SECURITIES AND EXCHANGE COMMISSION

FORM 497

Definitive materials filed under paragraph (a), (b), (c), (d), (e) or (f) of Securities Act Rule 497

Filing Date: **1994-01-26**
SEC Accession No. 0000810814-94-000003

(HTML Version on secdatabase.com)

FILER

UNITED INVESTORS ANNUITY VARIABLE ACCOUNT

CIK:**810814**| State of Incorp.:**MO** | Fiscal Year End: **1231**
Type: **497** | Act: **33** | File No.: **033-12000** | Film No.: **94502742**

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UNITED INVESTORS

A D V A N T A G E I I
VARIABLE ANNUITY
PROSPECTUS

This Prospectus describes the Deferred Variable Annuity Policy ("Policy") issued by United Investors Life Insurance Company ("United Investors"). The Policy can be purchased with a single minimum Purchase Payment of $5,000, (for tax qualified policies, the minimum Purchase Payment is lower). Additional Purchase Payments may be made in amounts of $100 or more. No Policy will be issued if either the Annuitant or the Owner are over age 80 nearest birthday.

The Owner selects among the five Investment Divisions of the United Investors Annuity Variable Account (the "Variable Account") to which Purchase Payments are allocated, and the Owner can transfer the Policy Value among the investment divisions ("Investment Divisions"). Assets of each Investment Division are invested in corresponding portfolios of TMK/United Funds, Inc. (the "Fund"), a diversified open-end management investment company. The Fund consists of five portfolios: the Money Market Portfolio, the Bond Portfolio, the High Income Portfolio, the Growth Portfolio and the Income Portfolio. The Policy Value will vary in accordance with the investment performance of the Investment Divisions selected by the Owner. Therefore, the Owner bears the entire investment risk under the Policy.

The Owner can surrender the Policy for cash or make a partial cash withdrawal (collectively, "Withdrawals"), although Withdrawals may be subject to a withdrawal charge and tax penalty.

This Prospectus sets forth the basic information that a prospective investor should know before investing. A "Statement of Additional Information" containing more detailed information about the Policy and the Variable Account is available free by writing United Investors at United Investors Life Insurance Company, Variable Products Division, P.O. Box 156, Birmingham, Alabama 35201-0156, or by calling (205) 325-4300. The Statement of Additional Information, which has the same date as this Prospectus, has been filed with the Securities and Exchange Commission and is incorporated herein by reference. The table of contents for the Statement of Additional Information is included at the end of this Prospectus.

This Prospectus Must Be Accompanied or Preceded By A Current Prospectus For TMK/United Funds, Inc.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION NOR HAS THE COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

Please Read This Prospectus Carefully And Retain It For Future Reference.

The Date of This Prospectus is May 1, 1993.

Issued By United Investors Life Insurance Company
(a Missouri Stock Company)
2001 Third Avenue South
Birmingham, Alabama 35233

U1053 (5-93)

UNITED INVESTORS LIFE
ADVANTAGE II
VARIABLE ANNUITY

Prospectus Supplement dated February 1, 1994

The Prospectus dated May 1, 1993, is hereby amended as follows:

The "Reduction in Charges for Certain Groups" on page 11 of the prospectus is deleted and replaced with the following paragraphs.

United Investors may reduce or eliminate the sales, administrative, or Withdrawal Charges on policies that have been sold to (1) employees and sales representatives of United Investors or its affiliates; (2) customers of United Investors or distributors of the Policies who are transferring existing policy values to a Policy; (3) individuals or groups of individuals when sales of the contract result in savings of sales or administrative expenses; or (4) individuals or groups of individuals where purchase payments are to be made through an approved group payment method and where the size and type of the group results in savings of administrative expenses.

In no event will reduction or elimination of the sales, administrative, or Withdrawal Charges be permitted where such reduction or elimination will be unfairly discriminatory to any person.

U-1094-1, Ed. 2-94

UNITED INVESTORS

ADVANTAGE II

VARIABLE ANNUITY

Prospectus Supplement

The Prospectus dated May 1, 1993, is hereby supplemented to indicate that the Advantage II Variable Annuity can now be used in connection with retirement plans that qualify under Section 457 of the Internal Revenue Code, as well as the other types of qualified plans identified in the prospectus (at page 14). Accordingly, the term "Qualified Policy" includes policies used in connection with Section 457 Plans.

Internal Revenue Code Section 457 provides for certain deferred compensation plans. These plans may be offered with respect to service for state governments, local governments, political subdivisions, agencies, instrumentalities and certain affiliates of such entities, and tax exempt organizations. These plans are subject to various restrictions on contributions and distributions. These plans may permit participants to specify the form of investments for their deferred compensation account. All investments under such Plans are owned by the sponsoring employer and are subject to the claims of general creditors of the employer. In general, all amounts received by participants under a Section 457 plan are taxable.

Supplement dated September 1, 1993.

U-1094, Ed. 9-93

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The Policy is not available in all States.

THIS PROSPECTUS DOES NOT CONSTITUTE AN OFFERING IN ANY JURISDICTION IN WHICH SUCH OFFERING MAY NOT BE LAWFULLY MADE. NO DEALER, SALESMAN, OR OTHER PERSON IS AUTHORIZED TO GIVE ANY INFORMATION OR MAKE ANY REPRESENTATIONS IN CONNECTION WITH THIS OFFERING OTHER THAN THOSE CONTAINED IN THIS PROSPECTUS, AND, IF GIVEN OR MADE, SUCH OTHER INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON.

DEFINITIONS

Annuitant .... means the person on whose life Annuity Payments depend. If the Contract Owner names more than one person as an "Annuitant," the second person shall be referred to as "Co-Annuitant." All provisions based on the date of death of the "Annuitant" prior to the Retirement Date will be based on the date of death of the last to survive of the Annuitant" or "Co-Annuitant." The "Annuitant" and Co-Annuitant" will be referred to collectively as the "Annuitant."

Annuity Payment ...... means an amount paid monthly, starting on the Retirement Date, by United Investors to the Annuitant or any other payee.

Annuity Payment Option means any one of the payment options available under the Policy.

Beneficiary	means the person or persons to whom this Policy's Death Benefit is paid when the Annuitant dies.
Death Benefit	means the amount payable under the Policy if the Annuitant or Owner dies before the Retirement Date. The Death Benefit is the greater of (1) the total Purchase Payments made less any amounts withdrawn and any Withdrawal Charges on amounts withdrawn and less any transaction charges or (2) the Policy Value on the date of death.
Fund	means the mutual fund available for investment by the Variable Account on the Policy Date or as later changed by us. The Fund available as of the date of this prospectus is TMK/United Funds, Inc.
Net Purchase Payment .	means a Purchase Payment less any deduction for premium taxes incurred at the time the Purchase Payment was accepted.
Nonqualified Policies	means Policies that do not qualify for special federal income tax treatment.
Policy Anniversary ...	means the same day and month as the Policy Date each year that the Policy remains in force.
Policy Date	means the date the Policy becomes effective, and the date from which Policy Anniversaries and Policy Years are determined.
Policy Value	means the sum of all values of the Investment Divisions under the Policy prior to the Retirement Date.
Policy Year	means a year that starts on the Policy Date or on a Policy Anniversary.
Policyowner or Owner .	means the person named as the owner in the application, unless he or she has assigned ownership to someone else.
Purchase Payment	means any payment made by the Policyowner under the Policy.
Qualified Policies ...	means Policies used in connection with certain plans that qualify for special federal income tax treatment.
Retirement Date	is the date on which the Annuity Payments are to start.
Valuation Date	means a normal business day, Monday through Friday. However, we will not value the Policy on any customary U.S. business holiday when the New York Stock Exchange is not open for trading. Those holidays currently are

New Year's, President's Day, Good Friday, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day.

Valuation Period	means the interval of time commencing at the close of business of the New York Stock Exchange on each Valuation Date and ending at the close of business the New York Stock Exchange on the next Valuation Date.
Variable Annuity	means an annuity with payments which vary in amount with the investment experience of the Variable Account.
We	means United Investors Life Insurance Company. "Us" and "our" also refer to United Investors.
Written Request or Written Notice	means a request or notice in writing signed by the Policyowner.
You	means the Owner of the Policy. "Your" and "yours" also refer to the Policyowner.

SUMMARY

The following summary of Prospectus information should be read in conjunction with the detailed information appearing elsewhere in this Prospectus. Unless otherwise indicated the description of the Policy contained in this Prospectus assumes that the Policy is in force.

The Policy. The Policy is designed to aid individuals in long-term financial planning and provides for the accumulation of capital on a tax-deferred basis for retirement or other long-term purposes. The Policy also provides Annuity Payments after the Retirement Date. The Owner may select from a number of Annuity Payment Options, including a life annuity, joint life annuity and life annuity for a guaranteed period. Annuity Payments under any of the Annuity Payment Options are variable and are not fixed in amount. (See Annuity Payments.)

The Policy is issued in consideration of the application and payment of the initial Purchase Payment. The minimum initial Purchase Payment for non-qualified policies is $5,000. For qualified plans, the initial Purchase Payment must be at least $1,200, unless Purchase Payments will be made by means of a bank draft authorization or a group payment method approved in advance by us. (See Purchase Payments.) The Policy can be purchased for a single Purchase Payment. However, additional Purchase Payments may be paid at the Policyowner's option (within certain limits). (See Purchase Payments.) The Policy can be purchased on a non-qualified tax basis or it can be purchased and used in connection with plans qualifying for favorable federal income tax treatment.

The Variable Account. The Variable Account currently has five Investment Divisions. The Investment Divisions invest solely in shares of a corresponding portfolio of the Fund, which currently has the following five separate investment portfolios: the Money Market Portfolio, the Bond Portfolio, the High Income Portfolio, the Growth Portfolio, and the Income Portfolio (collectively, the "Portfolios"). Each of the five Portfolios has a different investment objective. (See TMK/United Funds, Inc.)

The Policyowner determines the allocation of Purchase Payments and Policy Value among the Investment Divisions of the Variable Account. Because the Policy Value depends on the investment experience of the selected Investment Divisions, the Owner bears the entire investment risk under the Policy. (See Allocation of Purchase Payments.) Prior to the Retirement Date, the Policyowner may transfer the Policy Value from one Investment Division to one or more other Investment Divisions up to twelve times per Policy Year at no cost. After the Retirement Date, the Annuitant may reallocate the value of the Annuitant's interest in the Investment Divisions once each Policy Year at no cost. (See Transfers.)

Policy Value. On the Policy Date, the Policy Value equals the amount of the initial Purchase Payment less any applicable premium taxes plus any accrued interest from the date of receipt of the initial Purchase Payment to the Policy Date. Thereafter, the Policy Value will increase or decrease from day to day depending on the investment experience of the selected Investment Divisions. There is no guaranteed minimum Policy Value.

The Policy Value is equal to the sum of the values of the Investment Divisions under the Policy prior to the Retirement Date. The Policy Value will reflect the investment performance of the selected Investment Divisions, the charges imposed in connection with the Policy, and indirectly the expenses of the Fund. (See Policy Value.) Accordingly, although the Policy offers the possibility that the Policy Value will increase, there is no assurance that it will increase, and it may decrease.

Surrender and Partial Withdrawals. You may surrender the Policy at any time prior to the Retirement Date for the Policy Value less any applicable Withdrawal Charge and less any premium taxes incurred upon surrender. You may also make partial withdrawals of the Policy Value at any time after the first Policy Year and prior to the Retirement Date. However, amounts withdrawn during the first eight Policy Years following receipt of a Purchase Payment may be subject to a Withdrawal Charge. (See Surrender and Partial Withdrawals.) In addition, Withdrawals may be subject to a penalty tax. For certain Qualified Policies, withdrawals may be severely restricted and/or penalized. (See Federal Tax Matters.)

Death Benefit. The Policy provides a Death Benefit if the Annuitant or Owner should die before the Retirement Date. The Death Benefit is the greater of (1) the total Purchase Payments paid less any amounts withdrawn and any Withdrawal Charges on amounts withdrawn and less any transaction charges or (2) the Policy Value on the date of death. Upon death of the Annuitant the Death Benefit under the Policy will be paid in a lump sum or under one of the Annuity Payment Options. (See Annuity Payments.) No Death Benefit will be paid if the Annuitant or Owner dies after the Retirement Date unless provided for in the Annuity Payment Option then in effect. (See Death Benefit.) Upon death of the Owner prior to the Retirement Date certain distribution requirements under federal income tax laws will apply, as explained more fully in the Statement of

Additional Information.

Charges and Deductions. United Investors does not impose any charge or deduction against a Purchase Payment prior to its allocation to the Variable Account, (except for a charge for any premium taxes incurred at the time the Purchase Payment is accepted). Deductions are made from the values in the Investment Divisions to pay for various expenses and risks that we incur.

There is a sales charge of a maximum of 8.5% of each Purchase Payment, which is deducted from the Policy Value in ten equal annual installments of 0.85% of the Purchase Payment. (See Annual Deduction.)

A sales charge in the form of a withdrawal charge ("Withdrawal Charge") is assessed against each Purchase Payment withdrawn or applied under an Annuity Payment Option within eight years after the payment is received. The Withdrawal Charge is 8% of Purchase Payments less than one year old, and decreases 1% per year. Purchase Payments 8 years old or older are not subject to Withdrawal Charges.

The sales charges described herein are applicable to policies issued after April 30, 1992. The sales charges for policies issued prior to May 1, 1992 (or later in some states), will be as shown in your policy form. See Policies Issued before May, 1 1992 (or later in some states).

A $20 transaction charge will apply if more than four withdrawals are made in a Policy Year. (See Transaction Charge.) Withdrawals may be subject to a penalty tax. (See Federal Tax Matters.)

An annual deduction of $50 is made on each Policy Anniversary to compensate United Investors for the cost of administering the Policy. (See Annual Deduction.)

A daily charge, at an effective annual rate of .90% of the daily value of the Investment Divisions, will be deducted from the Investment Divisions for United Investors' assumption of certain mortality and expense risks incurred in connection with the Policy. (See Mortality and Expense Risk Charge.)

Summary of Fees and Charges.

The following information summarizes the fees and charges payable by the Owner of a Policy.

Contract Owner Transaction Expenses.

Deferred sales load (as percentage of each Purchase Payment; deducted in equal installments of .85% on each of the first ten policy anniversaries following the date the payment is received):....	8.5%
Surrender fees (for each withdrawal in excess of 4 per Policy Year):	$20.00
Transfer fee (maximum of 12 transfers in a Policy Year):	0.00
Annual Deduction:	$50.00

Variable Account Annual Expenses.

Mortality and Expense Risk Fees (expressed as a percent of the average daily net assets of each Investment Division): 0.90%

TMK/United Funds' Annual Expenses	Money Market Portfolio	Bond Portfolio	High Income Portfolio	Growth Portfolio	Income Portfolio
(Expressed as a Percentage of Net Assets of the Portfolio.)					
Management fee	0.51%	0.54%	0.66%	0.71%	0.71%
Other expenses	0.14%	0.10%	0.11%	0.09%	0.14%
Total Investment Portfolio annual expenses	0.65%	0.64%	0.77%	0.80%	0.85%

The purpose of this table is to assist the Owner in understanding the various costs and expenses that an Owner will bear directly and indirectly. The Table reflects charges and expenses of both the Variable Account and the Fund for the year ended December 31, 1992; charges and expenses for future years may be higher or lower. For more information on the charges summarized in this Table, see "Charges and Deductions," and the Prospectus for the Fund.

Example

If you surrender or annuitize your contract at the end of the applicable time period, you would pay the following expenses on a $1,000 investment, assuming 5% annual return on assets:

	1 Year	3 Years	5 Years	10 Years
Money Market Portfolio	$85.50	$118.00	$152.27	$266.52
Bond Portfolio	85.40	117.69	151.76	265.49
High Income Portfolio	86.70	121.62	158.34	278.81
Growth Portfolio	87.00	122.52	159.85	281.86
Income Portfolio	87.50	124.03	162.37	286.93

If you do not surrender your contract, you would pay the following expenses on a $1,000 investment, assuming 5% annual return on assets:

	1 Year	3 Years	5 Years	10 Years
Money Market Portfolio	$15.50	$68.00	$122.27	$266.52
Bond Portfolio	15.40	67.69	121.76	265.49
High Income Portfolio	16.70	71.62	128.34	278.81
Growth Portfolio	17.00	72.52	129.85	281.86
Income Portfolio	17.50	74.03	132.37	286.93

In addition, United Investors will deduct a charge for premium taxes when they are incurred.

THESE EXAMPLES SHOULD NOT BE CONSIDERED REPRESENTATIONS OF PAST OR FUTURE EXPENSES AND THE ACTUAL EXPENSES MAY BE HIGHER OR LOWER THAN THOSE SHOWN.

"Free Look" Period. You may cancel the Policy by returning it within 10 days after you receive it. When we receive the Policy we will cancel it and refund the greater of the Policy Value or the Purchase Payment that was paid. (See Free Look Period.)

Owner Inquiries. All inquiries regarding the Policy should be addressed or directed to the sales agent who sold the Policy or to United Investors at the following address:

United Investors Life Insurance Company
Variable Products Division
P.O. Box 156
Birmingham, Alabama 35201-0156
Phone: (205) 325-4300

All inquiries should include the Policy number and the Annuitant's name and Owner's name, if different.

* * *

NOTE: The foregoing summary is qualified in its entirety by the detailed Information in the remainder of this Prospectus and in the Prospectus for TMK/United Funds, Inc., both of which should be referred to for more detailed information. With respect to Qualified Policies, it should be noted that the requirements of a particular retirement plan, an endorsement to the Policy, or limitations or penalties imposed by the Internal Revenue Code may impose limits or restrictions on Purchase Payments, surrenders, distributions or benefits, or on other provisions of the Policies, and this Prospectus does not describe any such limitations or restrictions. (See Federal Tax Matters.)

ACCUMULATION UNIT VALUES

	Money Market	Bond	High Income	Growth	Income
July 13, 1987*	1.000	1.000	1.000	1.000	--
December 31, 1987	1.026	1.029	0.991	0.963	--
January 1, 1988	1.026	1.029	0.991	0.963	--
December 31, 1988	1.088	1.097	1.131	1.084	--
January 1, 1989	1.088	1.097	1.131	1.084	--
December 31, 1989	1.174	1.216	1.074	1.371	--
January 1, 1990	1.174	1.216	1.074	1.371	--
December 31, 1990	1.254	1.287	0.987	1.286	--
January 1, 1991	1.254	1.287	0.987	1.286	--

December 31, 1991	1.312	1.482	1.312	1.735	1.072**
January 1, 1992	1.312	1.482	1.312	1.735	1.072
December 31, 1992	1.342	1.582	1.505	2.078	1.209

ACCUMULATION UNITS OUTSTANDING

December 31, 1987	124,489	196,369	779,976	760,847	--
December 31, 1988	5,870,883	3,599,836	8,300,298	10,301,884	--
December 31, 1989	7,833,120	7,035,149	11,565,436	17,401,327	--
December 31, 1990	10,673,859	10,260,056	11,430,492	25,663,814	--
December 31, 1991	13,818,073	17,155,802	15,904,632	36,185,081	13,434,291
December 31, 1992	16,837,063	29,787,569	25,935,498	55,229,057	52,063,508

*Commencement of operations.
**Commencement of operations on July 16, 1991 at 1.000

UNITED INVESTORS LIFE INSURANCE COMPANY AND
UNITED INVESTORS ANNUITY VARIABLE ACCOUNT

United Investors Life Insurance Company

United Investors Life Insurance Company is a stock life insurance company that was incorporated in the State of Missouri on August 17, 1981, as the successor to a company of the same name established in Missouri on September 27, 1961. United Investors is a wholly-owned subsidiary of United Investors Management Company (formerly TMK/United, Inc.), which in turn is indirectly owned by Torchmark Corporation. United Investors is principally engaged in offering life insurance and annuity contracts and is admitted to do business in the District of Columbia and all states except New York.

United Investors Annuity Variable Account

United Investors Annuity Variable Account (the "Variable Account") is currently divided into five Investment Divisions. Each Investment Division invests exclusively in shares of a single portfolio of the Fund. Income and both realized and unrealized gains or losses from the assets of each Investment Division are credited to or charged against that Investment Division without regard to income, gains or losses from any other Investment Division of the Variable Account or arising out of any other business United Investors may conduct.

Although the assets in the Variable Account are the property of United Investors, the assets in the Variable Account attributable to the Policies are not chargeable with liabilities arising out of any other business which United Investors may conduct. The Variable Account was initially established by United Investors as a segregated asset account on December 8, 1981 and was modified on January 5, 1987. The Variable Account will receive and invest the Purchase

Payments allocated to it under the Policies.

The Variable Account has been registered as a unit investment trust under the Investment Company Act of 1940. Registration with the Securities and Exchange Commission does not involve supervision of the management or investment practices or policies of the Variable Account or United Investors by the Commission and meets the definition of a separate account under the Federal securities law.

TMK/United Funds, Inc.

The Variable Account invests in shares of TMK/United Funds, Inc. ("the Fund"), a mutual fund of the series type with five separate investment portfolios. The Fund currently has a Money Market Portfolio, a Bond Portfolio, a High Income Portfolio, a Growth Portfolio, and an Income Portfolio. The assets of each Portfolio of the Fund are held separate from the assets of the other Portfolios. Thus, each Portfolio operates as a separate investment portfolio, and the income or losses of one Portfolio have no effect on the investment performance of any other Portfolio.

The investment objectives and policies of each Portfolio are summarized below. There is no assurance that any of the Portfolios will achieve their stated objectives. More detailed information, including a description of risks, is in the Fund's prospectus, which accompanies this Prospectus and which should be read carefully in conjunction with this Prospectus and retained.

The Fund is designed to provide investment vehicles for variable annuity or variable life insurance contracts of various insurance companies. For more information about the risks associated with the use of the same funding vehicle for both variable annuity and variable life insurance contracts of various insurance companies, see the Fund's prospectus.

The Fund currently offers the following five Portfolios:

The Money Market Portfolio seeks to maximize current income consistent with stability of principal. It may invest in money market securities such as bank obligations and instruments secured by bank obligations, commercial paper and corporate debt obligations and obligations of the U.S. and Canadian Governments or their respective agencies and instrumentalities. Investments in a money market fund are neither insured nor guaranteed by the U.S. Government and there is no assurance that the portfolio will be able to maintain a stable per share net asset value.

The Bond Portfolio seeks current income with an emphasis on preservation of capital. It will invest primarily in debt securities of varying yields, qualities, and maturities.

The High Income Portfolio primarily seeks high current income. As a secondary goal it will seek capital growth when consistent with the primary goal. It will invest primarily in high-yield, high risk fixed-income securities, but may have up to 20% of its assets in common stocks. High-yield fixed-income securities may have an increased risk of default and greater market price volatility than higher rated securities due to various circumstances. See

"Risk Factors of High Yield Investing" in the TMK/United Funds, Inc. prospectus for a further description of the risk factors.

The Growth Portfolio primarily seeks capital growth. As a secondary goal it will seek current income. It will invest primarily in common stocks or securities convertible into common stocks.

The Income Portfolio seeks to maintain current income, subject to market conditions. It will invest primarily in common stocks or securities convertible into common stocks.

Fund Management and Fees

Waddell & Reed Investment Management Company ("the Manager") is the manager of the Fund and provides investment advisory services to the Fund. Waddell & Reed, Inc. previously served as Manager to the Fund and a number of other mutual funds. On January 8, 1992, subject to the authority of the Fund's Board of Directors, Waddell & Reed, Inc. assigned its investment management duties (and assigned its professional staff for investment management services) to the Manager. Waddell & Reed, Inc. will continue to act as the Fund's distributor. Waddell & Reed, Inc. has provided to the Fund certain undertakings and guarantees in connection with the assignment. The Manager is a wholly-owned subsidiary of Waddell & Reed, Inc. which is a direct subsidiary of United Investors Management Company. The Manager provides investment advice to and supervises investments of a number of mutual funds. The Manager maintains a large staff of experienced investment personnel and a full complement of related support facilities. Each Portfolio pays the Manager a fee for managing its investments at the following annual rates: Money Market Portfolio--.51 of 1% of net assets; Bond Portfolio--.54 of 1% of net assets; High Income Portfolio--.66 of 1% of net assets; Growth Portfolio--.71 of 1% of net assets; and Income Portfolio--.71 of 1% of net assets. These fees are a result of the combination of two elements: (i) a specific fee computed on each Portfolio's net asset value at the close of business each day at the following annual rates: Money Market Portfolio-None; Bond Portfolio-.03 of 1% of net assets; High Income Portfolio-.15 of 1% of net assets; Growth Portfolio-.20 of 1% of net assets; and Income Portfolio--.20 of 1% of net assets; and (ii) a base fee computed each day on the combined net asset values of all of the Portfolios and allocated among the Portfolios based on their relative net asset size at the annual rate of .51 of 1%.

THE POLICY

The Policy is a Deferred Variable Annuity. The rights and benefits of the Policy are described below and in the Policy. However, United Investors reserves the right to make any modification to conform the Policy to, or to give the Owner the benefit of, any federal or state statute or rule or regulation.

The Policy may be purchased on a non-qualified tax basis ("Nonqualified Policy"). The Policy may also be purchased and used in connection with plans qualifying for favorable federal income tax treatment ("Qualified Policy").

Issuance of a Policy

Individuals wishing to purchase a Policy must complete an application and send it to United Investors' home office. Acceptance is subject to United Investors' rules, and United Investors reserves the right to reject any application or Purchase Payment. If the application can be accepted in the form received, the initial Purchase Payment will be applied within two Valuation Dates after the latter of receipt of the application or receipt of the initial Purchase Payment. If the initial Purchase Payment cannot be applied within five Valuation Dates after receipt because the application is incomplete, the applicant will be contacted and given an explanation for the delay and the initial Purchase Payment will be returned at that time unless the applicant consents to United Investors' retaining the initial Purchase Payment and applying it as soon as the necessary requirements are fulfilled. No Policy will be issued if either the Annuitant or the Owner are over age 80 nearest birthday. Coverage will only become effective on the Policy Date.

Purchase Payments

The minimum initial Purchase Payment for nonqualified policies is $5,000. For Qualified Polices, the initial Purchase Payment must be at least $1,200 (as an exception for Qualified Policies, if Purchase Payments will be made by means of a bank draft authorization or a group payment method approved in advance by us, we will accept installments of $100 per month totaling at least $1,200 in the first year). Additional Purchase Payments may be made in amounts of $100 or more.

If you make no Purchase Payments during a 24 month period and your previous Purchase Payments total less than $2,000, we have the right to pay you the total value of your annuity in a lump sum, after a 30 day notice, unless during that time you make an additional payment.

Allocation of Purchase Payments

The Policyowner determines in the application how the initial Net Purchase Payment will be allocated among the Investment Divisions of the Variable Account. You may allocate any whole percentage of Net Purchase Payments, from 0% to 100%.

Between the date that the initial Purchase Payment was received and the Policy Date, interest will be credited on the Purchase Payment as if it had been invested in the Money Market Investment Division. Beginning on the Policy Date and ending on the seventeenth day after the Policy Date or the first Valuation Date thereafter, the initial Net Purchase Payment, plus any accrued interest, will be allocated to the Money Market Investment Division. Upon the expiration of this period, the Policy Value will be transferred to the Investment Divisions of the Variable Account in accordance with the allocation instructions you specify in the application. The seventeen day period is intended to cover the 10-day Free Look Period (See Free Look Period.), plus 7 days for processing and policy delivery.

On the date we receive an additional Purchase Payment, the Net Purchase Payment will be allocated to the Investment Divisions in accordance with your instructions in effect or, if no instructions are in effect, in the proportions that the value of each Investment Division bears to the Policy Value.

The Policy Value will vary with the investment performance of the Investment Divisions you select, and you bear the entire risk for amounts allocated to the Variable Account. You should periodically review your allocations of Policy Value in light of all relevant factors, including market conditions and your overall financial planning requirements.

Policy Value

There is no guaranteed minimum Policy Value. The Policy Value is equal to the sum of the values of the Investment Divisions of the Variable Account under the Policy. The value of each Investment Division is calculated first on the Policy Date and thereafter on each Valuation Date (a normal business day).

On the Policy Date, the value of the Investment Divisions is equal to the amount of the initial Net Purchase Payment plus any accrued interest from the date of the receipt of the initial Purchase Payment to the Policy Date. On any Valuation Date thereafter, the value of each Investment Division equals:

(1) the value of the Investment Division on the previous Valuation Date, as increased or decreased by the investment experience and daily charge for the Investment Division during the current Valuation Period; plus

(2) the amount of any Net Purchase Payments allocated to the Investment Division during the current Valuation Period; plus

(3) the amount of any transfers from other Investment Divisions to the Investment Division during the current Valuation Period; minus

(4) the amount of any withdrawals (including any Withdrawal Charge or transaction charge) from the Investment Division during the current Valuation Period; minus

(5) the amount of any transfers to other Investment Divisions from the Investment Division during the current Valuation Period; minus

(6) the portion of any annual deduction allocated to the Investment Division if the current Valuation Period includes a Policy Anniversary; minus

(7) the portion of any deduction for premium taxes during the current Valuation Period allocated to the Investment Division.

Surrender and Partial Withdrawals

Withdrawals. You may make a partial withdrawal from the Policy Value, after the first Policy Year and prior to the Retirement Date, by sending a Written Request to United Investors at its home office. A partial withdrawal must be for at least $250, and the Policy Value must be at least $2,000 after a partial withdrawal. If the Policy Value would be less than $2,000, we will treat the request for a partial withdrawal as a request for total surrender. A Withdrawal will ordinarily be paid within seven days of receipt of the Written Request (unless the check for your Purchase Payment has not yet cleared your bank).

If you do not specify the Investment Divisions from which the partial withdrawal is to be made, the partial withdrawal will be made from the Investment Divisions in the proportion that the value of each Investment Division bears to the Policy Value.

You may request up to four Withdrawals per Policy Year without a charge. If more than four Withdrawals are requested during a Policy Year, there will be a $20 transaction charge for each Withdrawal in addition to the four Withdrawals. Also, Withdrawal Charges may apply to total Withdrawals in a Policy Year in excess of 10% of the cumulative Purchase Payments. (See Withdrawal Charge, and Transaction Charge.) Any transaction charge or Withdrawal Charge applicable to a Withdrawal will be deducted from the remaining Policy Value, or from the amount paid if the remaining value is insufficient. No Withdrawals may be made after the Retirement Date.

Automatic Partial Withdrawals. You may also establish automatic partial withdrawals after the first Policy Year and prior to the Retirement Date, by submitting a one-time Written Request. Withdrawals may be in fixed dollar amounts on a quarterly, semi-annual or annual basis. The minimum amount you can withdraw is $250. The maximum amount of automatic partial withdrawals in any one policy year is 10% of the cumulative Purchase Payments made.

Automatic partial withdrawals are subject to all the other contract provisions and terms. If an additional withdrawal is made from a contract participating in automatic partial withdrawals, the automatic partial withdrawals will terminate automatically and may be resumed only on or after the next policy anniversary.

Partial withdrawals may be subject to the 10% Federal Tax Penalty on early withdrawals and to income tax. (See Federal Tax Matters.)

Surrender. You may surrender the Policy for its Policy Value less any Withdrawal Charge and premium taxes by sending a Written Request to United Investors at its home office. (The Withdrawal Charge, described below, is only applicable if a surrender or annuitization occurs in the first eight Policy Years following receipt of a Purchase Payment.) A surrender will ordinarily be paid within seven days of receipt of the Written Request (unless the check for your Purchase Payment has not yet cleared your bank). The Policy will terminate as of the date of receipt of Written Request for surrender. Withdrawals are generally taxable transactions, and may be subject to a penalty tax. (See Federal Tax Matters.) No surrender may be made after the Retirement Date.

Restrictions Under the Texas Optional Retirement Program and Section 403(b) Plans. The Texas Educational Code permits participants in the Texas Optional Retirement Program ("ORP") to withdraw or surrender their interest in a variable annuity contract issued under the ORP only upon (1) termination of employment in the Texas public institutions of higher education, (2) retirement, or (3) death. Accordingly, a participant in the ORP (or the participant's estate if the participant has died) will be required to obtain a certificate of termination from the employer or a certificate of death before the account can be redeemed.

Similar restrictions apply to variable annuity contracts used as funding vehicles for Internal Revenue Code Section 403(b) retirement plans. Section 403(b) of the Internal Revenue Code provides for tax-deferred retirement savings plans for employees of certain non-profit and educational organizations. In accordance with the requirements of Section 403(b), any Policy used for a Section 403(b) plan will prohibit distributions of (i) elective contributions made in years beginning after December 31, 1988, and (ii) earnings on those contributions and (iii) earnings on amounts attributable to elective contributions held as of the end of the last year beginning before January 1, 1989. However, distributions of such amounts will be allowed upon death of the employee, attainment of age 591/2, separation from service, disability, or financial hardship, except that income attributable to elective contributions may not be distributed in the case of hardship.

Transfers

You may transfer all or part of the value of an Investment Division to one or more of the other Investment Divisions at any time prior to the Retirement Date. The total amount transferred each time must be at least $500 or, if less, the entire value of the Investment Division from which the transfer is being made. Transfers may be made by a Written Request or by calling United Investors if a written authorization for telephone transfers is on file. United Investors has the authority to honor any telephone transfer request believed to be authentic. United Investors will not be liable for the consequences of a fraudulent telephone transfer request. And as a result, you bear the risk of loss arising from such a fraudulent request if you authorize telephone transfers.

Only twelve transfers may be made during each Policy Year prior to the Retirement Date. Each transfer will be made, without the imposition of any fee or charge, at the end of the Valuation Period during which United Investors receives a valid, complete transfer request. United Investors may suspend or modify this transfer privilege at any time.

Transferring the value of one Investment Division into two or more Investment Divisions counts as one transfer request. However, transferring the values of two Investment Divisions into one Investment Division counts a two transfer requests.

After the Retirement Date, the Annuitant may reallocate, no more than once each Policy Year, the value of the Annuitant's interest in the Investment Divisions. (See Available Options.)

Death Benefit

The Policy pays a Death Benefit to the named Beneficiary if the Annuitant dies prior to the Retirement Date while the Policy is in force. The Death Benefit is the greater of (1) the total Purchase Payments made less any amounts withdrawn and any Withdrawal Charges on the amounts withdrawn and less any transaction charges or (2) the Policy Value on the date of death. United Investors will compute the amount of the Death Benefit as of the end of the Valuation Period during which the Annuitant dies, and will pay the Death Benefit proceeds to the Beneficiary upon proof of the Annuitant's death. Proceeds payable at the death of the Annuitant will be paid either in one sum or under one of the Annuity Payment Options. If the Annuitant dies after the Retirement Date, the amount payable, if any, will be as provided in the Annuity Payment Option then in effect. Prior to Retirement Date, upon death of the Owner or Joint Owner, or upon death of the Annuitant if the Annuitant is the Owner, the payment of the Death Benefit will be subject to certain distribution requirements under the federal income tax laws, as explained more fully in the Statement of Additional Information. As far as permitted by law, the proceeds under the Policy will not be subject to any claim of the Beneficiary's creditors.

Free Look Period

If for any reason you are not satisfied with the Policy, you may return it to us within 10 days after you receive the Policy. If you cancel the Policy within this 10-day "Free Look" period, we will refund the greater of the Policy Value or the Purchase Payment that was paid, and the Policy will be void from the Policy Date. To cancel the Policy, you must mail or deliver it to either United Investors' home office or the registered agent who sold it within 10 days after you received it. (See Allocation of Purchase Payments.)

CHARGES AND DEDUCTIONS

United Investors does not impose any charge or deduction against a Purchase Payment prior to its allocation to the Variable Account (except for a charge for any premium taxes incurred when the Purchase Payment is accepted). However, there is a sales charge of a maximum of 8.5% of each Purchase Payment, deducted in 10 equal installments from the values of the Investment Divisions over the first ten Policy Anniversaries following the date the Purchase Payment is received (See below). Thereafter, certain charges (explained below) will be deducted in connection with the Policy to compensate United Investors for providing the insurance benefits set forth in the Policy, for administering and distributing the Policy, for any applicable taxes, and for assuming certain risks in connection with the Policy.

Annual Deduction

On each Policy Anniversary, a deduction will be made from the values of the Investment Divisions to compensate United Investors for certain costs and expenses, as described below.

Sales Charge--There is a deduction of 0.85% of each Purchase Payment on each of the first ten Policy Anniversaries following the receipt of the Purchase Payment. (As noted above, this would result in a maximum sales charge attributable to a Purchase Payment of 8.5%). The 0.85% charge partially compensates United Investors for certain sales and other distribution expenses incurred, including agent sales commissions, the cost of printing prospectuses and sales literature, advertising and other marketing and sales promotional activities.

Deduction on Each Policy Anniversary for Administrative Expenses--United Investors deducts an annual charge of $50, which meets the "at cost" standards of Rule 26a-1 under the Investment Company Act of 1940, to compensate it for expenses incurred in administering the Policy. These expenses include costs of maintaining records, processing Death Benefit claims, surrenders, transfers and Policy changes, providing reports to Policyowners, and overhead costs. This charge is guaranteed not to increase during the life of the Policy. Prior to the Retirement Date, this charge is deducted on each Policy Anniversary. After the Retirement Date, this charge is deducted pro rata from each Annuity Payment.

Withdrawal Charge

If you make partial withdrawals under the Policy, surrender the Policy, or annuitize the Policy, then a Withdrawal Charge may be made, measured as a percent of the Purchase Payments included in the withdrawal (in the case of a partial withdrawal) or the amount of the total Purchase Payments (in the case of a surrender or annuitizing) as specified in the following table of Withdrawal Charges:

Number of Policy Anniversaries since receipt of Purchase Payment:	0	1	2	3	4	5	6	7	8 or More
Withdrawal Charge	8%	7%	6%	5%	4%	3%	2%	1%	none

Each Policy Year, after the first, you may withdraw up to 10% of cumulative Purchase Payments without incurring a Withdrawal Charge. This 10% portion is called the Free Withdrawal Amount. Amounts withdrawn in addition to the Free Withdrawal Amount may be subject to a Withdrawal Charge. The withdrawal charge is determined by multiplying each Purchase Payment included in the withdrawal by the withdrawal charge rate applicable to the year in which the Purchase Payment was received.

For purposes of calculating the withdrawal charge, (1) the oldest Purchase Payments will be treated as the first withdrawn, newer Purchase Payments next, and appreciation last; (2) amounts withdrawn up to the Free Withdrawal Amount will not be considered a withdrawal of Purchase Payments; and (3) if the surrender value is withdrawn or applied under an annuity option, the withdrawal charge will apply to all Purchase Payments not previously assessed with a withdrawal charge.

As shown above, the Withdrawal Charge percentage varies, depending on the "age" of the Purchase Payments included in the withdrawal - that is, the Policy Year in which the Purchase Payment was made. A Withdrawal Charge of 8% applies to Purchase Payments withdrawn that are less than 1 year old. Thereafter the withdrawal charge decreases by 1% per year. Amounts representing Purchase Payments 8 years old or older may be withdrawn without charge.

The Withdrawal Charge will be deducted from the remaining Policy Value, or from the amount paid if the remaining value is insufficient. The Withdrawal Charge partially compensates United Investors for sales expenses with regard to the Policy, including agent sales commissions, the cost of printing prospectuses and sales literature, advertising, and other marketing and sales promotional activities.

The amounts received by United Investors from the Withdrawal Charge, along with the deduction for sales expenses, may not be sufficient to cover distribution expenses. United Investors expects to recover any deficiency from United Investors' general assets (which include amounts derived from the mortality and expense risk charge). United Investors believes that this distribution financing arrangement will benefit the Variable Account and Policyowners.

Waiver Of Withdrawal Charges Rider

If the Waiver of Withdrawal Charges Rider ("Rider") is attached to your Policy, we may waive the withdrawal charges described above provided that the conditions described in the Rider are met including (a) an Annuitant is confined to a "Qualified Nursing Home" or "Qualified Hospital" (as defined in the Rider) for at least 60 days; (b) the Annuitant was age 75 or younger on the Policy Date; (c) the Policy was in force at least one year at the time confinement began; (d) written notice and satisfactory proof of confinement are received no later than 90 days after confinement ends; and (e) confinement was recommended by a "Physician" (as defined in the Rider) due to injury, sickness or disease. We will waive only the withdrawal charges which are applicable to Purchase Payments received prior to the date the first confinement began. Waiver of withdrawal charges is subject to all of the conditions and provisions of the Rider (See your Policy.). The Rider is not available in all states.

Reduction In Charges For Certain Groups

United Investors may reduce or eliminate the sales and Withdrawal Charge on policies that have been sold to (1) employees and sales representatives of United Investors or its affiliates; or (2) customers of United Investors or distributors of the Policies who are transferring existing policy values to a Policy; or (3) individuals or groups of individuals when sales of the contract result in savings of sales and administrative expenses.

In no event will reduction or elimination of the sales or Withdrawal Charge be permitted where such reduction or elimination will be unfairly discriminatory to any person.

Mortality and Expense Risk Charge

United Investors deducts a daily charge from the Investment Divisions at an effective annual rate of .90% of the average daily net assets of each Investment Division to compensate us for assuming certain mortality and expense risks under the Policy. United Investors may realize a profit from this charge. However, the level of this charge is guaranteed for the life of the Policy and may not be increased. United Investors will continue to deduct this charge after the Retirement Date.

The mortality risk borne by United Investors arises in part from its obligation to make monthly Annuity Payments (determined in accordance with the annuity tables and other provisions contained in the Policy) regardless of how long all Annuitants or any individual may live. This undertaking assures that neither an Annuitant's own longevity, nor an improvement in general life expectancy greater than expected, will have any adverse effect on the monthly Annuity Payments the Annuitant will receive under the Policy. It therefore relieves the Annuitant from the risk that he will outlive the funds accumulated for retirement. The mortality risk also arises in part because of the risk that the Death Benefit may be greater than the Policy Value. United Investors also assumes the risk that other expense charges may be insufficient to cover the actual expenses incurred in connection with the Policy.

Transaction Charge

You may request up to four withdrawals per Policy Year without a transaction charge. After the fourth withdrawal in a Policy Year, a $20 transaction charge will apply to each additional withdrawal. This charge will be deducted from the remaining Policy Value, or from the amount paid if the remaining value is insufficient.

Premium Taxes

United Investors will deduct a charge for any premium taxes incurred. Depending on state and local law, premium taxes can be incurred when a Purchase Payment is accepted, when Policy Value is withdrawn or surrendered, or when Annuity Payments start.

Federal Taxes

Currently no charge is made to the Variable Account for federal income taxes that may be attributable to the Variable Account. United Investors may, however, make such a charge in the future. Charges for other taxes, if any, attributable to the Variable Account may also be made. (See Federal Tax Matters.)

Fund Expenses

The value of the assets of the Variable Account will reflect the investment management fee and other expenses incurred by the Fund.

Policies Issued before May 1, 1992 (or later in some states)

For policies issued before May 1, 1992 (or later in some states), a sales charge of 6% is deducted from any Purchase Payment after the initial Purchase Payment. However, for such additional Purchase Payments, the 8.5% sales charge otherwise deducted in 10 annual installments is not deducted and there is no Withdrawal Charge for such payments. Certain of these older policies may be amended to eliminate the 6% sales charge deducted from additional purchase payments, replacing it with a sales charge of 8.5% spread over ten annual installments. These amendments might be implemented by restating the entire policy with the original Policy Date and other data. See your policy form.

ANNUITY PAYMENTS

Election of Payment Option

The Policyowner has the sole right to elect or change an Annuity Payment Option during the lifetime of the Annuitant and prior to the Retirement Date, either in the application or by Written Request any time at least 30 days before the Retirement Date. We may require the exchange of the Policy for a contract covering the option selected.

Retirement Date

The first Annuity Payment will be made as of the Retirement Date. You select the Retirement Date in the application for the Policy. You may change the Retirement Date at any time by giving us Written Notice, provided that you give us Written Notice at least 30 days prior to the new Retirement Date. A Retirement Date may be the first day of any calendar month commencing 30 days after the Policy Date, regardless of the Annuitant's age. If the Retirement Date occurs during the first eight Policy Years after receipt of a Purchase Payment, a Withdrawal Charge will apply. (See Withdrawal Charge.) If the net amount to be applied to an option is less than $3,000, we have the right to pay such amount in one sum. Also, if any payment would be less than $50, we have the right to change the frequency of payment to an interval that will result in payments of at least $50.

Available Options

All of the options currently available are Variable Annuities. The dollar amount of an Annuity Payment after the first payment under any of the Variable Annuities is not fixed. The options currently available are:

Option 1: Life Annuity With No Guaranteed Period--This option provides monthly Annuity Payments during the lifetime of the Annuitant. No payment will be made after the death of the Annuitant. It is possible that only one payment will be made under this option if the Annuitant dies before the second payment is due; only two payments will be made if the Annuitant dies before the third payment is due, and so forth.

Option 2: Joint Life Annuity Continuing To The Survivor--This option provides monthly Annuity Payments during the lifetime of the Annuitant and a joint Annuitant. Payments will continue to the survivor during the survivor's remaining lifetime. If the joint Annuitant does not survive the Annuitant, payments will end with the payment due just before the death of the Annuitant. It is possible that only one payment or very few payments will be made under this option if the Annuitant and joint Annuitant both die before or shortly after payments begin.

Option 3: Life Annuity With 120 or 240 Monthly Payments Guaranteed-This option provides monthly Annuity Payments during the lifetime of the Annuitant. A guaranteed period of 120 or 240 months may be chosen. If the Annuitant dies prior to the end of this guaranteed period monthly Annuity Payments will be made to the Beneficiary until the end of the guaranteed period.

United Investors may make other payment options available in the future and other payment options can be arranged with our written consent.

The amount of each Annuity Payment under the options described above will depend on the sex and age of the Annuitant (or Annuitants) at the time the first payment is due. The Annuity Payments may be more or less than the total Purchase Payments made because (a) Annuity Payments vary with the investment experience of the underlying Portfolios and the Owner therefore bears the investment risk and (b) Annuitants may die before the actuarially predicted date of death. As such, the amount of Annuity Payments cannot be predicted. The method of computing the Annuity Payments is described in more detail in the Statement of Additional Information.

The duration of the Annuity Payment Option may affect the dollar amount of each Annuity Payment. For example, if an Annuity Payment Option guaranteed for life is chosen, the Annuity Payments may be greater or less than the Annuity Payments for an annuity for a guaranteed period, depending on the life expectancy of the Annuitant.

If the actual net investment experience of the Investment Divisions after the Retirement Date is less than the assumed investment rate, then the dollar amount of the Annuity Payments will decrease. The dollar amount of the Annuity Payments will stay level if the net investment experience equals the assumed investment rate, and the dollar amount of the Annuity Payments will increase if the net investment experience exceeds the assumed investment rate. For purposes of the Annuity Payments, the assumed investment rate is 4.0%.

After the Retirement Date, Policy Value may not be withdrawn, nor may the Policy be surrendered. The Annuitant (if other than the Owner) will be entitled to exercise any voting rights and to reallocate the value of the Annuitant's interest in the Investment Divisions. (See Voting Rights, and Transfers.)

The Policies offered by this Prospectus contain life annuity tables that provide for different benefit payments to men and women of the same age although they provide for unisex tables where requested and required by law. Nevertheless, in accordance with the U.S. Supreme Court's decision in Arizona Governing Committee v. Norris, in certain employment related situations, annuity tables that do not vary on the basis of sex must be used. Accordingly, if the Policy is to be used in connection with an employment related retirement or benefit plan, consideration should be given, in consultation with your legal counsel, to the impact of Norris on any such plan before making any contributions under these Policies.

DISTRIBUTOR OF THE POLICIES

Waddell & Reed, Inc., 6300 Lamar, Overland Park, Kansas, is the principal underwriter and the distributor of the Policies. Waddell & Reed, Inc. is an affiliate of United Investors. Waddell & Reed, Inc. may enter into written sales agreements with various broker-dealers to aid in the distribution of the Policies. A commission of up to 5% of Purchase Payments plus bonus compensation may be paid to broker-dealers or agents in connection with sales of the Policies. Bonus compensation will be based on Purchase Payments received (both initial and additional).

FEDERAL TAX MATTERS

THE FOLLOWING DISCUSSION IS GENERAL AND IS NOT INTENDED AS TAX ADVICE.

Introduction

This discussion is not intended to address the tax consequences resulting from all of the situations in which a person may be entitled to or may receive a distribution under a Policy. Any person concerned about these tax implications should consult a competent tax adviser before initiating any transaction. This discussion is based upon United Investors' understanding of the present federal income tax laws as they are currently interpreted by the Internal Revenue Service. No representation is made as to the likelihood of the continuation of the present federal income tax laws or of the current interpretation by the Internal Revenue Service. Moreover, no attempt has been made to consider any applicable state or other tax laws.

The Policy may be purchased on a non-qualified tax basis ("Nonqualified Policy") or purchased and used in connection with plans qualifying for favorable tax treatment ("Qualified Policy"). The Qualified Policies were designed for use by individuals whose Purchase Payments are comprised solely of proceeds from and/or contributions under retirement plans which are intended to qualify as plans entitled to special income tax treatment under Sections 401(a), 403(b), or 408 of the Internal Revenue Code of 1986 (the "Code"). The ultimate effect of federal income taxes on the Policy Value, on Annuity Payments and on the economic benefit to the Owner, the Annuitant or the Beneficiary depends on the type of retirement plan, on the tax and employment status of the individual concerned and on United Investors' tax status. In addition, certain requirements must be satisfied in purchasing a Qualified Policy with proceeds from a tax qualified plan in order to continue receiving favorable tax treatment. Therefore, purchasers of Qualified Policies should seek competent legal and tax advice regarding the suitability of the Policy for their situation, the applicable requirements and the tax treatment of the rights and benefits of a Policy. The following discussion assumes that Qualified Policies are purchased with proceeds from and/or contributions under retirement plans that qualify for the intended special federal income tax treatment.

Taxation of Annuities in General

The following discussion assumes that the Policy will qualify as an annuity contract for federal income tax purposes. The Statement of Additional Information describes such qualifications.

Section 72 of the Code governs taxation of annuities in general. United Investors believes that an annuity owner who is a natural person generally is not taxed on increases in the value of a Policy until distribution occurs either in the form of a lump sum received by withdrawing all or part of the cash value (i.e., withdrawals) or as Annuity Payments under the Annuity Payment Option elected. For this purpose, the assignment, pledge, or agreement to assign or pledge any portion of the Policy Value generally will be treated as a distribution. The taxed portion of a distribution (in the form of a lump sum payment or an annuity) is taxed as ordinary income.

An owner of any deferred annuity contract who is not a natural person generally must include in income any increase in the excess of the owner's cash value over the owner's investment in the contract during the taxable year. However, there are some exceptions to this rule and you may wish to discuss these with your tax adviser.

The former administration did offer a budget proposal that would tax increases in the value of a Policy. This proposal was not adopted by Congress. There is no way to know if the current administration will offer a proposal affecting the taxation of annuities and, if offered, whether or not Congress would adopt it.

The following discussion applies to Policies owned by natural persons.

In the case of a withdrawal under a Qualified Policy, a ratable portion of the amount received is taxable, generally based on the ratio of the "investment in the contract" to the total Policy Value. The "investment in the contract" equals the portion, if any, of any Purchase Payments paid by or on behalf of an individual under a Policy which was not excluded from the individual's gross income. For Policies issued in connection with qualified plans, the "investment in the contract" can be zero. A special rule may apply to a withdrawal from a Qualified Policy with respect to "investment in the contract" as of December 31, 1986.

Generally, in the case of a withdrawal under a Nonqualified Policy before the annuity starting date, amounts received are first treated as taxable income to the extent that the Policy Value immediately before the withdrawal exceeds the "investment in the contract" at that time. Any additional amount withdrawn is not taxable.

Although the tax consequences may vary depending on the Annuity Payment Option elected under the Policy, generally only the portion of the Annuity Payment that represents the amount by which the Policy Value exceeds the "investment in the contract" will be taxed. For variable Annuity Payments, in general the taxable portion of each Annuity Payment (prior to recovery of the investment in the contract) is determined by a formula which establishes a specific dollar amount of each Annuity Payment that is not taxed. This dollar amount is determined by dividing the "investment in the contract" by the total number of expected Annuity Payments. After the "investment in the contract" is recovered, the full amount of any additional Annuity Payments is taxable.

In the case of a distribution pursuant to a Nonqualified Policy, there may be imposed a federal penalty tax equal to 10% of the amount treated as taxable income. In general, however, there is no penalty tax on distributions: (1) made on or after the taxpayer attains age 591/2, (2) made as a result of the owner's death or is attributable to the taxpayer's disability, or (3) received in substantially equal periodic payments as a life annuity.

The tax rules applicable to a Qualified Policy vary according to the type of plan and the terms and conditions of the plan. Special favorable tax treatment may be available for certain types of contributions and distributions. Adverse tax consequences may result from contributions in excess of specified limits; distributions prior to age 59 1/2 (subject to certain exceptions); distributions that do not conform to specified commencement and minimum distribution rules; aggregate distributions in excess of a specified annual amount; and in other specified circumstances.

We make no attempt to provide more than general information about the use of the Policy with the various types of retirement plans. Owners and participants under retirement plans as well as Annuitants and Beneficiaries are cautioned that the rights of any person to any benefits under a Qualified Policy may be subject to the terms and conditions of the plans themselves, regardless of the terms and conditions of the Policy issued in connection with such a plan. Purchasers of annuity contracts for use with any qualified retirement plan should consult their legal counsel and tax adviser regarding the suitability of the annuity contract.

Tax Sheltered Annuity (TSA) Section 403(b) payments made by public school systems and certain tax exempt organizations are excludable from the gross income of the employee, subject to certain limitations. However, these payments may be subject to FICA (Social Security) taxes. Code Section 403(b) (11) restricts the distribution under Code Section 403(b) annuity contracts of: (1) elective contributions made in years beginning after December 31, 1988; (2) earnings on those contributions; and (3) earnings in such years on amounts held as of the last year beginning before January 1, 1989. Distribution of those amounts may only occur upon death of the employee, attainment of age 59 1/2, separation from service, disability, or financial hardship. In addition, income attributable to elective contributions may not be distributed in the case of hardship.

Individual Retirement Annuities are subject to limitations on the amount which may be contributed and deducted and the time when distributions may commence. In addition, distributions from certain other types of retirement plans may be placed into an Individual Retirement Annuity on a tax deferred basis.

All nonqualified deferred annuities entered into after October 21, 1988 that are issued by United Investors (or its affiliates) to the same owner during any calendar year are treated as one annuity contract for purposes of determining the amount includable in gross income under Section 72(e) of the Code. In addition, there may be other situations in which the Treasury Department may (under its authority to issue regulations or otherwise) conclude that it would be appropriate to aggregate two or more annuity contracts purchased by the same owner. Accordingly, a Policy Owner should consult a competent tax advisor before purchasing more than one annuity contract.

A transfer or assignment of ownership of a Policy, or designation of an Annuitant or other Beneficiary who is not also the Owner, may result in certain tax consequences to the Owner that are not discussed herein. An Owner contemplating any such transfer, assignment or designation should contact a competent tax adviser with respect to the potential tax effects of such transaction.

Amounts may be distributed from a Contract because of the death of an Owner or an Annuitant. Generally, such amounts are includable in the income of the recipient as follows: (1) if distributed in a lump sum, they are taxed in the same manner as a full surrender of the Policy, as described above, or (2) if distributed under an annuity option, they are taxed in the same manner as annuity payments, as described above.

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

VOTING RIGHTS

To the extent deemed to be required by law, United Investors will vote the Fund's shares held in the Variable Account at regular and special shareholder meetings of the Fund in accordance with instructions received from persons having voting interests in the corresponding Investment Divisions of the Variable Account. If, however, the 1940 Act or any regulation thereunder should be amended or if the present interpretation thereof should change, or if United Investors determines that it is allowed to vote the Fund shares in its own right, United Investors may elect to do so.

The number of votes which are available to an Owner will be calculated separately for each Investment Division of the Variable Account. That number will be determined by applying his or her percentage interest, if any, in a particular Investment Division to the total number of votes attributable to that Investment Division. Prior to the Retirement Date, the Owner holds a voting interest in each Investment Division to which the Policy Value is allocated. After the Retirement Date, the person receiving Annuity Payments has the voting interest. The number of votes prior to the Retirement Date will be determined by dividing the value of the Policy allocated to the Investment Division by the net asset value per share of the corresponding Portfolio. After the Retirement Date, the votes attributable to a Policy decrease as the value of the Investment Divisions decrease with Annuity Payments. In determining the number of votes, fractional shares will be recognized.

The number of votes of a Portfolio which are available will be determined as of the date coincident with the date established by that Portfolio for determining shareholders eligible to vote at the meeting of the Fund. Voting instructions will be solicited by written communication prior to such meeting in accordance with procedures established by the Fund.

Portfolio shares attributable to the Policies as to which no timely instructions are received will be voted in proportion to the voting instructions which are received with respect to all Policies participating in the Investment Division. Voting instructions to abstain on any item to be voted upon will be applied on a pro rata basis to reduce the votes eligible to be cast.

Each person having a voting interest in an Investment Division will receive proxy material, reports and other materials relating to the appropriate Portfolio.

FINANCIAL STATEMENTS

The financial statements for United Investors and the Variable Account (as well as the Auditors' Reports thereon) are in the Statement of Additional Information.

STATEMENT OF ADDITIONAL INFORMATION

A Statement of Additional Information is available which contains more details concerning the subjects discussed in this Prospectus. The following is the Table of Contents for that Statement:

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UNITED INVESTORS ANNUITY VARIABLE ACCOUNT

STATEMENT OF ADDITIONAL INFORMATION
FOR THE
DEFERRED VARIABLE ANNUITY POLICY

Offered by

United Investors Life Insurance Company

This Statement of Additional Information expands upon subjects discussed in the current Prospectus for the Deferred Variable Annuity Policy ("Policy") offered by United Investors Life Insurance Company. You may obtain a copy of the Prospectus dated May 1, 1993, by writing to United Investors Life Insurance Company, Variable Products Division, P. O. Box 156, Birmingham, Alabama 35201-0156. Terms used in the current Prospectus for the Policy are incorporated in this Statement.

THIS STATEMENT OF ADDITIONAL INFORMATION IS NOT A PROSPECTUS AND SHOULD BE READ ONLY IN CONJUNCTION WITH THE PROSPECTUS FOR THE POLICY.

Dated May 1, 1993

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THE POLICY

As a supplement to the description in the Prospectus, the following provides additional information about the Policy which may be of interest to some Owners.

Accumulation Units

An Accumulation Unit is an accounting unit used prior to the Retirement Date to calculate the Policy Value. The portion of a Net Purchase Payment that you allocate to an Investment Division of the Variable Account is credited as Accumulation Units in that Investment Division. Similarly, the value that you transfer to an Investment Division of the Variable Account is credited as Accumulation Units in that Investment Division. The number of Accumulation Units to credit is found by dividing (1) the dollar amount allocated to the Investment Division by (2) the Investment Division's appropriate Accumulation Unit Value for the Valuation Period in which we received the Purchase Payment or transfer request. In the case of the initial Purchase Payment, we will credit Accumulation Units for that Purchase Payment at the end of the Valuation Period during which the Net Purchase Payment is allocated to the Money Market Investment Division. In the case of an additional Purchase Payment or transfer, we will credit Accumulation Units for the Net Purchase Payment or transfer at the end of the Valuation Period during which the Purchase Payment or transfer request is received.

The value of an Accumulation Unit for each Investment Division was initially arbitrarily set at $1 when the first investments were bought. The value for any later Valuation Period is found by multiplying the Accumulation Unit Value for an Investment Division for the last prior Valuation Period by such Investment Division's Net Investment Factor for the following Valuation Period. Like the Policy Value, the value of an Accumulation Unit may increase or decrease from one Valuation Period to the next.

Annuity Units

An Annuity Unit is an accounting unit used after the Retirement Date to calculate the value of Annuity Payments. The value of an Annuity Unit in each Investment Division was arbitrarily set at $1 when the first investments were bought. The value for any later Valuation Period is found by (a) multiplying the Annuity Unit Value for an Investment Division for the last prior Valuation Period for such Investment Division's Net Investment Factor for the following Valuation Period, and then (b) adjusting the result to compensate for the interest rate assumed in the annuity tables used to determine the amount of the first Annuity Payment. The value of an Annuity Unit for each Investment Division changes to reflect the investment performance of the Portfolio underlying that Investment Division.

Net Investment Factor

The Net Investment Factor is an index applied to measure the investment performance of an Investment Division from one Valuation Period to the next. The Net Investment Factor may be greater or less than one, so the value of an Investment Division may increase or decrease.

The Net Investment Factor of an Investment Division for any Valuation Period is determined by dividing (1) by (2) and subtracting (3) from the result, where:

(1) is the result of:
   (a) the net asset value per share or value per unit of the investment held in the Investment Division determined at the end of the current Valuation Period; plus
   (b) the per share amount of any dividend or capital gain distributions made by the investment held in the Investment Division, if the "ex-dividend" date occurs during the current Valuation Period; plus or minus
   (c) A charge or credit for any taxes reserved for the current Valuation Period which we determine to have resulted from the investment operations of the Investment Division;

(2) is the result of:
   (a) the net asset value per share or value per unit of the investment held in the Investment Division, determined at the end of the previous Valuation Period; plus or minus
   (b) the charge or credit for any taxes reserved for the previous Valuation Period; and

(3) is a deduction for certain mortality and expense risks that we assume.

Determination of Annuity Payments

At the Retirement Date, the Policy Value as of 14 days prior to the Retirement Date, less any premium taxes incurred at that time and less any Withdrawal Charge, will be applied to the purchase of the selected Annuity Payment Option. The dollar amount of the first Annuity Payment is determined by multiplying the net value applied by purchase rates based on the 1971 Individual Mortality Table (set back two years) with interest at 4.0%.

The portion of the first Annuity Payment attributed to each Investment Division is divided by the Annuity Unit Value for the Investment Division (as of the same date that the amount of the first Annuity Payment is determined) to determine the number of Annuity Units upon which later Annuity Payments will be made. This number of Annuity Units will not change unless subsequently changed by reallocation. The dollar amount of each monthly Annuity Payment after the first Annuity Payment will equal the sum of the number of Annuity Units credited to each Investment Division multiplied by the Annuity Unit Value for each respective Investment Division for the Valuation Period as of 14 days prior to the Annuity Payment, less a pro rata portion of the charge for administrative expenses.

After the Retirement Date, the Annuitant may reallocate the value of the Annuitant's interest in the Investment Divisions, no more than once each Policy

Year, by sending a Written Request to United Investors. A reallocation will be effected during the Valuation Period as of 14 days prior to the next Annuity Payment, by converting Annuity Units for the value transferred from an Investment Division into Annuity Units in the Investment Division to which value is transferred. Reallocations may cause the number of Annuity Units to change, but will not change the dollar amount of the Annuity Payment as of the date of reallocation.

United Investors guarantees that the dollar amount of monthly Annuity Payments after the first monthly Annuity Payment will not be affected by variations in expenses or mortality experience.

The Contract

The entire contract is made up of the Policy and the written application. All statements made in the application, in the absence of fraud, are considered representations and not warranties. Only the statements made in the written application can be used by us to defend a claim or void the Policy.

Changes to the Policy are not valid unless we make them in writing. They must be signed by one of our executive officers. No agent has authority to change the Policy or to waive any of its provisions.

Misstatement of Age or Sex

If the Annuitant's age or sex is misstated, we will adjust each benefit and any amount to be paid to reflect the correct age and sex.

Annual Report

At least once each Policy Year prior to the Retirement Date we will send you a report on your Policy. It will show the current Policy Value, the Purchase Payments paid, all charges and partial withdrawals since the last report, the current Surrender Value and the current Death Benefit. We will also include in the report any other information required by state law or regulation. Further, we will send You the reports required by the Investment Company Act of 1940. You may request additional reports during the year but we may charge a fee for any additional reports.

Non-Participation

The Policy is non-participating. This means that no dividends will be paid on your Policy. It will not share in our profits or surplus earnings.

Delay or Suspension of Payments

We will normally pay a surrender or any withdrawal within seven days after we receive your Written Request in our home office. However, payment of any amount may be delayed or suspended whenever:

a) the New York Stock Exchange is closed other than customary weekend and holiday closing, or trading on the New York Exchange is restricted as determined by the Securities and Exchange Commission;

b) the Securities and Exchange Commission by order permits postponement for the protection of Policyholders; or

c) an emergency exists, as determined by the Commission, as a result of which disposal of the securities held in the Investment Divisions is not reasonably practicable or it is not reasonably practicable to determine the value of the Variable Account's net assets.

Payments under the Policy of any amounts derived from Purchase Payments paid by check may be delayed until such time as the check has cleared your bank.

Ownership

The Policy belongs to you, the Policyowner. Unless you provide otherwise, you may receive all benefits and exercise all rights of the Policy prior to the Retirement Date. These rights and the rights of any Beneficiary are subject to the rights of any assignee. If there is more than one Owner at a given time, all must exercise the rights of ownership by joint action. If you die, the successor Owner, if one is named, will become the Owner. If there is no named Owner then living, the rights of ownership will vest in the executors, administrators or assigns of the Owner.

Beneficiary

The Beneficiary is named in the application. More than one Beneficiary may be named. The rights of any Beneficiary who dies before the Annuitant will pass to the surviving Beneficiary or Beneficiaries unless you provide otherwise. If no Beneficiary is living at the Annuitant's death, we will pay the Death Benefit, if any, to the Policyowner, if living; otherwise, it will be paid to the Policyowner's estate.

Change of Ownership or Beneficiary

Unless you provide otherwise in writing to us, you may change the Owner or the Beneficiary during the lifetime of the Annuitant. Any changes must be made by Written Request filed with us. The change takes effect on the date the request was signed, but it will not apply to payments made by us before we accept your Written Request. We may require you to submit the Policy to us before making a change.

Assignment

You may assign the Policy, but we will not be responsible for the validity of any assignment and no assignment will bind us until it is filed in writing at our home office. When it is filed, your rights and the rights of any Beneficiary will be subject to it. An assignment of the Policy may be a taxable event.

Incontestability

United Investors will not contest the Policy.

Evidence of Survival

Where any payments under the Policy depend on the payee being alive, we may require proof of survival prior to making the payments.

MONEY MARKET YIELD CALCULATION

In accordance with regulations adopted by the Securities and Exchange Commission, United Investors is required to compute the Money Market Investment Division's current annualized yield for a seven-day period in a manner which does not take into consideration any realized or unrealized gains or losses on shares of the Money Market Portfolio or on its portfolio securities. This current annualized yield is computed by determining the net change (exclusive of realized gains and losses on the sale of securities and unrealized appreciation and depreciation) in the value of a hypothetical account having a balance of one unit of the Money Market Investment Division at the beginning of such seven-day period, dividing such net change in account value by the value of the account at the beginning of the period to determine the base period return and annualizing this quotient on a 365-day basis. The net change in account value reflects the deductions for annual administrative expenses and the mortality and expense risk charge and income and expenses accrued during the period. Because of these deductions, the yield for the Money Market Investment Division of the Variable Account will be lower than the yield for the Money Market Portfolio of the Fund.

The Securities and Exchange Commission also permits United Investors to disclose the effective yield of the Money Market Investment Division for the same seven-day period, determined on a compounded basis. The effective yield is calculated by compounding the unannualized base period return by adding one to the base period return, raising the sum to a power equal to 365 divided by 7, and subtracting one from the result. The effective yield for the 7 days ended December 31, 1992 was 2.56%.

The yield on amounts held in the Money Market Investment Division normally will fluctuate on a daily basis. Therefore, the disclosed yield for any given past period is not an indication or representation of future yields or rates of return.

The Money Market Investment Division actual yield is affected by changes in interest rates on money market securities, average portfolio maturity of the Money Market Portfolio, the types and quality of portfolio securities held by the Money Market Portfolio, and its operating expenses.

FEDERAL TAX MATTERS

Taxation of United Investors

United Investors is taxed as a life insurance company under Part 1 of Subchapter L of the Internal Revenue Code of 1986 (the "Code"). Since the Variable Account is not an entity separate from United Investors and its operations form a part of United Investors, it will not be taxed separately as a "regulated investment company" under Subchapter M of the Code. Investment income and realized net capital gains on the assets of the Variable Account are reinvested and taken into account in determining the Policy Value. As a result, such investment income and realized net capital gains are automatically retained as part of the reserves under the Policy. Under existing federal income tax law, United Investors believes that Variable Account investment income and realized net capital gains should not be taxed to the extent that such income and gains are retained as part of the reserves under the Policy.

Tax Status of the Policies

(a) Diversification Requirements

Section 817(h) of the Code provides that the investments of the Variable Account must be "adequately diversified" in accordance with Treasury regulations in order for the Policies to qualify as annuity contracts under Section 72 of the Code. The Variable Account, through each Portfolio of the Fund, intends to comply with the diversification requirements prescribed by the Treasury in Treas. Reg. Section 1.817-5, which affect how the Portfolios' assets may be invested. Although United Investors is affiliated with the Fund's manager and Advisor, it does not control the Fund or the Portfolios' investments. However, it has entered into an agreement regarding participation in the Fund, which requires each Portfolio of the Fund to be operated in compliance with the diversification requirements prescribed by the Treasury.

The Treasury has announced that such regulations do not provide guidance concerning the tax consequences of the extent to which owners may direct their investments to particular divisions of a separate account. It is not clear whether additional guidance in this regard will be provided or whether it will be applied on a prospective basis only. It is possible that when additional guidance on this issue is promulgated, the Contracts may need to be modified to comply with such guidance. For these reasons, United Investors reserves the right to modify the Contracts as necessary to prevent the Owner from being considered the owner of the assets of the Variable Account.

(b) Required Distributions

In addition to the requirements of Section 817(h) of the Code, in order to be treated as an annuity contract for federal income tax purposes, Section 72(s) of the Code requires any Non-qualified Policy to provide that (a) if any Owner dies on or after the annuity starting date but prior to the time the entire interest in the Policy has been distributed, the remaining portion of such interest will be distributed at least as rapidly as under the method of distribution being used as of the date of that Owner's death; and (b) if any Owner dies prior to the annuity starting date, the entire interest in the Policy will be distributed within five years after the date of that Owner's death. These requirements will be considered satisfied as to any portion of the Owner's interest that is payable as annuity payments which will begin within one year of that Owner's death and which will be made over the life of the Owner's "Designated Beneficiary" or over a period not extending beyond the life expectancy of that Beneficiary. The Owner's "Designated Beneficiary" is the person to whom ownership of the Policy passes by reason of death and must be a natural person. However, if the Owner's "Designated Beneficiary" is the surviving spouse of the Owner, the Policy may be continued with the surviving spouse as the new Owner.

The Non-qualified Policies contain provisions which are intended to comply with the requirements of Section 72(s) of the Code, although no regulations interpreting these requirements have yet been issued. United Investors intends to review such provisions and modify them if necessary to assure that they comply with the requirements of Code Section 72(s) when clarified by regulation or otherwise.

Other rules may apply to Qualified Policies.

Withholding

Pension and annuity distributions generally are subject to withholding for the recipient's federal income tax liability at rates that vary according to the type of distribution and the recipient's tax status. Generally, the recipient is given the opportunity to elect not to have tax withheld from distributions. However, effective January 1, 1993, certain distributions from Section 401(a) and 403(b) plans are subject to mandatory withholding.

ADDITION, DELETION OR SUBSTITUTION OF INVESTMENTS

United Investors reserves the right, subject to compliance with applicable law, to make additions to, deletions from, or substitutions for, the shares of the Fund that are held by the Variable Account (or any Investment Division) or that the Variable Account (or any Investment Division) may purchase. United Investors reserves the right to eliminate the shares of any of the Portfolios of the Fund and to substitute shares of another Portfolio of the Fund or any other investment vehicle or of another open-end, registered investment company if laws or regulations are changed, if the shares of the Fund or a Portfolio are no longer available for investment, or if in our judgment further investment in any Portfolio should become inappropriate in view of the purposes of the Investment Division. United Investors will not substitute any shares attributable to a Policyowner's interest in an Investment Division of the Variable Account without notice and prior approval of the Securities and Exchange Commission and the insurance regulator of the state where the Policy was delivered, where required. Nothing contained herein shall prevent the Variable Account from purchasing other securities for other series or classes of policies, or from permitting a conversion between series or classes of policies on the basis of requests made by Policyowners.

United Investors also reserves the right to establish additional Investment Divisions of the Variable Account, each of which would invest in a new Portfolio of the Fund, or in shares of another investment company or suitable investment, with a specified investment objective. New Investment Divisions may be established when, in the sole discretion of United Investors, marketing needs or investment conditions warrant, and any new Investment Divisions will be made available to existing Policyowners on a basis to be determined by United Investors. United Investors may also eliminate one or more Investment Divisions if, in its sole discretion, marketing, tax, or investment conditions warrant.

In the event of any such substitution or change, United Investors may, by appropriate endorsement, make such changes in the Policies as may be necessary or appropriate to reflect such substitution or change. If deemed by United Investors to be in the best interests of persons having voting rights under the

Policies, the Variable Account may be operated as a management company under the Investment Company Act of 1940, it may be deregistered under that Act in the event such registration is no longer required, or it may be combined with other United Investors separate accounts.

DISTRIBUTION OF THE POLICY

The Policies will be sold by individuals who, in addition to being licensed as life insurance agents for United Investors, are also registered representatives of Waddell & Reed, Inc. ("W&R"), the principal underwriter of the Policies, or of broker-dealers who have entered into written sales agreements with W&R. W&R, an affiliate of United Investors is registered with the Securities and Exchange Commission under the Securities Exchange Act of 1933 as a broker-dealer and is a member of the National Association of Securities Dealers. The total commissions paid by United Investors for the sale of the Policy were $1,153,360 during 1990, $3,596,357 during 1991, and $8,681,390 during 1992. The Policies are offered to the public through brokers licensed under the federal securities laws and state insurance laws that have entered into agreements with W&R. The offering of the Policies is continuous, and W&R does not anticipate discontinuing the offering of the Policies. However, W&R reserves the right to discontinue the offering of the Policies.

The Policy provides for deduction of a charge(s) for sales expenses. This charge for sales expenses may be reduced or waived on policies sold to (1) employees of United Investors or its affiliates; or (2) customers of United Investors who are transferring existing policy values into a Policy.

SAFEKEEPING OF VARIABLE ACCOUNT ASSETS

United Investors holds the assets of the Variable Account. The assets are kept physically segregated and held separate and apart from United Investors' general account. United Investors maintains records of all purchases and redemptions of Fund shares by each of the Investment Divisions.

STATE REGULATION

United Investors is subject to regulation by the Missouri Department of Insurance. An annual statement is filed with the Missouri Department of Insurance on or before March 1 of each year covering the operations and reporting on the financial condition of United Investors as of December 31 of the preceding year. Periodically, the Missouri Department of Insurance or other authorities examine the liabilities and reserves of United Investors and the Variable Account, and a full examination of United Investors' operations is conducted periodically by the National Association of Insurance Commissioners.

In addition, United Investors is subject to the insurance laws and regulations of other states within which it is licensed or may become licensed to operate. Generally, the insurance department of any other state applies the laws of the state of domicile in determining permissible investments. A Policy is governed by the law of the state in which it is delivered. The values and benefits of each Policy are at least equal to those required by such state.

RECORDS AND REPORTS

All records and accounts relating to the Variable Account will be maintained by United Investors. As presently required by the Investment Company Act of 1940 and regulations promulgated thereunder, reports containing such information as may be required under that Act or by any other applicable law or regulation will be sent to Owners at their last known address of record.

LEGAL PROCEEDINGS

There are no legal proceedings to which the Variable Account is a party to or to which the assets of the Variable Account are subject. United Investors is not involved in any litigation that is of material importance in relation to its total assets or that relates to the Variable Account.

LEGAL MATTERS

Legal advice regarding certain matters relating to federal securities laws applicable to the issuance of the Policy described in the Prospectus have been provided by Sutherland, Asbill & Brennan of Washington, D. C. All matters of Missouri law pertaining to the Policy, including the validity of the Policy and United Investors' right to issue the Policy under Missouri Insurance Law and any other applicable state insurance or securities laws, have been passed upon by James L. Sedgwick, Esq., President of United Investors.

EXPERTS

The balance sheet of United Investors Life Insurance Company as of December 31, 1992 and 1991, and the related statements of operations, shareholder's equity, and cash flows for each of the years in the three-year period ended December 31, 1992 and the balance sheet of United Investors Annuity Variable Account as of December 31, 1992 and the related statement of operations and changes in net assets for the years ended December 31, 1992 and December 31, 1991 have been included herein in reliance upon the report of KPMG Peat Marwick, independent certified public accountants, appearing elsewhere herein, and upon the authority of said firm as experts in accounting and auditing.

OTHER INFORMATION

A Registration Statement has been filed with the Securities and Exchange Commission under the Securities Act of 1933 as amended, with respect to the Policies discussed in this Statement of Additional Information. Not all of the information set forth in the Registration Statement, amendments and exhibits thereto has been included in this Statement of Additional Information. Statements contained in this Statement of Additional Information concerning the content of the Policies and other legal instruments are intended to be summaries. For a complete statement of the terms of these documents, reference should be made to the instruments filed with the Securities and Exchange Commission.

FINANCIAL STATEMENTS

The financial statements of United Investors, which are included in this Statement of Additional Information, should be considered only as bearing on the ability of United Investors to meet its obligations under the Policies. They should not be considered as bearing on the investment performance of the assets held in the Variable Account.

INDEPENDENT AUDITORS' REPORT

The Board of Directors
United Investors Life Insurance Company
Birmingham, Alabama

We have audited the accompanying balance sheets of United Investors Life Insurance Company as of December 31, 1992 and 1991 and the related statements of operations, shareholder's equity and cash flows for each of the years in the three-year period ended December 31, 1992. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United Investors Life Insurance Company at December 31, 1992 and 1991 and the results of its operations and its cash flows for each of the years in the three-year period ended December 31,1992 in conformity with generally accepted accounting principles.

KPMG Peat Marwick

Birmingham, Alabama
February 1, 1993

UNITED INSTORS LIFE INSURANCE COMPANY
BALANCE SHEETS
(Dollar amounts in thousands)

	At December 31,	
	1992	1991
ASSETS		
Investments:		
Fixed maturities held for Investment, at amortized		

cost (estimated market value: 1992 - $363,925; 1991 - $548, 624)	$ 344,492	$514,283
Fixed maturities - available for sale, at lower of amortized cost or market value (estimated market value: 1992 - $197,968; 1991 - $0)	189,804	0
Policy loans	7,520	6,533
Energy Investments	6,218	0
Other long-term invested assets (at market value)	17,082	10,969
Short-term investments	680	14,652
	----------	--------
Total Investments	565,796	546,437
Cash	6,976	5,521
Investments in affiliates	1,648	0
Accrued investment income (including amounts from affiliates of $50 in 1992 and $0 in 1991)	6,410	6,608
Receivables (including amounts from affiliates of $15,110 in 1992 and $0 in 1991)	17,261	1,936
Deferred acquisition costs	134,565	126,387
Goodwill	8,193	8,477
Property and equipment	298	310
Other assets	1,303	540
Separate account assets	293,156	146,976
	----------	--------
Total assets	$1,035,606	$843,192
	==========	========

LIABILITIES AND SHAREHOLDER'S EQUITY

Liabilities:		
Future policy benefits	$ 442,060	$400,819
Unearned and advanced premiums	1,783	1,648
Other policy liabilities	7,443	6,630
	----------	--------
Total policy liabilities	451,286	409,097
Accrued income taxes	38,339	42,876
Other liabilities	3,059	2,554
Due to affiliates	6,622	3,780
Separate account liability	293,156	146,976
	----------	--------
Total liabilities	792,462	605,283
Shareholder's equity:		
Common stock, par value $6 per share_authorized 500 thousand shares; issued and outstanding 500 thousand shares	3,000	3,000
Additional paid-in capital	137,753	134,327
Unrealized investment gains (losses)	330	(149)
Retained earnings	102,061	100,731
	----------	--------
Total shareholder's equity	243,144	237,909
	----------	--------
Total liabilities and shareholder's equity	$1,035,606	$843,192
	==========	========

See accompanying Notes to Financial Statements.

UNITED INVESTORS LIFE INSURANCE COMPANY
STATEMENTS OF OPERATIONS
(Dollar amounts in thousands)

	Year Ended December 31,		
	1992	1991	1990
Revenue:			
Premium income	$50,792	$48,499	$47,318
Policy charges and fees	10,636	9,272	8,433
Net investment income (including amounts from affiliates of ..$145 in 1992, $1,393 in 1991, and $1,884 in 1990)	49,680	47,804	42,339
Realized gains (losses)	2,187	(295)	(1,014)
Other income	0	5	1
Total revenue	113,295	105,285	97,077
Benefits and expenses:			
Policy benefits:			
Individual life	36,027	32,363	33,080
Annuity	16,893	15,467	12,895
Total benefits	52,920	47,830	45,975
Amortization of acquisition costs	12,804	13,145	13,215
Commission and premium taxes (including amounts to affiliates of $4,170 in 1992, of $3,485 in 1991, and $3,227 in 1990)	4,723	3,972	3,739
Other operating expense (including amounts to affiliates of $1,723 in 1992, $1,701 in 1991, and $1,768 in 1990)	3,353	3,150	2,857
Total benefits and expenses	73,800	68,097	65,786
Net operating income before income taxes	39,495	37,188	31,291
Income taxes	13,165	12,264	9,350
Net income	$26,330	$24,924	$21,941

See accompanying Notes to Financial Statements.

UNITED INVESTORS LIFE INSURANCE COMPANY
STATEMENTS OF SHAREHOLDER'S EQUITY
(Dollar amounts in thousands)

	Common	Additional Paid-in	Unrealized Investment Gains/	Retained	Total Shareholder's

	Stock	Capital	(Losses)	Earnings	Equity
Year ended December 31, 1990					
Balance at January 1,1990	$3,000	$133,954	$(402)	$74,866	$211,418
Net income for the year ..				21,941	21,941
Dividends				(6,000)	(6,000)
Paid in capital		142			142
Net change in unrealized investment gains (losses)			(586)		(586)
Balance at December 31, 1990	3,000	134,096	(988)	90,807	226,915
Year ended December 31, 1991					
Net income for the year ..				24,924	24,924
Dividends				(15,000)	(15,000)
Paid in capital		231			231
Net change in unrealized investment gains (losses)			839		839
Balance at December 31, 1991	$3,000	$134,327	$(149)	$100,731	$237,909
Year ended December 31, 1992					
Net income for the year ...				26,330	26,330
Dividends				(25,000)	(25,000)
Paid in capital		3,426			3,426
Net change in unrealized investment gains (losses)			479		479
Balance at December 31, 1991	$3,000	$137,753	$330	$102,061	$243,144

See accompanying Notes to Financial Statements.

UNITED INVESTORS LIFE INSURANCE COMPANY
STATEMENTS OF CASH FLOW
(Dollar amounts in thousands)

	Year Ended December 31,		
	1992	1991	1990
Net income	$26,330	$24,924	$21,941
Adjustments to reconcile net income to cash provided from operations:			
Increase in future policy benefits	21,248	17,786	14,741
Increase (decrease) in other policy benefits ..	948	383	(1,628)
Deferral of policy acquisition costs	(20,982)	(16,325)	15,359)
Amortization of deferred acquisition costs	12,804	13,145	13,215
Change in accrued income taxes	(1,281)	(485)	8,966
Depreciation	97	106	118
Adjustment for realized investment losses (gains)	(2,187)	295	1,014

Other accruals and adjustments	1,740	2,463	(1,538)
Cash provided from operations	38,717	42,292	41,470
Cash used for investment activities:			
Investments sold or matured:			
Fixed maturities _ sold	71,875	71,932	8,953
Fixed maturities _ matured	106,671	43,975	34,033
Mutual funds	3,168	1,300	0
Net decrease in policy loans	0	0	0
Oil and gas	634	0	0
Total investments sold or matured	182,348	117,207	42,986
Acquisition of investments:			
Fixed maturities	(197,930)	(240,106)	(102,751)
Mutual funds	(8,710)	(2,952)	(670)
Net increase in policy loans	(986)	(1,404)	1,325)
Oil and gas	(5,856)	0	0
Total acquisition of investments	(213,482)	(244,462)	(104,746)
Net (increase) decrease in short-term investments	13,972	55,313	(38,988)
Funds loaned to United Management	(15,000)	0	0
Funds borrowed from United Management	0	17,468	20,000
Disposition of properties	7	24	0
Additions to properties	(100)	(18)	(40)
Cash used for investment activities	(32,255)	(54,468)	(80,788)
Cash provided from (used for) financing activities:			
Cash dividends paid to shareholders	(25,000)	(15,000)	(6,000)
Net receipts from deposit product operations ..	19,993	30,166	45,386
Cash provided from (used for) financing activities	(5,007)	15,166	39,386
Increase in cash	1,455	2,990	68
Cash at beginning of year	5,521	2,531	2,463
Cash at end of year	$ 6,976	$ 5,521	$ 2,531
Supplemental disclosure of cash flow information:			
Taxes paid	$14,446	$12,963	$628

See accompanying Notes to Financial Statements.

UNITED INVESTORS LIFE INSURANCE COMPANY
NOTES TO FINANCIAL STATEMENTS
(Dollar amounts in thousands)

Note 1 - Summary of Significant Accounting Policies

Basis of Presentation: The accompanying financial statements include the accounts of United Investors Life Insurance Company ("United Investors") which is a wholly-owned subsidiary of United Investors Management Company ("United Management"). The financial statements have been prepared on the basis of generally accepted accounting principles ("GAAP").

Investments: Investments in fixed maturities include bonds and redeemable preferred stocks. These investments are generally held until maturity and redeemed at face value. Therefore, even though market values may fluctuate from time to time due to prevailing interest rates, no material losses are expected on their ultimate disposition. United Investors generally intends to hold its fixed maturities until final maturity and carries these securities at amortized cost. However, certain of these securities which United Investors may not hold to maturity have been segregated and designated as fixed maturities available for sale. Securities available for sale are carried at the lower of amortized cost or market value.

Investments in equity securities are valued at market, and investments in mutual funds, which are included in other long-term investments, are valued at market. Policy loans are carried at unpaid principal balances. Short-term investments include investment in certificates of deposit and other interest-bearing time deposits with original maturities within one year. If an investment becomes permanently impaired, it is adjusted to its net realizable value.

Energy: Income from investments in oil and gas properties of $995 thousand, $0 thousand, and $0 thousand is included in "investment income" for the years ended December 31, 1992, 1991, and 1990 respectively.

Realized gains and losses on disposition of investments are recognized as revenue. The cost of investments sold is determined on the specific identification method. Unrealized gains and losses on equity securities and mutual funds, net of deferred income taxes, are reflected directly in shareholder's equity.

Realized investment gains and losses and investment income attributable to separate accounts are credited to the separate accounts and have no effect on United Investor's net income. Investment income attributable to policyholders is included in United Investor's net investment income. Net investment income for the years ended December 31, 1992, 1991 and 1990 included $35.6 million, $33.0 million, and $28.5 million, respectively, which was allocable to policyholder reserves or accounts. Realized investment gains and losses are not allocable to policyholders.

Determination of Fair Values of Financial Instruments: Fair value for cash, short-term investments, receivables and payables approximate carrying value. Fair values for investment securities are based on quoted market prices, where available. Otherwise, fair values are based on quoted market prices of comparable instruments.

Cash: Cash consists of balances on hand and on deposit in banks and financial institutions.

Recognition of Revenue and Related Expenses: Premiums for insurance contracts which are not defined as universal life-type according to SFAS 97 are recognized as revenue over the premium-paying period of the policy. Profits for limited-payment life insurance contracts as defined by SFAS 97 are recognized over the contract period. Premiums for universal life-type and annuity contracts are added to the policy account value, and revenues for such products are recognized as charges to the policy account value for mortality, administration, and surrenders (retrospective deposit method). The related benefits and expenses are matched with revenues by means of the provision of future policy benefits and the amortization of deferred acquisition costs in a manner which recognizes profits as they are earned over the same period.

Future Policy Benefits: The liability for future policy benefits for universal life-type products according to SFAS 97 is represented by policy account value. The liability for future policy benefits for other products is provided on the net level premium method based on estimated investment yields, mortality, persistency and other assumptions which were appropriate at the time the policies were issued. Assumptions used are based on United Investors experience as adjusted to provide for possible adverse deviation. These estimates are periodically reviewed and compared with actual experience. If it is determined that future expected experience differs significantly from that assumed, the estimates are revised.

Deferred acquisition costs: The costs of acquiring new insurance business are deferred. Such costs consist of sales commissions, underwriting expenses, and certain other selling expenses. The costs of acquiring new business through the purchase of other companies and blocks of insurance business are also deferred. The value assigned to the insurance purchased at the time of Torchmark's acquisition of United Investors is included in deferred acquisition costs.

Deferred acquisition costs, including the value of insurance purchased, for policies other than universal life-type policies according to SFAS 97, are amortized with interest over an estimate of the premium-paying period of the policies in a manner which charges each year's operations in proportion to the receipt of premium income. For universal life-type policies, acquisition costs are amortized with interest in proportion to estimated gross profits. The assumptions used as to interest, withdrawals and mortality are consistent with those used in computing the liability for future policy benefits and expenses. If it is determined that future expected experience differs significantly from that assumed, the estimates are revised.

Income Taxes: Deferred income taxes are provided to recognize timing differences between income determined for financial reporting purposes and income determined for income tax purposes.

Interest Expense: Interest expense includes interest on borrowed funds not used in the production of investment income. Interest expense relating to the production of investment income is deducted from investment income.

Property and Equipment: Property and equipment is reported at cost less allowances for depreciation. Depreciation is provided on the straight-line method over the estimated useful lives of these assets which range from three to ten years.

Reinsurance: United Investors cedes and assumes insurance risks with other companies. Liabilities for future policy benefits, premiums and expenses are reported after deduction of amounts relating to reinsurance ceded and addition of amounts relating to reinsurance assumed.

Goodwill: Goodwill represents the excess cost over the fair value of the net assets acquired when United Investors was purchased by Torchmark in 1981 and is being amortized on a straight-line basis over forty years.

Reclassifications: Certain amounts in the financial statements presented have been reclassified from amounts previously reported. These reclassifications have no effect on previously reported shareholder's equity or net income during the periods involved.

Note 2 - Statutory Accounting (Unaudited)

United Investors is required to file statutory financial statements with state insurance regulatory authorities. Accounting principles used to prepare these statutory financial statements differ from GAAP.

Net income and shareholder's equity on a statutory basis for United Investors was as follows:

	Net Income Year ended December 31,			Shareholders' Equity at December 31,	
	1992	1991	1990	1992	1991
Life insurance	$14,813	$25,271	$24,239	$151,084	$161,476

The excess of shareholders' equity on a GAAP basis over that determined on a statutory basis is not available for distribution to shareholders.

A reconciliation of United Investor's statutory net income to GAAP net income is as follows:

	Year ended December 31,		
	1992	1991	1990
Statutory net income	$14,813	$25,271	$24,239
Deferral of acquisition costs	20,982	16,325	15,359
Amortization of acquisition costs	(12,804)	(13,144)	(13,215)
Differences in policy liabilities	4,915	(6,122)	3,893
Deferred income taxes	(3,404)	2,821	(7,667)
Other	1,828	(227)	(668)
GAAP net income	$26,330	$24,924	$21,941

A reconciliation of United Investor's statutory shareholder's equity to GAAP shareholder's equity is as follows:

	Year ended December 31,	
	1992	1991

Statutory shareholder's equity	$151,084	$161,476
Differences in policy liabilities	(17,858)	(22,925)
Deferred acquisition costs	134,565	126,387
Deferred income taxes	(38,851)	(38,703)
Securities valuation reserve	3,186	1,725
Non-admitted assets	1,662	589
Other	9,356	9,360
GAAP shareholder's equity	$243,144	$237,909

Note 3 - Investment Operations

Investment income is summarized as follows:

	Year ended December 31,		
	1992	1991	1990
Fixed maturities	$47,369	$43,101	$32,817
Policy loans	544	444	327
Other long-term investments	1,727	952	2,555
Short-term investments	324	2,274	5,122
Interest and dividends from affiliates	144	1,393	1,885
	50,108	48,164	42,706
Less: Investment expense	(428)	(360)	(367)
Net investment income	$49,680	$47,804	$42,339

Analysis of gains (losses) from investments:

	1992	1991	1990
Realized investment gains (losses)			
Fixed maturities	$2,200	$(295)	$(1,014)
Mutual Funds	(13)	0	0
Realized investment gains (losses)	$2,187	$(295)	$(1,014)
Net increase (decrease) in unrecorded investment gains on fixed maturities during the period	$(6,744)	$27,203	$(156)

A summary of fixed maturities held for Investment and available for sale by amortized cost and estimated market value at December 31, 1992 is as follows:

	Cost or Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Market Value	Amount per the Balance Sheet

Fixed Maturities held for investment:					
Bonds:					
United States Government	$254,607	$14,743	$(185)	$269,165	$254,607
States, municipalities and political subdivisions	24,993	2,992	(172)	27,813	24,993
Foreign governments	1,015	0	(14)	1,001	1,015
Public utilities	11,657	103	(16)	11,744	11,657
Industrial and miscellaneous	50,258	1,764	(145)	51,877	50,258
Redeemable preferred stocks	1,962	363	0	2,325	1,962
Total Fixed Maturities ..	344,492	19,965	(532)	363,925	344,492
Fixed Maturities available for sale:					
Bonds:					
United States Government	179,927	7,598	0	187,525	179,927
States, municipalities and political subdivisions	0	0	0	0	0
Foreign governments	0	0	0	0	0
Public utilities	0	0	0	0	0
Industrial and miscellaneous	9,877	566	0	10,443	9,877
Redeemable preferred stocks	0	0	0	0	0
Total Fixed Maturities	189,804	8,164	0	197,968	189,804
Total	$534,296	$28,129	$(532)	$561,893	$534,296

A summary of fixed maturities held for Investment and available for sale by amortized cost and estimated market value at December 31, 1991 is as follows:

	Cost or Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Market Value	Amount per the Balance Sheet
Fixed Maturities:					
Bonds:					
United States Government and government agencies and authorities	$404,000	$27,657	$ 0	$431,657	$404,000
States, municipalities and political subdivisions	26,456	3,443	(219)	29,680	26,456
Foreign governments......	0	0	0	0	0
Public utilities.........	5,037	210	0	5,247	5,037
Industrial and miscellaneous	76,450	3,419	(249)	79,620	76,450
Redeemable preferred stock .	2,340	80	0	2,420	2,340
Total Fixed Maturities ..	$514,283	$34,809	$(468)	$548,624	$514,283

A schedule of fixed maturities at December 31,1992 is shown below on an amortized cost basis and on a market value basis. Actual maturities could differ from contractual maturities due to call or prepayment.

Estimated

	Amortized Cost	Market Value
Due in one year or less	$ 6,060	$ 6,164
Due after one year through five years	25,855	27,620
Due after five years through ten years	68,150	71,527
Due after ten years	2,061	2,118
	102,126	107,429
Mortgage backed securities	430,208	452,139
Redeemable preferred stock	1,962	2,325
	$534,296	$561,893

Proceeds from sales of fixed maturities were $71,875,247 in 1992, $71,931,897 in 1991, and $8,952,620 in 1990. Gross gains realized on those sales were $2,578,830 in 1992, $2,392,885 in 1991, and $484,439 in 1990. Gross losses on those sales were $451,423 in 1992, $2,687,871 in 1991, and $620,619 in 1990.

Note 4 - Deferred Acquisition Costs

An analysis of deferred acquisition costs is as follows:

	1992	1991	1990
Balance at beginning of period	$126,387	$123,207	$121,063
Deferred during period:			
Commissions	17,240	12,927	11,681
Other expenses	3,742	3,398	3,678
Total deferred	147,369	139,532	136,422
Amortized during period	(12,804)	(13,145)	(13,215)
Balance at end of period	$134,565	$126,387	$123,207

Deferred acquisition costs include the value of business purchased at the date of Torchmark's acquisition of United Investors. These amounts at December 31, 1992, 1991, and 1990 were $25.4 million, $28.1 million, and $31.4 million, respectively.

Note 5 - Property and Equipment

A summary of property and equipment used in the business is as follows:

	At December 31,1992		At December 31,1991	
	Cost	Accumulated Depreciation	Cost	Accumulated Depreciation
Data processing equipment	$ 138	$122	$ 126	$121

Transportation equipment	158	52	103	49
Furniture and office equipment .	916	740	916	665
Total	$1,212	$914	$1,145	$835

Depreciation expense on property and equipment used in the business was $96.8 thousand, $106.3 thousand, and $117.5 thousand in each of the years 1992, 1991, and 1990, respectively.

Note 6 - Future Policy Benefit Reserves

A summary of the assumptions used in determining the liability for future policy benefits is as follows:

Individual Life Insurance

Interest Assumptions:

Years of Issue	Interest Rates	Percent of Liability
1962-1992	3.00%	4%
1981-1992	4.00%	
1981-1985	4.50%	
	5.00%	
1981-1992	5.50%	
1986-1992	7.00% graded to 6.00%	12%
1962-1985	8.50% graded to 6.00%	10%
1981-1985	8.50% graded to 7.00%	9%
1984-1992	Interest sensitive	65%
		100%

Mortality assumptions:
The mortality tables used are various statutory mortality tables and modifications of:

1965-70 Select and Ultimate Table
1975-80 Select and Ultimate Table

Withdrawal assumptions:
Withdrawal assumptions are based on United Investors' experience.

Note 7 - Income Taxes

United Investors is included in the life-nonlife consolidated federal income tax return filed by Torchmark. Under the tax allocation agreement with Torchmark, a company with taxable income pays tax equal to an amount that would have been paid if the company was filing a separate tax return. A company with losses is paid a tax benefit currently to the extent that affiliated companies with taxable income utilize those losses.

The Revenue Reconciliation Act of 1990 required life insurance companies to begin capitalizing policy acquisition expenses and amortizing them over a period of 120 months. The capitalized amount is determined as a percentage of net premiums for the year on specified insurance contracts. The percentage used for the majority of United Investor's net premiums is 1.75%. Prior to September 30,1990, policy acquisition expenses were deducted when paid. Thus, the change to a capitalization of these expenses has increased current taxes.

In February, 1992, the Financial Accounting Standards Board issued Statement No. 109, Accounting for Income Taxes (SFAS 109), which supersedes Statement No. 96, "Accounting for Income Taxes" (SFAS 96). United Investors currently accounts for income taxes under APB Opinion 11, having elected not to adopt SFAS 96 prior to its revised effective date of 1993. Opinion 11 requires United Investors to use the deferred method when accounting for income taxes. This method matches annual income tax expense with pretax accounting income by providing deferred taxes at current tax rates. Under this method, deferred taxes arise due to differences between the timing of the recognition of items of revenue and expense for financial reporting purposes versus income tax purposes. SFAS 109 will require United Investors to use the asset and liability method to provide for deferred taxes. This method compares the differences between the financial statement basis and the tax return basis of United Investors' assets and liabilities, and it uses enacted tax rates expected to be in effect when such amounts are realized or settled. Under Statement 109, the effect on deferred taxes of a change in tax rates is recognized in income in the period that includes the enactment date.

SFAS 109 is effective in 1993, with earlier adoption permitted. United Investors plans to adopt the statement in 1993 and will elect to report the effect of adoption as a cumulative effect of a change in accounting principle. The cumulative effect of the adoption of Statement 109 is expected to result in a reduction of the net deferred tax liability by approximately $4.7 million.

Prior to 1984, a portion of taxable income was excluded from current taxation and accumulated in a special tax return memorandum account. The December 31, 1983 balance of approximately $6.3 million is frozen and will be taxed only if distributed or if it exceeds certain prescribed limits. It is not anticipated that this tax will be incurred in the foreseeable future; therefore, no provision for federal income taxes on this account has been made.

Accrued income taxes payable are summarized below:

	December 31, 1991	December 31, 1992
Currently payable (receivable)	$ (516)	$ 4,173
Deferred	38,855	38,703
	$38,339	$42,876

Income tax expense is summarized below:

	Year Ended December 31,		
	1992	1991	1990
Current tax expense	$13,013	$15,314	$1,827
Deferred tax expense (benefit)	152	(3,050)	7,523
	$13,165	$12,264	$9,350

Deferred taxes generated by timing differences were as follows:

	Year Ended December 31,		
	1992	1991	1990
Deferred acquisition costs	$898	$ (731)	$4,444
Reserve and premium adjustments	218	(2,646)	2,066
Other	(964)	327	1,013
Deferred tax expense (benefit)	$152	$(3,050)	$7,523

United Investors' effective income tax rate differed from the statutory federal income tax rate as follows:

	Year Ended December 31,					
	1992		1991		1990	
	Amount	%	Amount	%	Amount	%
Statutory federal income tax rate	$13,429	34%	$12,644	34%	$10,639	34%
Increases (reductions) in tax resulting from:						
Tax-exempt investment income	(460)	(1)	(458)	(1)	(532)	(2)
Purchase accounting differences	97		77		(504)	(2)
Other	99		1		(253)	
Income tax expense	$13,165	33%	$12,264	33%	$9,350	30%

Note 8 - Retirement Plans

The full-time employees of United Investors are covered under a defined benefit pension plan and a defined contribution savings plan. These plans cover primarily employees of other Torchmark and United Management affiliates. The total costs of these retirement plans charged to operations were as follows:

Year Ended December 31,	Defined Contribution Plans	Defined Benefit Plan
1992	$30	$43
1991	29	60
1990	30	66

Net periodic pension cost for the defined benefit plan which covers United Investors' employees has been calculated on the projected unit credit actuarial cost method in accordance with the Statement of Financial Accounting Standards No. 87 ("SFAS 87"), which was adopted effective January 1, 1986. Contributions are made to the plan equal to pension expense subject to minimums required by regulation and maximums allowed for tax purposes. United Investors records the difference between the SFAS 87 expense and the actual cash contribution to the plan to a liability account. The liability recorded was $55 thousand at December 31, 1992, and $55 thousand at December 31, 1991. The plan is organized as a trust fund whose assets consist primarily of investments in long-term fixed maturities and equity securities. These assets are valued at market.

United Investors accrues expense for the defined contribution plans based on a percentage of the employees' contributions. The plans are funded by the employee contributions and a company contribution equal to the amount of accrued expense.

Note 9 - Reinsurance

United Investors reinsures that portion of insurance risk which is in excess of its retention limit. The maximum net retention limit for ordinary life insurance is $525,000 per life. Life insurance ceded represented 2% of total life insurance in force at December 31, 1992 and 3.3% of premium income for 1992. United Investors would be liable for the reinsured risks ceded to other companies to the extent that such reinsuring companies are unable to meet their obligation.

United Investors did not assume insurance risks of other companies for the year ended December 31, 1992.

Note 10 - Related Party Transactions

The primary distributor of United Investors' Insurance products is Waddell & Reed, Inc. ("W&R"), a United Management affiliate. W&R receives a commission for marketing these products which was $19 million, $14.3 million, and $12.6 million for the years ended December 31, 1992, 1991, and 1990, respectively.

In December, 1984, United Investors' operations were relocated to the premises of another Torchmark insurance affiliate. United Investors was charged for space, equipment, and services provided by that affiliate amounting to $1.5 million in 1992, $1.5 million in 1991 and $1.6 million in 1990.

Torchmark performed certain administrative services for United Investors for which it charged $180 thousand in 1992, $192 thousand in 1991 and $192 thousand in 1990.

United Investors loaned United Management $13.8 million in October, 1987. The loan bears interest at a rate of 9%. United Investors included in net investment income $1 million in interest income from this note in 1990. In December, 1989, United Investors loaned an additional $20 million to United Management. The loan bears interest at a rate of 11.5 %. United Investors included in net investment income $583 thousand in interest income from this note in 1990. In October, 1990, the notes for $13.8 million and the $20 million were redeemed. Also in October, 1990, United Investors loaned United Management $17.5 million. The loan bears interest at the rate of 9%. United Investors accrued and included in net investment income $1.4 million and $301 thousand in interest income from this note in 1991 and 1990, respectively. In November, 1991, the note for $17.5 million was redeemed. United Investors loaned United Management $15 million in December, 1992. The loan bears interest at a rate of 7.71%. United Investors accrued and included in net investment income $29 thousand in interest income from this note in 1992.

United Investors serves as sponsor to two separate accounts and depositor to the underlying investment fund in connection with its variable product business. At December 31, 1992 and 1991 United Investors had investment of $8.9 million and $8 million, respectively, in the separate accounts and $37 thousand and $2.9 million, respectively, in the underlying fund which investments were included in other long-term invested assets and carried at market.

Other long-term invested assets also includes investments, carried at market, in the United Group of Mutual Funds and certain other funds for which W&R is the sole advisor. These investments were $8.2 million and $0 at December 31, 1992 and 1991, respectively. Investment income derived from these investments is included in net investment income.

During 1992, United Investors made open market purchases of Torchmark Corporation Preferred Stock totaling $1.6 million. This investment is included in investment in affiliates and is carried at cost.

During 1992, United Investors invested $5.8 million in Torch Energy VII Limited Partnership, which is managed by Torch Energy, an affiliated company. Of this amount, $2.8 million and $2.8 million was respectively acquired from Globe Life and Accident Insurance Company and United American Insurance Company, both of which are affiliates. United Investors during the same period sold $.6 million of this partnership.

Note 11 - Commitments and Contingencies

Leases: United Investors leases office equipment under various operating lease arrangements. Rental expense was $3.1 thousand, $1.5 thousand, and none in 1992, 1991, and 1990, respectively. There were no future minimum rental commitments under noncancelable operating leases having remaining lease terms in excess of one year at December 31, 1992.

Restrictions on the transfer of funds: Regulatory restrictions exist on the transfer of funds from insurance companies. These restrictions generally limit the payment of dividends to the statutory net gain from operations of the prior year in the absence of special approval. Additionally, insurance companies are not permitted to distribute the excess of shareholder's equity as determined on a generally accepted accounting basis over that determined on a statutory basis. Restricted net assets at December 31,1992 in compliance with all regulations were $95.1 million.

Litigation: United Investors is engaged in routine litigation arising from the normal course of business. In management's opinion, this litigation will not materially affect United Investors' financial position or results of operations.

Concentrations of credit risk: United Investors maintains a highly diversified investment portfolio with limited concentration in any given region, industry, or economic characteristic. The investment portfolio consists of securities of the U.S. government or U.S. government-backed securities (78%); securities of state and municipal governments (4%); investment-grade corporate bonds (12%); noninvestment-grade corporate bonds (2%); United Funds (3%); and policy loans (1%) which are secured by the underlying insurance policy value. Short-term investments made up less than 1% of the portfolio at the end of 1992. Investments in municipal governments and corporations are made throughout the U.S. with no concentration in any given state. Corporate debt investments are made in a wide range of industries. At December 31, 1992, approximately 2% of the portfolio was invested in securities of financial institutions; 2% was invested in food and beverage companies; 1% was invested in regulated utilities; and 1% was invested in finance companies. Otherwise, no individual industry represented more than 1% of United Investor's investments. At the end of 1992, only 2% of the carrying value of securities was rated below investment grade. Par value of these investments was $11 million, carrying value was $11 million, and market value was $11 million. While these investments could be subject to additional credit risk, such risk should generally be reflected in market value.

Collateral requirements: United Investors requires collateral for investments in instruments where collateral is available and typically required because of the nature of the investment. Since the majority of United Investor's investments are in government, government-secured, or corporate securities, the requirement for collateral is rare.

INDEPENDENT AUDITORS' REPORT

The Board of Directors of
United Investors Life Insurance Company
And the Contract Owners of the
United Investors Annuity Variable Account
Birmingham, Alabama

We have audited the accompanying balance sheets of United Investors Annuity Variable Account as of December 31, 1992 and 1991 and the related statements of operations and changes in net assets for each of the years in the three-year period ended December 31, 1992. These financial statements are the responsibility of United Investors Life Insurance Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United Investors Annuity Variable Account at December 31, 1992 and 1991 and the results of its operations and its changes in net assets for each of the years in the three-year period ended December 31, 1992 in conformity with generally accepted accounting principles.

KPMG PEAT MARWICK

Birmingham, Alabama
April 9, 1993

<TABLE>

United Investors Annuity Variable Account
Statement of Operations and Changes in Net Assets
For the Year Ended December 31, 1992

<CAPTION>

	Money Market	Bond	High Income	Growth	Income	Total
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Dividend income (Note B, D)	$ 617,266	$ 2,637,768	$ 2,837,761	$ 10,364,106	$ 772,936	$ 17,229,837
Expenses paid to sponsor (Note D):						
Mortality and expense risk charge	$ 175,887	$ 315,285	$ 269,739	$		

				761,231	$ 323,776	$ 1,845,918
Contract maintenance charges:						
Sales expense	$ 69,978	$ 157,069	$ 125,798	$ 364,018	$ 107,244	$ 824,107
Administrative expense	$ 14,617	$ 38,260	$ 35,020	$ 111,747	$ 30,207	$ 229,851
Total expenses	$ 260,482	$ 510,614	$ 430,557	$ 1,236,996	$ 461,227	$ 2,899,876
Net investment income ...	$ 356,784	$ 2,127,154	$ 2,407,204	$ 9,127,110	$ 311,709	$ 14,329,961
Realized investment gains (losses) distributed to accounts	$ 0	$ 147,935	$ 16,789	$ 440,890	$ 144,749	$ 750,363
Unrealized investment gains (losses)	$ 0	$ (79,800)	$ 1,172,479	$ 5,863,220	$ 4,442,506	$ 11,398,405
Net gain (loss) on investments	$ 0	$ 68,135	$ 1,189,268	$ 6,304,110	$ 4,587,255	$ 12,148,768
Net increase (decrease) in net assets from operations	$ 356,784	$ 2,195,289	$ 3,596,472	$ 15,431,220	$ 4,898,964	$ 26,478,729
Premium deposits & net transfers*	$ 5,063,888	$20,706,652	$15,711,275	$ 39,199,464	$44,480,564	$125,161,843
Transfer to sponsor for benefits and terminations	$ (952,598)	$(1,214,733)	$(1,155,867)	$ (2,654,754)	$ (826,095)	$ (6,804,047)
Total increase (decrease)	$ 4,468,074	$21,687,208	$18,151,880	$ 51,975,930	$48,553,433	$144,836,525
Net assets at beginning of period	$18,122,841	$25,432,350	$20,869,484	$ 62,771,356	$14,405 800	$141,601,831
Net assets at end of period (Note C)	$22,590,915	$47,119,558	$39,021,364	$114,747,286	$62,959,233	$286,438,356

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*Includes transfer activity from (to) other portfolios.

See Notes to Financial Statements
</TABLE>

<TABLE>

United Investors Annuity Variable Account
Statement of Operations and Changes in Net Assets
For the Year Ended December 31, 1991

<CAPTION>

	Money Market	Bond	High Income	Growth	Income	Total
Dividend income (Note B, D)	$ 856,265	$ 1,676,056	$ 1,705,892	$10,581,398	$ 69,659	$ 14,889,270
Expenses paid to sponsor (Note D):						
Mortality and expense risk charge	$ 145,279	$ 160,672	$ 135,512	$ 416,422	$ 25,455	$ 883,340
Contract maintenance charges:						
Sales expense	$ 75,910	$ 84,516	$ 73,857	$ 212,075	$ 739	$ 447,097
Administrative expense	$ 15,275	$ 22,659	$ 22,063	$ 69,663	$ 3,491	$ 133,151
Total expenses	$ 236,464	$ 267,847	$ 231,432	$ 698,160	$ 29,685	$ 1,463,588
Net investment income ...	$ 619,801	$ 1,408,209	$ 1,474,460	$ 9,883,238	$ 39,974	$ 13,425,682
Realized investment gains (losses) distributed to accounts	$ 0	$ 39,326	$ (319,271)	$ 372,383	$ (1,801)	$ 90,637
Unrealized investment gains (losses)	$ 0	$ 1,227,301	$ 2,765,493	$ 2,703,324	$ 854,641	$ 7,550,759
Net gain (loss) on investments	$ 0	$ 1,266,627	$ 2,446,222	$ 3,075,707	$ 852,840	$ 7,641,396

Net increase (decrease) in net assets from operations	$ 619,801	$ 2,674,836	$ 3,920,682	$12,958,945	$ 892,814	$ 21,067,078
Premium deposits & net transfers*	$ 5,029,362	$10,172,173	$ 6,417,613	$18,167,547	$12,531,834	$ 52,318,529
Investment by sponsor (Note E)	$ 0	$ 0	$ 0	$ 0	$ 1,000,000	$ 1,000,000
Transfer to sponsor for benefits and terminations	$ (914,952)	$ (622,754)	$ (745,590)	$(1,358,484)	$ (18,848)	$ (3,660,628)
Total increase (decrease)	$ 4,734,211	$12,224,255	$ 9,592,705	$29,768,008	$14,405,800	$ 70,724,979
Net assets at beginning of period	$13,388,630	$13,208,095	$11,276,779	$33,003,348	$ 0	$ 70,876,852
Net assets at end of period (Note C)	$18,122,841	$25,432,350	$20,869,484	$62,771,356	$14,405,800	$141,601,831

*Includes transfer activity from (to) other portfolios.

See Notes to Financial Statements
</TABLE>

<TABLE>
United Investors Annuity Variable Account
Statement of Operations and Changes in Net Assets
For the Year Ended December 31, 1990
<CAPTION>

<S>	Money Market <C>	Bond <C>	High Income <C>	Growth <C>	Total <C>
Dividend income (Note B, D)	$ 839,519	$ 874,840	$ 1,364,947	$ 1,071,525	$ 4,150,831
Expenses paid to sponsor (Note D):					
Mortality and expense risk charge .	$ 100,412	$ 97,662	$		

(continued)			106,362	$ 263,237	$ 567,673
Contract maintenance charges:					
Sales expense	$ 57,489	$ 55,203	$ 72,230	$ 136,036	$ 320,958
Administrative expense	$ 10,458	$ 15,232	$ 21,678	$ 46,881	$ 94,249
Total Expenses	$ 168,359	$ 168,097	$ 200,270	$ 446,154	$ 982,880
Net investment income	$ 671,160	$ 706,743	$ 1,164,677	$ 625,371	$ 3,167,951
Realized investment losses	$ 0	$ (14,186)	$ (614,802)	$ (132,465)	$ (761,454)
Unrealized investment losses	$ 0	$ (40,785)	$(1,665,987)	$(2,523,323)	$(4,230,095)
Net loss on investments	$ 0	$ (54,971)	$(2,280,790)	$(2,655,788)	$(4,991,549)
Net increase (decrease) in net assets from operations	$ 671,160	$ 651,772	$(1,116,113)	$(2,030,417)	$(1,823,598)
Premium deposits & net transfers* ...	$ 4,171,270	$ 4,548,131	$ 758,164	$12,216,649	$21,694,214
Transfer to sponsor for benefits and terminations	$ (646,935)	$ (545,536)	$ (785,224)	$(1,043,645)	$(3,021,457)
Total increase (decrease)	$ 4,195,495	$ 4,654,250	$(1,143,173)	$ 9,142,587	$16,849,159
Net assets at beginning of period ...	$ 9,193,135	$ 8,553,845	$12,419,952	$23,860,761	$54,027,693
Net assets at end of period (Note C)	$13,388,630	$13,208,095	$11,276,779	$33,003,348	$70,876,852

*Includes transfer activity from (to) other portfolios.

See Notes to Financial Statements
</TABLE>

<TABLE>

United Investors Annuity Variable Account
Balance Sheet
As of December 31, 1992

<CAPTION>

	Money Market	Bond	High Income	Growth	Income	Total

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

Assets:						
Investments in Mutual Funds (Note B)	$22,597,701	$47,134,399	$39,033,718	$114,783,257	$62,978,816	$286,527,891
Total assets	22,597,701	47,134,399	39,033,718	114,783,257	62,978,816	286,527,891
Liabilities:						
Mortality and expense risk charge payable to Sponsor (Note D) ...	6,786	14,841	12,354	35,971	19,583	89,535
Total liabilities	6,786	14,841	12,354	35,971	19,583	89,535
Net assets (Note C)	$22,590,915	$47,119,558	$39,021,364	$114,747,286	$62,959,233	$286,438,356
Equity:						
Equity of Sponsor	$ 670,873	$ 790,929	$ 752,285	$ 1,038,804	$ 1,209,256	$ 4,462,147
Equity of contract owners	21,920,042	46,328,629	38,269,079	113,708,482	61,749,977	281,976,209
Total equity	$22,590,915	$47,119,558	$39,021,364	$114,747,286	$62,959,233	$286,438,356
Accumulation units outstanding	16,837,063	29,787,569	25,935,498	55,229,057	52,063,508	179,852,695
Net asset value per unit	$1.341737	$1.581853	$1.504554	$2.077662	$1.209278	

See Notes to Financial Statements

</TABLE>

<TABLE>

United Investors Annuity Variable Account
Balance Sheet
As of December 31, 1991

<CAPTION>

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

	Money Market	Bond	High Income	Growth	Income	Total
Assets:						
Investments in Mutual Funds (Note B)	$18,128,051	$25,439,694	$20,875,537	$62,788,983	$14,409,609	$141,641,874
Total assets	18,128,051	25,439,694	20,875,537	62,788,983	14,409,609	141,641,874
Liabilities:						
Mortality and expense risk charge payable to Sponsor (Note D) ...	5,210	7,344	6,053	17,627	3,809	40,043
Total liabilities	5,210	7,344	6,053	17,627	3,809	40,043
Net assets (Note C)	$18,122,841	$25,432,350	$20,869,484	$62,771,356	$14,405,800	$141,601,831
Equity:						
Equity of Sponsor	$ 655,762	$ 741,223	$ 656,081	$ 867,375	$ 1,072,311	$ 3,992,752
Equity of contract owners	17,467,079	24,691,127	20,213,403	61,903,981	13,333,489	137,609,079
Total equity	$18,122,841	$25,432,350	$20,869,484	$62,771,356	$14,405,800	$141,601,831
Accumulation units outstanding	13,818,073	17,155,802	15,904,632	36,185,081	13,434,291	96,497,879

	==========	==========	==========	==========	==========
Net asset value per unit	$1.311532	$1.482434	$1.312164	$1.734730	$1.072316
	=========	=========	=========	=========	=========

See Notes to Financial Statements
</TABLE>

NOTES TO FINANCIAL STATEMENTS

ANNUITY VARIABLE ACCOUNT

Note A - Summary of Significant Accounting Policies
- --

Organization - The United Investors Annuity Variable Account ("the Annuity Variable Account") was established on December 8, 1981 and modified on January 5, 1987 as a segregated account of United Investors Life Insurance Company ("the Sponsor") and has been registered as a unit investment trust under the Investment Company Act of 1940. The Annuity Variable Account invests in shares of TMK/United Funds, Inc. ("the Fund"), a mutual fund with five separate investment portfolios including a money market portfolio, a bond portfolio, a high income portfolio, a growth portfolio and an income portfolio. The assets of each portfolio of the fund are held separate from the assets of the other portfolios. Thus, each portfolio operates as a separate investment portfolio, and the investment performance of one portfolio has no effect on any other portfolio.

Basis of Presentation - The financial statements of the Annuity Variable Account have been prepared on an accrual basis in accordance with generally accepted accounting principles.

Federal Taxes - Currently no charge is made to the Annuity Variable Account for federal income taxes because no federal income tax is imposed on the Sponsor for the Annuity Variable Account investment income under current tax law.

Note B - Investments
- --------------------

Stocks and convertible bonds of the Fund are valued at the latest sale price on the last business day of the fiscal period as reported by the principal securities exchange on which the issue is traded or, if no sale is reported for a stock, the average of the latest bid and asked prices. Bonds, other than convertible bonds, are valued using a matrix pricing system provided by a major dealer in bonds. Convertible bonds are valued using this pricing system only on days when there is no sale reported. Stocks which are traded over-the-counter are priced using NASDAQ (National Association of Securities Dealers Automated Quotations) which provides information on bid and asked prices quoted by major dealers in such stock. Short-term debt securities are valued at amortized cost, which approximates market.

Security transactions are accounted for by the Fund on the trade date (date the order to buy or sell is executed). Securities gains and losses are calculated on the specific identification method. Dividend income is recorded on the ex-dividend date. Interest income is recorded on the accrual basis.

Investments in shares of the separate investment portfolios are stated at market value which is the net asset value per share as determined by the respective portfolios (see Note C - Net Assets). Dividends received from the portfolios are reinvested daily in additional shares of the portfolios and are recorded as dividend income on the record date.

The following is a summary of reinvested dividends by portfolio:

1992

Investment Portfolio	Shares Reinvested	Dividend Income
Money Market	$ 617,266	$ 617,266
Bond	503,991	2,637,768
High Income	665,997	2,837,761
Growth	1,685,083	10,364,106
Income	131,306	772,936

1991

Investment Portfolio	Shares Reinvested	Dividend Income
Money Market	$ 856,265	$ 856,265
Bond	328,945	1,676,056
High Income	444,263	1,705,892
Growth	1,890,447	10,581,398
Income	13,884	69,659

1990

Investment Portfolio	Shares Reinvested	Dividend Income
Money Market	$839,519	$ 839,519
Bond	179,086	874,840
High Income	363,638	1,364,947
Growth	216,561	1,071,525

Note C - Net Assets

The following table illustrates by component parts the net asset value for each portfolio:

1992

	Money Market	Bond	High Income	Growth	Income
Cost to:					
Contract owners	$22,259,851	$42,940,845	$35,717,529	$ 89,430,926	$57,012,400
Sponsor	500,000	500,000	500,000	500,000	1,000,000
Adjustment for market appreciation (depreciation) and reinvested dividends	3,339,980	7,306,571	7,526,367	33,511,511	6,282,690
Deductions:					
Mortality & expense risk charge	(539,479)	(653,770)	(679,553)	(1,672,108)	(349,231)
Contract maintenance charges:					
Sales expense	(250,889)	(325,764)	(346,768)	(805,650)	(110,735)
Administrative expense	(48,326)	(84,557)	(99,509)	(260,462)	(30,946)
Benefits & terminations	(2,670,222)	(2,563,767)	(3,596,702)	(5,956,931)	(844,945)
Net assets	$22,590,915	$47,119,558	$39,021,364	$114,747,286	$62,959,233

1991

	Money Market	Bond	High Income	Growth	Income
Cost to:					
Contract owners	$17,195,963	$22,234,193	$20,006,265	$50,231,462	$12,531,835
Sponsor	500,000	500,000	500,000		

				500,000	1,000,000
Adjustment for market appreciation (depreciation) and reinvested dividends	2,722,714	4,600,668	3,499,338	16,843,295	922,499
Deductions:					
Mortality & expense risk charge	(363,592)	(338,485)	(409,814)	(910,877)	(25,455)
Contract maintenance charges:					
Sales expense	(180,911)	(168,695)	(220,970)	(441,632)	(3,491)
Administrative expense	(33,709)	(46,297)	(64,489)	(148,715)	(739)
Benefits & terminations	(1,717,624)	(1,349,034)	(2,440,835)	(3,302,177)	(18,849)
Net assets	$18,122,841	$25,432,350	$20,869,484	$62,771,356	$14,405,800

</TABLE>

Note D - Charges and Deductions

Fund Management and Fees

Waddell & Reed Investment Management Company ("the Manager"), is the manager of the Fund and provides investment advisory services to the Fund. Fees for these services are deducted from dividend income at the following annual rates: Money Market Portfolio - .51 of 1% of net assets; Bond Portfolio - .54 of 1% of net assets; High Income Portfolio - .66 of 1% of net assets; Growth Portfolio - .71 of 1% of net assets; and Income Portfolio - .71 of 1% of net assets. These fees are a result of the combination of two elements: (i) a specific fee computed on each portfolio's net asset value at the close of each business day at the following annual rates: Money Market Portfolio - None; Bond Portfolio - .03 of 1% of net assets; High Income Portfolio - .15 of 1% of net assets; Growth Portfolio - .20 of 1% of net assets; and Income Portfolio -.20 of 1% of net assets and (ii) a base fee computed each day on the combined net asset values of all of the portfolios and allocated among the portfolios based on their relative net asset size at the annual rate of .51 of 1%. The amount of these fees have been:

	1992	1991	1990
Money Market	$ 99,949	$ 82,766	$ 56,955
Bond	189,765	96,771	59,740
High Income	198,425	99,686	78,056
Growth	602,022	329,431	208,073
Income	256,647	20,518	--

Mortality and Expense Risk Charge

A daily charge is deducted at an effective annual rate of .90% of the average daily net assets of each investment portfolio to compensate the Sponsor for certain mortality and expense risks assumed. The mortality risk arises from the Sponsor's obligation to make annuity payments (determined in accordance with annuity tables) regardless of how long all annuitants may live. The Sponsor also assumes the risk that other expense charges may be insufficient to cover the actual expenses incurred in connection with policy obligations.

Premium Deposit Charges

The Sponsor does not impose an immediate charge against premium deposits (except for premium taxes incurred).

Contract Maintenance Charges

On each of the first ten policy anniversaries following the receipt of a premium deposit, there is an annual deduction of .85% of each premium deposit which compensates the Sponsor for certain sales and other distribution expenses incurred, including agent sales commissions, the cost of printing prospectuses and sales literature, advertising, and other marketing and sales promotional activities.

The Sponsor deducts a charge of $50 on each policy anniversary to compensate it for administrative expenses. This charge is "cost-based" and the Sponsor does not expect a profit from the charge.

Premium Taxes

The Sponsor deducts a charge for premium taxes incurred in accordance with state and local law at the time the premium deposit is accepted, when the policy value is withdrawn or surrendered, or when annuity payments begin.

Withdrawal Charges

For surrenders occurring during the first eight policy years following the receipt of a premium deposit, a withdrawal charge is made, measured as a percent of the total premium deposits as specified in the following table. The withdrawal charge percentage varies depending on the "age" of the premium deposits included in the withdrawal - that is, the policy year in which the premium deposit was made. Partial withdrawals may also be subject to a charge measured as a percent of the premium deposits included in the withdrawal. A $20 transaction charge is applied if more than four withdrawals occur during a policy year.

No. of Policy Years Since Receipt of Premium Deposit	0	1	2	3	4	5	6	7	8 or More
Withdrawal Charge %	8%	7%	6%	5%	4%	3%	2%	1%	0

Note E - Equity of Sponsor

The equity of the Sponsor may be withdrawn at the discretion of the Sponsor without penalty.