

SECURITIES AND EXCHANGE COMMISSION

FORM N-30D

Initial annual and semi-annual reports mailed to investment company shareholders pursuant to Rule 30e-1 (other than those required to be submitted as part of Form NCSR)

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NATIONWIDE VARIABLE ACCOUNT 3

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Mailing Address
NATIONWIDE LIFE
INSURANCE CO
ONE NATIONWIDE PLAZA
COLUMBUS OH 43216-6609

Business Address
ONE NATIONWIDE PLZ
NATIONWIDE LIFE
INSURANCE CO
COLUMBUS OH 43216-6609
614-249-7111

[Nationwide Logo]

NATIONWIDE (R)
VARIABLE
ACCOUNT-3

SEMI-ANNUAL REPORT

TO

CONTRACT OWNERS

JUNE 30, 1999

NATIONWIDE LIFE INSURANCE COMPANY

HOME OFFICE: COLUMBUS, OHIO

APO-1545-AA (6/99)

[Logo]

NATIONWIDE LIFE INSURANCE COMPANY
ONE NATIONWIDE PLAZA, COLUMBUS, OHIO 43215-2220

[Photo]

PRESIDENT'S MESSAGE

On behalf of Nationwide Life Insurance Company, we are pleased to present the 1999 semi-annual report of the Nationwide Variable Account-3.

Equity investments performed well during the first half of 1999 with the major market indices showing double-digit gains. Fixed income investments did not fare as well during this period in the face of the Federal Reserve's inflation cautiousness. The Fed is mindful of the resilient U.S. economy and the increasingly tight labor pool that portends future wage inflation. Accordingly, we have seen a ratcheting-up of short-term interest rates to dampen the momentum of the current expansion. How aggressively the Fed may react to the perceived inflation threat only adds uncertainty to the already jittery equity markets. Over the long term, however, a slower but sustainable rate of growth, with low inflation, provides a favorable environment for further advances in financial assets.

At mid-year, we are pleased to report that all the mission-critical systems used to service our variable annuity and variable life business have been internally inventoried, assessed and tested as being Year 2000 compliant. We are currently contacting our critical business partners to determine if they will be Year 2000 compliant. Contingency plans are being developed and are to be completed by the end of the third quarter. All these steps are being taken to assure that

Nationwide Financial will be able to continue to serve your financial needs into the Year 2000 and beyond.

Thank you for selecting Nationwide Financial to help you achieve your financial planning and retirement savings goals. You have our commitment to provide the consistent, high quality service you expect and deserve.

/s/ Joseph J. Gasper
Joseph J. Gasper, President
August 19, 1999

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NATIONWIDE VARIABLE ACCOUNT-3

STATEMENT OF ASSETS, LIABILITIES AND CONTRACT OWNERS' EQUITY

JUNE 30, 1999
(UNAUDITED)

<TABLE>	
<CAPTION>	
ASSETS:	
<S>	<C>
Investments at market value:	
Van Kampen LIT - Asset Allocation Fund 2,372,264 shares (cost \$27,883,234)	\$27,921,548
Van Kampen LIT - Domestic Income Fund 710,761 shares (cost \$5,953,393)	5,657,656
Van Kampen LIT - Emerging Growth Fund 205,011 shares (cost \$3,656,077)	5,656,259
Van Kampen LIT - Enterprise Fund 1,698,080 shares (cost \$30,153,081)	37,578,519
Van Kampen LIT - Global Equity Fund 60,220 shares (cost \$726,779)	885,233
Van Kampen LIT - Government Fund 437,210 shares (cost \$3,914,280)	3,856,194
Van Kampen LIT - Money Market Fund 4,642,760 shares (cost \$4,642,760)	4,642,760
Van Kampen LIT - Morgan Stanley Real Estate Securities Portfolio 29,317 shares (cost \$442,928)	407,207

Total investments	86,605,376
Accounts Receivable	78

Total assets	86,605,454

CONTRACT OWNERS' EQUITY	\$86,605,454
	=====

</TABLE>

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<TABLE>
<CAPTION>

Contract owners' equity represented by:	UNITS	UNIT VALUE		PERIOD RETURN*
	-----	-----		-----
Contracts in accumulation phase:				
<S>	<C>	<C>	<C>	<C>
Van Kampen LIT - Asset Allocation Fund:				
Tax qualified	302,503	\$ 33.145490	\$ 10,026,610	1%
Non-tax qualified	539,094	33.145490	17,868,535	1%
Van Kampen LIT - Domestic Income Fund:				
Tax qualified	66,811	18.739328	1,251,993	(3)%
Non-tax qualified	234,369	18.739328	4,391,918	(3)%
Van Kampen LIT - Emerging Growth Fund:				
Tax qualified	76,616	26.196440	2,007,066	21%
Non-tax qualified	139,303	26.196440	3,649,243	21%
Van Kampen LIT - Enterprise Fund:				
Tax qualified	218,498	53.531852	11,696,603	6%
Non-tax qualified	482,760	53.531852	25,843,037	6%
Van Kampen LIT - Global Equity Fund:				
Tax qualified	19,475	17.959771	349,767	11%
Non-tax qualified	29,815	17.959771	535,471	11%
Van Kampen LIT - Government Fund:				
Tax qualified	41,527	16.638550	690,949	(4)%
Non-tax qualified	188,542	16.638550	3,137,065	(4)%
Van Kampen LIT - Money Market Fund:				
Tax qualified	88,289	15.503979	1,368,831	2%
Non-tax qualified	209,743	15.503979	3,251,851	2%
Van Kampen LIT - Morgan Stanley Real Estate Securities Portfolio:				
Tax qualified	7,249	16.833721	122,028	8%
Non-tax qualified	16,941	16.833721	285,180	8%
	=====	=====		
Reserves for annuity contracts in payout phase:				
Tax qualified			1,846	
Non-tax qualified			127,461	

			\$ 86,605,454	
			=====	

</TABLE>

*The period return does not include contract charges satisfied by surrendering units.

See accompanying notes to financial statements.

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NATIONWIDE VARIABLE ACCOUNT-3

STATEMENTS OF OPERATIONS AND CHANGES IN CONTRACT OWNERS' EQUITY

SIX MONTH PERIODS ENDED JUNE 30, 1999 AND 1998
(UNDERLYING MUTUAL FUNDS OF VAN KAMPEN LIT)
(UNAUDITED)

<TABLE>

<CAPTION>

	TOTAL		ASSET ALLOCATION FUND	
	1999	1998	1999	1998
	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>
INVESTMENT ACTIVITY:				
Reinvested dividends	\$ 1,917,366	313,872	992,341	36,927
Mortality, expense and administration charges (note 2).....	(594,275)	(658,537)	(192,677)	(224,227)
	-----	-----	-----	-----
Net investment activity.....	1,323,091	(344,665)	799,664	(187,300)

Proceeds from mutual fund shares sold.....	20,636,637	18,430,453	4,546,783	5,121,901
Cost of mutual fund shares sold.....	(16,871,588)	(16,369,611)	(3,640,667)	(5,011,813)
Realized gain (loss) on investments.....	3,765,049	2,060,842	906,116	110,088
Change in unrealized gain (loss) on investments...	(7,628,758)	7,464,220	(4,418,229)	1,733,504
Net gain (loss) on investments.....	(3,863,709)	9,525,062	(3,512,113)	1,843,592
Reinvested capital gains	5,717,165	1,466,481	2,990,224	998,161
Net increase (decrease) in contract owners' equity resulting from operations.....	3,176,547	10,646,878	277,775	2,654,453
EQUITY TRANSACTIONS:				
Purchase payments received from contract owners.....	606,907	1,350,852	155,331	358,340
Transfers between funds.....	--	--	(1,066,142)	(575,779)
Redemptions.....	(12,341,754)	(10,767,616)	(3,075,872)	(3,449,023)
Annuity benefits.....	(13,081)	(10,050)	(4,826)	(3,415)
Annual contract maintenance charge (note 2).....	(33,557)	(41,210)	(13,087)	(15,789)
Contingent deferred sales charges (note 2).....	(17,966)	(31,754)	(7,723)	(7,111)
Adjustments to maintain reserves.....	234	(1,359)	124	(612)
Net equity transactions.....	(11,799,216)	(9,501,137)	(4,012,196)	(3,693,389)
Net change in contract owners' equity.....	(8,622,669)	1,145,741	(3,734,421)	(1,038,936)
Contract owners' equity beginning of period.....	95,228,123	99,463,998	31,656,055	34,342,903
Contract owners' equity end of period.....	\$ 86,605,454	100,609,739	27,921,634	33,303,967

</TABLE>

NATIONWIDE VARIABLE ACCOUNT-3

STATEMENTS OF OPERATIONS AND CHANGES IN CONTRACT OWNERS' EQUITY

SIX MONTH PERIODS ENDED JUNE 30, 1999 AND 1998
(UNDERLYING MUTUAL FUNDS OF VAN KAMPEN LIT)
(UNAUDITED)

<TABLE>
<CAPTION>

	DOMESTIC INCOME FUND		EMERGING GROWTH FUND	
	1999	1998	1999	1998
<S>	<C>	<C>	<C>	<C>
INVESTMENT ACTIVITY:				
Reinvested dividends	429,732	20,180	--	1,446
Mortality, expense and administration charges (note 2).....	(40,522)	(50,297)	(30,052)	(24,803)
Net investment activity.....	389,210	(30,117)	(30,052)	(23,357)
Proceeds from mutual fund shares sold.....	1,366,647	1,815,568	599,675	284,952
Cost of mutual fund shares sold.....	(1,342,355)	(1,752,995)	(318,545)	(220,249)
Realized gain (loss) on investments.....	24,292	62,573	281,130	64,703
Change in unrealized gain (loss) on investments...	(643,784)	238,574	660,430	701,549
Net gain (loss) on investments.....	(619,492)	301,147	941,560	766,252
Reinvested capital gains	--	--	--	--
Net increase (decrease) in contract owners' equity resulting from operations.....	(230,282)	271,030	911,508	742,895
EQUITY TRANSACTIONS:				
Purchase payments received from contract owners.....	28,173	202,974	90,305	130,043
Transfers between funds.....	44,751	(486,117)	728,216	115,186
Redemptions.....	(886,510)	(1,091,566)	(186,707)	(220,510)

Annuity benefits.....	(1,273)	(1,288)	--	--
Annual contract maintenance charge (note 2).....	(2,751)	(3,652)	(1,876)	(1,786)
Contingent deferred sales charges (note 2).....	(2,135)	(4,346)	(994)	(1,462)
Adjustments to maintain reserves.....	(151)	(29)	53	(13,107)
Net equity transactions.....	(819,896)	(1,384,024)	628,997	8,364
Net change in contract owners' equity.....	(1,050,178)	(1,112,994)	1,540,505	751,259
Contract owners' equity beginning of period.....	6,707,663	8,373,324	4,115,804	3,461,804
Contract owners' equity end of period.....	5,657,485	7,260,330	5,656,309	4,213,063

</TABLE>

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NATIONWIDE VARIABLE ACCOUNT-3

STATEMENTS OF OPERATIONS AND CHANGES IN CONTRACT OWNERS' EQUITY

SIX MONTH PERIODS ENDED JUNE 30, 1999 AND 1998
(UNDERLYING MUTUAL FUNDS OF VAN KAMPEN LIT)
(UNAUDITED)

<TABLE>
<CAPTION>

	ENTERPRISE FUND		GLOBAL EQUITY FUND	
	1999	1998	1999	1998
<S>	<C>	<C>	<C>	<C>
INVESTMENT ACTIVITY:				
Reinvested dividends	\$ 115,759	37,274	2,343	10,562
Mortality, expense and administration charges (note 2).....	(251,705)	(278,009)	(5,414)	(5,630)
Net investment activity.....	(135,946)	(240,735)	(3,071)	4,932
Proceeds from mutual fund shares sold.....	7,760,058	5,363,456	135,136	58,537
Cost of mutual fund shares sold.....	(5,219,605)	(3,593,707)	(130,078)	(57,992)
Realized gain (loss) on investments.....	2,540,453	1,769,749	5,058	545
Change in unrealized gain (loss) on investments..	(2,960,494)	4,652,148	83,268	118,991
Net gain (loss) on investments.....	(420,041)	6,421,897	88,326	119,536
Reinvested capital gains	2,726,941	457,154	-	-
Net increase (decrease) in contract owners' equity resulting from operations.....	2,170,954	6,638,316	85,255	124,468
EQUITY TRANSACTIONS:				
Purchase payments received from contract owners.....	275,030	432,694	17,607	11,442
Transfers between funds.....	(1,218,296)	(173,620)	(13,248)	132,333
Redemptions.....	(4,913,871)	(3,725,720)	(66,383)	(27,736)
Annuity benefits.....	(2,938)	(1,316)	-	-
Annual contract maintenance charge (note 2).....	(11,705)	(14,928)	(399)	(409)
Contingent deferred sales charges (note 2).....	(4,551)	(7,821)	(215)	(57)
Adjustments to maintain reserves.....	267	(39,930)	2	7
Net equity transactions.....	(5,876,064)	(3,530,641)	(62,636)	115,580
Net change in contract owners' equity.....	(3,705,110)	3,107,675	22,619	240,048
Contract owners' equity beginning of period.....	41,283,855	40,292,749	862,619	706,509
Contract owners' equity end of period.....	\$ 37,578,745	43,400,424	885,238	946,557

</TABLE>

<TABLE>
<CAPTION>

	GOVERNMENT FUND		MONEY MARKET FUND	
	1999	1998	1999	1998
<S>	<C>	<C>	<C>	<C>
INVESTMENT ACTIVITY:				
Reinvested dividends	206,767	47,499	146,808	158,849
Mortality, expense and administration charges (note 2).....	(26,956)	(29,580)	(44,560)	(41,587)
Net investment activity.....	179,811	17,919	102,248	117,262
Proceeds from mutual fund shares sold.....	629,977	705,149	5,529,793	4,925,425
Cost of mutual fund shares sold.....	(613,821)	(656,252)	(5,529,793)	(4,925,425)
Realized gain (loss) on investments.....	16,156	48,897	-	-
Change in unrealized gain (loss) on investments..	(364,744)	69,831	-	-
Net gain (loss) on investments.....	(348,588)	118,728	-	-
Reinvested capital gains	-	-	-	-
Net increase (decrease) in contract owners' equity resulting from operations.....	(168,777)	136,647	102,248	117,262
EQUITY TRANSACTIONS:				
Purchase payments received from contract owners.....	11,658	41,815	23,183	149,005
Transfers between funds.....	287,464	(250,960)	1,249,465	1,225,127
Redemptions.....	(452,922)	(351,728)	(2,747,262)	(1,817,499)
Annuity benefits.....	(2,510)	(2,497)	(1,534)	(1,534)
Annual contract maintenance charge (note 2).....	(1,781)	(2,063)	(1,852)	(2,349)
Contingent deferred sales charges (note 2).....	(201)	(2,556)	(2,103)	(8,246)
Adjustments to maintain reserves.....	(45)	(19)	(13)	52,327
Net equity transactions.....	(158,338)	(568,008)	(1,480,116)	(403,169)
Net change in contract owners' equity.....	(327,115)	(431,361)	(1,377,868)	(285,907)
Contract owners' equity beginning of period.....	4,183,233	4,717,386	6,020,585	6,874,194
Contract owners' equity end of period.....	3,856,118	4,286,025	4,642,717	6,588,287

</TABLE>

NATIONWIDE VARIABLE ACCOUNT-3

STATEMENTS OF OPERATIONS AND CHANGES IN CONTRACT OWNERS' EQUITY

SIX MONTH PERIODS ENDED JUNE 30, 1999 AND 1998
(UNDERLYING MUTUAL FUNDS OF VAN KAMPEN LIT)
(UNAUDITED)

<TABLE>
<CAPTION>

	MORGAN STANLEY REAL ESTATE SECURITIES PORTFOLIO	
	1999	1998
<S>	<C>	<C>
INVESTMENT ACTIVITY:		
Reinvested dividends	\$ 23,616	1,135
Mortality, expense and administration charges (note 2)	(2,389)	(4,404)

Net investment activity	21,227	(3,269)
Proceeds from mutual fund shares sold	68,568	155,465
Cost of mutual fund shares sold	(76,724)	(151,178)
Realized gain (loss) on investments	(8,156)	4,287
Change in unrealized gain (loss) on investments	14,795	(50,377)
Net gain (loss) on investments	6,639	(46,090)
Reinvested capital gains	--	11,166
Net increase (decrease) in contract owners' equity resulting from operations	27,866	(38,193)
EQUITY TRANSACTIONS:		
Purchase payments received from contract owners	5,619	24,539
Transfers between funds	(12,210)	13,830
Redemptions	(12,226)	(83,834)
Annuity benefits	--	--
Annual contract maintenance charge (note 2)	(106)	(234)
Contingent deferred sales charges (note 2)	(43)	(155)
Adjustments to maintain reserves	(2)	4
Net equity transactions	(18,967)	(45,850)
NET change in contract owners' equity	8,899	(84,043)
Contract owners' equity beginning of period	398,309	695,129
Contract owners' equity end of period.....	\$ 407,208	611,086

</TABLE>

See accompanying notes to financial statements.

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NATIONWIDE VARIABLE ACCOUNT-3

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 1999 AND 1998
(UNAUDITED)

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Organization and Nature of Operations

Nationwide Variable Account-3 (the Account) was established pursuant to a resolution of the Board of Directors of Nationwide Life Insurance Company (the Company) on October 7, 1987. The Account has been registered as a unit investment trust under the Investment Company Act of 1940.

The Company offers tax qualified and non-tax qualified Individual Deferred Variable Annuity Contracts through the Account. The primary distribution for the contracts is through the brokerage community; however, other distributors may be utilized.

(b) The Contracts

Only contracts without a front-end sales charge, but with a contingent deferred sales charge and certain other fees, are offered for purchase. See note 2 for a discussion of contract expenses.

Contract owners in either the accumulation or the payout phase may invest in the following funds of the Van Kampen Life Investment Trust

(Van Kampen LIT) :

Van Kampen LIT - Asset Allocation Fund
Van Kampen LIT - Domestic Income Fund
Van Kampen LIT - Emerging Growth Fund
Van Kampen LIT - Enterprise Fund
Van Kampen LIT - Global Equity Fund
Van Kampen LIT - Government Fund
Van Kampen LIT - Money Market Fund
Van Kampen LIT - Morgan Stanley Real Estate Securities Portfolio

At June 30, 1999, contract owners have invested in all of the above funds. The contract owners' equity is affected by the investment results of each fund, equity transactions by contract owners and certain contract expenses (see note 2). The accompanying financial statements include only contract owners' purchase payments pertaining to the variable portions of their contracts and exclude any purchase payments for fixed dollar benefits, the latter being included in the accounts of the Company.

A contract owner may choose from among a number of different underlying mutual fund options. The underlying mutual fund options are not available to the general public directly. The underlying mutual funds are available as investment options in variable life insurance policies or variable annuity contracts issued by life insurance companies or, in some cases, through participation in certain qualified pension or retirement plans.

Some of the underlying mutual funds have been established by investment advisers which manage publicly traded mutual funds having similar names and investment objectives. While some of the underlying mutual funds may be similar to, and may in fact be modeled after, publicly traded mutual funds, the underlying mutual funds are not otherwise directly related to any publicly traded mutual fund. Consequently, the investment performance of publicly traded mutual funds and any corresponding underlying mutual funds may differ substantially.

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(c) Security Valuation, Transactions and Related Investment Income

The market value of the underlying mutual funds is based on the closing net asset value per share at June 30, 1999. The cost of investments sold is determined on a specific identification basis. Investment transactions are accounted for on the trade date (date the order to buy or sell is executed) and dividend income is recorded on the ex-dividend date.

(d) Federal Income Taxes

Operations of the Account form a part of, and are taxed with, operations of the Company which is taxed as a life insurance company under the Internal Revenue Code.

The Company does not provide for income taxes within the Account. Taxes are the responsibility of the contract owner upon termination or withdrawal.

(e) Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles may require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities, if any, at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(2) EXPENSES

The Company does not deduct a sales charge from purchase payments received from the contract owners. However, if any part of the contract value of such contracts is surrendered, the Company will, with certain exceptions, deduct from the contract owner's contract value a contingent deferred sales charge, not to exceed 6% (3% after 36 months) of the lesser of the total of

all purchase payments made within 72 months prior to the date of the request for surrender, or the amount surrendered. (For contracts issued in the State of New York, the contingent deferred sales charge will not exceed 7% of purchase payments, such charge declining 1% per year, to 0%, after the purchase payment has been held in the contract for seven years.) No sales charges are deducted on redemptions used to purchase units in the fixed investment options of the Company.

The following contract charges are deducted by the Company: (a) an annual contract maintenance charge of up to \$35, dependent upon contract type and issue date (up to \$30, dependent upon contract type and issue date, for contracts issued in the State of New York), which is satisfied by surrendering units; and (b) a mortality risk charge, an expense risk charge and an administration charge assessed through the daily unit value calculation equal to an annual rate of 0.80%, 0.45% and 0.05%, respectively.

(3) RELATED PARTY TRANSACTIONS

The Company performs various services on behalf of the Mutual Fund Companies in which the Account invests and may receive fees for the services performed. These services include, among other things, shareholder communications, preparation, postage, fund transfer agency and various other record keeping and customer service functions. These fees are paid to an affiliate of the Company.

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NATIONWIDE LIFE INSURANCE COMPANY
HOME OFFICE: ONE NATIONWIDE PLAZA - COLUMBUS, OHIO 43215-2220

Nationwide(R) is a registered federal service mark of Nationwide Mutual Insurance Company

Bulk Rate
U.S. Postage
PAID
Columbus, Ohio
Permit No. 521
