746,043
Franklin Real Estate Fund.....	4,418,257	8,064,008
Franklin Small Cap Fund.....	100,136,773	49,851,431
Franklin Strategic Income Securities Fund.....	141,184,735	34,885,220
Mutual Shares Securities Fund.....	302,890,289	37,385,636
Templeton Developing Markets Securities Fund.....	42,765,333	17,761,345
Templeton Foreign Securities Fund.....	223,035,123	20,687,217
Templeton Global Asset Allocation Fund.....	1,471,353	2,502,284
Templeton Growth Securities Fund.....	217,269,546	33,086,228
Mutual Discovery Securities Fund.....	72,963,946	4,210,890
Hartford Money Market HLS Fund.....	375,436,405	391,930,224
MFS Capital Opportunities Series.....	9,952,057	16,412,839
MFS Emerging Growth Series.....	9,912,772	13,990,144
MFS Global Equity Series.....	8,446,498	3,228,651
MFS High Income Series.....	110,778,080	78,829,052
MFS Investors Growth Stock Series.....	21,296,542	21,317,333
MFS Investors Trust Series.....	114,155,447	20,812,464
MFS Mid Cap Growth Series.....	44,981,794	26,385,842
MFS New Discovery Series.....	71,586,929	18,431,865
MFS Total Return Series.....	284,270,483	42,306,458
MFS Value Series.....	33,020,188	4,478,478
Merrill Lynch Global Growth V.I. Fund...	164,213	110,163
Merrill Lynch Large Cap Growth V.I. Fund.....	484,335	913,167
Jennison 20/20 Focus Portfolio.....	50,029	31,240
Jennison Portfolio.....	1,472	469,224
Prudential Value Portfolio.....	15,953	48,280
SP William Blair International Growth Portfolio.....	--	6,280
Wells Fargo Asset Allocation Fund.....	1,393,487	134,087
Wells Fargo Total Return Bond Fund.....	3,308,432	424,863
Wells Fargo Equity Income Fund.....	776,047	29,804
Wells Fargo Equity Value Fund.....	97,897	10,306
Wells Fargo Growth Fund.....	96,148	5,361
Wells Fargo International Equity Fund...	497,506	26,377
Wells Fargo Large Company Growth Fund...	2,306,430	228,682
Wells Fargo Money Market Fund.....	3,034,694	1,918,163
Wells Fargo Small Cap Growth Fund.....	845,161	129,707
	-----	-----
	\$6,725,734,732	\$1,537,496,619
	=====	=====

</Table>

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5. CHANGES IN UNITS OUTSTANDING

The changes in units outstanding for the year ended December 31, 2004 were as follows:

<Table>

<Caption>

FUND	UNITS ISSUED	UNITS REDEEMED	NET INCREASE (DECREASE)
<S>	<C>	<C>	<C>
AIM V.I. Aggressive Growth Fund....	14,719,835	8,991,741	5,728,094
AIM V.I. Basic Value Fund.....	82,021,892	24,009,696	58,012,196
AIM V.I. Blue Chip Fund.....	25,021,875	19,576,930	5,444,945
AIM V.I. Capital Appreciation Fund.....	16,308,146	8,621,048	7,687,098
AIM V.I. Dent Demographic Trends Fund.....	12,528,386	9,028,485	3,499,901
AIM V.I. Government Securities Fund.....	173,801,658	61,733,838	112,067,820
AIM V.I. International Growth Fund.....	13,132,666	3,543,989	9,588,677
AIM V.I. Mid Cap Core Equity Fund.....	84,690,150	14,860,672	69,829,478
AIM V.I. Premier Equity Fund.....	132,302,327	6,556,689	125,745,638
AIM V.I. Small Cap Equity Fund.....	2,290,877	732,109	1,558,768
American Funds Asset Allocation Fund.....	39,435,955	4,639,051	34,796,904
American Funds Blue Chip Income and Growth Fund.....	321,160,905	43,103,822	278,057,083
American Funds Bond Fund.....	19,531,597	6,378,910	13,152,687
American Funds Global Growth Fund.....	13,411,466	2,241,631	11,169,835
American Funds Growth Fund.....	84,053,575	8,683,603	75,369,972
American Funds Growth-Income Fund.....	77,159,340	7,417,580	69,741,760
American Funds International Fund.....	24,298,936	2,198,791	22,100,145
American Funds New World Fund.....	4,140,176	1,019,289	3,120,887
American Funds Global Small Capitalization Fund.....	9,251,160	2,291,524	6,959,636
Franklin Rising Dividends Securities Fund.....	20,424,823	673,842	19,750,981
Franklin Income Securities Fund....	37,490,517	1,533,465	35,957,052
Franklin Large Cap Growth Securities Fund.....	7,330,144	635,088	6,695,056
Franklin Real Estate Fund.....	213,524	448,281	(234,757)
Franklin Small Cap Fund.....	12,177,548	5,936,517	6,241,031
Franklin Strategic Income Securities Fund.....	10,159,872	2,491,896	7,667,976
Mutual Shares Securities Fund.....	24,844,235	2,711,727	22,132,508
Templeton Developing Markets Securities Fund.....	3,542,960	1,459,868	2,083,092
Templeton Foreign Securities Fund.....	24,400,752	2,193,761	22,206,991
Templeton Global Asset Allocation Fund.....	92,128	195,554	(103,426)
Templeton Growth Securities Fund...	19,827,720	2,914,228	16,913,492
Mutual Discovery Securities Fund...	5,632,665	311,964	5,320,701
Hartford Money Market HLS Fund....	361,789,698	375,641,239	(13,851,541)
MFS Capital Opportunities Series...	1,499,469	2,302,701	(803,232)
MFS Emerging Growth Series.....	1,801,826	2,334,401	(532,575)
MFS Global Equity Series.....	829,101	295,805	533,296
MFS High Income Series.....	9,266,932	7,018,446	2,248,486
MFS Investors Growth Stock Series.....	3,564,113	3,158,079	406,034
MFS Investors Trust Series.....	15,247,550	2,638,332	12,609,218
MFS Mid Cap Growth Series.....	8,376,164	4,601,878	3,774,286
MFS New Discovery Series.....	7,862,566	1,928,217	5,934,349
MFS Total Return Series.....	24,081,905	3,237,388	20,844,517
MFS Value Series.....	2,600,311	330,888	2,269,423
Merrill Lynch Global Growth V.I. Fund.....	15,796	10,860	4,936
Merrill Lynch Large Cap Growth V.I. Fund.....	59,860	104,608	(44,748)
Jennison 20/20 Focus Portfolio....	51,316	26,065	25,251
Jennison Portfolio.....	1,911	595,005	(593,094)
Prudential Value Portfolio.....	11,278	40,635	(29,357)
SP William Blair International Growth Portfolio.....	--	8,480	(8,480)
Wells Fargo Asset Allocation Fund.....	1,245,209	106,872	1,138,337

Wells Fargo Total Return Bond Fund.....	2,766,194	359,190	2,407,004
Wells Fargo Equity Income Fund.....	721,480	18,337	703,143
Wells Fargo Equity Value Fund.....	95,532	5,825	89,707
Wells Fargo Growth Fund.....	103,307	4,348	98,959
Wells Fargo International Equity Fund.....	494,958	22,194	472,764
Wells Fargo Large Company Growth Fund.....	2,406,972	220,696	2,186,276
Wells Fargo Money Market Fund.....	3,107,186	1,950,782	1,156,404
Wells Fargo Small Cap Growth Fund.....	858,493	124,652	733,841

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SEPARATE ACCOUNT SEVEN

HARTFORD LIFE AND ANNUITY INSURANCE COMPANY
NOTES TO FINANCIAL STATEMENTS -- (CONTINUED)
DECEMBER 31, 2004

The changes in units outstanding for the year ended December 31, 2003 were as follows:

	UNITS ISSUED	UNITS REDEEMED	NET INCREASE (DECREASE)
<S>	<C>	<C>	<C>
AIM V.I. Aggressive Growth Fund....	25,408,006	5,431,803	19,976,203
AIM V.I. Basic Value Fund.....	114,635,567	13,681,732	100,953,835
AIM V.I. Blue Chip Fund.....	32,082,829	5,868,925	26,213,904
AIM V.I. Capital Appreciation Fund.....	36,863,091	15,259,019	21,604,072
AIM V.I. Dent Demographic Trends Fund.....	19,020,316	2,418,590	16,601,726
AIM V.I. Government Securities Fund.....	200,092,082	105,945,709	94,146,373
AIM V.I. International Growth Fund.....	50,747,049	45,288,805	5,458,243
AIM V.I. Mid Cap Core Equity Fund.....	130,137,751	9,348,306	120,789,445
AIM V.I. Premier Equity Fund.....	53,515,215	4,093,977	49,421,239
AIM V.I. Small Cap Equity Fund.....	120,966	3,494	117,471
American Funds Asset Allocation Fund.....	55,172,676	3,707,923	51,464,753
American Funds Blue Chip Income and Growth Fund.....	559,308,417	30,888,051	528,420,366
American Funds Bond Fund.....	32,732,261	4,691,951	28,040,311
American Funds Global Growth Fund.....	15,355,454	1,821,674	13,533,780
American Funds Growth Fund.....	124,113,462	6,671,524	117,441,938
American Funds Growth-Income Fund.....	100,761,460	6,702,777	94,058,683
American Funds International Fund.....	24,561,078	9,663,474	14,897,604
American Funds New World Fund.....	2,985,206	522,247	2,462,959
American Funds Global Small Capitalization Fund.....	8,276,926	1,474,364	6,802,562
Franklin Rising Dividends Securities Fund.....	7,357,935	80,590	7,277,345
Franklin Income Securities Fund....	28,754,716	911,855	27,842,861
Franklin Large Cap Growth Securities Fund.....	2,621,670	417,076	2,204,593
Franklin Real Estate Fund.....	300,293	532,762	(232,469)
Franklin Small Cap Fund.....	24,125,570	7,874,913	16,250,657
Franklin Strategic Income Fund....	14,507,223	1,493,418	13,013,805
Mutual Shares Securities Fund.....	29,642,317	2,245,001	27,397,316
Templeton Developing Markets Securities Fund.....	2,591,484	745,372	1,846,113
Templeton Foreign Securities Fund.....	11,303,959	3,059,277	8,244,682
Templeton Global Asset Allocation Fund.....	121,583	246,575	(124,992)
Templeton Growth Securities Fund...	12,716,574	1,556,574	11,159,999
Mutual Discovery Securities Fund...	2,095,079	86,143	2,008,936
Hartford Money Market HLS Fund....	373,725,132	414,151,406	(40,426,274)
MFS Capital Opportunities Series...	3,131,337	1,892,761	1,238,576
MFS Emerging Growth Series.....	4,257,836	1,693,930	2,563,906
MFS Global Equity Series.....	959,948	246,737	713,211
MFS High Income Series.....	17,649,856	4,735,418	12,914,439
MFS Investors Growth Stock			

Series.....	7,549,135	1,631,332	5,917,803
MFS Investors Trust Series.....	7,254,451	1,381,220	5,873,231
MFS Mid Cap Growth Series.....	14,595,213	2,344,514	12,250,699
MFS New Discovery Series.....	6,615,928	1,051,809	5,564,119
MFS Total Return Series.....	34,163,797	2,867,114	31,296,684
MFS Value Series.....	1,285,662	56,233	1,229,429
Merrill Lynch Global Growth V.I. Fund.....	53,451	21,256	32,195
Merrill Lynch Large Cap Growth V.I. Fund.....	203,916	45,733	158,183
Jennison 20/20 Focus Portfolio.....	134,027	133,274	753
Jennison Portfolio.....	123,030	106,662	16,368
Prudential Value Portfolio.....	337,341	97,433	239,909
Prudential Jennison International Growth Portfolio.....	8,480	2,209	6,271
Wells Fargo Asset Allocation Fund.....	1,225,770	785,968	439,803
Wells Fargo Total Return Bond Fund.....	1,209,589	329,016	880,573
Wells Fargo Equity Income Fund.....	339,883	99,044	240,839
Wells Fargo Equity Value Fund.....	146,379	322	146,057
Wells Fargo Growth Fund.....	7,625	--	7,625
Wells Fargo International Equity Fund.....	88,599	--	88,599
Wells Fargo Large Company Growth Fund.....	638,202	1,042	637,161
Wells Fargo Money Market Fund.....	441,314	101,870	339,445
Wells Fargo Small Cap Growth Fund.....	199,082	--	199,082

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6. FINANCIAL HIGHLIGHTS

The following is a summary of units, unit fair value, contract owners' equity, expense ratios, investment income ratios, and total return showing the minimum and maximum contract charges for which a series of each Sub-Account has outstanding units.

<Table>

<Caption>

<C>	<S>	INVESTMENT					
		UNITS	UNIT FAIR VALUE #	CONTRACT OWNERS' EQUITY	EXPENSE RATIO*	INCOME RATIO**	TOTAL RETURN***
<C>	<S>	<C>	<C>	<C>	<C>	<C>	
AIM V.I. AGGRESSIVE GROWTH FUND							
2004	Lowest contract charges	90,782	\$ 1.258432	\$ 114,243	0.95%	--	10.75%
	Highest contract charges	7,392	1.201813	8,884	2.52%	--	8.99%
	Remaining contract charges	35,602,820	--	43,420,150	--	--	--
2003	Lowest contract charges	65,082	1.136318	73,954	0.95%	--	25.48%
	Highest contract charges	254,591	1.102688	280,735	2.39%	--	23.67%
	Remaining contract charges	29,653,227	--	32,974,347	--	--	--
2002	Lowest contract charges	39,419	0.905594	35,698	0.94%	--	(23.40)%
	Highest contract charges	156,572	0.891610	139,601	0.98%	--	(3.54)%
	Remaining contract charges	9,800,706	--	8,774,509	--	--	--
2001	Lowest contract charges	2,317	1.182176	2,739	0.22%	--	18.22%
	Highest contract charges	54,444	1.178547	64,165	0.50%	--	17.86%
	Remaining contract charges	594,570	--	701,606	--	--	--
AIM V.I. BASIC VALUE FUND							
2004	Lowest contract charges	1,518,236	1.316677	1,999,026	0.95%	--	10.02%
	Highest contract charges	20,775	1.257441	26,124	2.50%	--	8.27%
	Remaining contract charges	223,647,591	--	285,485,629	--	--	--
2003	Lowest contract charges	1,198,408	1.196762	1,434,209	0.95%	0.04%	32.36%
	Highest contract charges	1,617,228	1.161366	1,878,194	2.38%	0.05%	30.46%
	Remaining contract charges	164,358,770	--	192,671,189	--	--	--
2002	Lowest contract charges	790,188	0.904142	714,443	0.94%	--	(22.88)%
	Highest contract charges	458,491	0.890198	408,148	0.97%	--	(4.59)%
	Remaining contract charges	64,971,888	--	58,148,792	--	--	--
2001	Lowest contract charges	44,098	1.172426	51,701	0.25%	0.20%	17.24%
	Highest contract charges	361,829	1.168835	422,919	0.50%	0.27%	16.88%
	Remaining contract charges	5,458,015	--	6,386,595	--	--	--
AIM V.I. BLUE CHIP FUND							
2004	Lowest contract charges	7,921	1.135305	8,993	0.54%	0.11%	4.10%
	Highest contract charges	7,944	1.070087	8,501	2.51%	0.42%	2.04%

	Remaining contract charges	46,322,109	--	50,350,516	--	--	--
2003	Lowest contract charges	7,456	1.090605	8,131	0.55%	--	24.46%
	Highest contract charges	627,712	1.048719	658,294	2.38%	--	22.18%
	Remaining contract charges	40,257,859	--	42,622,200	--	--	--
2002	Lowest contract charges	7,082	0.876290	6,206	0.55%	--	(26.57)%
	Highest contract charges	180,335	0.858356	154,792	0.97%	--	(5.33)%
	Remaining contract charges	14,491,706	--	12,512,304	--	--	--
2001	Lowest contract charges	10,402	1.191965	12,399	0.23%	0.03%	19.20%
	Highest contract charges	120,620	1.188319	143,335	0.50%	0.03%	18.83%
	Remaining contract charges	1,407,254	--	1,674,292	--	--	--

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SEPARATE ACCOUNT SEVEN

HARTFORD LIFE AND ANNUITY INSURANCE COMPANY
 NOTES TO FINANCIAL STATEMENTS -- (CONTINUED)
 DECEMBER 31, 2004

<Table>

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		UNITS	UNIT FAIR VALUE #	CONTRACT OWNERS' EQUITY	EXPENSE RATIO*	INVESTMENT INCOME RATIO**	TOTAL RETURN***
<C>	<S>	<C>	<C>	<C>	<C>	<C>	<C>
AIM V.I. CAPITAL APPRECIATION FUND							
2004	Lowest contract charges	392,765	\$ 1.275804	\$ 501,092	0.95%	--	5.62%
	Highest contract charges	5,809	1.218395	7,078	2.45%	--	3.94%
	Remaining contract charges	38,172,286	--	47,219,088	--	--	--
2003	Lowest contract charges	341,648	1.207936	412,689	0.95%	--	28.30%
	Highest contract charges	248,132	1.172191	290,858	2.38%	--	26.45%
	Remaining contract charges	30,293,982	--	35,845,030	--	--	--
2002	Lowest contract charges	231,383	0.941523	217,852	0.94%	--	(25.07)%
	Highest contract charges	34,112	0.926994	31,622	0.98%	--	(3.98)%
	Remaining contract charges	9,014,193	--	8,401,872	--	--	--
2001	Lowest contract charges	4,894	1.256556	6,150	0.25%	--	25.66%
	Highest contract charges	29,117	1.252716	36,476	0.53%	--	25.27%
	Remaining contract charges	961,025	--	1,205,575	--	--	--
AIM V.I. DENT DEMOGRAPHIC TRENDS FUND							
2004	Lowest contract charges	48,137	1.265512	60,917	0.95%	--	7.23%
	Highest contract charges	109,422	1.209161	132,309	2.47%	--	5.58%
	Remaining contract charges	23,883,556	--	29,298,817	--	--	--
2003	Lowest contract charges	60,057	1.180177	70,878	0.95%	--	36.17%
	Highest contract charges	165,344	1.145247	189,360	2.40%	--	34.21%
	Remaining contract charges	20,315,813	--	23,479,590	--	--	--
2002	Lowest contract charges	52,583	0.866707	45,574	0.94%	--	(32.84)%
	Highest contract charges	153,564	0.853330	131,041	0.98%	--	(6.43)%
	Remaining contract charges	3,733,337	--	3,201,569	--	--	--
2001	Lowest contract charges	2,586	1.290558	3,337	0.25%	--	29.06%
	Highest contract charges	52,208	1.286613	67,171	0.49%	--	28.66%
	Remaining contract charges	390,269	--	502,686	--	--	--
AIM V.I. GOVERNMENT SECURITIES FUND							
2004	Lowest contract charges	1,769,004	1.105472	1,955,584	0.95%	3.88%	1.59%
	Highest contract charges	72,196	1.055721	76,219	2.48%	13.47%	(0.02)%
	Remaining contract charges	345,692,677	--	370,398,600	--	--	--
2003	Lowest contract charges	1,960,167	1.088130	2,132,916	0.95%	2.16%	0.11%
	Highest contract charges	2,199,782	1.055918	2,322,789	2.39%	2.92%	(1.33)%
	Remaining contract charges	231,306,108	--	246,605,138	--	--	--
2002	Lowest contract charges	1,520,766	1.086887	1,652,901	0.94%	4.54%	8.56%
	Highest contract charges	691,471	1.070119	739,956	0.98%	3.63%	3.30%
	Remaining contract charges	139,107,446	--	149,697,751	--	--	--
2001	Lowest contract charges	38,630	1.001206	38,677	0.24%	4.78%	0.12%
	Highest contract charges	216,023	0.998134	215,620	0.51%	7.91%	(0.19)%
	Remaining contract charges	5,564,289	--	5,560,258	--	--	--

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	UNITS	UNIT FAIR VALUE #	CONTRACT OWNERS' EQUITY	EXPENSE RATIO*	INVESTMENT INCOME RATIO**	TOTAL RETURN***	
<C>	<S>	<C>	<C>	<C>	<C>	<C>	
AIM V.I. INTERNATIONAL GROWTH FUND							
2004	Lowest contract charges	88,480	\$ 1.445927	\$ 127,935	0.95%	0.72%	22.83%
	Highest contract charges	9,171	1.380892	12,665	2.45%	2.94%	20.89%
	Remaining contract charges	17,817,045	--	24,973,192	--	--	--
2003	Lowest contract charges	67,870	1.177149	79,893	0.94%	0.66%	27.84%
	Highest contract charges	59,552	1.142322	68,027	2.39%	0.47%	26.01%
	Remaining contract charges	8,198,597	--	9,444,551	--	--	--
2002	Lowest contract charges	17,230	0.920779	15,865	0.94%	1.10%	(16.47)%
	Highest contract charges	53,197	0.906571	48,227	1.00%	1.12%	(7.66)%
	Remaining contract charges	2,797,349	--	2,549,195	--	--	--
2001	Lowest contract charges	1,782	1.102346	1,964	0.22%	0.91%	10.24%
	Highest contract charges	20,175	1.098965	22,172	0.53%	0.70%	9.90%
	Remaining contract charges	191,433	--	210,640	--	--	--
AIM V.I. MID CAP CORE EQUITY FUND							
2004	Lowest contract charges	2,997,792	1.444712	4,330,946	0.95%	0.18%	12.74%
	Highest contract charges	33,815	1.379716	46,655	2.51%	0.49%	10.95%
	Remaining contract charges	230,251,882	--	322,495,930	--	--	--
2003	Lowest contract charges	2,083,091	1.281424	2,669,322	0.94%	--	26.11%
	Highest contract charges	1,598,816	1.243511	1,988,146	2.38%	--	24.30%
	Remaining contract charges	159,772,104	--	200,501,774	--	--	--
2002	Lowest contract charges	944,882	1.016105	960,100	0.94%	--	(11.94)%
	Highest contract charges	345,495	1.000434	345,645	0.98%	--	(1.31)%
	Remaining contract charges	41,374,186	--	41,611,298	--	--	--
2001	Lowest contract charges	12,300	1.153905	14,193	0.25%	0.27%	15.39%
	Highest contract charges	101,931	1.150372	117,259	0.50%	0.33%	15.04%
	Remaining contract charges	2,463,922	--	2,837,570	--	--	--
AIM V.I. PREMIER EQUITY FUND							
2004	Lowest contract charges	468,054	1.047934	490,489	0.95%	0.54%	4.77%
	Highest contract charges	97,266	1.000777	97,342	2.48%	1.65%	3.11%
	Remaining contract charges	199,631,274	--	202,599,645	--	--	--
2003	Lowest contract charges	367,682	1.000201	367,756	0.95%	0.33%	23.90%
	Highest contract charges	1,363,091	0.970604	1,323,022	2.39%	0.33%	22.12%
	Remaining contract charges	72,720,183	--	71,223,500	--	--	--
2002	Lowest contract charges	314,018	0.807282	253,501	0.94%	0.66%	(30.92)%
	Highest contract charges	629,173	0.794823	500,081	0.97%	0.99%	(5.89)%
	Remaining contract charges	24,086,526	--	19,245,147	--	--	--
2001	Lowest contract charges	10,383	1.168599	12,133	0.24%	0.24%	16.86%
	Highest contract charges	160,597	1.165014	187,097	0.48%	0.22%	16.50%
	Remaining contract charges	1,369,894	--	1,598,014	--	--	--
AIM V.I. SMALL CAP EQUITY FUND							
2004	Lowest contract charges	7,059	11.703215	82,611	0.94%	0.01%	8.37%
	Highest contract charges	28,440	11.488515	326,730	2.46%	0.01%	6.71%
	Remaining contract charges	1,640,742	--	18,970,224	--	--	--
2003	Lowest contract charges	622	10.799031	6,716	0.19%	0.01%	7.99%
	Highest contract charges	14,360	10.767619	154,621	0.45%	0.05%	7.68%
	Remaining contract charges	102,491	--	1,104,648	--	--	--

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SEPARATE ACCOUNT SEVEN

HARTFORD LIFE AND ANNUITY INSURANCE COMPANY
NOTES TO FINANCIAL STATEMENTS -- (CONTINUED)
DECEMBER 31, 2004

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	UNITS	UNIT FAIR VALUE #	CONTRACT OWNERS' EQUITY	EXPENSE RATIO*	INVESTMENT INCOME RATIO**	TOTAL RETURN***
<C>	<S>	<C>	<C>	<C>	<C>	<C>

AMERICAN FUNDS ASSET ALLOCATION FUND

2004	Lowest contract charges	10,465	\$11.786704	\$ 123,350	0.55%	2.11%	7.75%
	Highest contract charges	1,641	10.882712	17,854	2.52%	3.02%	5.61%
	Remaining contract charges	125,182,467	--	1,386,250,608	--	--	--
2003	Lowest contract charges	8,998	10.939269	98,427	0.55%	2.39%	21.07%
	Highest contract charges	491,001	10.304308	5,059,430	2.39%	2.97%	18.86%
	Remaining contract charges	89,897,670	--	934,005,453	--	--	--
2002	Lowest contract charges	7,982	9.035216	72,118	0.55%	6.24%	(12.86)%
	Highest contract charges	136,236	8.669566	1,181,103	0.99%	5.54%	(4.03)%
	Remaining contract charges	38,788,697	--	336,468,185	--	--	--
2001	Lowest contract charges	671,535	10.854660	7,289,285	0.93%	3.19%	(0.44)%
	Highest contract charges	316,688	10.114163	3,203,032	1.81%	2.16%	(3.46)%
	Remaining contract charges	12,518,997	--	125,210,083	--	--	--

AMERICAN FUNDS BLUE CHIP INCOME AND GROWTH FUND

2004	Lowest contract charges	14,037	1.024433	14,380	0.55%	0.70%	9.14%
	Highest contract charges	36,346	0.962536	34,985	2.52%	0.84%	6.98%
	Remaining contract charges	1,131,890,853	--	1,110,725,400	--	--	--
2003	Lowest contract charges	35,666	0.938623	33,477	0.55%	--	30.01%
	Highest contract charges	6,852,958	0.899720	6,165,744	2.39%	--	27.63%
	Remaining contract charges	846,995,529	--	771,349,895	--	--	--
2002	Lowest contract charges	21,623	0.721964	15,611	0.54%	6.82%	(23.49)%
	Highest contract charges	1,962,836	0.704939	1,383,679	0.99%	2.57%	(6.71)%
	Remaining contract charges	323,479,326	--	229,687,333	--	--	--
2001	Lowest contract charges	1,565,419	0.941805	1,474,319	0.44%	0.99%	(5.82)%
	Highest contract charges	1,591,847	0.936725	1,491,123	0.96%	0.83%	(6.33)%
	Remaining contract charges	47,247,814	--	44,356,840	--	--	--

AMERICAN FUNDS BOND FUND

2004	Lowest contract charges	2,141	13.409593	28,716	0.55%	3.57%	5.14%
	Highest contract charges	7,194	12.331092	88,704	2.52%	3.53%	3.06%
	Remaining contract charges	72,017,916	--	926,234,643	--	--	--
2003	Lowest contract charges	2,141	12.754482	27,313	0.55%	3.90%	12.18%
	Highest contract charges	474,929	11.965616	5,682,815	2.39%	3.74%	10.12%
	Remaining contract charges	58,397,494	--	723,795,515	--	--	--
2002	Lowest contract charges	2,633	11.369657	29,936	0.55%	--	3.48%
	Highest contract charges	107,500	10.865552	1,168,044	0.98%	--	6.62%
	Remaining contract charges	30,724,120	--	345,099,638	--	--	--
2001	Lowest contract charges	315,987	11.380863	3,596,208	0.92%	4.41%	7.12%
	Highest contract charges	470,397	10.674933	5,021,455	1.83%	3.65%	3.18%
	Remaining contract charges	11,187,638	--	123,112,511	--	--	--

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		UNITS	UNIT FAIR VALUE #	CONTRACT OWNERS' EQUITY	EXPENSE RATIO*	INVESTMENT INCOME RATIO**	TOTAL RETURN***
<C>	<S>	<C>	<C>	<C>	<C>	<C>	<C>
AMERICAN FUNDS GLOBAL GROWTH FUND							
2004	Lowest contract charges	3,328	\$10.711021	\$ 35,645	0.55%	0.44%	12.86%
	Highest contract charges	5,074	8.176466	41,484	2.52%	0.52%	10.63%
	Remaining contract charges	42,232,422	--	443,900,130	--	--	--
2003	Lowest contract charges	3,984	9.490163	37,812	0.55%	0.49%	34.53%
	Highest contract charges	258,056	8.056988	2,079,153	2.39%	0.43%	32.07%
	Remaining contract charges	30,808,949	--	291,078,416	--	--	--
2002	Lowest contract charges	2,197	7.054145	15,498	0.54%	--	(15.11)%
	Highest contract charges	65,772	6.100532	401,246	0.98%	--	0.96%
	Remaining contract charges	17,469,240	--	127,537,499	--	--	--
2001	Lowest contract charges	500,267	9.380782	4,692,897	0.93%	0.71%	(15.03)%
	Highest contract charges	202,317	7.305593	1,478,049	1.84%	0.58%	(20.45)%
	Remaining contract charges	10,339,844	--	92,468,473	--	--	--
AMERICAN FUNDS GROWTH FUND							
2004	Lowest contract charges	9,193	9.179128	84,386	0.55%	0.18%	11.88%
	Highest contract charges	32,993	7.823331	258,116	2.53%	0.28%	9.67%
	Remaining contract charges	292,097,787	--	2,824,395,891	--	--	--

2003	Lowest contract charges	9,172	8.204458	75,251	0.55%	0.13%	36.06%
	Highest contract charges	1,569,124	7.107056	11,151,851	2.38%	0.15%	33.57%
	Remaining contract charges	215,191,705	--	1,876,242,213	--	--	--
2002	Lowest contract charges	5,263	6.030169	31,735	0.55%	0.05%	(24.87)%
	Highest contract charges	378,843	5.320989	2,015,818	0.98%	0.08%	(0.10)%
	Remaining contract charges	98,943,957	--	669,317,440	--	--	--
2001	Lowest contract charges	1,640,369	10.793870	17,705,934	0.93%	0.45%	(18.93)%
	Highest contract charges	1,934,824	7.200112	13,930,953	1.83%	0.42%	(24.41)%
	Remaining contract charges	49,060,494	--	467,570,160	--	--	--
AMERICAN FUNDS GROWTH-INCOME FUND							
2004	Lowest contract charges	14,880	12.475956	185,646	0.55%	0.89%	9.77%
	Highest contract charges	22,931	11.704328	268,390	2.52%	1.44%	7.60%
	Remaining contract charges	268,887,815	--	3,177,391,559	--	--	--
2003	Lowest contract charges	13,123	11.365643	149,154	0.55%	1.20%	31.70%
	Highest contract charges	1,124,389	10.721995	12,055,696	2.38%	1.36%	29.29%
	Remaining contract charges	198,046,354	--	2,155,493,450	--	--	--
2002	Lowest contract charges	8,695	8.629956	75,040	0.55%	2.28%	(18.79)%
	Highest contract charges	282,187	8.293041	2,340,189	0.99%	2.27%	(3.56)%
	Remaining contract charges	104,834,298	--	876,349,353	--	--	--
2001	Lowest contract charges	2,517,626	11.588474	29,175,441	0.93%	1.74%	1.59%
	Highest contract charges	1,361,993	10.381852	14,140,008	1.83%	1.50%	(3.38)%
	Remaining contract charges	54,768,012	--	565,980,593	--	--	--

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SEPARATE ACCOUNT SEVEN

HARTFORD LIFE AND ANNUITY INSURANCE COMPANY
 NOTES TO FINANCIAL STATEMENTS -- (CONTINUED)
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<C>	<S>	UNITS	UNIT	CONTRACT	EXPENSE	INVESTMENT	TOTAL
			FAIR VALUE #	OWNERS' EQUITY	RATIO*	INCOME RATIO**	RETURN***
<C>	<S>	<C>	<C>	<C>	<C>	<C>	<C>
AMERICAN FUNDS INTERNATIONAL FUND							
2004	Lowest contract charges	4,397	\$10.393491	\$ 45,696	0.55%	1.34%	18.66%
	Highest contract charges	10,641	7.874120	83,791	2.51%	2.43%	16.32%
	Remaining contract charges	58,012,272	--	590,047,576	--	--	--
2003	Lowest contract charges	4,397	8.758771	38,515	0.55%	1.59%	34.11%
	Highest contract charges	328,812	7.405010	2,434,853	2.38%	1.99%	31.66%
	Remaining contract charges	35,593,956	--	312,294,184	--	--	--
2002	Lowest contract charges	2,406	6.530906	15,710	0.54%	5.58%	(15.31)%
	Highest contract charges	58,538	5.624453	329,242	0.99%	2.52%	(3.00)%
	Remaining contract charges	20,968,615	--	143,842,957	--	--	--
2001	Lowest contract charges	373,239	8.453967	3,155,354	0.93%	0.86%	(20.65)%
	Highest contract charges	273,741	6.751649	1,848,204	1.83%	0.80%	(24.16)%
	Remaining contract charges	12,873,704	--	108,674,627	--	--	--
AMERICAN FUNDS NEW WORLD FUND							
2004	Lowest contract charges	2,978	14.688942	43,742	0.55%	1.98%	18.15%
	Highest contract charges	65	12.908373	840	2.52%	--	15.81%
	Remaining contract charges	9,311,198	--	127,484,428	--	--	--
2003	Lowest contract charges	2,978	12.432788	37,024	0.55%	1.88%	38.41%
	Highest contract charges	23,564	11.146365	262,655	2.39%	1.93%	35.88%
	Remaining contract charges	6,166,812	--	72,567,224	--	--	--
2002	Lowest contract charges	1,746	8.982404	15,687	0.54%	--	(6.18)%
	Highest contract charges	7,530	8.203153	61,768	0.99%	--	(0.32)%
	Remaining contract charges	3,721,118	--	32,275,721	--	--	--
2001	Lowest contract charges	127,490	10.034141	1,279,256	0.94%	0.19%	(5.10)%
	Highest contract charges	30,081	8.888964	267,385	1.84%	0.18%	(10.45)%
	Remaining contract charges	2,318,090	--	21,808,199	--	--	--
AMERICAN FUNDS GLOBAL SMALL CAPITALIZATION FUND							
2004	Lowest contract charges	471,158	13.406321	6,316,499	0.95%	--	19.74%
	Highest contract charges	365	9.888098	3,606	2.53%	--	17.84%
	Remaining contract charges	20,236,417	--	243,974,997	--	--	--

2003	Lowest contract charges	316,816	11.196332	3,547,180	0.95%	0.59%	52.08%
	Highest contract charges	105,773	8.501150	899,196	2.38%	0.51%	49.89%
	Remaining contract charges	13,325,715	--	135,972,551	--	--	--
2002	Lowest contract charges	198,360	7.362261	1,460,376	0.95%	0.71%	(19.82)%
	Highest contract charges	17,086	5.671489	96,901	0.98%	--	(5.41)%
	Remaining contract charges	6,730,296	--	47,420,818	--	--	--
2001	Lowest contract charges	138,117	9.181961	1,268,189	0.94%	0.90%	(13.68)%
	Highest contract charges	106,118	7.162167	760,034	1.82%	0.49%	(18.16)%
	Remaining contract charges	4,228,330	--	38,964,673	--	--	--
FRANKLIN RISING DIVIDENDS SECURITIES FUND							
2004	Lowest contract charges	550,441	13.343129	7,344,611	0.94%	0.57%	9.95%
	Highest contract charges	581,258	13.010868	7,562,677	2.47%	0.59%	8.26%
	Remaining contract charges	25,896,626	--	339,993,076	--	--	--
2003	Lowest contract charges	58,295	12.135710	707,455	0.63%	0.12%	21.36%
	Highest contract charges	16,619	12.018369	199,732	1.60%	0.44%	20.18%
	Remaining contract charges	7,202,430	--	86,861,474	--	--	--

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		UNITS	UNIT FAIR VALUE #	CONTRACT OWNERS' EQUITY	EXPENSE RATIO*	INVESTMENT INCOME RATIO**	TOTAL RETURN***
<C>	<S>	<C>	<C>	<C>	<C>	<C>	<C>
FRANKLIN INCOME SECURITIES FUND							
2004	Lowest contract charges	863,574	\$13.642332	\$ 11,781,159	0.94%	2.87%	12.78%
	Highest contract charges	861,993	13.122761	11,311,726	2.48%	2.81%	11.05%
	Remaining contract charges	65,655,124	--	872,856,079	--	--	--
2003	Lowest contract charges	176,401	12.096560	2,133,848	0.94%	4.46%	30.47%
	Highest contract charges	145,929	11.817583	1,724,527	2.38%	5.57%	28.60%
	Remaining contract charges	31,101,309	--	370,332,263	--	--	--
2002	Lowest contract charges	15,233	9.271245	141,233	0.63%	1.00%	(7.29)%
	Highest contract charges	19,877	9.189550	182,661	0.98%	--	4.80%
	Remaining contract charges	3,545,666	--	32,684,369	--	--	--
FRANKLIN LARGE CAP GROWTH SECURITIES FUND							
2004	Lowest contract charges	26,893	11.174616	300,520	0.94%	0.46%	6.91%
	Highest contract charges	1,209	10.743408	12,994	2.48%	0.23%	5.22%
	Remaining contract charges	9,246,790	--	100,640,664	--	--	--
2003	Lowest contract charges	5,317	10.452055	55,576	0.95%	0.79%	25.75%
	Highest contract charges	21,282	10.210816	217,310	2.39%	0.78%	23.94%
	Remaining contract charges	2,553,237	--	26,271,482	--	--	--
2002	Lowest contract charges	1,945	8.312007	16,164	0.62%	--	(16.88)%
	Highest contract charges	4,895	8.238626	40,326	0.98%	--	(4.31)%
	Remaining contract charges	368,402	--	3,043,572	--	--	--
FRANKLIN REAL ESTATE FUND							
2004	Lowest contract charges	32,236	25.112355	809,528	0.95%	1.93%	30.56%
	Highest contract charges	12,414	18.854076	234,060	2.39%	1.96%	28.68%
	Remaining contract charges	1,975,381	--	40,655,416	--	--	--
2003	Lowest contract charges	35,846	19.234925	689,501	0.95%	2.47%	34.47%
	Highest contract charges	5,926	14.652183	86,832	2.37%	2.54%	32.53%
	Remaining contract charges	2,213,016	--	35,058,059	--	--	--
2002	Lowest contract charges	34,116	14.304701	488,024	0.95%	2.92%	1.11%
	Highest contract charges	1,330	11.055515	14,707	0.90%	--	(5.19)%
	Remaining contract charges	2,451,809	--	29,075,207	--	--	--
2001	Lowest contract charges	21,727	14.148124	307,392	0.93%	3.56%	6.86%
	Highest contract charges	50,725	11.071713	561,612	1.82%	2.88%	3.89%
	Remaining contract charges	1,381,829	--	16,391,858	--	--	--
FRANKLIN SMALL CAP FUND							
2004	Lowest contract charges	199,676	11.869463	2,370,052	0.95%	--	10.42%
	Highest contract charges	9,454	6.812757	64,408	2.53%	--	8.67%
	Remaining contract charges	38,719,405	--	350,044,426	--	--	--
2003	Lowest contract charges	178,290	10.749301	1,916,495	0.95%	--	35.95%
	Highest contract charges	478,168	6.297494	3,011,262	2.38%	--	34.00%
	Remaining contract charges	32,031,044	--	262,786,535	--	--	--

2002	Lowest contract charges	152,006	7.906886	1,201,895	0.95%	0.24%	(29.36)%
	Highest contract charges	71,148	2.413280	171,699	0.98%	--	(5.13)%
	Remaining contract charges	16,213,692	--	89,439,857	--	--	--
2001	Lowest contract charges	105,522	11.193018	1,181,107	0.94%	0.38%	(16.05)%
	Highest contract charges	41,011	4.397814	180,358	1.87%	--	(41.11)%
	Remaining contract charges	7,874,947	--	68,451,027	--	--	--

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SEPARATE ACCOUNT SEVEN

HARTFORD LIFE AND ANNUITY INSURANCE COMPANY
NOTES TO FINANCIAL STATEMENTS -- (CONTINUED)
DECEMBER 31, 2004

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		UNITS	UNIT FAIR VALUE #	CONTRACT OWNERS' EQUITY	EXPENSE RATIO*	INVESTMENT INCOME RATIO**	TOTAL RETURN***
<C>	<S>	<C>	<C>	<C>	<C>	<C>	<C>
FRANKLIN STRATEGIC INCOME SECURITIES FUND							
2004	Lowest contract charges	366,668	\$15.102795	\$ 5,537,709	0.95%	3.12%	8.97%
	Highest contract charges	1,721	13.514956	23,264	2.50%	1.66%	7.25%
	Remaining contract charges	26,903,181	--	376,103,302	--	--	--
2003	Lowest contract charges	219,517	13.859065	3,042,300	0.94%	2.51%	19.22%
	Highest contract charges	174,848	12.519934	2,189,091	2.39%	2.82%	17.50%
	Remaining contract charges	19,209,229	--	248,585,991	--	--	--
2002	Lowest contract charges	58,180	11.624901	676,336	0.95%	0.04%	4.12%
	Highest contract charges	29,719	10.654942	316,652	0.98%	--	7.84%
	Remaining contract charges	6,501,895	--	71,699,885	--	--	--
2001	Lowest contract charges	23,723	11.164587	264,858	0.93%	7.72%	3.52%
	Highest contract charges	94,388	10.361373	977,987	1.82%	10.26%	(1.15)%
	Remaining contract charges	2,823,583	--	30,262,131	--	--	--
MUTUAL SHARES SECURITIES FUND							
2004	Lowest contract charges	1,316	13.744675	18,091	0.55%	0.77%	12.01%
	Highest contract charges	20,101	13.229769	265,933	2.52%	0.50%	9.80%
	Remaining contract charges	73,985,912	--	983,776,433	--	--	--
2003	Lowest contract charges	1,366	12.270479	16,757	0.55%	1.01%	24.46%
	Highest contract charges	422,809	11.592760	4,901,518	2.39%	1.08%	22.18%
	Remaining contract charges	51,450,646	--	617,781,417	--	--	--
2002	Lowest contract charges	1,628	9.858825	16,055	0.55%	0.92%	(12.30)%
	Highest contract charges	119,782	9.488086	1,136,500	0.98%	--	(2.94)%
	Remaining contract charges	24,356,092	--	239,308,956	--	--	--
2001	Lowest contract charges	151,349	12.870679	1,947,968	0.92%	1.53%	6.03%
	Highest contract charges	455,876	10.997991	5,013,724	1.83%	1.43%	(0.09)%
	Remaining contract charges	8,665,660	--	98,474,887	--	--	--
TEMPLETON DEVELOPING MARKETS SECURITIES FUND							
2004	Lowest contract charges	48,759	15.109178	736,710	0.95%	1.78%	23.65%
	Highest contract charges	594	13.272221	7,881	2.52%	--	21.69%
	Remaining contract charges	5,274,548	--	72,232,825	--	--	--
2003	Lowest contract charges	28,735	12.218910	351,112	0.95%	1.23%	52.29%
	Highest contract charges	16,178	12.302650	199,029	2.39%	1.31%	50.10%
	Remaining contract charges	3,195,896	--	35,452,792	--	--	--
2002	Lowest contract charges	20,156	8.023648	161,722	0.95%	1.52%	(0.91)%
	Highest contract charges	1,558	8.196406	12,773	0.98%	--	(0.79)%
	Remaining contract charges	1,372,982	--	9,816,430	--	--	--
2001	Lowest contract charges	16,135	8.097194	130,649	0.94%	1.04%	(8.95)%
	Highest contract charges	4,564	8.375416	38,229	1.84%	0.53%	(16.92)%
	Remaining contract charges	751,645	--	5,328,623	--	--	--

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		UNITS	UNIT FAIR VALUE #	CONTRACT OWNERS' EQUITY	EXPENSE RATIO*	INVESTMENT INCOME RATIO**	TOTAL RETURN***
--	--	-------	----------------------	----------------------------	-------------------	---------------------------------	--------------------

<C>	<S>	<C>	<C>	<C>	<C>	<C>	<C>
TEMPLETON FOREIGN SECURITIES FUND							
2004	Lowest contract charges	253,723	\$11.321045	\$ 2,872,413	0.95%	0.97%	17.41%
	Highest contract charges	8,289	9.873173	81,842	2.50%	0.27%	15.55%
	Remaining contract charges	34,440,721	--	353,186,213	--	--	--
2003	Lowest contract charges	124,710	9.642470	1,202,509	0.95%	1.62%	30.96%
	Highest contract charges	124,575	8.544872	1,064,480	2.39%	1.70%	29.08%
	Remaining contract charges	12,246,457	--	107,646,951	--	--	--
2002	Lowest contract charges	393	7.053785	2,770	0.54%	1.40%	(19.01)%
	Highest contract charges	26,897	6.619804	178,052	0.98%	--	(9.11)%
	Remaining contract charges	4,223,769	--	28,895,258	--	--	--
2001	Lowest contract charges	53,890	9.127253	491,865	0.94%	2.96%	(16.79)%
	Highest contract charges	74,344	8.309420	617,758	1.84%	2.36%	(17.30)%
	Remaining contract charges	1,920,244	--	16,532,973	--	--	--
TEMPLETON GLOBAL ASSET ALLOCATION FUND							
2004	Lowest contract charges	65,767	14.043980	923,633	0.95%	2.78%	14.63%
	Highest contract charges	2,738	12.832838	35,141	2.33%	2.60%	13.03%
	Remaining contract charges	1,123,966	--	14,680,562	--	--	--
2003	Lowest contract charges	75,891	12.252158	929,831	0.95%	2.59%	30.71%
	Highest contract charges	367	11.353314	4,161	2.26%	--	28.89%
	Remaining contract charges	1,219,639	--	14,004,942	--	--	--
2002	Lowest contract charges	209	8.806348	1,844	0.56%	--	(4.91)%
	Highest contract charges	14,023	8.359016	117,216	2.05%	2.26%	(6.33)%
	Remaining contract charges	1,406,658	--	12,484,288	--	--	--
2001	Lowest contract charges	65,893	9.897515	652,177	0.94%	1.20%	(10.80)%
	Highest contract charges	6,904	8.923796	61,609	1.84%	1.20%	(11.91)%
	Remaining contract charges	1,252,943	--	11,824,201	--	--	--
TEMPLETON GROWTH SECURITIES FUND							
2004	Lowest contract charges	333,523	13.443331	4,483,660	0.95%	1.08%	14.93%
	Highest contract charges	779,824	11.535531	8,995,682	2.45%	0.79%	13.16%
	Remaining contract charges	32,731,295	--	395,432,347	--	--	--
2003	Lowest contract charges	112,053	11.697022	1,310,692	0.95%	1.58%	30.89%
	Highest contract charges	95,900	10.427189	999,965	2.39%	1.62%	29.01%
	Remaining contract charges	16,723,197	--	177,479,980	--	--	--
2002	Lowest contract charges	71,534	8.936732	639,280	0.95%	2.27%	(19.26)%
	Highest contract charges	21,499	8.082787	173,774	0.97%	--	(8.94)%
	Remaining contract charges	5,678,117	--	46,618,950	--	--	--
2001	Lowest contract charges	37,561	11.068585	415,749	0.93%	1.80%	(2.25)%
	Highest contract charges	90,513	10.136741	917,508	1.82%	1.48%	(3.86)%
	Remaining contract charges	2,091,965	--	21,503,260	--	--	--
MUTUAL DISCOVERY SECURITIES FUND							
2004	Lowest contract charges	1,052	14.691110	15,450	0.54%	1.26%	17.55%
	Highest contract charges	220,966	14.229936	3,144,325	2.43%	0.47%	15.28%
	Remaining contract charges	7,107,621	--	102,058,758	--	--	--
2003	Lowest contract charges	2,096	12.464859	26,124	0.63%	0.70%	24.65%
	Highest contract charges	4,506	12.344283	55,625	1.60%	0.30%	23.44%
	Remaining contract charges	2,002,336	--	24,800,147	--	--	--

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SEPARATE ACCOUNT SEVEN

HARTFORD LIFE AND ANNUITY INSURANCE COMPANY
NOTES TO FINANCIAL STATEMENTS -- (CONTINUED)
DECEMBER 31, 2004

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		UNITS	UNIT FAIR VALUE #	CONTRACT OWNERS' EQUITY	EXPENSE RATIO*	INVESTMENT INCOME RATIO**	TOTAL RETURN***
HARTFORD MONEY MARKET HLS FUND							
2004	Lowest contract charges	550,277	\$ 1.094675	\$ 602,374	0.96%	0.97%	(0.01)%
	Highest contract charges	21,189	0.988311	20,941	2.47%	1.43%	(1.60)%
	Remaining contract charges	215,522,157	--	223,216,098	--	--	--
2003	Lowest contract charges	1,099,599	1.094789	1,203,829	0.95%	0.77%	(0.20)%

	Highest contract charges	1,686,673	1.004366	1,694,037	2.38%	0.70%	(1.64)%
	Remaining contract charges	227,158,892	--	237,434,215	--	--	--
2002	Lowest contract charges	1,744,712	1.097024	1,913,991	0.95%	1.37%	0.51%
	Highest contract charges	434,311	1.021128	443,487	0.98%	0.47%	(0.48)%
	Remaining contract charges	268,192,415	--	286,104,804	--	--	--
2001	Lowest contract charges	695,479	1.091492	759,110	0.92%	3.12%	2.89%
	Highest contract charges	2,288,157	1.028730	2,353,896	1.82%	2.47%	1.45%
	Remaining contract charges	115,403,407	--	123,472,307	--	--	--
MFS CAPITAL OPPORTUNITIES SERIES							
2004	Lowest contract charges	217,101	9.151640	1,986,831	0.95%	0.35%	11.40%
	Highest contract charges	6,115	6.149111	37,600	2.49%	0.46%	9.69%
	Remaining contract charges	8,500,566	--	64,305,183	--	--	--
2003	Lowest contract charges	191,756	8.215084	1,575,292	0.95%	0.23%	26.18%
	Highest contract charges	44,326	5.630022	249,554	2.39%	0.15%	24.37%
	Remaining contract charges	9,290,932	--	63,566,372	--	--	--
2002	Lowest contract charges	183,300	6.510383	1,193,356	0.95%	0.05%	(30.36)%
	Highest contract charges	13,523	4.526832	61,218	0.98%	--	(4.12)%
	Remaining contract charges	8,091,613	--	44,980,487	--	--	--
2001	Lowest contract charges	171,636	9.347977	1,604,451	0.94%	0.01%	(24.21)%
	Highest contract charges	166,470	6.581620	1,095,640	1.83%	--	(30.84)%
	Remaining contract charges	7,935,737	--	65,042,436	--	--	--
MFS EMERGING GROWTH SERIES							
2004	Lowest contract charges	166,739	7.694402	1,282,957	0.95%	--	11.89%
	Highest contract charges	749	4.853345	3,636	2.53%	--	10.12%
	Remaining contract charges	8,820,166	--	56,173,389	--	--	--
2003	Lowest contract charges	186,039	6.876662	1,279,328	0.95%	--	29.00%
	Highest contract charges	168,777	4.367772	737,179	2.38%	--	27.14%
	Remaining contract charges	9,165,413	--	52,970,434	--	--	--
2002	Lowest contract charges	195,835	5.330860	1,043,969	0.95%	--	(34.39)%
	Highest contract charges	13,055	3.435336	44,849	0.97%	--	(5.22)%
	Remaining contract charges	6,747,432	--	31,838,567	--	--	--
2001	Lowest contract charges	216,012	8.124799	1,755,057	0.94%	--	(34.12)%
	Highest contract charges	71,339	5.301677	378,216	1.84%	--	(31.30)%
	Remaining contract charges	6,876,239	--	51,154,016	--	--	--

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<C>	<S>	UNITS	UNIT	CONTRACT	EXPENSE	INVESTMENT	TOTAL
			FAIR VALUE #	OWNERS' EQUITY	RATIO*	INCOME RATIO**	RETURN***
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MFS GLOBAL EQUITY SERIES							
2004	Lowest contract charges	25,536	\$12.802636	\$ 326,926	0.95%	0.34%	17.16%
	Highest contract charges	61,078	10.528057	643,034	2.48%	0.03%	15.36%
	Remaining contract charges	1,829,028	--	20,841,731	--	--	--
2003	Lowest contract charges	25,087	10.927292	274,129	0.95%	0.06%	26.64%
	Highest contract charges	8,027	9.126212	73,255	2.38%	0.02%	24.81%
	Remaining contract charges	1,349,232	--	13,210,548	--	--	--
2002	Lowest contract charges	28,865	8.628994	249,080	0.95%	0.39%	(12.73)%
	Highest contract charges	552	7.311908	4,035	0.98%	0.73%	(1.62)%
	Remaining contract charges	639,716	--	5,021,590	--	--	--
2001	Lowest contract charges	30,790	9.887155	304,423	0.93%	0.34%	(10.80)%
	Highest contract charges	8,325	8.483277	70,624	1.85%	0.38%	(11.55)%
	Remaining contract charges	446,897	--	4,107,606	--	--	--
MFS HIGH INCOME SERIES							
2004	Lowest contract charges	655	13.219296	8,658	0.54%	4.76%	8.55%
	Highest contract charges	124	11.482449	1,427	2.53%	2.48%	6.40%
	Remaining contract charges	21,270,027	--	247,353,788	--	--	--
2003	Lowest contract charges	661	12.177952	8,053	0.55%	3.87%	17.31%
	Highest contract charges	147,107	10.791577	1,587,517	2.38%	2.97%	15.16%
	Remaining contract charges	18,874,552	--	205,009,747	--	--	--
2002	Lowest contract charges	601	10.380940	6,238	0.55%	8.00%	2.00%
	Highest contract charges	14,628	9.370791	137,079	0.97%	--	4.07%

	Remaining contract charges	6,092,651	--	57,252,593	--	--	--
2001	Lowest contract charges	96,471	9.586514	924,818	0.93%	6.14%	1.11%
	Highest contract charges	221,905	9.339433	2,072,467	1.81%	1.59%	(5.68)%
	Remaining contract charges	2,774,748	--	25,830,725	--	--	--
MFS INVESTORS GROWTH STOCK SERIES							
2004	Lowest contract charges	190,227	8.242582	1,567,963	0.95%	--	8.15%
	Highest contract charges	45,826	6.041268	276,846	2.47%	--	6.49%
	Remaining contract charges	17,380,879	--	120,967,974	--	--	--
2003	Lowest contract charges	222,636	7.621247	1,696,765	0.95%	--	21.86%
	Highest contract charges	76,918	5.514903	424,197	2.39%	--	20.11%
	Remaining contract charges	16,911,344	--	110,485,936	--	--	--
2002	Lowest contract charges	213,363	6.254070	1,334,386	0.95%	--	(28.22)%
	Highest contract charges	20,644	4.591619	94,791	0.98%	--	(6.05)%
	Remaining contract charges	11,059,085	--	61,443,092	--	--	--
2001	Lowest contract charges	200,649	8.712830	1,748,218	0.93%	0.10%	(24.86)%
	Highest contract charges	157,303	6.477239	1,018,890	1.83%	0.05%	(26.91)%
	Remaining contract charges	8,597,570	--	68,459,118	--	--	--

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SEPARATE ACCOUNT SEVEN

HARTFORD LIFE AND ANNUITY INSURANCE COMPANY
 NOTES TO FINANCIAL STATEMENTS -- (CONTINUED)
 DECEMBER 31, 2004

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		UNITS	UNIT FAIR VALUE #	CONTRACT OWNERS' EQUITY	EXPENSE RATIO*	INCOME RATIO**	TOTAL RETURN***
<C>	<S>	<C>	<C>	<C>	<C>	<C>	<C>
MFS INVESTORS TRUST SERIES							
2004	Lowest contract charges	1,910	\$ 8.780130	\$ 16,768	0.70%	0.63%	10.58%
	Highest contract charges	5,534	8.160518	45,159	2.49%	0.13%	8.55%
	Remaining contract charges	29,308,221	--	241,278,971	--	--	--
2003	Lowest contract charges	1,854	7.940149	14,722	0.70%	0.65%	21.30%
	Highest contract charges	62,425	7.359018	459,389	2.38%	0.40%	19.25%
	Remaining contract charges	16,642,168	--	125,681,276	--	--	--
2002	Lowest contract charges	1,697	6.546115	11,110	0.70%	0.55%	(21.52)%
	Highest contract charges	10,791	6.170923	66,588	0.99%	--	(4.00)%
	Remaining contract charges	10,820,727	--	68,477,461	--	--	--
2001	Lowest contract charges	369,708	9.173237	3,391,420	0.93%	0.45%	(16.75)%
	Highest contract charges	172,773	7.981347	1,378,962	1.84%	0.14%	(16.81)%
	Remaining contract charges	9,322,874	--	75,598,347	--	--	--
MFS MID CAP GROWTH SERIES							
2004	Lowest contract charges	1,539	6.149285	9,465	0.55%	--	13.94%
	Highest contract charges	496	6.174799	3,064	2.55%	--	11.68%
	Remaining contract charges	28,195,561	--	169,889,204	--	--	--
2003	Lowest contract charges	1,484	5.397197	8,009	0.55%	--	36.28%
	Highest contract charges	371,854	5.529101	2,056,021	2.38%	--	33.78%
	Remaining contract charges	24,049,972	--	129,067,190	--	--	--
2002	Lowest contract charges	1,641	3.960422	6,497	0.54%	--	(43.51)%
	Highest contract charges	49,808	4.132855	205,848	0.98%	--	(3.57)%
	Remaining contract charges	12,121,163	--	48,263,560	--	--	--
2001	Lowest contract charges	64,603	6.973714	450,521	0.93%	0.04%	(18.34)%
	Highest contract charges	233,560	7.438139	1,737,250	1.83%	0.02%	(25.31)%
	Remaining contract charges	5,515,676	--	39,301,598	--	--	--
MFS NEW DISCOVERY SERIES							
2004	Lowest contract charges	1,133	9.340625	10,586	0.55%	--	5.93%
	Highest contract charges	11,227	7.724119	86,715	2.53%	--	3.84%
	Remaining contract charges	16,993,961	--	164,835,481	--	--	--
2003	Lowest contract charges	1,133	8.817375	9,993	0.55%	--	32.98%
	Highest contract charges	146,875	7.438770	1,092,568	2.39%	--	30.55%
	Remaining contract charges	10,923,964	--	100,400,321	--	--	--
2002	Lowest contract charges	396	6.609567	2,619	0.67%	--	(32.11)%
	Highest contract charges	53,338	5.698015	303,919	0.99%	--	(3.95)%

	Remaining contract charges	5,454,119	--	40,535,764	--	--	--
2001	Lowest contract charges	39,518	14.108957	557,555	0.94%	--	(5.93)%
	Highest contract charges	67,688	8.519743	576,684	1.83%	--	(13.28)%
	Remaining contract charges	2,613,784	--	30,876,500	--	--	--

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<C>	<S>	UNITS	UNIT FAIR VALUE #	CONTRACT OWNERS' EQUITY	EXPENSE RATIO*	INVESTMENT INCOME RATIO**	TOTAL RETURN***
<C>	<S>	<C>	<C>	<C>	<C>	<C>	<C>
MFS TOTAL RETURN SERIES							
2004	Lowest contract charges	2,250	\$12.495591	\$ 28,115	0.55%	2.04%	10.71%
	Highest contract charges	10,033	12.564284	126,057	2.52%	0.29%	8.52%
	Remaining contract charges	80,749,478	--	1,005,949,097	--	--	--
2003	Lowest contract charges	4,316	11.286721	48,715	0.55%	1.83%	15.69%
	Highest contract charges	327,395	10.861973	3,556,151	2.39%	1.48%	13.57%
	Remaining contract charges	59,585,533	--	678,191,401	--	--	--
2002	Lowest contract charges	2,586	9.756450	25,234	0.55%	0.82%	(5.69)%
	Highest contract charges	107,462	9.564512	1,027,824	0.98%	--	0.05%
	Remaining contract charges	28,510,511	--	285,426,510	--	--	--
2001	Lowest contract charges	332,913	11.807401	3,930,837	0.93%	1.48%	(0.70)%
	Highest contract charges	421,648	10.309892	4,347,143	1.83%	0.61%	(1.22)%
	Remaining contract charges	10,739,642	--	115,535,342	--	--	--
MFS VALUE SERIES							
2004	Lowest contract charges	43,978	14.004824	615,902	0.94%	0.44%	14.09%
	Highest contract charges	36,502	13.656146	498,477	2.47%	0.26%	12.34%
	Remaining contract charges	3,418,374	--	47,102,002	--	--	--
2003	Lowest contract charges	11,228	12.275213	137,822	0.63%	--	22.75%
	Highest contract charges	12,764	12.156508	155,161	1.61%	--	21.57%
	Remaining contract charges	1,205,439	--	14,701,082	--	--	--
MERRILL LYNCH GLOBAL GROWTH V.I. FUND							
2004	Lowest contract charges	22,753	8.471165	192,741	1.40%	1.51%	13.62%
	Highest contract charges	853	10.549693	9,003	2.39%	1.66%	12.49%
	Remaining contract charges	108,121	--	1,098,279	--	--	--
2003	Lowest contract charges	27,635	7.455626	206,034	1.40%	1.07%	31.70%
	Highest contract charges	854	9.378222	8,009	2.39%	1.20%	30.39%
	Remaining contract charges	98,302	--	877,122	--	--	--
2002	Lowest contract charges	29,934	5.660962	169,457	1.40%	0.11%	(28.74)%
	Highest contract charges	769	7.199720	5,534	0.86%	1.48%	(6.73)%
	Remaining contract charges	63,891	--	425,892	--	--	--
2001	Lowest contract charges	38,021	7.944369	302,053	1.38%	1.13%	(24.11)%
	Highest contract charges	1,323	7.904003	10,456	1.55%	2.60%	(22.54)%
	Remaining contract charges	7,470	--	59,155	--	--	--
MERRILL LYNCH LARGE CAP GROWTH V.I. FUND							
2004	Lowest contract charges	41,165	8.690929	357,763	1.40%	0.04%	5.73%
	Highest contract charges	9,146	10.381336	94,951	2.40%	0.24%	4.68%
	Remaining contract charges	243,325	--	2,396,002	--	--	--
2003	Lowest contract charges	58,799	8.219869	483,316	1.40%	0.62%	32.88%
	Highest contract charges	9,107	9.917343	90,313	2.39%	0.73%	31.56%
	Remaining contract charges	270,478	--	2,507,255	--	--	--
2002	Lowest contract charges	50,569	6.186138	312,825	1.40%	--	(24.46)%
	Highest contract charges	2,386	7.538539	17,986	0.95%	--	(5.52)%
	Remaining contract charges	127,244	--	871,225	--	--	--
2001	Lowest contract charges	66,563	8.189183	545,098	1.38%	0.02%	(10.59)%
	Highest contract charges	5,050	8.147579	41,148	1.53%	--	(13.30)%
	Remaining contract charges	41,416	--	338,070	--	--	--

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SEPARATE ACCOUNT SEVEN

HARTFORD LIFE AND ANNUITY INSURANCE COMPANY

DECEMBER 31, 2004

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<C>	<S>	UNIT		CONTRACT	EXPENSE	INVESTMENT	TOTAL
		UNITS	FAIR VALUE #	OWNERS' EQUITY	RATIO*	INCOME RATIO**	RETURN***
<C>	<S>	<C>	<C>	<C>	<C>	<C>	<C>
JENNISON 20/20 FOCUS PORTFOLIO							
2004	Lowest contract charges	252,780	\$ 1.063806	\$ 268,908	1.70%	--	13.43%
	Highest contract charges	83,835	1.046563	87,738	2.19%	--	12.87%
	Remaining contract charges	62,792	--	66,197	--	--	--
2003	Lowest contract charges	275,927	0.937825	258,772	1.70%	--	26.63%
	Highest contract charges	40,566	0.927249	37,615	2.19%	--	26.00%
	Remaining contract charges	57,663	--	53,710	--	--	--
2002	Lowest contract charges	286,352	0.740618	212,077	1.70%	--	(23.89)%
	Highest contract charges	8,411	0.735934	6,190	0.91%	--	(3.15)%
	Remaining contract charges	78,641	--	58,010	--	--	--
2001	Lowest contract charges	295,106	0.973022	287,144	1.38%	0.19%	(2.70)%
	Highest contract charges	10,160	0.970175	9,857	1.67%	0.18%	(2.98)%
	Remaining contract charges	37,969	--	36,882	--	--	--
JENNISON PORTFOLIO							
2004	Lowest contract charges	103,873	0.828484	86,057	1.70%	0.04%	7.38%
	Highest contract charges	9,055	0.813488	7,366	2.29%	0.03%	6.79%
	Remaining contract charges	282,331	--	231,669	--	--	--
2003	Lowest contract charges	133,812	0.771563	103,244	1.70%	--	27.43%
	Highest contract charges	34,808	0.761765	26,516	2.24%	--	26.73%
	Remaining contract charges	819,733	--	628,580	--	--	--
2002	Lowest contract charges	138,325	0.605502	83,756	1.71%	--	(32.33)%
	Highest contract charges	8,152	0.601114	4,900	0.79%	--	(7.63)%
	Remaining contract charges	825,507	--	497,894	--	--	--
2001	Lowest contract charges	215,138	0.894763	192,497	1.37%	--	(10.52)%
	Highest contract charges	12,339	0.892140	11,008	1.67%	--	(10.79)%
	Remaining contract charges	545,282	--	487,079	--	--	--
PRUDENTIAL VALUE PORTFOLIO							
2004	Lowest contract charges	182,967	1.025520	187,636	1.70%	0.96%	13.88%
	Highest contract charges	170,039	1.009386	171,635	2.20%	0.91%	13.31%
	Remaining contract charges	256,404	--	259,917	--	--	--
2003	Lowest contract charges	184,611	0.900515	166,245	1.70%	1.04%	25.48%
	Highest contract charges	193,769	0.890789	172,607	2.19%	1.27%	24.86%
	Remaining contract charges	260,387	--	232,508	--	--	--
2002	Lowest contract charges	187,292	0.717644	134,409	1.70%	1.05%	(23.66)%
	Highest contract charges	100,210	0.713454	71,495	0.90%	2.95%	(3.71)%
	Remaining contract charges	111,357	--	79,491	--	--	--
2001	Lowest contract charges	190,185	0.940053	178,784	1.11%	0.73%	(6.00)%
	Highest contract charges	14,174	0.939107	13,311	1.16%	0.92%	(6.09)%
	Remaining contract charges	--	--	--	--	--	--
WELLS FARGO ASSET ALLOCATION FUND							
2004	Lowest contract charges	57,473	1.151803	66,197	1.35%	2.14%	7.88%
	Highest contract charges	52,184	1.122137	58,558	2.49%	3.08%	6.64%
	Remaining contract charges	1,468,482	--	1,661,161	--	--	--
2003	Lowest contract charges	34,431	1.067708	36,763	0.52%	0.64%	11.20%
	Highest contract charges	6,843	1.052236	7,201	0.91%	0.87%	10.77%
	Remaining contract charges	398,528	--	421,330	--	--	--

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<C>	<S>	UNIT		CONTRACT	EXPENSE	INVESTMENT	TOTAL
		UNITS	FAIR VALUE #	OWNERS' EQUITY	RATIO*	INCOME RATIO**	RETURN***
<C>	<S>	<C>	<C>	<C>	<C>	<C>	<C>
WELLS FARGO TOTAL RETURN BOND FUND							
2004	Lowest contract charges	109,558	\$ 1.151424	\$ 126,148	1.33%	3.38%	2.99%
	Highest contract charges	103,365	1.121743	115,949	2.47%	3.39%	1.82%
	Remaining contract charges						

	charges	3,074,655	--	3,468,812	--	--	--
2003	Lowest contract charges	47,933	1.111298	53,267	0.63%	1.16%	2.64%
	Highest contract charges	308,509	1.101736	339,895	0.90%	1.22%	2.38%
	Remaining contract charges	524,132	--	578,941	--	--	--
WELLS FARGO EQUITY INCOME FUND							
2004	Lowest contract charges	42,053	1.155148	48,578	1.32%	2.47%	9.59%
	Highest contract charges	15,035	1.125397	16,920	2.45%	2.69%	8.34%
	Remaining contract charges	886,895	--	1,004,749	--	--	--
2003	Lowest contract charges	3,571	1.047810	3,741	0.51%	0.48%	11.70%
	Highest contract charges	78,150	1.038773	81,180	0.89%	1.00%	11.41%
	Remaining contract charges	159,119	--	165,712	--	--	--
WELLS FARGO EQUITY VALUE FUND							
2004	Lowest contract charges	3,008	1.079439	3,247	1.34%	1.67%	9.73%
	Highest contract charges	130,201	1.053230	137,131	2.35%	1.61%	8.64%
	Remaining contract charges	102,555	--	108,377	--	--	--
2003	Lowest contract charges	31,340	0.971940	30,461	0.77%	1.00%	11.81%
	Highest contract charges	114,717	0.969458	111,213	0.88%	1.10%	11.68%
	Remaining contract charges	--	--	--	--	--	--
WELLS FARGO GROWTH FUND							
2004	Lowest contract charges	12,310	1.007804	12,406	1.69%	--	6.55%
	Highest contract charges	28,719	0.992631	28,507	2.33%	--	5.86%
	Remaining contract charges	65,555	--	65,554	--	--	--
2003	Lowest contract charges	2,308	0.945828	2,183	0.56%	--	10.77%
	Highest contract charges	5,317	0.937667	4,986	0.77%	--	10.49%
	Remaining contract charges	--	--	--	--	--	--
WELLS FARGO INTERNATIONAL EQUITY FUND							
2004	Lowest contract charges	50,434	1.125003	56,739	1.32%	0.01%	8.16%
	Highest contract charges	25,606	1.096017	28,064	2.45%	0.31%	6.93%
	Remaining contract charges	485,323	--	535,423	--	--	--
2003	Lowest contract charges	2,520	1.033934	2,605	0.67%	--	20.36%
	Highest contract charges	16,662	1.025020	17,079	0.87%	--	20.05%
	Remaining contract charges	69,417	--	71,338	--	--	--
WELLS FARGO LARGE COMPANY GROWTH FUND							
2004	Lowest contract charges	104,399	1.015612	106,029	1.33%	--	1.87%
	Highest contract charges	63,388	0.989443	62,719	2.48%	--	0.71%
	Remaining contract charges	2,655,650	--	2,644,771	--	--	--
2003	Lowest contract charges	20,126	0.991033	19,945	0.65%	--	9.25%
	Highest contract charges	134,488	0.982513	132,136	0.88%	--	8.97%
	Remaining contract charges	482,547	--	475,326	--	--	--

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SEPARATE ACCOUNT SEVEN

HARTFORD LIFE AND ANNUITY INSURANCE COMPANY
NOTES TO FINANCIAL STATEMENTS -- (CONTINUED)
DECEMBER 31, 2004

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		UNIT	CONTRACT	EXPENSE	INVESTMENT	TOTAL	
	UNITS	FAIR VALUE #	OWNERS' EQUITY	RATIO*	RATIO**	RETURN***	
<C>	<S>	<C>	<C>	<C>	<C>	<C>	
WELLS FARGO MONEY MARKET FUND							
2004	Lowest contract charges	6,940	\$ 0.984231	\$ 6,830	1.35%	0.53%	(0.65)%
	Highest contract charges	382,052	0.962494	367,723	2.06%	0.83%	(1.49)%
	Remaining contract charges	1,106,857	--	1,074,235	--	--	--
2003	Lowest contract charges	339,445	0.978814	332,253	0.76%	0.14%	(0.65)%
	Highest contract charges	--	--	--	--	--	--
	Remaining contract charges	--	--	--	--	--	--
WELLS FARGO SMALL CAP GROWTH FUND							
2004	Lowest contract charges	73,515	1.108382	81,482	1.33%	--	12.24%
	Highest contract charges	38,102	1.079819	41,143	2.46%	--	10.96%
	Remaining contract charges	821,307	--	892,914	--	--	--
2003	Lowest contract charges	19,545	0.981616	19,186	0.62%	--	20.05%
	Highest contract charges	43,499	0.973154	42,331	0.88%	--	19.74%
	Remaining contract charges	136,038	--	132,731	--	--	--

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- * This represents the annualized contract expenses of the variable account for the period indicated and includes only those expenses that are charged through a reduction in the unit values. Excluded are expenses of the underlying fund portfolios and charges made directly to contract owner accounts through the redemption of units.
- ** These amounts represent the dividends, excluding distributions of capital gains, received by the Sub-Account from the underlying mutual fund, net of management fees assessed by the fund manager, divided by the average net assets. These ratios exclude those expenses, such as mortality and expense charges, that result in direct reductions in the unit values. The recognition of investment income by the Sub-Account is affected by the timing of the declaration of dividends by the underlying fund in which the Sub-Accounts invest.
- *** This represents the total return for the period indicated and reflects a deduction only for expenses assessed through the daily unit value calculation. The total return does not include any expenses assessed through the redemption of units; inclusion of these expenses in the calculation would result in a reduction in the total return presented. Investment options with a date notation indicate the effective date of that investment option in the variable account. The total return is calculated for the period indicated or from the effective date through the end of the reporting period.
- # Rounded unit values.

Summary of the Account's expense charges, including Mortality and Expense risk charges, Administrative charges, Riders (if applicable) and Annual Maintenance fees assessed. These fees are either assessed as a direct reduction in unit values or through a redemption of units for all policies contained within the Account.

MORTALITY AND EXPENSE RISK CHARGES:

The Company, will make certain deductions ranging from 0.40% to 1.50% of the contract's value for mortality and expense risks undertaken by the Company.

These charges are a reduction in unit values.

ADMINISTRATIVE CHARGES:

The Company, will make certain deductions ranging from 0.15% to 0.20% of the contract's value for administrative services provided by the Company.

These charges are a reduction in unit values.

RIDERS:

The Company will make certain deductions for various Rider charges, such as Optional Death Benefit Charge, Earnings Protection Benefit Charge, Principal First Charge, Principal First Preferred Charge, MAV/EPB Death Benefit Charge, and MAV 70 Death Benefit Charge. These deductions range from 0.15% to 0.85%.

These charges are a reduction in unit values.

ANNUAL MAINTENANCE FEE:

An annual maintenance fee in the amount of \$30 may be deducted from the contract's value each contract year. However, this fee is not applicable to contracts with values of \$50,000 or more, as determined on the most recent contract anniversary. These expenses are included in surrenders for benefit payments and fees in the accompanying statements of changes in net assets.

These charges are a redemption of units.

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HARTFORD LIFE AND ANNUITY INSURANCE COMPANY

INDEPENDENT AUDITORS' REPORT
FINANCIAL STATEMENTS -- STATUTORY BASIS

As of December 31, 2004 and 2003 and for the
Years Ended December 31, 2004, 2003 and 2002
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HARTFORD LIFE AND ANNUITY INSURANCE COMPANY

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
of Hartford Life and Annuity Insurance Company
Hartford, Connecticut

We have audited the accompanying statutory basis statements of admitted assets, liabilities and surplus of Hartford Life and Annuity Insurance Company (the "Company") as of December 31, 2004 and 2003, and the related statutory basis statements of operations, changes in capital and surplus and of cash flows for the years ended December 31, 2004, 2003 and 2002. 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 as established by the Auditing Standards Board (United States) and in accordance with the auditing standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As described more fully in Note 2 to the financial statements, the Company prepared these financial statements using accounting practices prescribed or permitted by the Insurance Department of the State of Connecticut, and such practices differ from accounting principles generally accepted in the United States of America. The effects on the financial statements of the differences between the statutory basis of accounting and accounting principles generally accepted in the United States of America are also described in Note 2.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Company at December 31, 2004 or 2003, or the results of its operations or its cash flows for the years ended December 31, 2004, 2003 or 2002.

However, in our opinion, the statutory basis financial statements referred to above present fairly, in all material respects, the admitted assets, liabilities, and surplus of the Company at December 31, 2004 and 2003, and the results of its operations and its cash flows for the years ended December 31, 2004, 2003 and 2002, on the basis of accounting described in Note 2.

/s/ Deloitte & Touche LLP
Hartford, Connecticut
March 29, 2005

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HARTFORD LIFE AND ANNUITY INSURANCE COMPANY
ADMITTED ASSETS, LIABILITIES AND SURPLUS
(STATUTORY BASIS)
(IN THOUSANDS)

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AS OF DECEMBER 31,

	2004	2003
<S>	<C>	<C>
ADMITTED ASSETS		
Bonds	\$ 5,386,024	\$ 5,639,213
Common and Preferred Stocks	11,255	11,194
Mortgage Loans	69,626	95,737
Real Estate	26,116	25,360
Policy Loans	310,520	294,714
Cash and Short-Term Investments	431,418	392,494
Other Invested Assets	2,242	22,743
TOTAL CASH AND INVESTED ASSETS	6,237,201	6,481,455
Investment Income Due and Accrued	64,387	69,221
Federal Income Taxes Recoverable	63,729	54,470
Deferred Tax Asset	97,105	55,301
Other Assets	378,495	290,043
Separate Account Assets	62,885,610	52,234,564
TOTAL ADMITTED ASSETS	\$69,726,527	\$59,185,054
LIABILITIES		
Aggregate Reserves for Life and Accident and Health Policies	\$ 6,161,030	\$ 6,421,474
Liability for Deposit Type Contracts	121,745	100,128
Policy and Contract Claim Liabilities	26,880	27,834
Asset Valuation Reserve	30,117	16,542
Payable to Affiliates	37,479	29,702
Accrued Expense Allowances and Other Amounts Due From Separate Accounts	(1,904,315)	(1,741,278)
Other Liabilities	1,059,989	1,052,307
Separate Account Liabilities	62,885,610	52,234,564
TOTAL LIABILITIES	68,418,535	58,141,273
CAPITAL AND SURPLUS		
Common Stock -- 3,000 Shares Authorized, 2,000 Shares Issued and Outstanding	2,500	2,500
Gross Paid-In and Contributed Surplus	1,371,883	1,371,883
Unassigned Funds	(66,391)	(330,602)
TOTAL CAPITAL AND SURPLUS	1,307,992	1,043,781
TOTAL LIABILITIES, CAPITAL AND SURPLUS	\$69,726,527	\$59,185,054

</Table>

SEE NOTES TO STATUTORY BASIS FINANCIAL STATEMENTS.

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<Page>

HARTFORD LIFE AND ANNUITY INSURANCE COMPANY
STATEMENTS OF OPERATIONS
(STATUTORY BASIS)
(IN THOUSANDS)

<Table>

<Caption>

	FOR THE YEARS ENDED DECEMBER 31,		
	2004	2003	2002
<S>	<C>	<C>	<C>
REVENUES			
Premiums and Annuity Considerations	\$11,619,788	\$12,115,706	\$ 4,626,830
Considerations for Supplementary Contracts with Life Contingencies	962	360	123
Net Investment Income	324,681	330,741	241,414
Commissions and Expense Allowances on Reinsurance Ceded	73,944	62,762	197,594
Reserve Adjustment on Reinsurance Ceded	(1,155,122)	(911,456)	3,403,682
Fee Income	1,200,281	963,407	829,267
Other Revenues	84,658	33,435	10,367
TOTAL REVENUES	12,149,192	12,594,955	9,309,277
BENEFITS AND EXPENSES			
Death and Annuity Benefits	255,803	231,390	215,874
Disability and Other Benefits	13,235	11,998	11,926
Surrenders and Other Fund Withdrawals	5,435,091	4,378,823	4,743,944
Commissions	821,925	753,838	583,605
(Decrease) Increase in Aggregate Reserves for Life and Accident and Health Policies	(260,443)	290,135	1,785,002

General Insurance Expenses	448,862	431,698	341,349
Net Transfers to Separate Accounts	5,647,980	6,601,021	2,298,625
Modified Coinsurance Adjustment on Reinsurance Assumed	(441,048)	(420,032)	(522,245)
Other Expenses	43,678	38,492	22,715

TOTAL BENEFITS AND EXPENSES	11,965,083	12,317,363	9,480,795

Net Gain (Loss) from Operations Before Federal Income Tax (Benefit) Expense	184,109	277,592	(171,518)
Federal Income Tax (Benefit) Expense	(87,470)	(19,953)	28,712

NET GAIN (LOSS) FROM OPERATIONS	271,579	297,545	(200,230)

Net Realized Capital Losses, after tax	(14,900)	(22,713)	(56,843)

NET INCOME (LOSS) \$	256,679	\$ 274,832	\$ (257,073)

</Table>

SEE NOTES TO STATUTORY BASIS FINANCIAL STATEMENTS.

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<Page>

HARTFORD LIFE AND ANNUITY INSURANCE COMPANY
STATEMENTS OF CHANGES IN CAPITAL AND SURPLUS
(STATUTORY BASIS)
(IN THOUSANDS)

<Table>
<Caption>

	FOR THE YEARS ENDED DECEMBER 31,		
	2004	2003	2002
	<C>	<C>	<C>

COMMON STOCK -- 3,000 SHARES AUTHORIZED, 2,000 SHARES ISSUED AND OUTSTANDING			
Balance, Beginning and End of Year	\$ 2,500	\$ 2,500	\$ 2,500

GROSS PAID-IN AND CONTRIBUTED SURPLUS,			
Beginning of Year	1,371,883	1,221,883	986,883
Capital Contribution	--	150,000	235,000

BALANCE, END OF YEAR	1,371,883	1,371,883	1,221,883

UNASSIGNED FUNDS			
Balance, Beginning of Year	(330,602)	(636,114)	(318,168)
Net Income	256,679	274,832	(257,073)
Change in Net Unrealized Capital Losses on Common Stocks and Other Invested Assets	(13,371)	(4,797)	(4,421)
Change in Net Deferred Income Tax	51,589	(28,483)	191,399
Change in Asset Valuation Reserve	(13,575)	(16,272)	(270)
Change in Non-Admitted Assets	(16,965)	43,187	(210,628)
Change in Liability for Reinsurance in Unauthorized Companies	(146)	36,880	(36,953)
Cummulative Effect of Change in Accounting Principles	--	165	--

BALANCE, END OF YEAR	(66,391)	(330,602)	(636,114)

CAPITAL AND SURPLUS,			
End of Year	\$1,307,992	\$1,043,781	\$ 588,269

</Table>

SEE NOTES TO STATUTORY BASIS FINANCIAL STATEMENTS.

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HARTFORD LIFE AND ANNUITY INSURANCE COMPANY
STATEMENTS OF CASH FLOWS
(STATUTORY BASIS)
(IN THOUSANDS)

<Table>
<Caption>

	FOR THE YEARS ENDED DECEMBER 31,		
	2004	2003	2002
	<C>	<C>	<C>

<S>

OPERATING ACTIVITIES			
Premiums and Annuity Considerations	\$11,608,790	\$12,116,359	\$ 4,627,995
Net Investment Income	370,945	373,648	242,062
Miscellaneous Income	196,120	142,119	4,436,314
Total Income	12,175,855	12,632,126	9,306,371
Benefits Paid	5,699,783	4,611,634	4,795,021
Federal Income Tax (Recoveries) Payments	(54,729)	23,421	(108,177)
Net Transfers to Separate Accounts	5,811,016	7,114,314	2,040,883
Other Expenses	905,742	537,701	445,677
Total Benefits and Expenses	12,361,812	12,287,070	7,173,404
NET CASH (USED FOR) PROVIDED BY OPERATING ACTIVITIES	(185,957)	345,056	2,132,967
INVESTING ACTIVITIES			
PROCEEDS FROM INVESTMENTS SOLD AND MATURED			
Bonds	1,584,991	2,323,921	1,623,364
Common and Preferred Stocks	1,767	4,031	35
Mortgage Loans	25,752	41,395	42,133
Other	35,227	12,347	134,912
Total Investment Proceeds	1,647,737	2,381,694	1,800,444
COST OF INVESTMENTS ACQUIRED			
Bonds	1,351,838	3,068,077	3,956,463
Common and Preferred Stocks	2,473	4,814	842
Mortgage Loans	--	--	225
Real Estate	1,482	722	1,292
Other	3,275	169,520	--
Total Investments Acquired	1,359,068	3,243,133	3,958,822
Net Increase in Policy Loans	15,806	27,958	16,536
NET CASH PROVIDED BY (USED FOR) INVESTING ACTIVITIES	272,863	(889,397)	(2,174,914)
FINANCING AND MISCELLANEOUS ACTIVITIES			
Capital Contribution	--	150,000	235,000
Net Other Cash (Used) Provided	(47,982)	301,810	(129,792)
NET CASH (USED FOR) PROVIDED BY FINANCING AND MISCELLANEOUS ACTIVITIES	(47,982)	451,810	105,208
Net increase (decrease) in cash and short-term investments	38,924	(92,531)	63,261
Cash and Short-Term Investments, Beginning of Year	392,494	485,025	421,764
CASH AND SHORT-TERM INVESTMENTS, END OF YEAR	\$ 431,418	\$ 392,494	\$ 485,025

Note: Supplemental disclosures of cash flow information for non-cash transactions:

Common and Preferred stock acquired in satisfaction of debt	2,173	2,885	323
---	-------	-------	-----

SEE NOTES TO STATUTORY BASIS FINANCIAL STATEMENTS.

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HARTFORD LIFE AND ANNUITY INSURANCE COMPANY
NOTES TO FINANCIAL STATEMENTS
(STATUTORY BASIS)
(IN THOUSANDS)

1. ORGANIZATION AND DESCRIPTION OF BUSINESS:

Hartford Life and Annuity Insurance Company (the "Company") is a wholly-owned subsidiary of Hartford Life Insurance Company ("HLIC"), which is an indirect subsidiary of Hartford Life, Inc. ("HLI"). HLI is indirectly owned by The Hartford Financial Services Group, Inc. ("The Hartford").

The Company offers a complete line of fixed and variable annuities, as well as variable, universal and traditional individual life insurance.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

BASIS OF PRESENTATION

The accompanying statutory basis financial statements are prepared in conformity with statutory accounting practices prescribed or permitted by the National Association of Insurance Commissioners ("NAIC") and the State of Connecticut

Department of Insurance. The Company does not follow any permitted statutory accounting practices that have a material effect on statutory surplus, statutory net income or risk-based capital.

Current prescribed statutory accounting practices include the adoption of the NAIC's ACCOUNTING PRACTICES AND PROCEDURES MANUAL, effective January 1, 2001, as well as current state laws and regulations. A difference prescribed by Connecticut state law allows the Company to obtain a reinsurance reserve credit for a reinsurance treaty which provides for a limited right of unilateral cancellation by the reinsurer. The effects of this treaty are discussed in Note 5.

The preparation of financial statements in conformity with statutory accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported periods. Actual results could differ from those estimates. The most significant estimates include those used in determining the liability for aggregate reserves for life and accident and health policies and the liability for deposit type contracts. Although some variability is inherent in these estimates, management believes the amounts provided are adequate.

Certain reclassifications have been made to prior year financial information to conform to current year presentation.

STATUTORY ACCOUNTING VERSUS ACCOUNTING PRINCIPLES GENERALLY ACCEPTED IN THE UNITED STATES ("GAAP")

Statutory accounting principles and GAAP differ in certain significant respects. These differences principally involve:

- (1) treatment of policy acquisition costs (commissions, underwriting and selling expenses, etc.) and sales inducements which are charged to expense when incurred for statutory purposes rather than capitalized and amortized on a pro-rata basis over the expected life and gross profit stream of the policies for GAAP purposes;
- (2) recognition of premium revenues, which for statutory purposes are generally recorded as collected or when due during the premium paying period of the contract and which for GAAP purposes, for universal life policies and investment products, generally only consist of charges assessed to policy account balances for cost of insurance, policy administration and surrenders. For GAAP, when policy charges received relate to coverage or services to be provided in the future, the charges are recognized as revenue on a pro-rata basis over the expected life and gross profit stream of the policy. Also, for GAAP purposes, premiums for traditional life insurance policies are recognized as revenues when they are due from policyholders;
- (3) development of liabilities for future policy benefits, which for statutory purposes predominantly use interest rate and mortality assumptions prescribed by the NAIC which may vary considerably from interest and mortality assumptions used under GAAP. Additionally for GAAP, reserves for guaranteed minimum death benefits are based on models that involve a range of scenarios and assumptions, including those regarding expected market rates of return and volatility, contract surrender rates and mortality experience, and, reserves for guaranteed withdrawal benefits are considered embedded derivatives and reported at market value;
- (4) excluding certain assets designated as non-admitted assets (e.g., negative Interest Maintenance Reserve, and past due agents' balances) from the admitted assets, liabilities and surplus statement for statutory purposes by directly charging surplus;
- (5) the calculation of post-retirement benefits obligation which, for statutory accounting, excludes non-vested employees whereas GAAP liabilities include a provision for such employees; statutory and GAAP accounting permit either immediate recognition of the liability or straight-line amortization of the liability over a period not to exceed 20 years. For GAAP, The

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Hartford's obligation was immediately recognized, whereas, for statutory accounting, the obligation is being recognized ratably over a 20 year period;

- (6) establishing a formula reserve for realized and unrealized losses due to default and equity risk associated with certain invested assets (Asset Valuation Reserve) for statutory purposes; as well as the deferral and amortization of realized gains and losses, caused by changes in interest rates during the period the asset is held, into income over the original life to maturity of the asset sold (Interest Maintenance Reserve) for statutory purposes; whereas on a GAAP basis, no such formula reserve is required and realized gains and losses are recognized in the period the

asset is sold;

- (7) the reporting of reserves and benefits, net of reinsurance ceded for statutory purposes; whereas on a GAAP basis, reserves are reported gross of reinsurance with reserve credits presented as recoverable assets;
- (8) the reporting of fixed maturities at amortized cost for NAIC classes 1-5 and the lower of amortized cost or fair value for NAIC class 6 for statutory purposes, whereas GAAP requires that fixed maturities be classified as "held-to-maturity", "available-for-sale" or "trading", based on the Company's intentions with respect to the ultimate disposition of the security and its ability to affect those intentions. The Company's bonds were classified on a GAAP basis as "available-for-sale" and accordingly, those investments and common stocks were reflected at fair value with the corresponding impact included as a separate component of Stockholder's Equity, as well as the change in the basis of the Company's other invested assets, which consist primarily of limited partnership investments, which is recognized as income under GAAP and as changes in unrealized gains or losses in surplus under statutory accounting;
- (9) for statutory purposes separate account liabilities are calculated using prescribed actuarial methodologies, which approximate the market value of separate account assets, less applicable surrender charges. The separate account surplus generated by these reserving methods is recorded as an amount due to or from the separate account on the statutory basis admitted assets, liabilities and surplus statement, with changes reflected in the statutory basis results of operations. On a GAAP basis, separate account assets and liabilities must meet specific conditions to qualify as a separate account asset or liability. Amounts reported for separate accounts assets and liabilities are based upon the fair value of the underlying assets;
- (10) the consolidation of financial statements for GAAP reporting, whereas statutory accounting requires standalone financial statements with earnings of subsidiaries reflected as changes in unrealized gains or losses in surplus;
- (11) deferred income taxes, which provide for statutory/ tax temporary differences, are subject to limitation and are charged directly to surplus, whereas, GAAP would include GAAP/tax temporary differences and are charged as a component of net income;
- (12) comprehensive income and its components are not presented in statutory financial statements;
- (13) for statutory purposes derivative instruments that qualify for hedging, replication, or income generation are accounted for in a manner consistent with the hedged item, cash instrument and covered asset, respectively, typically amortized cost. Derivative instruments held for other investment and risk management activities, which do not receive hedge accounting treatment, receive fair value accounting for statutory purposes and are recorded at fair value with corresponding changes in value reported in unrealized gains and losses within surplus. For GAAP accounting derivative instruments are recorded at fair value with changes in value reported in earnings, with the exception of cash flow hedges and net investment hedges of a foreign operation, which are carried at fair value with changes in value reported as a separate component of Stockholder's Equity. In addition, statutory accounting does not record the hedge ineffectiveness on qualified hedge positions, whereas, GAAP records the hedge ineffectiveness in earnings; and
- (14) embedded derivatives for statutory accounting are not bifurcated from the host contract, whereas, GAAP accounting requires the embedded derivative to be bifurcated from the host instrument, accounted and reported separately.

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As of and for the years ended December 31, the significant differences between Statutory and GAAP basis net income and capital and surplus for the Company are as follows:

<Table>

<Caption>

	2004	2003	2002
<S>	<C>	<C>	<C>
	-----	-----	-----
GAAP Net Income	\$ 450,396	\$ 281,211	\$ 191,548
Deferral and amortization of policy acquisition costs, net	(389,629)	(501,010)	(337,657)
Change in unearned revenue reserve	108,301	12,367	71,208
Deferred taxes	43,719	43,304	(50,834)
Separate account expense allowance	168,013	511,608	(279,761)
Benefit reserve adjustment	(14,581)	69,470	190,796
Prepaid reinsurance premium	(9,068)	(11,809)	(8,564)

Administrative fees	(60,183)	(48,072)	--
Reinsurance	(9,123)	(54,276)	--
Dividends received from affiliates	2,000	9,000	--
Sales inducements	(58,330)	(47,454)	(35,600)
Cumulative effect of GAAP accounting changes	31,151	--	--
Other, net	(5,987)	10,493	1,791
STATUTORY NET INCOME (LOSS)	\$ 256,679	\$ 274,832	\$ (257,073)
GAAP Stockholder's Equity	\$ 3,332,247	\$ 2,900,964	\$ 2,242,347
Deferred policy acquisition costs	(4,164,021)	(3,755,461)	(3,289,010)
Unearned revenue reserve	408,737	327,144	297,759
Deferred taxes	481,245	422,680	341,130
Separate account expense allowance	1,920,061	1,755,474	1,243,867
Unrealized (gains) losses on investments	(226,613)	(259,293)	(178,951)
Benefit reserve adjustment	281,742	208,213	300,515
Asset valuation reserve	(30,117)	(16,542)	(270)
Interest maintenance reserve	(28,254)	(29,314)	(25,702)
Prepaid reinsurance premium	(47,089)	(38,052)	(26,243)
Goodwill	(170,100)	(170,100)	(170,100)
Reinsurance ceded	(200,222)	(108,922)	(189,436)
Administrative fees	(290,061)	(229,878)	--
Other, net	40,437	36,868	42,363
STATUTORY CAPITAL AND SURPLUS	\$ 1,307,992	\$ 1,043,781	\$ 588,269

</Table>

AGGREGATE RESERVES FOR LIFE AND ACCIDENT AND HEALTH POLICIES AND CONTRACTS AND LIABILITY FOR DEPOSIT TYPE CONTRACTS

Aggregate reserves for payment of future life, health and annuity benefits are computed in accordance with applicable actuarial standards. Reserves for life insurance policies are generally based on the 1958 and 1980 Commissioner's Standard Ordinary Mortality Tables and various valuation rates ranging from 2.25% to 6%. Accumulation and on-benefit annuity reserves are based principally on individual and group annuity tables at various rates ranging from 2.5% to 9.25% and using the Commissioner's Annuity Reserve Valuation Method ("CARVM").

For non-interest sensitive ordinary life plans, the Company waives deduction of deferred fractional premiums upon death of insured. Return of the unearned portion of the final premium is governed by the terms of the contract. The Company does not have any forms for which the cash values are in excess of the legally computed reserve.

Extra premiums are charged for substandard lives, in addition to the regular gross premiums for the true age. Mean reserves for traditional insurance products are determined by computing the regular mean reserve for the plan at the true age, and adding one-half (1/2) of the extra premium charge for the year. For plans with explicit mortality charges, mean reserves are based on appropriate multiples of standard rates of mortality.

As of December 31, 2004 and 2003, the Company had \$4,126,520 and \$2,222,511, respectively, of insurance in force for which the gross premiums are less than the net premiums according to the standard valuation set by the State of Connecticut. Reserves to cover the above insurance at December 31, 2004 and 2003 totaled \$14,170 and \$9,533, respectively.

The Company has established separate accounts to segregate the assets and liabilities of certain life insurance, pension and annuity contracts that must be segregated from the Company's general assets under the terms of its contracts. The assets consist primarily of marketable securities and are reported at fair value. Premiums, benefits and expenses relating to these contracts are reported in the statutory basis statements of operations.

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An analysis of Annuity Actuarial Reserves and Deposit Liabilities by Withdrawal Characteristics as of December 31, 2004 (including general and separate account liabilities) are as follows:

<Table>

<Caption>

Subject to discretionary withdrawal:	Amount	% of Total
<S>	<C>	<C>
With market value adjustment	\$ 2,206	0.0%
At book value, less current surrender charge of 5% or more	1,157,626	1.9%
At market value	58,449,078	92.8%
TOTAL WITH ADJUSTMENT OR AT MARKET VALUE	59,608,910	94.7%

At book value without adjustment (minimal or no charge or adjustment):	3,093,812	4.9%
Not subject to discretionary withdrawal:	256,644	0.4%

TOTAL, GROSS	62,959,366	100.0%
Reinsurance ceded	200,000	N/A

TOTAL, NET	\$62,759,366	N/A

</Table>

INVESTMENTS

Investments in bonds are carried at amortized cost except for those securities that are deemed ineligible to be held at amortized cost by the NAIC Securities Valuation Office ("SVO"), which are carried at the appropriate SVO published value. Short-term investments are stated at amortized cost, which approximates fair value. Preferred stocks are stated at cost, lower of cost or amortized cost, or NAIC market values depending on the assigned credit rating. Common stocks are carried at fair value with the current year change in the difference from cost reflected in surplus. Mortgage loans are stated at the aggregate carrying value less accrued interest, which is typically the outstanding principal balance. Policy loans are carried at outstanding balance, which approximates fair value. Interests in joint ventures, partnerships and limited liability companies are reported based on the underlying GAAP equity of the investee.

The Company's accounting policy requires that a decline in the value of a bond or equity security that is not subject to Statement of Statutory Accounting Principle No. 43 LOANED-BACKED AND STRUCTURED SECURITIES ("SSAP 43") below its amortized cost basis be assessed to determine if the decline is other than temporary. If the decline in value of a bond or equity security is other than temporary, a charge is recorded in net realized capital losses equal to the difference between the fair value and amortized cost basis of the security. Furthermore, for securities expected to be sold, an other than temporary impairment charge is recognized if the Company does not expect the fair value of a security to recover to cost prior to the expected date of sale. The fair value of the other than temporarily impaired investment becomes its new cost basis.

The Company has a security monitoring process overseen by a committee of investment and accounting professionals that identifies securities that, due to certain characteristics, are subjected to an enhanced analysis on a quarterly basis. The primary factors considered in evaluating whether a decline in value for securities not subject to SSAP 43 is other than temporary include: (a) the length of time and the extent to which the fair value has been less than cost, (b) the financial condition, credit rating and near-term prospects of the issuer, (c) whether the debtor is current on contractually obligated interest and principal payments, and (d) the intent and ability of the Company to retain the investment for a period of time sufficient to allow for recovery. Once an impairment charge has been recorded, the Company then continues to review the other than temporarily impaired securities for further other than temporary impairments on an ongoing basis.

Additionally, for certain securitized financial assets with contractual cash flows (including asset-backed securities), SSAP 43, requires the Company to periodically update its best estimate of cash flows over the life of the security. If management determines that the estimated undiscounted cash flows of its security are less than its book value then an other than temporary impairment charge is recognized equal to the difference between the book value and estimated undiscounted cash flows of the security. The total estimated undiscounted cash flows of the impaired investment becomes its new cost basis.

Investment income consists primarily of interest and dividends. Interest income from bonds and mortgage loans including any associated premium or discount is accrued on a constant effective yield basis. The accrual of income is suspended for bonds and mortgage loans that are in default or when the receipt of interest payments is in doubt. The effective yield for fixed rate and variable rate loan backed securities due to new prepayment assumptions are revalued on a retrospective and prospective basis, respectively. The new prepayment assumptions are primarily obtained from broker dealer survey values or internal estimates. The Company has not elected to use the book value as of January 1, 1994 as the cost for applying the retrospective adjustment method to securities purchased prior to that date. Interest only and other than temporarily impaired loan backed securities are valued using the prospective method. In 2004, 2003 and 2002, the Company changed from the retrospective to prospective methodology due to negative yields on specific

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loan-backed securities that were impaired totaling \$4,140, \$0 and \$0, respectively, with an income impact of \$29, \$0 and \$0, respectively. Dividends are recorded as earned at the ex-dividend date.

Due and accrued investment income with amounts over 90 days past due is

non-admitted. The total amount of investment income due and accrued non-admitted and written off through net investment income at December 31, 2004 and 2003 was \$2,067 and \$2,297, respectively.

The Company may at any time use derivative instruments, including swaps, caps, floors, options, futures and forwards. On the date the derivative contract is entered into, the Company designates the derivative as hedging (fair value, cash flow or net investment in a foreign operation), replication, income generation, or held for other investment and risk management activities, which primarily involve managing asset or liability related risks which do not qualify for hedge accounting under Statement of Statutory Accounting Principles No. 86, "ACCOUNTING FOR DERIVATIVE INSTRUMENTS AND HEDGING INCOME GENERATION AND REPLICATION (SYNTHETIC ASSETS) TRANSACTIONS" ("SSAP 86"). The Company's derivative transactions are permitted uses of derivatives under the derivatives use plan filed and/or approved, as applicable, by the State of Connecticut and State of New York insurance departments.

Derivatives used in hedging relationships are accounted for in a manner consistent with the item hedged. Typically, cost paid or consideration received at inception of a contract is reported on the admitted assets, liabilities and surplus statement as a derivative asset or liability, respectively, and amortized through net investment income over the life of the hedged item. Periodic cash flows and accruals of income/expense are recorded as a component of derivative net investment income. Upon termination of the derivative, any gain or loss is adjusted into the basis of the hedged item.

Derivatives used in replication relationships are accounted for in a manner consistent with the cash instrument and the replicated asset. Typically, cost paid or consideration received at inception of the contract is recorded on the admitted assets, liabilities and surplus statement as a derivative asset or liability, respectively, and amortized through net investment income over the life of the derivative. Periodic cash flows and accruals of income/expense are recorded as a component of derivative net investment income. Upon termination of the derivative, any gain or loss is recognized as a derivative capital gain or loss.

Derivatives used in income generation relationships are accounted for in a manner consistent with the associated covered asset. Typically, consideration received at inception of the contract is recorded on the admitted assets, liabilities and surplus statement as a derivative liability and amortized through net investment income over the life of the derivative. Upon termination, any remaining derivative liability, along with any disposition payments are recorded to derivative capital gain or loss.

Derivatives held for other investment and risk management activities receive fair value accounting. The derivatives are carried on the admitted assets, liabilities and surplus statement at fair value and the changes in fair value are recorded in capital and surplus as unrealized gains and losses. Periodic cash flows and accruals of income/expense are recorded as a component of derivative net investment income.

The Asset Valuation Reserve ("AVR") is designed to provide a standardized reserving process for realized and unrealized losses due to default and equity risks associated with invested assets. The AVR balances were \$30,117 and \$16,542 as of December 31, 2004 and 2003, respectively. Additionally, the Interest Maintenance Reserve ("IMR") captures net realized capital gains and losses, net of applicable income taxes, resulting from changes in interest rates and amortizes these gains or losses into income over the life of the bond or mortgage loan sold. IMR is included as a component of Other Liabilities on the admitted assets, liabilities and surplus statement. The IMR balances as of December 31, 2004 and 2003 were \$28,254 and \$29,314, respectively. The net capital gains captured in the IMR in 2004, 2003 and 2002 were \$6,582, \$9,641 and \$5,078, respectively. The amount of expense amortized from the IMR in 2004, 2003 and 2002 included in the Company's Statements of Operations, was \$7,642, \$6,029 and \$4,823, respectively. Realized capital gains and losses, net of taxes not included in the IMR are reported in the statutory basis statements of operations. Realized investment gains and losses are determined on a specific identification basis.

ADOPTION OF NEW ACCOUNTING STANDARD

The Company adopted SSAP 86 "ACCOUNTING FOR DERIVATIVE INSTRUMENTS AND HEDGING, INCOME GENERATION, AND REPLICATION (SYNTHETIC ASSET) TRANSACTIONS" on January 1, 2003. SSAP 86 requires that derivative instruments used in hedging transactions that meet the criteria of a highly effective hedge shall be valued and reported in a manner that is consistent with the hedged asset or liability. SSAP 86 also requires that derivative instruments used in hedging transactions that do not meet the criteria of an effective hedge shall be accounted for at fair value and the changes in fair value shall be recorded in capital and surplus as unrealized capital gains and losses. The Company elected to apply this statement to all derivative instruments to which the Company was a party to as of January 1, 2003. As a result, the Company recorded \$254 before tax, due to the change in accounting principle adjustment which increased unassigned surplus.

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FUTURE ADOPTION OF NEW ACCOUNTING STANDARDS

SSAP 88--INVESTMENTS IN SUBSIDIARY, CONTROLLED AND AFFILIATED ENTITIES ("SSAP 88"), was issued by the Statutory Accounting Issues Working Group of the NAIC's Accounting Practice and Procedures Task Force during 2004. SSAP 88 defines the appropriate valuation for subsidiaries and affiliates of insurance companies. It is effective on January 1, 2005, and is not expected to have a material impact on the Company's financial statements.

3. INVESTMENTS:

For the years ended December 31,

(a) COMPONENTS OF NET INVESTMENT INCOME

<Table>

<Caption>

	2004	2003	2002
	<C>	<C>	<C>
Interest income from bonds and short-term investments	\$294,245	\$290,212	\$207,585
Interest income from policy loans	18,432	18,620	18,947
Interest and dividends from other investments	17,497	26,071	18,478
Gross investment income	330,174	334,903	245,010
Less: investment expenses	5,493	4,162	3,596
NET INVESTMENT INCOME	\$324,681	\$330,741	\$241,414

</Table>

(b) COMPONENTS OF NET UNREALIZED CAPITAL GAINS ON BONDS AND SHORT-TERM INVESTMENTS

<Table>

<Caption>

	2004	2003	2002
	<C>	<C>	<C>
Gross unrealized capital gains	\$236,408	\$176,924	\$117,032
Gross unrealized capital losses	(14,758)	(8,996)	(32,336)
Net unrealized capital gains	221,650	167,928	84,696
Balance, beginning of year	167,928	84,696	(78)
CHANGE IN NET UNREALIZED CAPITAL GAINS ON BONDS AND SHORT-TERM INVESTMENTS	\$ 53,722	\$ 83,232	\$ 84,774

</Table>

(c) COMPONENTS OF NET UNREALIZED CAPITAL LOSSES ON COMMON STOCKS

<Table>

<Caption>

	2004	2003	2002
	<C>	<C>	<C>
Gross unrealized capital gains	\$ 558	\$ 376	\$ 185
Gross unrealized capital losses	(31,533)	(30,877)	(23,137)
Net unrealized capital losses	(30,975)	(30,501)	(22,952)
Balance, beginning of year	(30,501)	(22,952)	(22,793)
CHANGE IN NET UNREALIZED CAPITAL LOSSES ON COMMON STOCKS	\$ (474)	\$ (7,549)	\$ (159)

</Table>

(d) COMPONENTS OF NET REALIZED CAPITAL LOSSES

<Table>

<Caption>

	2004	2003	2002
	<C>	<C>	<C>
Bonds and short-term investments	\$ 21,229	\$ 12,602	\$ (28,561)
Common stocks	(266)	657	(149)
Other invested assets	(5,798)	(4,393)	(2)
Realized capital gains (losses)	15,165	8,866	(28,712)
Capital gains tax (benefit)	23,483	21,938	23,053

Net realized capital losses, after tax	(8,318)	(13,072)	(51,765)
Less: amounts transferred to IMR	6,582	9,641	5,078
	-----	-----	-----
NET REALIZED CAPITAL LOSSES, AFTER TAX	\$ (14,900)	\$ (22,713)	\$ (56,843)
	-----	-----	-----

</Table>

Sales of bonds and short-term investments for the years ended December 31, 2004, 2003 and 2002 resulted in proceeds of \$1,868,164, \$2,523,341 and \$1,691,422, gross realized capital gains of \$25,465, \$23,090 and \$15,257, and gross realized capital losses of \$2,900, \$6,150 and \$9,998, respectively, before transfers to the IMR. Sales of common and preferred stocks for the years ended December 31, 2004, 2003 and 2002 resulted in proceeds of \$1,814, \$4,031 and \$35, gross realized capital gains of \$50, \$715 and \$0, and gross realized capital losses of \$314, \$5 and \$7, respectively.

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(e) INVESTMENTS--DERIVATIVE INSTRUMENTS

OVERVIEW

The Company may at any time use derivative instruments, including swaps, caps, floors, options, forwards and futures, in order to achieve one of four Company approved objectives: to hedge risk arising from interest rate, price or currency exchange rate volatility; to manage liquidity; to control transaction costs or to enter into income generation and replication transactions. On the date the derivative contract is entered into, the Company designates the derivative as hedging (fair value, cash flow or net investment in a foreign operation), income generation, replication or held for other investment and risk management activities, which primarily involve managing asset or liability related risks which do not qualify for hedge accounting under Statement of Statutory Accounting Principles No. 86, "Accounting for Derivative Instruments and Hedging Income Generation and Replication (Synthetic Assets) Transactions". The Company's derivative transactions are permitted uses of derivatives under the derivatives use plan filed and/or approved, as applicable, by the State of Connecticut and State of New York insurance departments.

Interest rate swaps and total return swaps involve the periodic exchange of payments with other parties, at specified intervals, calculated using the agreed upon rates or indices and notional principal amounts. Generally, no cash or principal payments are exchanged at the inception of the contract. Typically, at the time a swap is entered into, the cash flow streams exchanged by the counterparties are equal in value.

Credit default swaps entitle one party to receive a periodic fee in exchange for an obligation to compensate the other party should a credit event occur on the part of the issuer.

Interest rate cap and floor contracts entitle the purchaser to receive from the issuer at specified dates, the amount, if any, by which a specified market rate exceeds the cap strike rate or falls below the floor strike rate, applied to a notional principal amount. A premium payment is made by the purchaser of the contract at its inception, and no principal payments are exchanged.

Forward contracts are customized commitments to either purchase or sell designated financial instruments, at a future date, for a specified price and may be settled in cash or through delivery of the underlying instrument.

Financial futures are standardized commitments to either purchase or sell designated financial instruments, at a future date, for a specified price and may be settled in cash or through delivery of the underlying instrument. Futures contracts trade on organized exchanges. Margin requirements for futures are met by pledging securities, and changes in the futures' contract values are settled daily in cash.

Option contracts grant the purchaser, for a premium payment, the right to either purchase from or sell to the issuer a financial instrument at a specified price, within a specified period or on a stated date.

Foreign currency swaps exchange an initial principal amount in two currencies, agreeing to re-exchange the currencies at a future date, at an agreed upon exchange rate. There is also periodic exchange of payments at specified intervals calculated using the agreed upon rates and exchanged principal amounts.

STRATEGIES

The notional value and fair value of derivative instruments used during the year are disclosed in the strategy discussions below. During the year 2004 and 2003, the Company did not transact in or hold any position related to net investment hedges in a foreign operation, replication transactions or income generating transactions. The notional amounts of derivative contracts represent the basis upon which pay or receive amounts are calculated and are not reflective of

credit risk. Notional amounts pertaining to derivative instruments at December 31, 2004 and 2003 were \$1,455,253 and \$1,163,355, respectively. The fair value of derivative instruments are based upon either independent market quotations for exchange traded derivative contracts, independent third party pricing sources or widely accepted pricing valuation models which utilize independent third party data as inputs for over the counter derivatives. The fair value of derivative instruments at December 31, 2004 and 2003 were \$(29,914) and \$820, respectively.

CASH-FLOW HEDGES

Interest rate swaps: Interest rate swaps are primarily used to convert interest receipts on floating-rate fixed maturity investments to fixed rates. The Company did not hedge forecasted transactions other than the interest payments on floating-rate securities. There were no gains and losses classified in unrealized gains and losses related to cash flow hedges that have been discontinued because it was no longer probable that the original forecasted transactions would occur by the end of the originally specified time period. As of December 31, 2004 and 2003, interest rate swaps used in cash flow hedge relationships had a notional value of \$220,000 and \$70,000, respectively, and a fair value of \$(604) and \$3,684, respectively.

Foreign currency swaps: Foreign currency swaps are used to convert foreign denominated cash flows associated with certain foreign denominated fixed maturity investments to U.S. dollars. The foreign fixed maturities are primarily

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denominated in Euros and are swapped to minimize cash flow fluctuations due to changes in currency rates. As of December 31, 2004 and 2003 foreign currency swaps used in cash flow hedge relationships had a notional value of \$129,492 and \$76,855, respectively, and a fair value of \$(24,927) and \$(10,282), respectively.

OTHER INVESTMENT AND RISK MANAGEMENT ACTIVITIES

Interest rate caps and swaptions: The Company is exposed to policyholder surrenders during a rising interest rate environment. Interest rate cap and swaption contracts are used to mitigate the Company's loss in a rising interest rate environment. The increase in yield from the cap and swaption contract in a rising interest rate environment may be used to raise credited rates, thereby increasing the Company's competitiveness and reducing the policyholder's incentive to surrender. As of December 31, 2004 and 2003 interest rate caps and swaptions used to mitigate risk in a rising interest rate environment had a notional value of \$1,016,000 and a fair value of \$1,189 and \$6,884, respectively. As of December 31, 2004 and 2003 the average fair value for interest rate caps and swaptions was \$3,619 and \$7,481, respectively in asset value. There were no realized gains and losses during the years 2004, 2003 and 2002.

Credit default and total return swaps: The Company enters into swap agreements in which the Company assumes credit exposure from an individual entity, referenced index or asset pool. As of December 31, 2004 and 2003 total return swaps had a notional value of \$40,000 and \$0, respectively, and a fair value of \$122 and \$0, respectively. As of December 31, 2004 and 2003 the average fair value for credit default and total return swaps was \$26 and \$0, respectively in asset value. For the year ended December 31, 2004 credit derivatives reported a gain of \$28 in realized capital gains and losses. There were no realized gains and losses during the year 2003.

Foreign currency swaps, forwards and put and call options: The Company enters into foreign currency swaps and forwards, purchases foreign put options and writes foreign call options to hedge the foreign currency exposures in certain of its foreign fixed maturity investments. As of December 31, 2004 and 2003, foreign currency swaps had a notional value of \$49,262 and \$0, respectively, and a fair value of \$(5,902) and \$0, respectively. As of December 31, 2004 and 2003 the average fair value for foreign currency derivatives was (\$842) and \$0, respectively in liability value. There were no realized gains and losses during the years 2004, 2003 and 2002.

Warrants: During 2003, the Company received warrant contracts as part of a reinsurance treaty settlement. As of December 31, 2004 and 2003, the warrants had a notional value of \$500 and a fair value of \$208 and \$534, respectively. As of December 31, 2004 and 2003, the average fair value of the warrants was \$313 and \$290, respectively. There were no realized gains and losses during the years 2004, 2003 and 2002.

CREDIT RISK

The Company's derivatives counterparty exposure policy establishes market-based credit limits, favors long-term financial stability and creditworthiness, and typically requires credit enhancement/credit risk reducing agreements. By using derivative instruments, the Company is exposed to credit risk, which is measured as the amount owed to the Company based on current market conditions and

potential payment obligations between the Company and its counterparties. When the fair value of over-the-counter derivative contracts is positive, this indicates that the counterparty owes the Company, and, therefore, exposes the Company to credit risk.

Credit exposures are generally quantified daily and netted, and collateral is pledged to and held by, or on behalf of, the Company to the extent the current value of derivatives exceeds exposure policy thresholds. The Company also minimizes the credit risk in derivative instruments by entering into transactions with high quality counterparties that are reviewed periodically by the Company's internal compliance unit, reviewed frequently by senior management and reported to the Company's Finance Committee of the Board of Directors. The Company also maintains a policy of requiring all derivative contracts be governed by an International Swaps and Derivatives Association Master Agreement which is structured by legal entity and by counterparty and permits right of offset.

(f) CONCENTRATION OF CREDIT RISK

As of December 31, 2004, the Company had one fixed maturity that exceeded 10% of capital and surplus that was not the U.S. government or a government agency. The fixed maturity was designated NAIC investment grade. Further, the Company closely monitors concentrations and the potential impact of capital and surplus, should the issuer fail to perform according to the terms of the fixed maturity contract.

The carrying value, gross unrealized gain and estimated fair value of this fixed maturity was \$133,765, \$1,599, and \$135,364, respectively.

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(g) BONDS, SHORT-TERM INVESTMENTS AND COMMON STOCKS

<Table>

<Caption>

	December 31, 2004			
	Statement Value	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
<S>	<C>	<C>	<C>	<C>
BONDS AND SHORT-TERM INVESTMENTS				
U.S. Government and government agencies and authorities:				
--Guaranteed and sponsored	\$ 29,257	\$ 211	\$ (98)	\$ 29,370
--Guaranteed and sponsored -- asset backed	476,051	5,071	(1,180)	479,942
International governments	41,802	4,721	(337)	46,186
Public utilities	326,596	15,503	(878)	341,221
All other corporate	2,700,917	161,356	(7,801)	2,854,472
All other corporate -- asset-backed	1,784,676	49,546	(4,464)	1,829,758
Short-term investments	189,332	--	--	189,332
Parents, subsidiaries and affiliates	26,725	--	--	26,725
TOTAL BONDS AND SHORT-TERM INVESTMENTS	\$5,575,356	\$236,408	\$ (14,758)	\$5,797,006

</Table>

<Table>

<Caption>

	December 31, 2004			
	Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
<S>	<C>	<C>	<C>	<C>
COMMON STOCKS				
Common stock -- unaffiliated	\$ 5,346	558	\$ (17)	\$ 5,887
Common stock -- affiliated	36,884	--	(31,516)	5,368
TOTAL COMMON STOCKS	\$ 42,230	\$ 558	\$ (31,533)	\$ 11,255

</Table>

<Table>

<Caption>

	December 31, 2003			
	Statement Value	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
<S>	<C>	<C>	<C>	<C>

BONDS AND SHORT-TERM INVESTMENTS

U.S government and government agencies and authorities:

--Guaranteed and sponsored	\$ 107,943	\$ 605	\$ (47)	\$ 108,501
--Guaranteed and sponsored -- asset backed	529,528	--	--	529,528
States, municipalities and political subdivisions	5,560	7	(4)	5,563
International governments	44,569	4,201	(13)	48,757
Public utilities	266,866	13,955	(625)	280,196
All other corporate	2,779,091	150,649	(5,014)	2,924,726
All other corporate -- asset-backed	1,863,931	7,507	(3,293)	1,868,145
Short-term investments	111,118	--	--	111,118
Parents, subsidiaries and affiliates	41,725	--	--	41,725
TOTAL BONDS AND SHORT-TERM INVESTMENTS	\$5,750,331	\$176,924	\$ (8,996)	\$5,918,259

</Table>

<Table>
<Caption>

December 31, 2003			
Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
<C>	<C>	<C>	<C>
COMMON STOCKS			
Common stock -- unaffiliated	\$ 4,807	\$ 376	\$ 5,121
Common stock -- affiliated	36,884	--	6,069
TOTAL COMMON STOCKS	\$ 41,691	\$ 376	\$ 11,190

</Table>

The amortized cost and estimated fair value of bonds and short-term investments as of December 31, 2004 by estimated maturity year are shown below. Asset-backed securities, including mortgage backed securities and collateralized mortgage obligations, are distributed to maturity year based on the Company's estimates of the rate of

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future prepayments of principal over the remaining lives of the securities. Expected maturities differ from contractual maturities due to call or repayment provisions.

<Table>
<Caption>

	Statement Value	Fair Value
<S>	<C>	<C>
MATURITY		
One year or less	\$ 682,447	\$ 702,743
Over one year through five years	2,339,182	2,435,441
Over five years through ten years	1,865,432	1,942,201
Over ten years	688,295	716,621
TOTAL	\$5,575,356	\$5,797,006

</Table>

Bonds with a carrying value of \$3,969 and \$3,612 as of December 31, 2004 and 2003, respectively, were on deposit with various regulatory authorities as required.

(h) MORTGAGE LOANS

The maximum and minimum lending rates for the Company's commercial mortgage loans during 2004 were 9.5% and 6.53%, respectively. During 2004, the Company did not reduce interest rates on any outstanding mortgage loans. The highest loan to value percentage of any one loan at the time of loan origination, exclusive of insured, guaranteed or purchase money mortgages, was 55.9%. There were no taxes, assessments and any amounts advanced and not included in the mortgage loan total. As of December 31, 2004, the Company did not hold mortgages with interest more than 180 days past due. There were no impaired loans with a related allowance for credit losses as of December 31, 2004 and 2003.

(i) RESTRUCTURED DEBT IN WHICH THE COMPANY IS A CREDITOR (OTHER THAN MORTGAGE LOANS)

The total recorded investment in restructured loans, as of December 31, 2004 and 2003 was \$1,207 and \$968, respectively. The realized capital losses related to

these loans, as of December 31, 2004 and 2003 were \$157 and \$0, respectively.

(j) REPURCHASE AGREEMENTS

For repurchase agreements, Company policies require a minimum of 102% of the fair value of securities purchased under repurchase agreements to be maintained as collateral. Cash collateral received is invested in short-term investments and the offsetting collateral liability is included in other liabilities. The Company had no repurchase agreements as of December 31, 2004 and 2003.

(k) FAIR VALUE OF FINANCIAL INSTRUMENTS ADMITTED ASSETS, LIABILITIES AND SURPLUS STATEMENT ITEMS:

<Table>
<Caption>

	2004		2003	
<S>	Carrying Amount <C>	Estimated Fair Value <C>	Carrying Amount <C>	Estimated Fair Value <C>
ASSETS				
Bonds and short-term investments	\$5,575,356	5,797,006	\$5,750,331	5,918,259
Common stocks	11,255	11,255	11,190	11,190
Preferred stocks	--	--	4	4
Policy loans	310,520	310,520	294,714	294,714
Mortgage loans	69,626	78,851	95,737	95,737
Derivative related assets	1,397	1,397	7,418	7,418
Other invested assets	26,961	26,961	40,685	40,685
LIABILITIES				
Deposit funds and other benefits	\$ 121,745	121,745	\$ 100,128	100,128
Derivative related liabilities	5,780	31,011	--	6,598

</Table>

The following methods and assumptions were used to estimate the fair value of each class of financial instruments: fair value for bonds, short-term investments, preferred stocks and common stocks approximate those quotations published by the NAIC; policy and mortgage loan carrying amounts approximate fair value; fair value of derivative instruments, including swaps, issued caps, floors, futures, forward commitments and collars, are determined using a pricing model which is similar to external valuation models; investments in partnerships and trusts are based on external market valuations from partnership and trust management; and fair value of liabilities on deposit funds and other benefits is determined by forecasting future cash flows and discounting the forecasted cash flows at current market rates.

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(l) JOINT VENTURES, PARTNERSHIPS AND LIMITED LIABILITY COMPANIES

The Company has no investments in joint ventures, partnerships or limited liability companies that exceed 10% of its admitted assets. The Company did not recognize any impairment write-downs for its investments in joint ventures, partnerships, or limited liability companies for the periods presented. There are no future commitments to joint ventures, partnerships or limited liability companies.

(m) SECURITIES LENDING

The Company participates in a securities lending program to generate additional income, whereby certain domestic fixed income securities are loaned for a short period of time from the Company's portfolio to qualifying third parties, via a lending agent. Borrowers of these securities provide collateral of 102% of the market value of the loaned securities. Acceptable collateral may be in the form of cash or U.S. Government securities. The market value of the loaned securities is monitored and additional collateral is obtained if the market value of the collateral falls below 100% of the market value of the loaned securities. Under the terms of the securities lending program, the lending agent indemnifies the Company against borrower defaults. The Company is only permitted by contract to sell or repledge the noncash collateral in the event of a default by the counterparty and none of the collateral has been sold or repledged at December 31, 2004 and 2003. As of December 31, 2004 and 2003, all collateral accepted was held in separate custodial accounts. As of December 31, 2004 and 2003, the fair value of the loaned securities was approximately \$180,346 and \$236,373, respectively, and was included in Cash and Short Term Investments. The cash collateral received as of December 31, 2004 and 2003 of approximately \$183,321 and \$240,331, respectively, was invested in short-term securities and was also included in fixed maturities, with a corresponding liability for the obligation to return the collateral recorded in other liabilities.

(n) SECURITY UNREALIZED LOSS AGING

The following table presents amortized cost, fair value, and unrealized losses

for the Company's fixed maturity and equity securities, aggregated by investment category and length of time that individual securities have been in a continuous unrealized loss position as of December 31, 2004.

<Table>
<Caption>

	December 31, 2004						
	Less Than 12 Months			12 Months or More			Total
	Amortized Cost	Fair Value	Unrealized Losses	Amortized Cost	Fair Value	Unrealized Losses	Amortized Cost
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
U.S. Gov't and Gov't agencies and authorities							
-- guaranteed and sponsored	\$ 12,590	\$ 12,492	\$ (98)	\$ --	\$ --	\$ --	\$ 12,590
-- guaranteed and sponsored -- asset-backed	157,272	156,301	(971)	6,714	6,505	(209)	163,986
International governments	--	--	--	10,517	10,180	(337)	10,517
Public utilities	29,873	29,638	(235)	16,122	15,479	(643)	45,995
All other corporate including international	373,010	367,665	(5,345)	65,001	62,545	(2,456)	438,011
All other corporate -- asset-backed	423,586	419,730	(3,856)	26,610	26,002	(608)	450,196
TOTAL FIXED MATURITIES	996,331	985,826	(10,505)	124,964	120,711	(4,253)	1,121,295
Common stock -- unaffiliated	--	--	--	696	679	(17)	696
Common stock -- affiliated	--	--	--	36,884	5,368	(31,516)	36,884
TOTAL EQUITY	--	--	--	37,580	6,047	(31,533)	37,580
TOTAL SECURITIES	\$996,331	\$985,826	\$(10,505)	\$162,544	\$126,758	\$(35,786)	\$1,158,875

<Caption>

	December 31, 2004	
	Total	
	Fair Value	Unrealized Losses
<S>	<C>	<C>
U.S. Gov't and Gov't agencies and authorities		
-- guaranteed and sponsored	\$ 12,492	\$ (98)
-- guaranteed and sponsored -- asset-backed	162,806	(1,180)
International governments	10,180	(337)
Public utilities	45,117	(878)
All other corporate including international	430,210	(7,801)
All other corporate -- asset-backed	445,732	(4,464)
TOTAL FIXED MATURITIES	1,106,537	(14,758)
Common stock -- unaffiliated	679	(17)
Common stock -- affiliated	5,368	(31,516)
TOTAL EQUITY	6,047	(31,533)
TOTAL SECURITIES	\$1,112,584	\$(46,291)

</Table>

The following discussion refers to the data presented in the table above, excluding affiliated common stock. The Company holds 100% of the common stock of a non-life insurance subsidiary which is stated at fair value on the Admitted assets, liabilities and surplus. The Company does not have any current plans to dispose of this investment.

As of December 31, 2004, fixed maturities represented approximately 100% of the Company's total unrealized loss amount, which was comprised of approximately 220 different securities. The Company held no securities as of December 31, 2004 that were in an unrealized loss position in excess of \$862. There were no fixed maturities or equity securities as of December 31, 2004, with a fair value less than 80% of the security's amortized cost for six continuous months other than certain ABS and CMBS accounted for under SSAP 43. Based on management's best estimate of future cash flows, there were no such ABS and CMBS in an unrealized loss position as of December 31, 2004 that were deemed to be other-than-temporarily impaired.

Securities in an unrealized loss position for less than twelve months were comprised of approximately 200 securities of which 94%, or \$9,823, were comprised of securities with fair value to amortized cost ratios at or greater than 90%.

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<Page>

The majority of these securities are investment grade securities depressed due to changes in interest rates from the date of purchase.

The securities depressed for twelve months or more as of December 31, 2004 were comprised of 30 securities. Of the twelve months or more unrealized loss amount \$3,502, or 82%, was comprised of securities with fair value to amortized cost ratios as of December 31, 2003 at or greater than 90%. The majority of the securities depressed for twelve months or more are investment grade securities depressed due to changes in interest rates from the date of purchase.

The following table presents amortized cost, fair value and unrealized losses for the Company's fixed maturity and equity securities, excluding non-highly rated securitized financial assets with contractual cash flows, aggregated by investment category and length of time that individual securities have been in a continuous unrealized loss position as of December 31, 2003.

<Table>

<Caption>

	December 31, 2003						
	Less Than 12 Months			12 Months or More			Total
	Amortized Cost	Fair Value	Unrealized Losses	Amortized Cost	Fair Value	Unrealized Losses	Amortized Cost
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
U.S. Gov't and Gov't agencies and authorities (guaranteed and sponsored)	\$ 4,055	\$ 4,008	\$ (47)	\$ --	\$ --	\$ --	\$ 4,055
States, municipalities and political subdivisions	5,169	5,165	(4)	--	--	--	5,169
International governments	337	324	(13)	--	--	--	337
Public utilities	8,289	8,108	(181)	5,973	5,529	(444)	14,262
All other corporate including international	162,756	157,796	(4,960)	10,084	10,030	(54)	172,840
All other corporate -- asset-backed	54,323	53,494	(829)	45,853	45,611	(242)	100,176
TOTAL FIXED MATURITIES	234,929	228,895	(6,034)	61,910	61,170	(740)	296,839
Common stock -- unaffiliated	212	193	(19)	2,486	2,443	(43)	2,698
Common stock -- affiliated	--	--	--	36,884	6,069	(30,815)	36,884
TOTAL EQUITY	212	193	(19)	39,370	8,512	(30,858)	39,582
TOTAL TEMPORARILY IMPAIRED SECURITIES	\$235,141	\$229,088	\$ (6,053)	\$101,280	\$69,682	\$ (31,598)	\$336,421

<Caption>

	December 31, 2003	
	Total	
	Fair Value	Unrealized Losses
<S>	<C>	<C>
U.S. Gov't and Gov't agencies and authorities (guaranteed and sponsored)	\$ 4,008	\$ (47)
States, municipalities and political subdivisions	5,165	(4)
International governments	324	(13)
Public utilities	13,637	(625)
All other corporate including international	167,826	(5,014)
All other corporate -- asset-backed	99,105	(1,071)
TOTAL FIXED MATURITIES	290,065	(6,774)
Common stock -- unaffiliated	2,636	(62)
Common stock -- affiliated	6,069	(30,815)
TOTAL EQUITY	8,705	(30,877)
TOTAL TEMPORARILY IMPAIRED SECURITIES	\$298,770	\$ (37,651)

</Table>

The following discussion refers to the data presented in the table above, excluding affiliated common stock. The Company holds 100% of the common stock of a non-life insurance subsidiary which is stated at fair value on the Admitted assets, liabilities and surplus. The Company does not have any current plans to dispose of this investment.

There were no fixed maturities or equity securities as of December 31, 2003, with a fair value less than 80% of the security's amortized cost. As of December 31, 2003, fixed maturities represented approximately 99% of the Company's unrealized loss amount, which was comprised of approximately 70 different securities. As of December 31, 2003, the Company held no securities presented in the table above that were at an unrealized loss position in excess of \$1,025.

The majority of the securities in an unrealized loss position for less than twelve months are depressed due to the rise in long-term interest rates. This group of securities was comprised of approximately 60 securities. Of the less than twelve months total unrealized loss amount \$5,028, or 83%, was comprised of securities with fair value to amortized cost ratios as of December 31, 2003 at or greater than 90%. As of December 31, 2003, \$5,253 of the less than twelve months total unrealized loss amount was comprised of securities in an unrealized loss position for less than six continuous months.

The securities depressed for twelve months or more were comprised of less than 15 securities. Of the twelve months or more unrealized loss amount \$748, or 96%, was comprised of securities with fair value to amortized cost ratios as of December 31, 2003 at or greater than 90%.

As of December 31, 2003, the sector in the greatest gross unrealized loss position for twelve months or more in the schedule above was the utilities sector, 100% of which was comprised of securities with fair value to amortized cost ratios as of December 31, 2003 at or greater than 86%. The utilities sector remains adversely impacted by several events that primarily occurred in 2001 including the bankruptcy of Enron Corp., the decline in the energy trading industry and the regulatory, political and legal effect of the California utility crises. These events led to credit downgrades, which continue to negatively impact security price levels. Companies have begun to reduce leverage, selling various non-core businesses and have secured liquidity sources either through capital market issuances or bank lines to support cash flow needs. Improved credit fundamentals coupled with increased energy prices and demand should allow the price of these companies' securities to improve.

As part of the Company's ongoing security monitoring process by a committee of investment and accounting professionals, the Company has reviewed its investment portfolio and concluded that there were no additional

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other-than-temporary impairments as of December 31, 2004 and 2003. Due to the issuers' continued satisfaction of the securities' obligations in accordance with their contractual terms and the expectation that they will continue to do so, management's intent and ability to hold these securities, as well as the evaluation of the fundamentals of the issuers' financial condition and other objective evidence, the Company believes that the prices of the securities in the sectors identified above were temporarily depressed.

The evaluation for other-than-temporary impairments is a quantitative and qualitative process, which is subject to risks and uncertainties in the determination of whether declines in the fair value of investments are other-than-temporary. The risks and uncertainties include changes in general economic conditions, the issuer's financial condition or near term recovery prospects and the effects of changes in interest rates.

4. INCOME TAXES:

The Company and The Hartford have entered into a tax sharing agreement under which each member of the consolidated U.S. Federal income tax return will make payments between them such that, with respect to any period, the amount of taxes to be paid by the Company, subject to certain adjustments, generally will be determined as though the Company was filing a separate Federal income tax return.

(a) The components of the net deferred tax asset/(liability) are as follows:

<Table>

<Caption>

	December 31, 2004	December 31, 2003
<S>	<C>	<C>
Total of all deferred tax assets (admitted and non-admitted)	\$446,816	\$423,715
Total of all deferred tax liabilities	(29,360)	(57,848)

Net deferred assets/(liability)	417,456	365,867
Net admitted deferred asset/(liability)	97,105	55,301
Total deferred tax assets non-admitted in accordance with SSAP No. 10, INCOME TAXES	\$320,351	\$310,566
Increase (decrease) in deferred taxes non-admitted	\$ 9,785	\$(53,963)

</Table>

(b) Deferred tax liabilities are not recognized for the following amounts:

Prior to the Tax Reform Act of 1984, the Life Insurance Company Income Tax Act of 1959 permitted the deferral from taxation of a portion of statutory income under certain circumstances. In these situations, the deferred income was accumulated in a "Policyholders' Surplus Account" and would be taxable only under conditions which management considered to be remote; therefore, no federal income taxes have been provided on the balance in this account. The American Jobs Creation Act of 2004, which was enacted in October 2004, allows distributions to be made from the Policyholders' Surplus Account free of tax in 2005 and 2006. The Company anticipates that, based on currently available information, this change will permanently eliminate the tax on this deferred income.

(c) The components of incurred income tax expense and the change in deferred tax assets and deferred tax liabilities are as follows:

	2004	2003	2002
	<C>	<C>	<C>
Federal	\$ (87,470)	\$ (21,840)	\$25,183
Foreign	--	1,885	3,528
Federal income tax on capital gains	23,483	21,940	23,053
CURRENT INCOME TAXES INCURRED	\$ (63,987)	\$ 1,985	\$51,764

</Table>

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<Page>

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

Deferred tax assets resulting from book/tax difference:

	December 31, 2004	December 31, 2003	Change
	<C>	<C>	<C>
Reserves	\$ 44,480	\$ 23,627	\$ 20,853
Fortis ceding commission	--	15,256	(15,256)
Tax DAC	245,155	226,262	18,893
Bonds	8,536	21,085	(12,549)
NOL carryforward/AMT credits	114,164	108,582	5,582
Software project deferral	2,763	--	2,763
Other	31,718	28,903	2,815
TOTAL DEFERRED TAX ASSETS	\$446,816	\$423,715	\$ 23,101
DEFERRED TAX ASSETS NON-ADMITTED	\$320,351	\$310,566	\$ 9,785

</Table>

Deferred tax liabilities resulting from book/tax difference:

	December 31, 2004	December 31, 2003	Change
	<C>	<C>	<C>
Bonds	\$ (15,793)	\$ (13,550)	\$ (2,243)
Tax preferred investments	--	(29,655)	29,655
Accrued deferred compensation	(1,710)	(102)	(1,608)
Software project deferral	--	(1,121)	1,121
Deferred and uncollected	(11,237)	(10,234)	(1,003)
Other	(620)	(3,186)	2,566

TOTAL DEFERRED TAX LIABILITIES	\$ (29,360)	\$ (57,848)	\$ 28,488
--------------------------------	-------------	-------------	-----------

</Table>

<Table>
<Caption>

	December 31, 2004	December 31, 2003	Change
<S>	<C>	<C>	<C>
Total deferred tax assets	\$446,816	\$423,715	\$ 23,101
Total deferred tax liabilities	(29,360)	(57,848)	28,488
Net deferred tax asset (liability)	\$417,456	\$365,867	51,589
Change in net deferred income tax			\$ 51,589

</Table>

(d) The Company's income tax expense and change in deferred tax assets and deferred tax liabilities differs from the amount obtained by applying the Federal statutory rate of 35% to the Net Gain from Operations After Dividends to Policyholders for the following reasons:

<Table>
<Caption>

	2004	Effective Tax Rate	2003	Effective Tax Rate	2002	Effective Tax Rate
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Tax provision at statutory rate	\$ 67,442	35.0%	\$ 96,886	35.0%	\$ (71,865)	(35.0)%
Tax preferred investments	(78,652)	(40.8)%	(69,159)	(25.0)%	(64,562)	(31.4)%
Unrealized gains/(losses)	(5,367)	(2.8)%	--	--	--	--
IMR adjustment	(369)	(0.2)%	--	--	--	--
1998-2001 IRS audit	(102,502)	(53.2)%	--	--	--	--
Other	3,872	2.0%	2,741	1.0%	(3,208)	(1.6)%
TOTAL	\$ (115,576)	(60.0)%	\$ 30,468	11.0%	\$ (139,635)	(68.0)%

</Table>

<Table>
<Caption>

	2004	Effective Tax Rate	2003	Effective Tax Rate	2002	Effective Tax Rate
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Federal and foreign income tax incurred	\$ (63,987)	(33.2)%	\$ 1,985	0.7%	\$ 51,764	25.2%
Change in net deferred income taxes	(51,589)	(26.8)%	28,483	10.3%	(191,399)	(93.2)%
TOTAL STATUTORY INCOME TAXES	\$ (115,576)	(60.0)%	\$ 30,468	11.0%	\$ (139,635)	(68.0)%

</Table>

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(e) As of December 31, 2004, the Company had no operating loss carry forwards.

The following are year to date income taxes incurred in the current and prior years that will be available for recoupment in the event of future net losses:

<Table>

<S>	<C>
2004	\$ 7,825
2003	\$ 1,985

</Table>

(f) The Company's Federal income tax return is consolidated within The Hartford Financial Services Group, Inc. consolidated Federal income tax return.

The method of allocation between the companies is subject to written agreement, approved by the Board of Directors. Allocation is based upon separate return calculations with current credit for net losses, to the extent available for use by the group. Intercompany tax balances are settled quarterly.

5. REINSURANCE:

The Company cedes insurance to other insurers in order to limit its maximum losses. Such transfer does not relieve the Company of its primary liability to

the policyholder. Failure of reinsurers to honor their obligations could result in losses to the Company. The Company reduces this risk by evaluating the financial condition of reinsurers and monitoring for possible concentrations of credit risk.

The Company cedes significant portions of its variable annuity business written since 1994 to RGA Reinsurance Company ("RGA"). Certain core annuity products were included in this reinsurance arrangement beginning in the first quarter of 2002 and, as such, the amounts ceded to RGA have increased.

The Company has a reinsurance agreement under which the reinsurer has a limited right to unilaterally cancel any reinsurance for reasons other than for nonpayment of premium or other similar credits. The estimated amount of aggregate reduction in surplus of this limited right to unilaterally cancel this reinsurance agreement by the reinsurer for which cancellation results in a net obligation of the company to the reinsurer, and for which such obligation is not presently accrued is \$219,998 in 2004, an increase of \$9,069 from the 2003 balance of \$210,929. The total amount of reinsurance credits taken for this agreement is \$338,458 in 2004, an increase of \$13,953 from the 2003 balance of \$324,505.

On June 30, 2003, the Company recaptured a block of business previously reinsured with an unaffiliated reinsurer. Under this treaty, the Company reinsured a portion of the guaranteed minimum death benefit feature associated with certain of its annuity contracts. As consideration for recapturing the business and final settlement under the treaty, the Company has received assets valued at approximately \$20,073 and 500 thousand warrants exercisable for the unaffiliated company's stock. Prospectively, as a result of the recapture, the Company will be responsible for all of the remaining and ongoing risks associated with the GMDB's related to this block of business. As of December 31, 2002, the Company established a liability for reinsurance in unauthorized companies of \$36,926 related to this reinsurer.

Effective July 7, 2003, the Company entered into an indemnity reinsurance arrangement with Hartford Life and Accident Company ("HLA"). Through this arrangement, the Company will automatically cede 100% of the guaranteed minimum withdrawal benefits incurred on variable annuity contracts that were otherwise not reinsured. As of December 31, 2004 and 2003, the amount of ceded premiums was \$33,947 and \$3,612, respectively, and the reserve credit taken was \$37,018 and \$3,680, respectively.

The amount of reinsurance recoverables from reinsurers was \$15,488 and \$16,578 at December 31, 2004 and 2003, respectively.

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The effect of reinsurance as of and for the years ended December 31, is summarized as follows:

<Table>

<Caption>

<S>	Direct <C>	Assumed <C>	Ceded <C>	Net <C>

2004				
Aggregate Reserves for Life and Accident and Health Policies	\$ 5,626,098	\$1,483,460	\$ (948,528)	\$ 6,161,030
Policy and Contract Claim Liabilities	\$ 21,331	\$ 14,491	\$ (8,942)	\$ 26,880
Premium and Annuity Considerations	\$11,712,335	\$ 259,653	\$ (352,200)	\$11,619,788
Death, Annuity, Disability and Other Benefits	\$ 196,436	\$ 113,044	\$ (40,442)	\$ 269,038
Surrenders and Other Fund Withdrawals	\$ 6,150,801	\$ 584,474	\$ (1,300,184)	\$ 5,435,091

</Table>

<Table>

<Caption>

<S>	Direct <C>	Assumed <C>	Ceded <C>	Net <C>

2003				
Aggregate Reserves for Life and Accident and Health Policies	\$ 5,671,324	\$1,511,423	\$ (761,273)	\$ 6,421,474
Policy and Contract Claim Liabilities	\$ 22,699	\$ 14,201	\$ (9,066)	\$ 27,834
Premium and Annuity Considerations	\$12,173,716	\$ 287,413	\$ (345,423)	\$12,115,706
Death, Annuity, Disability and Other Benefits	\$ 165,828	\$ 114,575	\$ (37,015)	\$ 243,388
Surrenders and Other Fund Withdrawals	\$ 4,904,307	\$ 546,275	\$ (1,071,759)	\$ 4,378,823

</Table>

<Table>

<Caption>

<S>	Direct <C>	Assumed <C>	Ceded <C>	Net <C>

2002				
Aggregate Reserves for Life and Accident and Health Policies	\$ 5,566,253	\$1,511,752	\$ (946,667)	\$ 6,131,338
Policy and Contract Claim Liabilities	\$ 26,680	\$ 15,825	\$ (8,649)	\$ 33,856
Premium and Annuity Considerations	\$ 8,401,771	\$ 371,175	\$ (4,146,116)	\$ 4,626,830
Death, Annuity, Disability and Other Benefits	\$ 138,864	\$ 114,019	\$ (25,083)	\$ 227,800
Surrenders and Other Fund Withdrawals	\$ 4,436,989	\$ 766,314	\$ (459,359)	\$ 4,743,944

6. PREMIUM AND ANNUITY CONSIDERATIONS (DEFERRED AND UNCOLLECTED)

The following presents premium and annuity considerations (deferred and uncollected) as of December 31, 2004 and 2003:

	December 31, 2004	December 31, 2004
	Gross	Net of Loading
Ordinary New Business	\$ 2,856	\$ 3,339
Ordinary Renewal	18,614	29,980
Group Life	37	68
TOTAL	\$21,507	\$33,387

	December 31, 2003	December 31, 2003
	Gross	Net of Loading
Ordinary New Business	\$ 2,414	\$ 2,831
Ordinary Renewal	16,253	25,079
Group Life	45	80
TOTAL	\$18,712	\$27,990

7. RELATED PARTY TRANSACTIONS:

Transactions between the Company and its affiliates, relate principally to tax settlements, reinsurance, insurance coverages, rental and service fees, capital contributions and payments of dividends. In addition, certain affiliated insurance companies purchased group annuity contracts from the Company to fund pension costs and claim annuities to settle casualty claims. Substantially all general insurance expenses related to the Company, including rent and benefit plan

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expenses, are initially paid by The Hartford. Direct expenses are allocated using specific identification and indirect expenses are allocated using other applicable methods. Indirect expenses include those for corporate areas which, depending on type, are allocated based on either a percentage of direct expenses or on utilization. The terms of the settlement require that these amounts be settled generally within 30 days.

The Company has also invested in bonds of its indirect affiliates, Hartford Financial Services Corporation, and HL Investment Advisors, Inc., and common stock of its subsidiary, Hartford Life, Ltd.

In connection with a comprehensive evaluation of various capital maintenance and allocation strategies by The Hartford Financial Services Group ("The Hartford"), intercompany asset sale transactions were executed in March and April 2003. The transactions resulted in certain of The Hartford's Property & Casualty subsidiaries selling ownership interests in certain high quality fixed maturity securities to Hartford Life and Accident Insurance Company, Hartford Life Insurance Company and Hartford Life and Annuity Insurance Company for cash equal to the fair value of the securities as of the effective date of the sales. The transfer re-deployed to the Life subsidiaries desirable investments without incurring substantial transaction costs that would have been payable in a

comparable open market transaction. The fair value of securities transferred in March and April 2003 were \$140 million and \$413 million, respectively.

For additional information, see Notes 4, 5 and 8.

8. PENSION, RETIREMENT, AND OTHER POST-RETIREMENT AND POST-EMPLOYMENT BENEFITS:

All employees hired by The Hartford's life insurance companies are included in The Hartford's non-contributory defined benefit pension plans. These plans provide pension benefits that are based on years of service and the employee's compensation during the last ten years of employment. The Hartford's funding policy is to contribute annually an amount between the minimum funding requirements set forth in the Employee Retirement Income Security Act of 1974, as amended, and the maximum amount that can be deducted for U.S. Federal income tax purposes. Generally, pension costs are funded through the purchase of group pension contracts sold by affiliates. The costs that were allocated to the Company for pension related expenses were \$31,786, \$8,599 and \$4,357 for 2004, 2003 and 2002, respectively.

Employees of The Hartford's life insurance companies are also provided, through The Hartford, certain health care and life insurance benefits for eligible retired employees. The contribution for health care benefits depends on the retiree's date of retirement and years of service. In addition, this benefit plan has a defined dollar cap, which limits average company contributions. The Hartford has prefunded a portion of the health care and life insurance obligations through trust funds where such prefunding can be accomplished on a tax effective basis. Postretirement health care and life insurance benefits expense allocated to the Company was not material to the results of operations for 2004, 2003 or 2002.

Substantially all of The Hartford's life insurance companies' employees are eligible to participate in The Hartford's Investment and Savings Plan. Under this plan, designated contributions, which may be invested in common stock of The Hartford or certain other investments, are matched to a limit of 3% of compensation. In 2003, The Hartford allocated 0.5% of base salary to the plan for each eligible employee. Beginning in 2004, the floor company contribution for eligible employees was increased to 1.5%. The cost to the Company for the above-mentioned plan was approximately \$3.8 million, \$2.7 million and \$2.5 million in 2004, 2003 and 2002, respectively.

9. CAPITAL AND SURPLUS AND SHAREHOLDER DIVIDEND RESTRICTIONS:

The maximum amount of dividends which can be paid to shareholders by Connecticut domiciled insurance companies, without prior approval, is generally restricted to the greater of 10% of surplus as of the preceding December 31(st) or the net gain from operations after dividends to policyholders, Federal income taxes and before realized capital gains or (losses) for the previous year. In addition, if any dividend exceeds the insurer's earned surplus, it requires the prior approval of the Connecticut Insurance Commissioner. Dividends are paid as determined by the Board of Directors and are not cumulative. There were no dividends paid or declared in 2004, 2003 or 2002. The amount available for dividend in 2005 is approximately \$0.

The portion of unassigned funds (surplus) reduced by each item below as of December 31, is as follows:

<Table>

<Caption>

	2004	2003
<S>	<C>	<C>
Unrealized gains and losses	\$ (46,387)	\$ (32,805)
Nonadmitted asset values	\$ (351,559)	\$ (334,593)
Asset valuation reserves	\$ (30,117)	\$ (16,542)
Reinsurance in unauthorized companies	\$ (222)	\$ (76)

</Table>

10. SEPARATE ACCOUNTS:

The Company maintained separate account assets totaling \$62.9 billion and \$52.2 billion as of December 31, 2004 and 2003, respectively. Separate account assets are segregated from other investments and reported at fair value. Separate

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account liabilities are determined in accordance with prescribed actuarial methodologies, which approximate the market value less applicable surrender charges. The resulting surplus is recorded in the general account statement of operations as a component of Net Transfers to Separate Accounts. The Company's separate accounts are non-guaranteed, wherein the policyholder assumes substantially all the investment risks and rewards. Investment income (including investment gains and losses) and interest credited to policyholders on separate account assets are not separately reflected in the statutory statements of

operations.

Separate account management fees, net of minimum guarantees, were \$904 million, \$626 million and \$518 million for the years ended December 31, 2004, 2003 and 2002, respectively, and are recorded as a component of fee income on the Company's statutory basis Statements of Operations.

An analysis of the Nonguaranteed Separate Accounts as of December 31, 2004 is as follows:

<Table> <Caption>		Total <C>
<C>	<S>	-----
1.	Premiums considerations or deposits for the year ended 2004	\$ 8,453,455 -----
2.	Reserves @ year end	
	I. For accounts with assets at:	
	Market value	\$61,093,263 -----
	Total reserves	\$61,093,263 -----
	II. By withdrawal characteristics:	
	Subject to discretionary withdrawal	67,071
	Market value	60,925,462 -----
	Subtotal	60,992,533
	Not subject to discretionary withdrawal	100,730 -----
	TOTAL	\$61,093,263 -----

</Table>

11. COMMITMENTS AND CONTINGENT LIABILITIES:

(a) LITIGATION

The Company is or may become involved in various legal actions in the ordinary course of its business, some of which assert claims for substantial amounts. Management expects that the ultimate liability, if any, with respect to such lawsuits, after consideration of provisions made for estimated losses, will not be material to the consolidated financial condition of the Company.

BROKER COMPENSATION LITIGATION--In June 2004, The Hartford received a subpoena from the New York Attorney General's Office in connection with its inquiry into compensation arrangements between brokers and carriers. In mid-September 2004 and subsequently, The Hartford has received additional subpoenas from the New York Attorney General's Office, which relate more specifically to possible anti-competitive activity among brokers and insurers. In October through December 2004, The Hartford received subpoenas or other information requests from Attorneys General and regulatory agencies in more than a dozen jurisdictions regarding broker compensation and possible anti-competitive activity. The Hartford may receive additional subpoenas and other information requests from Attorneys General or other regulatory agencies regarding similar issues. The Hartford also has received a subpoena from the New York Attorney General's Office requesting information related to The Hartford's underwriting practices with respect to legal professional liability insurance. In addition, The Hartford has received a request for information from the New York Attorney General's Office concerning The Hartford's compensation arrangements in connection with the administration of workers compensation plans. The Hartford intends to continue cooperating fully with these investigations, and is conducting an internal review, with the assistance of outside counsel, regarding the issues under investigation.

On October 14, 2004, the New York Attorney General's Office filed a civil complaint (the "NYAG Complaint") against Marsh & McLennan Companies, Inc., and Marsh, Inc. (collectively, "Marsh"). The complaint alleges, among other things, that certain insurance companies, including The Hartford, participated with Marsh in arrangements to submit inflated bids for business insurance and paid contingent commissions to ensure that Marsh would direct business to them. The Hartford is not joined as a defendant in the action. Although no regulatory action has been initiated against The Hartford in connection with the allegations described in the civil complaint, it is possible that the New York Attorney General's Office or one or more other regulatory agencies may pursue action against The Hartford or one or more of its employees in the future. The potential timing of any such action is difficult to predict. If such an action is brought, it could have a material adverse effect on the Company. Since the filing of the NYAG Complaint, several private actions have been filed against The Hartford asserting claims arising from the allegations of the NYAG Complaint. The Hartford and the individual defendants dispute the allegations and intend to defend these actions vigorously.

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There continues to be significant federal and state regulatory activity relating to financial services companies, particularly mutual funds companies. These regulatory inquiries have focused on a number of mutual fund issues, including market timing and late trading, revenue sharing and directed brokerage, fees, transfer agents and other fund service providers, and other mutual-fund related issues. The Company continues to cooperate fully with the SEC, the New York Attorney General's Office and other regulatory agencies.

(b) GUARANTY FUNDS

Under insurance guaranty fund laws in each state, the District of Columbia and Puerto Rico, insurers licensed to do business can be assessed by state insurance guaranty association for certain obligations of insolvent insurance companies to policyholders and claimants. Part of the assessments paid by the Company pursuant to these laws may be used as credits for a portion of the associated premium taxes. The Company paid guaranty fund assessments of approximately \$1,268 and was refunded \$2 in 2004 and 2003, respectively, of which \$762 increased and \$1 decreased in 2004 and 2003, respectively, the creditable amount against premium taxes.

(c) LEASES

As discussed in Note 8, transactions with The Hartford include rental of facilities and equipment. The rent paid by the Company to The Hartford for space occupied by The Hartford's life insurance companies was \$16,738 and \$8,164 in 2004 and 2003, respectively. Future minimum rental commitments are as follows:

<Table>	
<S>	<C>
2005	\$ 13,657
2006	12,673
2007	11,220
2008	9,588
2009	8,274
Thereafter	8,958

Total	\$ 64,370

</Table>

The principal executive office of the Company, together with its parent and other life insurance affiliates, is located in Simsbury, Connecticut. The Company's allocated rental expense is recognized on a level basis over the term of the primary sublease for the facility located in Simsbury, Connecticut, which expires on December 31, 2009, and amounted to \$5,574 and \$3,195 in 2004 and 2003, respectively.

(d) TAX MATTERS

The Company's federal income tax returns are routinely audited by the Internal Revenue Service ("IRS"). During 2004, the IRS completed its examination and issued its Revenue Agents Report for the 1998-2001 tax years. The IRS and the Company agreed upon all adjustments, and as a result, the Company booked a \$102,502 tax benefit to reflect the impact of the audit settlement on tax years prior to 2004. The benefit relates primarily to the separate account DRD and interest. The IRS is expected to begin its audit of the 2002-2004 tax years sometime in 2005. Management believes that adequate provision has been made in the financial statements for any potential assessments that may result from future tax examinations and other tax-related matters for all open tax years.
