

SECURITIES AND EXCHANGE COMMISSION

FORM N-30D

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

Filing Date: **1997-03-10** | Period of Report: **1996-12-31**
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FILER

CG VARIABLE LIFE INSURANCE SEPARATE ACCOUNT I

CIK: **930597** | State of Incorporation: **CT** | Fiscal Year End: **1231**
Type: **N-30D** | Act: **40** | File No.: **811-08780** | Film No.: **97553656**

Mailing Address
900 COTTAGE GROVE RD
HARTFORD CT 06152-2251

Business Address
900 COTTAGE GROVE RD
BLOOMFIELD CT 06002
2037266000

CG VARIABLE ANNUITY SEPARATE ACCOUNT II

CIK: **928718** | State of Incorporation: **CT** | Fiscal Year End: **1231**
Type: **N-30D** | Act: **40** | File No.: **811-08714** | Film No.: **97553657**

Mailing Address
900 COTTAGE GROVE RD
HARTFORD CT 06152-2251

Business Address
900 COTTAGE GROVE RD
BLOOMFIELD CT 06002

CIGNA VARIABLE ANNUITY SEPARATE ACCOUNT I

CIK: **943724** | IRS No.: **060303370** | State of Incorporation: **CT** | Fiscal Year End: **1231**
Type: **N-30D** | Act: **40** | File No.: **811-09014** | Film No.: **97553658**

Mailing Address
900 COTTAGE GROVE ROAD
HARTFORD CT 06152-2251

Business Address
900 COTTAGE GROVE RD
HARTFORD CT 06152-2251
2037262920

CIGNA ACCRU
ANNUAL REPORT
DECEMBER 31, 1996
[LOGO]

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LIMITED MATURITY BOND PORTFOLIO
PARTNERS PORTFOLIO

OCC ACCUMULATION TRUST ANNUAL REPORT

GLOBAL EQUITY PORTFOLIO
MANAGED PORTFOLIO
SMALL CAP PORTFOLIO

* PLEASE NOTE THAT THE FIDELITY MONEY MARKET PORTFOLIO, HIGH INCOME PORTFOLIO AND OVERSEAS PORTFOLIO ARE USED IN CONNECTION WITH ACCRU VARIABLE ANNUITY CONTRACTS, BUT NOT ACCRU VARIABLE LIFE INSURANCE CONTRACTS.

[LOGO]

[PHOTO]

[LOGO]

THOMAS C. JONES
President

900 Cottage Grove Road
Routing S-249
Hartford, CT 06152-2249

Dear Client:

It is a pleasure to provide you with this report on the performance of your ACCRU Variable Annuity and the ACCRU Variable Universal Life Insurance products

for the year ended December 31, 1996.

The report includes a summary of sub-account performance for the past 12 months and financial data for each of the portfolio options available under your product. In addition, we have included an informative interview with Edward Guay, CIGNA's chief economist. The interview deals with significant national and international economic trends affecting key financial markets, and I hope you will take a few minutes to read it carefully.

As we begin a new year, the CIGNA Individual Insurance team remains committed to providing financial solutions that meet your expectations and needs. Whether your concerns involve family and business succession planning, income protection, retirement savings or asset accumulation, our organization is dedicated to offering product solutions of recognized value -- and to back those solutions with consistently superior service, unquestioned financial security and complete product disclosure.

As part of our service commitment -- and to keep you fully informed about your purchase and trends that could affect your financial planning decisions -- CIGNA Individual Insurance has recently established a home page on the Internet. If you have a computer link to the Internet and are interested in viewing helpful information about retirement planning, you can visit our website at [HTTP://WWW.CIGNA.COM](http://www.cigna.com).

In addition, of course, you can call our Annuity and Variable Life Services Center at 1.800.522.9898, Monday through Friday, 8 a.m. to 7 p.m. Eastern time. Our representatives will be happy to answer any questions about this report, or to respond to any requests or concerns.

With that, please accept my thanks for your loyalty and trust in choosing CIGNA, and allow me to assure you that we will continue to concentrate our efforts and resources on providing superior solutions that meet your long-term financial goals and solve your increasingly complex financial planning needs.

Sincerely,

[SIG]

Thomas C. Jones

ECONOMIC REVIEW AND OUTLOOK

AN INTERVIEW WITH EDWARD GUAY, CHIEF ECONOMIST, CIGNA CORPORATION

HOW DID THE U.S. ECONOMY AND OTHER NATIONAL ECONOMIES PERFORM IN 1996?

The U.S. economy performed well during 1996, as did several other national economies. Economic activity in the U.S. continued a broadening recovery from the slowdown of late 1994 and early 1995 which was engineered by the Federal Reserve. This recovery was held back to some extent by the lingering weakness among some of the major trading partners of the U.S. However, many of the previous restraints on U.S. growth -- such as the real estate overbuilding during the 1980s -- became less significant restraints as the markets absorbed past excesses. The U.S. also benefited from a flood of liquidity as central banks in many parts of the world aggressively eased interest rates to try to restore growth.

Some other countries also recovered strongly last year. In some cases, such as Mexico, Venezuela, Argentina, and the Scandinavian countries, the recoveries were rebounds from past crises. In other cases, the resumption of growth reflected stronger and more sustainable growth of both output and final demand. In the latter group were Canada, the United Kingdom and Australia.

There was some political background "noise" during the year in the U.S. and elsewhere. But nowhere was it particularly disruptive of long-term economic fundamentals. In all, 1996 was a vintage year for the U.S. and marked the beginning of what should be several good years for the world economy.

WHAT KEY FACTORS ARE EXPECTED TO DRIVE WORLDWIDE GROWTH THIS YEAR?

The major engines of growth will include energy refining and development and stronger demand for infrastructure products, such as power generation and communications equipment.

DID INFLATION POSE A SERIOUS THREAT ON THE WORLD ECONOMIC SCENE IN 1996?

Although there were several inflation shocks last year, the massive liquidity expansion did not cause inflation to rise. Excess capacity and labor in world markets combined with technological change, continuing corporate restructuring, and relatively free trade to help keep prices under control.

WHAT WERE THE MAJOR TRENDS IN THE U.S. BOND MARKET LAST YEAR?

When 1996 began, the U.S. bond market anticipated recession, but by late spring the bond market was more fearful of resurging growth. Treasury bond yields rose from 6% to more than 7% between the end of 1995 and the middle of 1996 because

of the shift in psychology and futures trading. But from August through November, fears of growth eased and bond yields retraced more than half the earlier rise. Although good economic news caused another setback in the bond market in December, the bond market performed better than generally expected for the year as a whole.

WHAT ABOUT THE PERFORMANCE OF THE EQUITY MARKET?

The equity market performed extraordinarily well again in 1996, although it was mainly the large capitalization domestic stocks that did well. Small capitalization domestic stocks, many major international markets, most notably the Japanese market, and some of the emerging markets, particularly in Asia, underperformed. Profits were stronger than expected and balance sheets continued to improve, primarily because of restructuring, share buybacks, and the deepening and broadening impact of new technology. The financial improvement and increased liquidity benefited both the stock market and the corporate bond market.

IS THE U.S. EQUITY MARKET LIKELY TO SUSTAIN ITS STRONG GROWTH OF RECENT YEARS? WHAT ABOUT FOREIGN MARKETS?

U.S. equity valuations may experience a correction because they are at the highest levels in 30 years and there is less scope now for extraordinary profit gains from either a reduced rate of inflation or restructuring. But in foreign equity markets, the scope for restructuring and for unusual profits gains remains large. A sustained bull market in international markets could run for another two to four years.

WHAT IS THE ECONOMIC OUTLOOK FOR 1997?

The new year should bring continued growth in the U.S. and somewhat more favorable trends in the world economy. Several U.S. economic sectors are already operating at or above potential and are not likely to contribute greatly to growth during 1997. Among those are autos, housing, and some key components of business investment spending. Other U.S. economic sectors and regions are still operating well below their normal capabilities and offer the potential for upside surprises during the year. U.S. growth will be spurred by commercial construction and export industries.

After growing by more than 3.0% during 1996, the U.S. economy should be able to grow by 2.75% to 3.0% during 1997, but with somewhat different composition. Overall, our world view is still optimistic. The next year or two should be good for business, and for diversified investors.

ACCRU VARIABLE PRODUCTS
SCHEDULE OF CHANGES IN UNIT VALUES
YEAR ENDED DECEMBER 31, 1996

CIGNA LIFE ACCRU VARIABLE ANNUITY

<TABLE>
<CAPTION>

SUB-ACCOUNT <S>	DATE	ACCUMULATION	12/31/96	% CHANGE
	INITIALLY FUNDED (INCEPTION DATE) <C>	UNIT VALUE AT INCEPTION <C>	ACCUMULATION UNIT VALUE <C>	
Alger American Growth Portfolio	2/23/96	\$10.000000	\$10.144346	1.4
Alger American Leveraged AllCap Portfolio	2/9/96	10.000000	10.507089	5.1
Alger American MidCap Growth Portfolio	1/19/96	10.000000	11.319352	13.2
Alger American Small Capitalization Portfolio	2/9/96	10.000000	9.868924	-1.3
Fidelity VIP Equity Income Portfolio	2/20/96	10.000000	11.013725	10.1
Fidelity VIP Money Market Portfolio	2/22/96	10.000000	10.338796	3.4
Fidelity VIP High Income Portfolio	5/17/96	10.000000	10.659332	6.6
Fidelity VIP Overseas Portfolio	5/13/96	10.000000	10.640099	6.4
Fidelity VIP II: Asset Manager Portfolio	3/1/96	10.000000	11.112123	11.1
Fidelity VIP II: Investment Grade Bond Portfolio	3/1/96	10.000000	10.277513	2.8
MFS Total Return Series	2/22/96	10.000000	10.934889	9.3
MFS Utilities Series	3/15/96	10.000000	11.879471	18.8
MFS World Government Series	2/20/96	10.000000	10.461237	4.6
AMT Balanced Portfolio	2/22/96	10.000000	10.196779	2.0
AMT Limited Maturity Bond Portfolio	2/20/96	10.000000	10.278541	2.8
AMT Partners Portfolio	2/20/96	10.000000	12.176555	21.8
OCC Global Equity Portfolio	2/9/96	10.000000	11.044449	10.4
OCC Managed Portfolio	2/20/96	10.000000	11.575082	15.8
OCC Small Cap Portfolio	3/1/96	10.000000	11.375492	13.8

</TABLE>

CONNECTICUT GENERAL ACCRU VARIABLE ANNUITY -- NEW YORK CONTRACTS ISSUED MAY 1, 1996 AND LATER

<TABLE>
<CAPTION>

SUB-ACCOUNT <S>	DATE	ACCUMULATION	12/31/96	% CHANGE
	INITIALLY FUNDED (INCEPTION DATE)	UNIT VALUE AT INCEPTION	ACCUMULATION UNIT VALUE*	
<S>	<C>	<C>	<C>	<C>
Alger American Growth Portfolio	5/2/96	\$10.000000	\$10.655539	6.6
Alger American Leveraged AllCap Portfolio	5/2/96	10.000000	9.952430	-0.5
Alger American MidCap Growth Portfolio	5/2/96	10.000000	10.033269	0.3
Alger American Small Capitalization Portfolio	5/2/96	10.000000	9.368431	-6.3
Fidelity VIP Equity Income Portfolio	5/2/96	10.000000	10.851716	8.5
Fidelity VIP Money Market Portfolio	6/3/96	10.000000	10.223104	2.2
Fidelity VIP High Income Portfolio	5/22/96	10.000000	10.600637	6.0
Fidelity VIP Overseas Portfolio	5/20/96	10.000000	10.534750	5.3
Fidelity VIP II: Asset Manager Portfolio	5/28/96	10.000000	10.797117	8.0
Fidelity VIP II: Investment Grade Bond Portfolio	6/3/96	10.000000	10.530045	5.3
MFS Total Return Series	5/2/96	10.000000	11.016746	10.2
MFS Utilities Series	5/24/96	10.000000	11.397495	14.0
MFS World Government Series	5/20/96	10.000000	10.436909	4.4
AMT Balanced Portfolio	5/22/96	10.000000	9.983723	-0.2
AMT Limited Maturity Bond Portfolio	6/3/96	10.000000	10.377931	3.8
AMT Partners Portfolio	5/2/96	10.000000	11.514426	15.1
OCC Global Equity Portfolio	5/2/96	10.000000	10.785929	7.9
OCC Managed Portfolio	5/2/96	10.000000	11.432399	14.3
OCC Small Cap Portfolio	5/20/96	10.000000	10.568440	5.7

</TABLE>

* Variable Annuity unit values reflect the Company's mortality and expense risk charge at a reduced rate of 1.20% per year instead of 1.25% per year throughout the 5/1/96 through 6/30/96 period. Had the full charge been imposed, ending accumulation unit values would have been lower for those funds.

Accumulation Unit Values are net of charges against the assets of the Variable Accounts for the assumption of mortality and expense risks and for administrative expenses.

ACCRU VARIABLE PRODUCTS
SCHEDULE OF CHANGES IN UNIT VALUES
YEAR ENDED DECEMBER 31, 1996

CONNECTICUT GENERAL ACCRU VARIABLE ANNUITY
(INCLUDING NEW YORK CONTRACTS ISSUED BEFORE MAY 1, 1996)

<TABLE>
<CAPTION>

SUB-ACCOUNT <S>	DATE	1/1/96	12/31/96	% CHANGE
	INITIALLY FUNDED (INCEPTION DATE)	ACCUMULATION UNIT VALUE	ACCUMULATION UNIT VALUE	
<S>	<C>	<C>	<C>	<C>
Alger American Growth Portfolio	4/12/95	\$ 12.385784	\$13.855323	11.9
Alger American Leveraged AllCap Portfolio	6/2/95	13.895178	15.364036	10.6
Alger American MidCap Growth Portfolio	4/10/95	13.106537	14.473761	10.4
Alger American Small Capitalization Portfolio	4/10/95	13.092181	13.460941	2.8
Fidelity VIP Equity Income Portfolio	4/10/95	12.128673	13.679456	12.8
Fidelity VIP Money Market Portfolio	6/8/95	10.245402	10.658014	4.0
Fidelity VIP High Income Portfolio	5/3/96	10.000000*	10.802349	8.0
Fidelity VIP Overseas Portfolio	5/9/96	10.000000*	10.614394	6.1
Fidelity VIP II: Asset Manager Portfolio	4/12/95	11.280365	12.758423	13.1
Fidelity VIP II: Investment Grade Bond Portfolio	7/18/95	10.541110	10.734479	1.8
MFS Total Return Series	7/7/95	11.003903	12.420693	12.9
MFS Utilities Series	7/27/95	11.365171	13.292608	17.0
MFS World Government Series	7/7/95	10.277969	10.552213	2.7

AMT Balanced Portfolio	7/18/95	10.269633	10.832872	5.5
AMT Limited Maturity Bond Portfolio	5/3/95	10.547360	10.857343	2.9
AMT Partners Portfolio	4/12/95	12.122020	15.500823	27.9
OCC Global Equity Portfolio	4/10/95	11.758951	13.347358	13.5
OCC Managed Portfolio	6/19/95	11.143831	13.502565	21.2
OCC Small Cap Portfolio	6/27/95	10.855343	12.718827	17.2

</TABLE>

* Accumulation Unit Value as of Inception Date, which was later than 1/1/96

ACCRU VARIABLE UNIVERSAL LIFE

<TABLE>

<CAPTION>

SUB-ACCOUNT <S>	DATE INITIALLY FUNDED (INCEPTION DATE)	1/1/96 ACCUMULATION UNIT VALUE	12/31/96 ACCUMULATION UNIT VALUE	% CHANGE
	<C>	<C>	<C>	<C>
Alger American Growth Portfolio	5/5/95	\$12.175146	\$13.738238	12.8
Alger American Leveraged AllCap Portfolio	5/5/95	14.765068	16.468026	11.5
Alger American MidCap Growth Portfolio	5/5/95	12.966604	14.443889	11.4
Alger American Small Capitalization Portfolio	5/5/95	12.845183	13.322001	3.7
Fidelity VIP Equity Income Portfolio	5/5/95	11.970125	13.618095	13.8
Fidelity VIP II: Asset Manager Portfolio	11/16/95	10.493126	11.971291	14.1
Fidelity VIP II: Investment Grade Bond Portfolio	11/16/95	10.215729	10.493674	2.7
MFS Total Return Series	10/10/95	10.618988	12.090502	13.9
MFS Utilities Series	12/26/95	10.070410	11.880730	18.0
MFS World Government Series	5/5/95	10.417540	10.788580	3.6
AMT Balanced Portfolio	9/12/95	9.807578	10.435528	6.4
AMT Limited Maturity Bond Portfolio	9/13/96	10.000000 *	10.256711	2.6
AMT Partners Portfolio	5/5/95	12.079554	15.580865	29.0
OCC Global Equity Portfolio	9/12/95	10.050817	11.507742	14.5
OCC Managed Portfolio	5/5/95	12.250674	14.972784	22.2
OCC Small Cap Portfolio	9/26/95	10.235194	12.096552	18.2

</TABLE>

* Accumulation Unit Value as of Inception Date, which was later than 1/1/96

Accumulation Unit Values are net of charges against the assets of the Variable Accounts for the assumption of mortality and expense risks and for administrative expenses.

CG VARIABLE ANNUITY SEPARATE ACCOUNT II
FINANCIAL STATEMENTS
STATEMENTS OF ASSETS AND LIABILITIES
DECEMBER 31, 1996

<TABLE>

<CAPTION>

	ALGER AMERICAN PORTFOLIO SUB-ACCOUNTS				FIDELITY VIP PORTFOLIO SUB-ACCOUNTS			
	GROWTH	LEVERAGED ALLCAP	MIDCAP GROWTH	SMALL CAPITALIZATION	EQUITY- INCOME	MONEY MARKET	HIGH INCOME	OVERSEAS
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
ASSETS:								
Investment in variable insurance funds at value....	\$18,174,849	\$5,583,768	\$9,575,698	\$14,394,067	\$28,183,257	\$10,602,830	\$4,883,390	\$1,894,609
Receivable from Connecticut General Life Insurance Company.....	18,958	--	12,788	--	25,905	317,787	6,415	--
Receivable for fund shares sold.....	--	342	--	7,106	--	--	--	86
Total assets.....	18,193,807	5,584,110	9,588,486	14,401,173	28,209,162	10,920,617	4,889,805	1,894,695
LIABILITIES:								
Payable to Connecticut General Life Insurance Company.....	--	342	--	7,106	--	--	--	86
Payable for fund shares purchased.....	18,958	--	12,788	--	25,905	317,787	6,415	--
Total liabilities.....	18,958	342	12,788	7,106	25,905	317,787	6,415	86

Net assets.....	\$18,174,849	\$5,583,768	\$9,575,698	\$14,394,067	\$28,183,257	\$10,602,830	\$4,883,390	\$1,894,609
FLEXIBLE PAYMENT DEFERRED								
ANNUITY CONTRACTS								
Accumulation units								
outstanding.....	1,236,762	347,060	625,799	1,001,691	1,951,707	968,529	426,441	167,414
Net asset value per								
accumulation unit.....	\$ 13.855323	\$15.364036	\$14.473761	\$ 13.460941	\$ 13.679456	\$ 10.658014	\$10.802349	\$10.614394
	\$17,135,737	\$5,332,250	\$9,057,661	\$13,483,704	\$26,698,296	\$10,322,591	\$4,606,568	\$1,776,998
FLEXIBLE PAYMENT DEFERRED								
ANNUITY CONTRACTS--NEW YORK								
Accumulation units								
outstanding.....	94,174	25,272	51,632	97,173	133,553	10,588	26,114	11,164
Net asset value per								
accumulation unit.....	\$ 10.655539	\$ 9.952430	\$10.033269	\$ 9.368431	\$ 10.851716	\$ 10.223104	\$10.600637	\$10.534750
	\$ 1,003,480	\$ 251,518	\$ 518,037	\$ 910,363	\$ 1,449,274	\$ 108,247	\$ 276,822	\$ 117,611
Accumulation net assets.....	\$18,139,217	\$5,583,768	\$9,575,698	\$14,394,067	\$28,147,570	\$10,430,838	\$4,883,390	\$1,894,609
Annuity reserves.....	35,632	--	--	--	35,687	171,992	--	--
	\$18,174,849	\$5,583,768	\$9,575,698	\$14,394,067	\$28,183,257	\$10,602,830	\$4,883,390	\$1,894,609

<CAPTION>

FIDELITY VIP II
PORTFOLIO
SUB-ACCOUNTS

	ASSET MANAGER	INVESTMENT GRADE BOND
--	------------------	--------------------------

<S>

<C>

<C>

ASSETS:

Investment in variable		
insurance funds at value....	\$4,203,610	\$5,840,585
Receivable from Connecticut		
General Life Insurance		
Company.....	17,935	12,854
Receivable for fund shares		
sold.....	--	--
Total assets.....	4,221,545	5,853,439

LIABILITIES:

Payable to Connecticut General		
Life Insurance Company.....	--	--
Payable for fund shares		
purchased.....	17,935	12,854
Total liabilities.....	17,935	12,854
Net assets.....	\$4,203,610	\$5,840,585

FLEXIBLE PAYMENT DEFERRED

ANNUITY CONTRACTS		
Accumulation units		
outstanding.....	296,224	529,141
Net asset value per		
accumulation unit.....	\$12.758423	\$10.734479
	\$3,779,356	\$5,680,056

FLEXIBLE PAYMENT DEFERRED

ANNUITY CONTRACTS--NEW YORK		
Accumulation units		
outstanding.....	39,293	15,245
Net asset value per		
accumulation unit.....	\$10.797117	\$10.530045
	\$ 424,254	\$ 160,529
Accumulation net assets.....	\$4,203,610	\$5,840,585
Annuity reserves.....	--	--
	\$4,203,610	\$5,840,585

</TABLE>

CG VARIABLE ANNUITY SEPARATE ACCOUNT II
 FINANCIAL STATEMENTS (CONTINUED)
 STATEMENTS OF ASSETS AND LIABILITIES
 DECEMBER 31, 1996

<TABLE>
 <CAPTION>

	MFS SERIES SUB-ACCOUNTS			AMT PORTFOLIO SUB-ACCOUNTS		
	TOTAL RETURN	UTILITIES	WORLD GOVERNMENTS	BALANCED	LIMITED MATURITY BOND	PARTNERS
<S>	<C>	<C>	<C>	<C>	<C>	<C>
ASSETS:						
Investment in variable insurance funds at value....	\$8,702,389	\$2,791,807	\$1,507,463	\$3,365,177	\$3,663,477	\$9,696,541
Receivable from Connecticut General Life Insurance Company.....	33,090	--	12,939	14,831	12,953	15,097
Receivable for fund shares sold.....	--	195	--	--	--	--
Total assets.....	8,735,479	2,792,002	1,520,402	3,380,008	3,676,430	9,711,638
LIABILITIES:						
Payable to Connecticut General Life Insurance Company.....	--	195	--	--	--	--
Payable for fund shares purchased.....	33,090	--	12,939	14,831	12,953	15,097
Total liabilities.....	33,090	195	12,939	14,831	12,953	15,097
Net assets.....	\$8,702,389	\$2,791,807	\$1,507,463	\$3,365,177	\$3,663,477	\$9,696,541
FLEXIBLE PAYMENT DEFERRED ANNUITY CONTRACTS						
Accumulation units outstanding.....	654,101	203,475	139,111	290,632	330,999	580,564
Net asset value per accumulation unit.....	\$12.420693	\$13.292608	\$10.552213	\$10.832872	\$10.857343	\$15.500823
	\$8,124,391	\$2,704,717	\$1,467,933	\$3,148,378	\$3,593,774	\$8,999,227
FLEXIBLE PAYMENT DEFERRED ANNUITY CONTRACTS--NEW YORK						
Accumulation units outstanding.....	52,465	7,641	3,788	18,307	6,716	60,560
Net asset value per accumulation unit.....	\$11.016746	\$11.397495	\$10.436909	\$ 9.983723	\$10.377931	\$11.514426
	\$ 577,998	\$ 87,090	\$ 39,530	\$ 182,770	\$ 69,703	\$ 697,314
Accumulation net assets.....	\$8,702,389	\$2,791,807	\$1,507,463	\$3,331,148	\$3,663,477	\$9,696,541
Annuity reserves.....	--	--	--	34,029	--	--
	\$8,702,389	\$2,791,807	\$1,507,463	\$3,365,177	\$3,663,477	\$9,696,541

<CAPTION>

	OCC ACCUMULATION TRUST SUB-ACCOUNTS*		
	GLOBAL EQUITY	MANAGED	SMALL CAP
<S>	<C>	<C>	<C>
ASSETS:			
Investment in variable insurance funds at value....	\$10,194,411	\$33,126,842	\$2,756,326
Receivable from Connecticut General Life Insurance Company.....	34,130	47,270	--
Receivable for fund shares sold.....	--	--	23,333
Total assets.....	10,228,541	33,174,112	2,779,659
LIABILITIES:			
Payable to Connecticut General Life Insurance Company.....	--	--	23,333

Payable for fund shares purchased.....	34,130	47,270	--
Total liabilities.....	34,130	47,270	23,333
Net assets.....	\$10,194,411	\$33,126,842	\$2,756,326
FLEXIBLE PAYMENT DEFERRED ANNUITY CONTRACTS			
Accumulation units outstanding.....	732,412	2,301,440	202,106
Net asset value per accumulation unit.....	\$ 13.347358	\$ 13.502565	\$12.718827
	\$ 9,775,759	\$31,075,345	\$2,570,551
FLEXIBLE PAYMENT DEFERRED ANNUITY CONTRACTS--NEW YORK			
Accumulation units outstanding.....	35,443	176,181	17,578
Net asset value per accumulation unit.....	\$ 10.785929	\$ 11.432399	\$10.568440
	\$ 382,281	\$ 2,014,174	\$ 185,775
Accumulation net assets.....	\$10,158,040	\$33,089,519	\$2,756,326
Annuity reserves.....	36,371	37,323	--
	\$10,194,411	\$33,126,842	\$2,756,326

</TABLE>

* Formerly Quest for Value Accumulation Trust

The Notes to Financial Statements are an integral part of these statements.

2

CG VARIABLE ANNUITY SEPARATE ACCOUNT II
FINANCIAL STATEMENTS
STATEMENTS OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 1996

<TABLE>

<CAPTION>

	ALGER AMERICAN PORTFOLIO SUB-ACCOUNTS				FIDELITY VIP PORTFOLIO SUB-ACCOUNTS			
	GROWTH	LEVERAGED ALLCAP	MIDCAP GROWTH	SMALL CAPITALIZATION	EQUITY-INCOME	MONEY MARKET	HIGH INCOME *	OVERSEAS **
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
INVESTMENT INCOME:								
Dividends.....	\$ 5,644	\$ --	\$ --	\$ --	\$ 11,853	\$572,187	\$ --	\$--
EXPENSES:								
Mortality and expense risk and administrative charges.....	143,341	48,267	67,601	126,196	221,540	143,360	19,299	5,307
Net investment gain (loss).....	(137,697)	(48,267)	(67,601)	(126,196)	(209,687)	428,827	(19,299)	(5,307)
NET REALIZED AND UNREALIZED GAIN ON INVESTMENTS:								
Capital distribution from portfolio sponsors.....	238,605	30,845	87,714	34,967	339,772	--	--	--
Net realized gain (loss) on share transactions.....	(9,498)	(22,790)	(6,893)	(33,203)	749	--	(241)	168
Net realized gain (loss)....	229,107	8,055	80,821	1,764	340,521	--	(241)	168
Net unrealized gain.....	1,131,951	218,998	345,620	109,613	2,059,625	--	196,922	64,159
Net realized and unrealized gain on investments.....	1,361,058	227,053	426,441	111,377	2,400,146	--	196,681	64,327
INCREASE (DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS.....	\$1,223,361	\$ 178,786	\$358,840	\$ (14,819)	\$2,190,459	\$428,827	\$177,382	\$59,020

<CAPTION>

FIDELITY VIP II
PORTFOLIO
SUB-ACCOUNTS

ASSET INVESTMENT
MANAGER GRADE BOND

<C> <C>

INVESTMENT INCOME:

Dividends..... \$ 28,793 \$ 90,885

EXPENSES:

Mortality and expense risk and administrative charges..... 32,701 46,709

Net investment gain (loss)..... (3,908) 44,176

NET REALIZED AND UNREALIZED GAIN ON INVESTMENTS:

Capital distribution from portfolio sponsors..... 23,742 --

Net realized gain (loss) on share transactions..... (551) (39,580)

Net realized gain (loss).... 23,191 (39,580)

Net unrealized gain..... 318,766 134,649

Net realized and unrealized gain on investments..... 341,957 95,069

INCREASE (DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS.....

\$338,049 \$139,245

</TABLE>

* Period from May 22, 1996 (date deposits first received) to December 31, 1996

** Period from May 20, 1996 (date deposits first received) to December 31, 1996

The Notes to Financial Statements are an integral part of these statements.

CG VARIABLE ANNUITY SEPARATE ACCOUNT II
FINANCIAL STATEMENTS (CONTINUED)
STATEMENTS OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 1996

<TABLE>

<CAPTION>

MFS SERIES SUB-ACCOUNTS

AMT PORTFOLIO SUB-ACCOUNTS

TOTAL UTILITIES WORLD
RETURN INVESTMENTS GOVERNMENTS

BALANCED LIMITED MATURITY PARTNERS
BOND

INVESTMENT INCOME:
Dividends..... \$ 131,034 \$ 64,106 \$ -- \$ 28,644 \$ 112,452 \$ 6,470

EXPENSES:
Mortality and expense risk and administrative charges..... 60,653 20,389 12,757 29,014 29,820 64,981

Net investment gain (loss)..... 70,381 43,717 (12,757) (370) 82,632 (58,511)

NET REALIZED AND UNREALIZED GAIN ON INVESTMENTS:

Capital distribution from portfolio sponsors..... 57,008 166,334 -- 159,289 -- 80,881

Net realized gain (loss) on share transactions.... 2,967 (387) 103 (232) 110 (2,019)

Net realized gain..... 59,975 165,947 103 159,057 110 78,862

Net unrealized gain (loss)..... 468,302 99,863 61,456 (27,931) 8,894 1,271,284

Net realized and unrealized gain on investments..... 528,277 265,810 61,559 131,126 9,004 1,350,146

INCREASE IN NET ASSETS RESULTING FROM OPERATIONS.. \$ 598,658 \$ 309,527 \$ 48,802 \$ 130,756 \$ 91,636 \$ 1,291,635

<CAPTION>

OCC ACCUMULATION TRUST SUB-ACCOUNTS *

	GLOBAL EQUITY	MANAGED	SMALL CAP
<S>	<C>	<C>	<C>
INVESTMENT INCOME:			
Dividends.....	\$ 36,437	\$ 119,991	\$ 9,776
EXPENSES:			
Mortality and expense risk and administrative charges.....	76,755	245,571	19,273
Net investment gain (loss).....	(40,318)	(125,580)	(9,497)
NET REALIZED AND UNREALIZED GAIN ON INVESTMENTS:			
Capital distribution from portfolio sponsors.....	54,017	76,525	25,134
Net realized gain (loss) on share transactions....	(2,096)	412	(217)
Net realized gain.....	51,921	76,937	24,917
Net unrealized gain (loss).....	767,457	3,785,792	239,507
Net realized and unrealized gain on investments.....	819,378	3,862,729	264,424
INCREASE IN NET ASSETS RESULTING FROM OPERATIONS..	\$ 779,060	\$ 3,737,149	\$ 254,927

</TABLE>

* Formerly Quest for Value Accumulation Trust

The Notes to Financial Statements are an integral part of these statements.

CG VARIABLE ANNUITY SEPARATE ACCOUNT II FINANCIAL STATEMENTS STATEMENTS OF CHANGES IN NET ASSETS FOR THE YEAR ENDED DECEMBER 31, 1996

<TABLE> <CAPTION>

	ALGER AMERICAN PORTFOLIO SUB-ACCOUNTS				FIDELITY VIP PORTFOLIO SUB-ACCOUNTS			
	GROWTH	LEVERAGED ALLCAP	MIDCAP GROWTH	SMALL CAPITALIZATION	EQUITY-INCOME	MONEY MARKET	HIGH INCOME *	OVERSEAS **
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
OPERATIONS:								
Net investment gain (loss).....	\$ (137,697)	\$ (48,267)	\$ (67,601)	\$ (126,196)	\$ (209,687)	\$ 428,827	\$ (19,299)	\$ (5,307)
Net realized gain (loss).....	229,107	8,055	80,821	1,764	340,521	--	(241)	168
Net unrealized gain.....	1,131,951	218,998	345,620	109,613	2,059,625	--	196,922	64,159
Net increase (decrease) from operations.....	1,223,361	178,786	358,840	(14,819)	2,190,459	428,827	177,382	59,020
ACCUMULATION AND ANNUITY UNIT TRANSACTIONS:								
Participant deposits.....	10,783,257	3,476,529	4,553,845	8,786,778	15,889,145	30,385,963	2,685,680	1,005,559
Participant transfers....	2,602,802	772,742	2,723,340	2,632,177	5,222,220	(26,362,351)	2,257,438	834,182
Participant withdrawals.....	(294,588)	(53,503)	(98,852)	(281,569)	(1,664,909)	(825,252)	(237,110)	(4,152)
Net increase from participant transactions.....	13,091,471	4,195,768	7,178,333	11,137,386	19,446,456	3,198,360	4,706,008	1,835,589
Total increase in net assets.....	14,314,832	4,374,554	7,537,173	11,122,567	21,636,915	3,627,187	4,883,390	1,894,609
NET ASSETS:								
Beginning of period.....	3,860,017	1,209,214	2,038,525	3,271,500	6,546,342	6,975,643	--	--
End of period.....	\$18,174,849	\$5,583,768	\$9,575,698	\$14,394,067	\$28,183,257	\$ 10,602,830	\$4,883,390	\$1,894,609
PARTICIPANT ACCUMULATION UNIT TRANSACTIONS (IN UNITS):								
Participant deposits.....	754,789	213,846	291,599	581,020	1,139,160	2,865,808	244,193	87,926

Participant transfers....	195,742	49,618	185,959	191,180	402,052	(2,484,424)	204,741	79,892
Participant withdrawals.....	(25,418)	(3,428)	(7,294)	(20,391)	(129,246)	(93,711)	(22,493)	(404)
Net increase in units from participant transactions.....	925,113	260,036	470,264	751,809	1,411,966	287,673	426,441	167,414
PARTICIPANT ACCUMULATION UNIT TRANSACTIONS-- NEW YORK CONTRACTS (IN UNITS):								
Participant deposits....	93,002	25,103	46,487	96,924	132,166	46,734	14,874	11,029
Participant transfers....	1,503	354	5,303	718	2,507	(35,793)	11,453	135
Participant withdrawals.....	(331)	(185)	(158)	(469)	(1,120)	(353)	(213)	--
Net increase in units from participant transactions.....	94,174	25,272	51,632	97,173	133,553	10,588	26,114	11,164

<CAPTION>

FIDELITY VIP II
PORTFOLIO SUB-ACCOUNTS

ASSET MANAGER	INVESTMENT GRADE BOND
------------------	--------------------------

<S>	<C>	<C>
OPERATIONS:		
Net investment gain (loss).....	\$ (3,908)	\$ 44,176
Net realized gain (loss).....	23,191	(39,580)
Net unrealized gain.....	318,766	134,649
Net increase (decrease) from operations.....	338,049	139,245
ACCUMULATION AND ANNUITY UNIT TRANSACTIONS:		
Participant deposits....	2,404,033	4,267,300
Participant transfers....	837,140	(43,936)
Participant withdrawals.....	(79,225)	(43,602)
Net increase from participant transactions.....	3,161,948	4,179,762
Total increase in net assets.....	3,499,997	4,319,007
NET ASSETS:		
Beginning of period.....	703,613	1,521,578
End of period.....	\$4,203,610	\$5,840,585
PARTICIPANT ACCUMULATION UNIT TRANSACTIONS (IN UNITS):		
Participant deposits....	171,951	398,943
Participant transfers....	69,399	(10,014)
Participant withdrawals.....	(7,501)	(4,135)
Net increase in units from participant transactions.....	233,849	384,794
PARTICIPANT ACCUMULATION UNIT TRANSACTIONS-- NEW YORK CONTRACTS (IN UNITS):		
Participant deposits....	39,182	9,623
Participant transfers....	111	5,734
Participant withdrawals.....	--	(112)
Net increase in units from participant		

transactions.....	39,293	15,245
	-----	-----
	-----	-----

</TABLE>

* Period from May 22, 1996 (date deposits first received) to December 31, 1996
 ** Period from May 20, 1996 (date deposits first received) to December 31, 1996

The Notes to Financial Statements are an integral part of these statements.

5

CG VARIABLE ANNUITY SEPARATE ACCOUNT II
 FINANCIAL STATEMENTS (CONTINUED)
 STATEMENTS OF CHANGES IN NET ASSETS
 FOR THE YEAR ENDED DECEMBER 31, 1996

	MFS SERIES SUB-ACCOUNTS			AMT PORTFOLIO SUB-ACCOUNTS			OCC ACCUMULATION TRUST SUB-ACCOUNTS *
	TOTAL RETURN	UTILITIES	WORLD GOVERNMENTS	BALANCED	LIMITED MATURITY BOND	PARTNERS	GLOBAL EQUITY
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
OPERATIONS:							
Net investment gain (loss)....	\$ 70,381	\$ 43,717	\$ (12,757)	\$ (370)	\$ 82,632	\$ (58,511)	\$ (40,318)
Net realized gain.....	59,975	165,947	103	159,057	110	78,862	51,921
Net unrealized gain (loss)....	468,302	99,863	61,456	(27,931)	8,894	1,271,284	767,457
Net increase from operations.....	598,658	309,527	48,802	130,756	91,636	1,291,635	779,060
ACCUMULATION AND ANNUITY UNIT TRANSACTIONS:							
Participant deposits.....	4,811,832	1,302,058	895,119	1,994,125	1,858,603	4,552,441	5,606,065
Participant transfers.....	1,778,613	721,609	229,235	421,781	669,231	2,538,705	2,295,536
Participant withdrawals.....	(126,130)	(54,286)	(8,402)	(59,302)	(82,873)	(209,905)	(124,119)
Net increase from participant transactions.....	6,464,315	1,969,381	1,115,952	2,356,604	2,444,961	6,881,241	7,777,482
Total increase in net assets.....	7,062,973	2,278,908	1,164,754	2,487,360	2,536,597	8,172,876	8,556,542
NET ASSETS:							
Beginning of period.....	1,639,416	512,899	342,709	877,817	1,126,880	1,523,665	1,637,869
End of period.....	\$8,702,389	\$2,791,807	\$1,507,463	\$3,365,177	\$3,663,477	\$9,696,541	\$10,194,411
PARTICIPANT ACCUMULATION UNIT TRANSACTIONS (IN UNITS):							
Participant deposits.....	366,797	107,723	83,745	170,775	169,499	292,130	414,885
Participant transfers.....	150,703	56,058	22,912	43,636	62,483	177,633	191,626
Participant withdrawals.....	(12,384)	(5,435)	(890)	(9,256)	(7,823)	(14,893)	(13,386)
Net increase in units from participant transactions.....	505,116	158,346	105,767	205,155	224,159	454,870	593,125
PARTICIPANT ACCUMULATION UNIT TRANSACTIONS--NEW YORK CONTRACTS (IN UNITS):							
Participant deposits.....	52,285	6,315	3,803	18,125	6,724	55,862	35,481
Participant transfers.....	702	1,361	--	187	--	5,215	(4)
Participant withdrawals.....	(522)	(35)	(15)	(5)	(8)	(517)	(34)
Net increase in units from participant transactions.....	52,465	7,641	3,788	18,307	6,716	60,560	35,443

<CAPTION>

	MANAGED	SMALL CAP
<S>	<C>	<C>

OPERATIONS:		
Net investment gain (loss)....	\$ (125,580)	\$ (9,497)
Net realized gain.....	76,937	24,917
Net unrealized gain (loss)....	3,785,792	239,507
	-----	-----
Net increase from operations.....	3,737,149	254,927
	-----	-----
ACCUMULATION AND ANNUITY UNIT TRANSACTIONS:		
Participant deposits.....	17,033,548	1,053,997
Participant transfers.....	7,398,554	835,481
Participant withdrawals.....	(464,195)	(17,732)
	-----	-----
Net increase from participant transactions.....	23,967,907	1,871,746
	-----	-----
Total increase in net assets.....	27,705,056	2,126,673
NET ASSETS:		
Beginning of period.....	5,421,786	629,653
	-----	-----
End of period.....	\$33,126,842	\$2,756,326
	-----	-----
PARTICIPANT ACCUMULATION UNIT TRANSACTIONS (IN UNITS):		
Participant deposits.....	1,252,898	76,630
Participant transfers.....	600,178	68,956
Participant withdrawals.....	(38,164)	(1,484)
	-----	-----
Net increase in units from participant transactions.....	1,814,912	144,102
	-----	-----
PARTICIPANT ACCUMULATION UNIT TRANSACTIONS--NEW YORK CONTRACTS (IN UNITS):		
Participant deposits.....	172,222	17,377
Participant transfers.....	5,188	222
Participant withdrawals.....	(1,229)	(21)
	-----	-----
Net increase in units from participant transactions.....	176,181	17,578
	-----	-----

</TABLE>

* Formerly Quest for Value Accumulation Trust

The Notes to Financial Statements are an integral part of these statements.

6

CG VARIABLE ANNUITY SEPARATE ACCOUNT II
 FINANCIAL STATEMENTS
 STATEMENTS OF CHANGES IN NET ASSETS
 FOR THE PERIOD FROM INCEPTION (DATE DEPOSITS FIRST RECEIVED) TO DECEMBER 31,
 1995

<TABLE>

<CAPTION>

	ALGER AMERICAN PORTFOLIO SUB-ACCOUNTS			
	GROWTH	LEVERAGED ALLCAP	MIDCAP GROWTH	SMALL CAPITALIZATION
<S>	<C>	<C>	<C>	<C>
Inception date.....	April 12, 1995	June 2, 1995	April 10, 1995	April 10, 1995
OPERATIONS:				
Net investment gain (loss)....	\$ (9,984)	\$ (3,487)	\$ (5,589)	\$ (8,458)
Net realized gain.....	977	947	1,696	1,901
Net unrealized gain (loss)....	(4,368)	33,801	(36,557)	(95,387)
	-----	-----	-----	-----
Net increase (decrease) from operations.....	(13,375)	31,261	(40,450)	(101,944)
	-----	-----	-----	-----
ACCUMULATION UNIT TRANSACTIONS:.....				
Participant deposits.....	3,123,028	1,060,357	1,501,932	2,657,000
Participant transfers.....	758,535	120,303	580,520	720,359
Participant withdrawals.....	(8,171)	(2,707)	(3,477)	(3,915)

Net increase from participant transactions.....	3,873,392	1,177,953	2,078,975	3,373,444
Total increase in net assets.....	3,860,017	1,209,214	2,038,525	3,271,500
NET ASSETS:.....				
Beginning of period.....	--	--	--	--
End of period.....	\$3,860,017	\$1,209,214	\$2,038,525	\$3,271,500
PARTICIPANT ACCUMULATION UNIT TRANSACTIONS (IN UNITS):				
Participant deposits.....	251,529	78,344	119,409	197,891
Participant transfers.....	60,779	8,865	36,391	52,277
Participant withdrawals.....	(659)	(185)	(265)	(286)
Net increase in units from participant transactions.....	311,649	87,024	155,535	249,882

<CAPTION>

	FIDELITY VIP PORTFOLIO SUB-ACCOUNTS		FIDELITY VIP II PORTFOLIO SUB-ACCOUNTS	
	EQUITY-INCOME	MONEY MARKET	ASSET MANAGER	INVESTMENT GRADE BOND
<S>	<C>	<C>	<C>	<C>
Inception date.....	April 10, 1995	June 8, 1995	April 12, 1995	July 18, 1995
OPERATIONS:				
Net investment gain (loss)....	\$ 22,188	\$ 149,438	\$ (1,848)	\$ (1,661)
Net realized gain.....	1,932	--	9	195
Net unrealized gain (loss)....	268,841	--	26,341	24,098
Net increase (decrease) from operations.....	292,961	149,438	24,502	22,632
ACCUMULATION UNIT TRANSACTIONS:.....				
Participant deposits.....	4,631,355	18,278,638	392,841	532,583
Participant transfers.....	1,625,177	(11,136,841)	286,354	971,815
Participant withdrawals.....	(3,151)	(315,592)	(84)	(5,452)
Net increase from participant transactions.....	6,253,381	6,826,205	679,111	1,498,946
Total increase in net assets.....	6,546,342	6,975,643	703,613	1,521,578
NET ASSETS:.....				
Beginning of period.....	--	--	--	--
End of period.....	\$6,546,342	\$ 6,975,643	\$703,613	\$1,521,578
PARTICIPANT ACCUMULATION UNIT TRANSACTIONS (IN UNITS):				
Participant deposits.....	397,069	2,022,159	37,964	54,214
Participant transfers.....	142,943	(1,288,028)	24,419	90,676
Participant withdrawals.....	(271)	(53,275)	(8)	(543)
Net increase in units from participant transactions.....	539,741	680,856	62,375	144,347

</TABLE>

The Notes to Financial Statements are an integral part of these statements.

7

CG VARIABLE ANNUITY SEPARATE ACCOUNT II
 FINANCIAL STATEMENTS (CONTINUED)
 STATEMENTS OF CHANGES IN NET ASSETS
 FOR THE PERIOD FROM INCEPTION (DATE DEPOSITS FIRST RECEIVED) TO DECEMBER 31,
 1995

<TABLE>

<CAPTION>

MFS SERIES SUB-ACCOUNTS

AMT PORTFOLIO SUB-ACCOUNTS

	TOTAL RETURN	UTILITIES	WORLD GOVERNMENTS	BALANCED	LIMITED MATURITY BOND	PARTNERS
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Inception date.....	July 7, 1995	July 27, 1995	July 7, 1995	July 18, 1995	May 3, 1995	April 12, 1995
OPERATIONS:						
Net investment gain (loss)....	\$ 26,717	\$ 7,004	\$ 31,279	\$ (2,421)	\$ (3,879)	\$ (3,539)
Net realized gain (loss).....	29,452	19,838	(21,937)	1,133	27	(48)
Net unrealized gain (loss)....	33,974	7,914	--	408	28,898	54,000
Net increase (decrease) from operations.....	90,143	34,756	9,342	(880)	25,046	50,413
ACCUMULATION UNIT TRANSACTIONS:						
Participant deposits.....	934,440	174,285	297,436	716,989	363,173	1,246,722
Participant transfers.....	615,736	303,858	36,136	163,266	742,806	229,996
Participant withdrawals.....	(903)	--	(205)	(1,558)	(4,145)	(3,466)
Net increase from participant transactions.....	1,549,273	478,143	333,367	878,697	1,101,834	1,473,252
Total increase in net assets.....	1,639,416	512,899	342,709	877,817	1,126,880	1,523,665
NET ASSETS:						
Beginning of period.....	--	--	--	--	--	--
End of period.....	\$1,639,416	\$512,899	\$342,709	\$877,817	\$1,126,880	\$1,523,665
PARTICIPANT ACCUMULATION UNIT TRANSACTIONS (IN UNITS):						
Participant deposits.....	89,900	16,955	29,898	71,670	35,022	106,298
Participant transfers.....	59,168	28,174	3,466	13,957	72,221	19,681
Participant withdrawals.....	(83)	--	(20)	(150)	(403)	(285)
Net increase in units from participant transactions..	148,985	45,129	33,344	85,477	106,840	125,694

<CAPTION>

	OCC ACCUMULATION TRUST SUB-ACCOUNTS*		
	GLOBAL EQUITY	MANAGED	SMALL CAP
<S>	<C>	<C>	<C>
Inception date.....	April 10, 1995	June 19, 1995	June 27, 1995
OPERATIONS:			
Net investment gain (loss)....	\$ 1,199	\$ (15,465)	\$ (1,863)
Net realized gain (loss).....	31,761	663	3
Net unrealized gain (loss)....	(17,464)	234,982	16,355
Net increase (decrease) from operations.....	15,496	220,180	14,495
ACCUMULATION UNIT TRANSACTIONS:			
Participant deposits.....	917,056	3,661,487	263,145
Participant transfers.....	705,765	1,553,474	353,852
Participant withdrawals.....	(448)	(13,355)	(1,839)
Net increase from participant transactions.....	1,622,373	5,201,606	615,158
Total increase in net assets.....	1,637,869	5,421,786	629,653
NET ASSETS:			
Beginning of period.....	--	--	--
End of period.....	\$1,637,869	\$5,421,786	\$629,653
PARTICIPANT ACCUMULATION UNIT TRANSACTIONS (IN UNITS):			
Participant deposits.....	79,268	344,364	25,109
Participant transfers.....	60,048	143,046	33,069
Participant withdrawals.....	(29)	(882)	(174)

Net increase in units from participant transactions..	139,287	486,528	58,004
	-----	-----	-----
	-----	-----	-----

</TABLE>

 * Formerly Quest for Value Accumulation Trust

The Notes to Financial Statements are an integral part of these statements.

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CG VARIABLE ANNUITY SEPARATE ACCOUNT II
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 1996

1. ORGANIZATION

CG Variable Annuity Separate Account II (the Account) is registered as a Unit Investment Trust under the Investment Company Act of 1940, as amended. The operations of the Account are part of the operations of Connecticut General Life Insurance Company (CG Life). The assets and liabilities of the Account are clearly identified and distinguished from other assets and liabilities of CG Life. The assets of the Account are not available to meet the general obligations of CG Life and are held for the exclusive benefit of the participants. Beginning in 1996, the Account included two contract types. One contract is used for all states with the exception of New York; the other is used only for New York. Each contract has its own terms and fees. (See Note 4)

The assets of the Account are divided into variable sub-accounts each of which is invested in shares of one of nineteen portfolios (mutual funds) of six diversified open-end management investment companies, each portfolio with its own investment objective. The variable sub-accounts are:

ALGER AMERICAN FUND:--

- Alger American Growth Portfolio
- Alger American Leveraged AllCap Portfolio
- Alger American MidCap Growth Portfolio
- Alger American Small Capitalization Portfolio

FIDELITY VARIABLE INSURANCE PRODUCTS FUND:--

- Equity-Income Portfolio
- Money Market Portfolio
- High Income Portfolio
- Overseas Portfolio

FIDELITY VARIABLE INSURANCE PRODUCTS FUND II:--

- Asset Manager Portfolio
- Investment Grade Bond Portfolio

MFS VARIABLE INSURANCE TRUST:--

- MFS Total Return Series
- MFS Utilities Series
- MFS World Governments Series

NEUBERGER & BERMAN ADVISERS MANAGEMENT TRUST:--

- AMT Balanced Portfolio
- AMT Limited Maturity Bond Portfolio
- AMT Partners Portfolio

OCC (FORMERLY QUEST FOR VALUE) ACCUMULATION TRUST:--

- OCC Global Equity Portfolio
- OCC Managed Portfolio

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in conformity with generally accepted accounting principles. The following is a summary of significant accounting policies consistently followed in the preparation of the Account's financial statements.

CG VARIABLE ANNUITY SEPARATE ACCOUNT II
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 DECEMBER 31, 1996

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- A. INVESTMENT VALUATION: -- Investments held by the sub-accounts are valued at their respective closing net asset value per share as determined by the mutual funds as of December 31, 1996. The change in the difference between cost and value is reflected as unrealized gain (loss) in the Statements of Operations.
- B. INVESTMENT TRANSACTIONS: -- Investment transactions are recorded on the trade date (date the order to buy or sell is executed). Realized gains and losses on sales of investments are determined by the last-in, first-out cost basis of the investment sold. Dividend and capital gain distributions are recorded on the ex-dividend date. Investment transactions are settled through CG Life.
- C. FEDERAL INCOME TAXES: -- The operations of the Account form a part of, and are taxed with, the total operations of CG Life, which is taxed as a life insurance company. Under existing federal income tax law, investment income (dividends) and capital gains attributable to the Account are not taxed.
- D. ANNUITY RESERVES: -- The amount of annuity reserves is determined by actuarial assumptions which meet statutory requirements. Gains or losses resulting from the actual mortality experience, the responsibility of which is assumed by CG Life, are offset by transfers to or from CG Life.

3. INVESTMENTS

Total shares held and cost of investments at December 31, 1996 were:

<TABLE>
 <CAPTION>

SUB-ACCOUNT	SHARES HELD	COST OF INVESTMENTS
<S>	<C>	<C>
Alger American Growth Portfolio.....	529,416	\$ 17,047,266
Alger American Leveraged AllCap Portfolio.....	288,418	5,330,969
Alger American MidCap Growth Portfolio.....	448,510	9,266,635
Alger American Small Capitalization Portfolio.....	351,847	14,379,841
Fidelity Equity-Income Portfolio.....	1,340,145	25,854,791
Fidelity Money Market Portfolio.....	10,602,830	10,602,830
Fidelity High Income Portfolio.....	390,047	4,686,468
Fidelity Overseas Portfolio.....	100,563	1,830,450
Fidelity Asset Manager Portfolio.....	248,294	3,858,503
Fidelity Investment Grade Bond Portfolio.....	477,172	5,681,838
MFS Total Return Series.....	634,748	8,200,113
MFS Utilities Series.....	204,378	2,684,030
MFS World Governments Series.....	142,482	1,467,944
AMT Balanced Portfolio.....	211,380	3,392,700
AMT Limited Maturity Bond Portfolio.....	260,746	3,625,685
AMT Partners Portfolio.....	588,382	8,371,257
OCC Global Equity Portfolio.....	770,553	9,444,418
OCC Managed Portfolio.....	914,853	29,106,068
OCC Small Cap Portfolio.....	121,907	2,500,464

</TABLE>

CG VARIABLE ANNUITY SEPARATE ACCOUNT II
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 DECEMBER 31, 1996

3. INVESTMENTS (CONTINUED)

Total purchases and sales of shares of the mutual funds, for the year ended December 31, 1996, amounted to:

<TABLE>

<CAPTION>

SUB-ACCOUNT	PURCHASES	SALES
<S>	<C>	<C>
Alger American Growth Portfolio.....	\$ 13,931,508	\$ 739,129
Alger American Leveraged AllCap Portfolio.....	7,351,139	3,172,793
Alger American MidCap Growth Portfolio.....	7,682,758	484,312
Alger American Small Capitalization Portfolio.....	14,392,699	3,346,542
Fidelity Equity-Income Portfolio.....	21,715,591	2,139,050
Fidelity Money Market Portfolio.....	28,429,874	24,802,687
Fidelity High Income Portfolio*.....	4,876,276	189,567
Fidelity Overseas Portfolio**.....	1,868,587	38,305
Fidelity Asset Manager Portfolio.....	3,462,313	280,531
Fidelity Investment Grade Bond Portfolio.....	6,760,574	2,536,636
MFS Total Return Series.....	6,790,994	199,290
MFS Utilities Series.....	2,382,728	203,296
MFS World Governments Series.....	1,272,231	169,036
AMT Balanced Portfolio.....	2,909,535	394,012
AMT Limited Maturity Bond Portfolio.....	2,728,825	201,232
AMT Partners Portfolio.....	7,173,583	269,972
OCC Global Equity Portfolio.....	9,336,858	1,542,111
OCC Managed Portfolio.....	24,355,269	436,417
OCC Small Cap Portfolio.....	2,036,666	149,283

</TABLE>

* Period from May 22, 1996 (date deposits first received) to December 31, 1996.

** Period from May 20, 1996 (date deposits first received) to December 31, 1996.

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CG VARIABLE ANNUITY SEPARATE ACCOUNT II
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 1996

4. CHARGES AND DEDUCTIONS

CG Life assumes the risk that annuitants may live longer than expected and also assumes a mortality risk in connection with the death benefits of the contract. CG Life also assumes a risk that its actual administrative expenses may be higher than amounts deducted for such expenses. CG Life charges each variable sub-account the daily equivalent of 1.20%, on an annual basis, of the current value of each sub-account's assets for the assumption of these risks. For contracts sold in the state of New York, after April 30, 1996, annual fees of 1.25% are charged for mortality and expense risks; .05% of this charge was waived from May 1, 1996 through June 30, 1996.

CG Life also deducts a daily administrative fee from the assets of each variable sub-account as partial reimbursement for administrative expenses relating to the issuance and maintenance of the contract and the participant's annuity account. This charge is currently at an effective annual rate of .10%. For contracts sold in the state of New York, after April 30, 1996, the effective annual rate is .15%.

As partial compensation for administrative services provided, CG Life additionally receives a \$35 (\$30 on New York contracts) annuity account fee per year from each contract. This charge is deducted from the fixed or variable sub-account of the participant or on a pro-rata basis from two or more fixed or variable sub-accounts in relation to their values under the contract. Fixed sub-accounts are part of the general account of CG Life and are not included in these financial statements. The annuity account fee will be waived for any contract year in which the annuity account value equals or exceeds \$100,000 as of the last valuation date of the contract year. Annuity account fees, for the variable sub-accounts, amounting to \$25,726, were deducted for the year ended December 31, 1996.

For an additional charge (optional death benefit fee), an optional death benefit may be selected by the participant. The optional death benefit fee will be deducted from the participant's fixed or variable sub-account or on a pro-rata basis from two or more fixed or variable sub-accounts in relation to their values under the contract on the date of each contract anniversary. For contracts that are issued in the state of New York, the optional death benefit is not available. The optional death benefit fees, for the variable sub-accounts, amounted to \$856 for the year ended December 31, 1996.

Under certain circumstances, CG Life reserves the right to charge a transfer fee of up to \$10 for transfers between sub-accounts. Transfer fees, for the variable sub-accounts, amounted to \$60 for the year ended December 31, 1996.

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4. CHARGES AND DEDUCTIONS (CONTINUED)

The fees charged by CG Life for mortality and expense risks and administrative fees, from variable sub-accounts, for the year ended December 31, 1996, amounted to:

<TABLE>
 <CAPTION>

SUB-ACCOUNT	MORTALITY AND EXPENSE RISK FEES	ASSET BASED ADMINISTRATIVE FEES
<S>	<C>	<C>
Alger American Growth Portfolio***	\$ 132,199	\$ 11,142
Alger American Leveraged AllCap Portfolio***	44,522	3,745
Alger American MidCap Growth Portfolio***	62,343	5,258
Alger American Small Capitalization Portfolio***	116,366	9,830
Fidelity Equity-Income Portfolio***	204,313	17,227
Fidelity Money Market Portfolio	132,303	11,057
Fidelity High Income Portfolio*	17,787	1,512
Fidelity Overseas Portfolio**	4,882	425
Fidelity Asset Manager Portfolio***	30,139	2,562
Fidelity Investment Grade Bond Portfolio	43,098	3,611
MFS Total Return Series***	55,882	4,771
MFS Utilities Series	18,810	1,579
MFS World Governments Series***	11,769	988
AMT Balanced Portfolio***	26,754	2,260
AMT Limited Maturity Bond Portfolio	27,516	2,304
AMT Partners Portfolio***	59,909	5,072
OCC Global Equity Portfolio***	70,804	5,951
OCC Managed Portfolio***	226,451	19,120
OCC Small Cap Portfolio***	17,773	1,500

</TABLE>

* Period from May 22, 1996 (date deposits first received) to December 31, 1996.

** Period from May 20, 1996 (date deposits first received) to December 31, 1996.

*** Mortality and expense risk fees waived, for the period from May 1, 1996 to June 30, 1996, amounted to:

<TABLE>
 <CAPTION>

SUB-ACCOUNT	MORTALITY AND EXPENSE RISK FEES WAIVED
<S>	<C>
Alger American Growth Portfolio	\$ 2
Alger American Leveraged AllCap Portfolio	2
Alger American MidCap Growth Portfolio	3
Alger American Small Capitalization Portfolio	7
Fidelity Equity-Income Portfolio	13
Fidelity Asset Manager Portfolio	2
MFS Total Return Series	4
MFS World Governments Series	1
AMT Balanced Portfolio	1
AMT Partners Portfolio	4
OCC Global Equity Portfolio	3
OCC Managed Portfolio	10
OCC Small Cap Portfolio	1

</TABLE>

4. CHARGES AND DEDUCTIONS (CONTINUED)

No deduction for sales charges is made from a premium payment. However, if a cash withdrawal is made, a withdrawal charge (contingent deferred sales charge) may be assessed by CG Life. The withdrawal charge, if assessed, varies from 0-7% depending upon the duration of each contract deposit. The withdrawal charge is

deducted from withdrawal proceeds for full withdrawals and reduces the remaining account value for partial withdrawals. These charges are paid to CG Life as reimbursement for services provided. These services include commissions paid to sales personnel, the costs associated with preparation of sales literature and other promotional costs and acquisition expenses. Withdrawal charges paid to CG Life for the variable sub-accounts, for the year ended December 31, 1996, amounted to \$39,289.

5. DISTRIBUTION OF NET INCOME

The Account does not expect to declare dividends to participants from accumulated net income. The accumulated net income is distributed to participants as part of surrenders, death benefits, transfers to other fixed or variable sub-accounts or annuity payments in excess of net purchase payments.

6. DIVERSIFICATION REQUIREMENTS

Under the provisions of Section 817(h) of the Internal Revenue Code of 1986 (the Code), a variable annuity contract, other than a contract issued in connection with certain types of employee benefit plans, will not be treated as an annuity contract for federal tax purposes for any period for which the investments of the segregated asset account, on which the contract is based, are not adequately diversified. The Code provides that the "adequately diversified" requirement may be met if the underlying investments satisfy either a statutory safe harbor test or diversification requirements set forth in regulations issued by the Secretary of the Treasury. CG Life believes, based on assurances from the mutual fund managers, that the mutual funds satisfy the requirements of the regulations.

REPORT OF INDEPENDENT ACCOUNTANTS

To the Board of Directors of Connecticut General Life Insurance Company and Participants of the CG Variable Annuity Separate Account II

In our opinion, the accompanying statements of assets and liabilities and the related statements of operations and of changes in net assets present fairly, in all material respects, the financial position of each of the sub-accounts, Alger American Fund--Alger American Growth Portfolio, Alger American Leveraged AllCap Portfolio, Alger American MidCap Growth Portfolio, Alger American Small Capitalization Portfolio; Fidelity Variable Insurance Products Fund--Equity-Income Portfolio, Money Market Portfolio, High Income Portfolio, Overseas Portfolio; Fidelity Variable Insurance Products Fund II--Asset Manager Portfolio, Investment Grade Bond Portfolio; MFS Variable Insurance Trust--MFS Total Return Series, MFS Utilities Series, MFS World Governments Series; Neuberger & Berman Advisers Management Trust--AMT Balanced Portfolio, AMT Limited Maturity Bond Portfolio, AMT Partners Portfolio; OCC (formerly Quest for Value) Accumulation Trust--OCC Global Equity Portfolio, OCC Managed Portfolio, OCC Small Cap Portfolio (constituting the CG Variable Annuity Separate Account II, hereafter referred to as "the Account") at December 31, 1996, the results of each of their operations and the changes in each of their net assets for the periods indicated, in conformity with generally accepted accounting principles. These financial statements are the responsibility of the Account's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these financial statements in accordance with generally accepted auditing standards which 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, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits, which included confirmation of securities at December 31, 1996 by correspondence with the custodians, provide a reasonable basis for the opinion expressed above.

PRICE WATERHOUSE LLP
Hartford, Connecticut
February 20, 1997

CIGNA VARIABLE ANNUITY SEPARATE ACCOUNT I
FINANCIAL STATEMENTS
STATEMENTS OF ASSETS AND LIABILITIES
DECEMBER 31, 1996
<TABLE>
<CAPTION>

	ALGER AMERICAN PORTFOLIO SUB-ACCOUNTS				FIDELITY VIP PORTFOLIO SUB-ACCOUNTS			
	LEVERAGED GROWTH	MIDCAP ALLCAP	SMALL GROWTH	CAPITALIZATION	EQUITY- INCOME	MONEY MARKET	HIGH INCOME	OVERSEAS
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>

ASSETS:								
Investment in variable insurance funds at value.....	\$4,396,364	\$1,590,740	\$3,147,650	\$3,844,573	\$4,668,653	\$3,540,190	\$1,889,646	\$ 821,424
Receivable from CIGNA Life Insurance Company.....	15,122	51	2,997	3,824	5,983	--	2,044	3,051
Receivable for fund shares sold.....	--	--	--	--	--	127	--	--
Total assets.....	4,411,486	1,590,791	3,150,647	3,848,397	4,674,636	3,540,317	1,891,690	824,475
LIABILITIES:								
Payable to CIGNA Life Insurance Company.....	--	--	--	--	--	127	--	--
Payable for fund shares purchased.....	15,122	51	2,997	3,824	5,983	--	2,044	3,051
Total liabilities.....	15,122	51	2,997	3,824	5,983	127	2,044	3,051
Net assets.....	\$4,396,364	\$1,590,740	\$3,147,650	\$3,844,573	\$4,668,653	\$3,540,190	\$1,889,646	\$ 821,424
Accumulation units outstanding.....	433,381	151,397	278,077	389,564	423,894	342,418	177,276	77,201
Net asset value per accumulation unit.....	\$10.144346	\$10.507089	\$11.319352	\$ 9.868924	\$11.013725	\$10.338796	\$10.659332	\$10.640099

<CAPTION>

FIDELITY VIP II
PORTFOLIO SUB-ACCOUNTS

ASSET MANAGER	INVESTMENT GRADE BOND
------------------	--------------------------

<S>	<C>	<C>
ASSETS:		
Investment in variable insurance funds at value.....	\$ 499,311	\$1,149,762
Receivable from CIGNA Life Insurance Company.....	--	29,960
Receivable for fund shares sold.....	--	--
Total assets.....	499,311	1,179,722
LIABILITIES:		
Payable to CIGNA Life Insurance Company.....	--	--
Payable for fund shares purchased.....	--	29,960
Total liabilities.....	--	29,960
Net assets.....	\$ 499,311	\$1,149,762
Accumulation units outstanding.....	44,934	111,872
Net asset value per accumulation unit.....	\$11.112123	\$10.277513

</TABLE>

The Notes to Financial Statements are an integral part of these statements.

1

CIGNA VARIABLE ANNUITY SEPARATE ACCOUNT I
FINANCIAL STATEMENTS (CONTINUED)
STATEMENTS OF ASSETS AND LIABILITIES
DECEMBER 31, 1996

<TABLE>
<CAPTION>

	MFS SERIES SUB-ACCOUNTS			AMT PORTFOLIO SUB-ACCOUNTS		
	TOTAL RETURN	UTILITIES	WORLD GOVERNMENTS	BALANCED	LIMITED MATURITY BOND	PARTNERS
<S>	<C>	<C>	<C>	<C>	<C>	<C>
ASSETS:						
Investment in variable insurance funds at value.....	\$2,214,668	\$ 247,097	\$ 278,553	\$ 753,511	\$ 288,631	\$3,326,210
Receivable from CIGNA Life Insurance Company.....	2,275	--	--	798	--	11,986
Receivable for fund shares sold.....	--	--	--	--	--	--
Total assets.....	2,216,943	247,097	278,553	754,309	288,631	3,338,196

LIABILITIES:						
Payable to CIGNA Life Insurance Company.....	--	--	--	--	--	--
Payable for fund shares purchased.....	2,275	--	--	798	--	11,986
Total liabilities.....	2,275	--	--	798	--	11,986
Net assets.....	\$2,214,668	\$ 247,097	\$ 278,553	\$ 753,511	\$ 288,631	\$3,326,210
Accumulation units outstanding.....	202,532	20,800	26,627	73,897	28,081	273,165
Net asset value per accumulation unit.....	\$10.934889	\$11.879471	\$10.461237	\$10.196779	\$10.278541	\$12.176555

<CAPTION>

	OCC ACCUMULATION TRUST SUB-ACCOUNTS*		
	GLOBAL EQUITY	MANAGED	SMALL CAP
	<C>	<C>	<C>
ASSETS:			
Investment in variable insurance funds at value.....	\$4,198,113	\$6,618,127	\$1,138,874
Receivable from CIGNA Life Insurance Company.....	6,880	7,376	66
Receivable for fund shares sold.....	--	--	--
Total assets.....	4,204,993	6,625,503	1,138,940
LIABILITIES:			
Payable to CIGNA Life Insurance Company.....	--	--	--
Payable for fund shares purchased.....	6,880	7,376	66
Total liabilities.....	6,880	7,376	66
Net assets.....	\$4,198,113	\$6,618,127	\$1,138,874
Accumulation units outstanding.....	380,111	571,756	100,116
Net asset value per accumulation unit.....	\$11.044449	\$11.575082	\$11.375492

</TABLE>

* Formerly Quest for Value Accumulation Trust

The Notes to Financial Statements are an integral part of these statements.

2

CIGNA VARIABLE ANNUITY SEPARATE ACCOUNT I
 FINANCIAL STATEMENTS
 STATEMENTS OF OPERATIONS
 FOR THE PERIOD FROM INCEPTION (DATE DEPOSITS
 FIRST RECEIVED) TO DECEMBER 31, 1996

<TABLE>

<CAPTION>

	ALGER AMERICAN PORTFOLIO SUB-ACCOUNTS				FIDELITY VIP PORTFOLIO SUB-ACCOUNTS			
	GROWTH	LEVERAGED ALLCAP	MIDCAP GROWTH	SMALL CAPITALIZATION	EQUITY-INCOME	MONEY MARKET	HIGH INCOME	OVERSEAS
	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Inception Date.....	February 23, 1996	February 9, 1996	January 19, 1996	February 9, 1996	February 20, 1996	February 22, 1996	May 17, 1996	May 13, 1996
INVESTMENT INCOME:								
Dividends.....	\$ 559	\$--	\$ --	\$--	\$ --	\$115,207	\$ --	\$ --
EXPENSES:								
Mortality and expense risk and administrative charges.....	22,375	7,549	14,877	19,633	23,420	28,775	7,249	2,735
Net investment gain (loss).....	(21,816)	(7,549)	(14,877)	(19,633)	(23,420)	86,432	(7,249)	(2,735)
NET REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS:								
Capital distributions from portfolio sponsors.....	23,616	1,044	7,543	2,787	--	--	--	--
Net realized gain (loss) on share								

transactions.....	(74)	(4,573)	405	130	1,656	--	(10)	7
Net realized gain (loss).....	23,542	(3,529)	7,948	2,917	1,656	--	(10)	7
Net unrealized gain (loss).....	186,010	21,298	128,511	(9,354)	317,747	--	74,586	38,035
Net realized and unrealized gain (loss) on investments.....	209,552	17,769	136,459	(6,437)	319,403	--	74,576	38,042
INCREASE (DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS.....	\$187,736	\$10,220	\$121,582	\$(26,070)	\$295,983	\$ 86,432	\$67,327	\$35,307

<CAPTION>

FIDELITY VIP II
PORTFOLIO
SUB-ACCOUNTS

ASSET MANAGER	INVESTMENT GRADE BOND
------------------	--------------------------

<S>	<C>	<C>
Inception Date.....	March 1, 1996	March 1, 1996
INVESTMENT INCOME:		
Dividends.....	\$ --	\$ --
EXPENSES:		
Mortality and expense risk and administrative charges.....	2,834	6,076
Net investment gain (loss).....	(2,834)	(6,076)
NET REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS:		
Capital distributions from portfolio sponsors.....	--	--
Net realized gain (loss) on share transactions.....	277	568
Net realized gain (loss).....	277	568
Net unrealized gain (loss).....	36,730	34,504
Net realized and unrealized gain (loss) on investments.....	37,007	35,072
INCREASE (DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS.....	\$34,173	\$28,996

</TABLE>

The Notes to Financial Statements are an integral part of these statements.

3

CIGNA VARIABLE ANNUITY SEPARATE ACCOUNT I
FINANCIAL STATEMENTS (CONTINUED)
STATEMENTS OF OPERATIONS
FOR THE PERIOD FROM INCEPTION (DATE DEPOSITS
FIRST RECEIVED) TO DECEMBER 31, 1996

<TABLE>

<CAPTION>

	MFS SERIES SUB-ACCOUNTS			AMT PORTFOLIO SUB-ACCOUNTS		
	TOTAL RETURN	UTILITIES	WORLD GOVERNMENTS	BALANCED	LIMITED MATURITY BOND	PARTNERS
<S>	<C>	<C>	<C>	<C>	<C>	<C>

Inception Date.....	February 22, 1996	March 15, 1996	February 20, 1996	February 22, 1996	February 20, 1996	February 20, 1996
INVESTMENT INCOME:						
Dividends.....	\$ 33,418	\$ 5,713	\$--	\$ 471	\$ 5,506	\$ 218
EXPENSES:						
Mortality and expense risk and administrative charges.....	9,797	1,391	1,037	3,578	1,643	15,537
Net investment gain (loss).....	23,621	4,322	(1,037)	(3,107)	3,863	(15,319)
NET REALIZED AND UNREALIZED GAIN ON INVESTMENTS:						
Capital distributions from portfolio sponsors.....	14,539	14,823	--	2,619	--	2,724
Net realized gain (loss) on share transactions.....	377	94	1	520	(5,482)	491
Net realized gain (loss)....	14,916	14,917	1	3,139	(5,482)	3,215
Net unrealized gain.....	76,713	7,903	6,883	21,429	7,496	385,732
Net realized and unrealized gain on investments.....	91,629	22,820	6,884	24,568	2,014	388,947
INCREASE IN NET ASSETS RESULTING FROM OPERATIONS...	\$115,250	\$27,142	\$ 5,847	\$21,461	\$ 5,877	\$373,628

<CAPTION>

OCC ACCUMULATION TRUST SUB-ACCOUNTS *			
	GLOBAL EQUITY	MANAGED	SMALL CAP
<S>	<C>	<C>	<C>
Inception Date.....	February 9, 1996	February 20, 1996	March 1, 1996
INVESTMENT INCOME:			
Dividends.....	\$ 14,529	\$ 2,265	\$ --
EXPENSES:			
Mortality and expense risk and administrative charges.....	20,926	34,377	5,334
Net investment gain (loss).....	(6,397)	(32,112)	(5,334)
NET REALIZED AND UNREALIZED GAIN ON INVESTMENTS:			
Capital distributions from portfolio sponsors.....	22,283	1,445	--
Net realized gain (loss) on share transactions.....	9,213	14,922	337
Net realized gain (loss)....	31,496	16,367	337
Net unrealized gain.....	225,407	599,532	88,887
Net realized and unrealized gain on investments.....	256,903	615,899	89,224
INCREASE IN NET ASSETS RESULTING FROM OPERATIONS...	\$250,506	\$583,787	\$83,890

</TABLE>

* Formerly Quest for Value Accumulation Trust

The Notes to Financial Statements are an integral part of these statements.

4

CIGNA VARIABLE ANNUITY SEPARATE ACCOUNT I
FINANCIAL STATEMENTS
STATEMENTS OF CHANGES IN NET ASSETS
FOR THE PERIOD FROM INCEPTION (DATE DEPOSITS
FIRST RECEIVED) TO DECEMBER 31, 1996
<TABLE>
<CAPTION>

ALGER AMERICAN PORTFOLIO SUB-ACCOUNTS

FIDELITY VIP PORTFOLIO SUB-ACCOUNTS

	GROWTH	LEVERAGED ALLCAP	MIDCAP GROWTH	SMALL CAPITALIZATION	EQUITY-INCOME	MONEY MARKET	HIGH INCOME	OVERSEAS
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Inception Date.....	February 23, 1996	February 9, 1996	January 19, 1996	February 9, 1996	February 20, 1996	February 22, 1996	May 17, 1996	May 13, 1996
OPERATIONS:								
Net investment gain (loss).....	\$ (21,816)	\$ (7,549)	\$ (14,877)	\$ (19,633)	\$ (23,420)	\$ 86,432	\$ (7,249)	\$ (2,735)
Net realized gain (loss).....	23,542	(3,529)	7,948	2,917	1,656	--	(10)	7
Net unrealized gain (loss).....	186,010	21,298	128,511	(9,354)	317,747	--	74,586	38,035
Net increase (decrease) from operations.....	187,736	10,220	121,582	(26,070)	295,983	86,432	67,327	35,307
ACCUMULATION UNIT TRANSACTIONS:								
Participant deposits...	3,317,873	1,651,397	1,942,260	2,839,597	3,239,285	13,217,666	1,400,589	333,797
Participant transfers.....	925,179	299,414	1,093,142	1,040,987	1,177,728	(9,729,196)	422,934	453,233
Participant withdrawals.....	(34,424)	(370,291)	(9,334)	(9,941)	(44,343)	(34,712)	(1,204)	(913)
Net increase from participant transactions.....	4,208,628	1,580,520	3,026,068	3,870,643	4,372,670	3,453,758	1,822,319	786,117
Total increase in net assets.....	4,396,364	1,590,740	3,147,650	3,844,573	4,668,653	3,540,190	1,889,646	821,424
NET ASSETS:								
Beginning of period....	--	--	--	--	--	--	--	--
End of period.....	\$4,396,364	\$1,590,740	\$3,147,650	\$3,844,573	\$4,668,653	\$3,540,190	\$1,889,646	\$821,424
PARTICIPANT ACCUMULATION UNIT TRANSACTIONS (IN UNITS):								
Participant deposits...	342,710	159,299	178,263	286,678	313,300	1,300,805	136,000	32,852
Participant transfers.....	95,710	29,267	100,639	103,906	116,289	(955,012)	41,391	44,437
Participant withdrawals.....	(5,039)	(37,169)	(825)	(1,020)	(5,695)	(3,375)	(115)	(88)
Net increase in units from participant transactions.....	433,381	151,397	278,077	389,564	423,894	342,418	177,276	77,201

<CAPTION>

FIDELITY VIP II
PORTFOLIO
SUB-ACCOUNTS

ASSET INVESTMENT
MANAGER GRADE BOND

<S>	<C>	<C>
Inception Date.....	March 1, 1996	March 1, 1996
OPERATIONS:		
Net investment gain (loss).....	\$ (2,834)	\$ (6,076)
Net realized gain (loss).....	277	568
Net unrealized gain (loss).....	36,730	34,504
Net increase (decrease) from operations.....	34,173	28,996
ACCUMULATION UNIT TRANSACTIONS:		
Participant deposits...	387,774	1,037,858
Participant transfers.....	78,318	87,046
Participant withdrawals.....	(954)	(4,138)

Net increase from participant transactions.....	465,138	1,120,766
Total increase in net assets.....	499,311	1,149,762
NET ASSETS:		
Beginning of period....	--	--
End of period.....	\$499,311	\$1,149,762

PARTICIPANT ACCUMULATION UNIT TRANSACTIONS (IN UNITS):		
Participant deposits...	37,519	103,429
Participant transfers.....	7,503	8,857
Participant withdrawals.....	(88)	(414)
Net increase in units from participant transactions.....	44,934	111,872

</TABLE>

The Notes to Financial Statements are an integral part of these statements.

CIGNA VARIABLE ANNUITY SEPARATE ACCOUNT I
FINANCIAL STATEMENTS (CONTINUED)
STATEMENTS OF CHANGES IN NET ASSETS
FOR THE PERIOD FROM INCEPTION (DATE DEPOSITS
FIRST RECEIVED) TO DECEMBER 31, 1996

<TABLE>
<CAPTION>

	MFS SERIES SUB-ACCOUNTS			AMT PORTFOLIO SUB-ACCOUNTS		
	TOTAL RETURN	UTILITIES	WORLD GOVERNMENTS	BALANCED	LIMITED MATURITY BOND	PARTNERS
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Inception Date.....	February 22, 1996	March 15, 1996	February 20, 1996	February 22, 1996	February 20, 1996	February 20, 1996
OPERATIONS:						
Net investment gain (loss)....	\$ 23,621	\$ 4,322	\$ (1,037)	\$ (3,107)	\$ 3,863	\$ (15,319)
Net realized gain (loss).....	14,916	14,917	1	3,139	(5,482)	3,215
Net unrealized gain.....	76,713	7,903	6,883	21,429	7,496	385,732
Net increase from operations.....	115,250	27,142	5,847	21,461	5,877	373,628
ACCUMULATION UNIT TRANSACTIONS:						
Participant deposits.....	1,686,151	185,211	179,597	539,940	252,711	2,214,066
Participant transfers.....	421,178	38,655	93,230	198,384	34,153	744,129
Participant withdrawals.....	(7,911)	(3,911)	(121)	(6,274)	(4,110)	(5,613)
Net increase from participant transactions.....	2,099,418	219,955	272,706	732,050	282,754	2,952,582
Total increase in net assets.....	2,214,668	247,097	278,553	753,511	288,631	3,326,210
NET ASSETS:						
Beginning of period.....	--	--	--	--	--	--
End of period.....	\$2,214,668	\$247,097	\$278,553	\$753,511	\$288,631	\$3,326,210
PARTICIPANT ACCUMULATION UNIT TRANSACTIONS (IN UNITS):						
Participant deposits.....	162,892	17,591	17,630	54,244	25,118	204,380
Participant transfers.....	40,389	3,571	9,009	20,301	3,372	69,271
Participant withdrawals.....	(749)	(362)	(12)	(648)	(409)	(486)
Net increase in units from participant transactions.....	202,532	20,800	26,627	73,897	28,081	273,165

<CAPTION>

OCC ACCUMULATION TRUST SUB-ACCOUNTS*

	GLOBAL EQUITY	MANAGED	SMALL CAP
<S>	<C>	<C>	<C>
Inception Date.....	February 9, 1996	February 20, 1996	March 1, 1996
OPERATIONS:			
Net investment gain (loss)....	\$ (6,397)	\$ (32,112)	\$ (5,334)
Net realized gain (loss).....	31,496	16,367	337
Net unrealized gain.....	225,407	599,532	88,887
	-----	-----	-----
Net increase from operations.....	250,506	583,787	83,890
	-----	-----	-----
ACCUMULATION UNIT TRANSACTIONS:			
Participant deposits.....	3,457,047	5,309,052	762,200
Participant transfers.....	878,847	1,293,574	293,019
Participant withdrawals.....	(388,287)	(568,286)	(235)
	-----	-----	-----
Net increase from participant transactions.....	3,947,607	6,034,340	1,054,984
	-----	-----	-----
Total increase in net assets.....	4,198,113	6,618,127	1,138,874
NET ASSETS:			
Beginning of period.....	--	--	--
	-----	-----	-----
End of period.....	\$4,198,113	\$6,618,127	\$1,138,874
	-----	-----	-----
PARTICIPANT ACCUMULATION UNIT TRANSACTIONS (IN UNITS):			
Participant deposits.....	334,130	506,338	72,303
Participant transfers.....	83,245	121,659	27,835
Participant withdrawals.....	(37,264)	(56,241)	(22)
	-----	-----	-----
Net increase in units from participant transactions.....	380,111	571,756	100,116
	-----	-----	-----

</TABLE>

* Formerly Quest for Value Accumulation Trust

The Notes to Financial Statements are an integral part of these statements.

6

CIGNA VARIABLE ANNUITY SEPARATE ACCOUNT I
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1996

1. ORGANIZATION

CIGNA Variable Annuity Separate Account I (the Account) is registered as a Unit Investment Trust under the Investment Company Act of 1940, as amended. The operations of the Account are part of the operations of CIGNA Life Insurance Company (CIGNA Life). The assets and liabilities of the Account are clearly identified and distinguished from other assets and liabilities of CIGNA Life. The assets of the Account are not available to meet the general obligations of CIGNA Life and are held for the exclusive benefit of the participants.

The assets of the Account are divided into variable sub-accounts each of which is invested in shares of one of nineteen portfolios (mutual funds) of six diversified open-end management investment companies, each portfolio with its own investment objective. The variable sub-accounts are:

ALGER AMERICAN FUND:--

Alger American Growth Portfolio
Alger American Leveraged AllCap Portfolio
Alger American MidCap Growth Portfolio
Alger American Small Capitalization Portfolio

FIDELITY VARIABLE INSURANCE PRODUCTS FUND:--

Equity-Income Portfolio
 Money Market Portfolio
 High Income Portfolio
 Overseas Portfolio

FIDELITY VARIABLE INSURANCE PRODUCTS FUND II:--

Asset Manager Portfolio
 Investment Grade Bond Portfolio

MFS VARIABLE INSURANCE TRUST:--

MFS Total Return Series
 MFS Utilities Series
 MFS World Governments Series

NEUBERGER & BERMAN ADVISERS MANAGEMENT TRUST:--

AMT Balanced Portfolio
 AMT Limited Maturity Bond Portfolio
 AMT Partners Portfolio

OCC (FORMERLY QUEST FOR VALUE) ACCUMULATION TRUST:--

OCC Global Equity Portfolio
 OCC Managed Portfolio
 OCC Small Cap Portfolio

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in conformity with generally accepted accounting principles. The following is a summary of significant accounting policies consistently followed in the preparation of the Account's financial statements.

CIGNA VARIABLE ANNUITY SEPARATE ACCOUNT I
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 DECEMBER 31, 1996

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- A. INVESTMENT VALUATION: -- Investments held by the sub-accounts are valued at their respective closing net asset value per share as determined by the mutual funds as of December 31, 1996. The difference between cost and value is reflected as unrealized gain (loss) in the Statements of Operations.
- B. INVESTMENT TRANSACTIONS: -- Investment transactions are recorded on the trade date (date the order to buy or sell is executed). Realized gains and losses on sales of investments are determined by the last-in, first-out cost basis of the investment sold. Dividend and capital gain distributions are recorded on the ex-dividend date. Investment transactions are settled through CIGNA Life.
- C. FEDERAL INCOME TAXES: -- The operations of the Account form a part of, and are taxed with, the total operations of CIGNA Life, which is taxed as a life insurance company. Under existing federal income tax law, investment income (dividends) and capital gains attributable to the Account are not taxed.

3. INVESTMENTS

Total shares held and cost of investments at December 31, 1996 were:

<TABLE>
 <CAPTION>

SUB-ACCOUNT	SHARES HELD	COST OF INVESTMENTS
<S>	<C>	<C>
Alger American Growth Portfolio.....	128,062	\$ 4,210,354
Alger American Leveraged AllCap Portfolio.....	82,166	1,569,442
Alger American MidCap Growth Portfolio.....	147,431	3,019,139
Alger American Small Capitalization Portfolio.....	93,976	3,853,927
Fidelity Equity-Income Portfolio.....	222,000	4,350,906
Fidelity Money Market Portfolio.....	3,540,190	3,540,190
Fidelity High Income Portfolio.....	150,930	1,815,060
Fidelity Overseas Portfolio.....	43,600	783,389
Fidelity Asset Manager Portfolio.....	29,493	462,581
Fidelity Investment Grade Bond Portfolio.....	93,935	1,115,258
MFS Total Return Series.....	161,537	2,137,955
MFS Utilities Series.....	18,089	239,194
MFS World Governments Series.....	26,328	271,670

AMT Balanced Portfolio.....	47,331	732,082
AMT Limited Maturity Bond Portfolio.....	20,543	281,135
AMT Partners Portfolio.....	201,833	2,940,478
OCC Global Equity Portfolio.....	317,318	3,972,706
OCC Managed Portfolio.....	182,771	6,018,595
OCC Small Cap Portfolio.....	50,370	1,049,987

</TABLE>

CIGNA VARIABLE ANNUITY SEPARATE ACCOUNT I
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 1996

3. INVESTMENTS (CONTINUED)

Total purchases and sales of shares of the mutual funds, for the periods noted, amounted to:

<TABLE>
<CAPTION>

SUB-ACCOUNT	PERIOD*	PURCHASES	SALES
<S>	<C>	<C>	<C>
Alger American Growth Portfolio.....	February 23, 1996 to December 31, 1996	\$4,372,497	\$ 162,069
Alger American Leveraged AllCap Portfolio.....	February 9, 1996 to December 31, 1996	1,950,966	376,951
Alger American MidCap Growth Portfolio.....	January 19, 1996 to December 31, 1996	3,110,857	92,123
Alger American Small Capitalization Portfolio.....	February 9, 1996 to December 31, 1996	3,950,228	96,431
Fidelity Equity-Income Portfolio.....	February 20, 1996 to December 31, 1996	4,641,771	292,521
Fidelity Money Market Portfolio.....	February 22, 1996 to December 31, 1996	11,706,487	8,166,297
Fidelity High Income Portfolio.....	May 17, 1996 to December 31, 1996	1,829,085	14,015
Fidelity Overseas Portfolio.....	May 13, 1996 to December 31, 1996	784,827	1,445
Fidelity Asset Manager Portfolio.....	March 1, 1996 to December 31, 1996	525,873	63,569
Fidelity Investment Grade Bond Portfolio.....	March 1, 1996 to December 31, 1996	1,203,427	88,737
MFS Total Return Series.....	February 22, 1996 to December 31, 1996	2,227,540	89,962
MFS Utilities Series.....	March 15, 1996 to December 31, 1996	263,138	24,038
MFS World Governments Series.....	February 20, 1996 to December 31, 1996	272,685	1,016
AMT Balanced Portfolio.....	February 22, 1996 to December 31, 1996	804,895	73,333
AMT Limited Maturity Bond Portfolio.....	February 20, 1996 to December 31, 1996	359,140	72,523
AMT Partners Portfolio.....	February 20, 1996 to December 31, 1996	3,020,765	80,778
OCC Global Equity Portfolio.....	February 9, 1996 to December 31, 1996	4,490,141	526,648
OCC Managed Portfolio.....	February 20, 1996 to December 31, 1996	6,670,361	666,688
OCC Small Cap Portfolio.....	March 1, 1996 to December 31, 1996	1,109,826	60,176

</TABLE>

* Date deposits first received.

4. CHARGES AND DEDUCTIONS

CIGNA Life assumes the risk that annuitants may live longer than expected and also assumes a mortality risk in connection with the death benefits of the contract. CIGNA Life also assumes a risk that its actual administrative expenses may be higher than amounts deducted for such expenses. CIGNA Life charges each variable sub-account the daily equivalent of 1.20%, on an annual basis, of the current value of each sub-account's assets for the assumption of these risks.

CIGNA Life also deducts a daily administrative fee from the assets of each variable sub-account as partial reimbursement for administrative expenses relating to the issuance and maintenance of the contract and the participant's annuity account. This charge is currently at an effective annual rate of .10%.

As partial compensation for administrative services provided, CIGNA Life additionally receives a \$35 annuity account fee per year from each contract. This charge is deducted from the fixed or variable sub-account of the participant or on a pro-rata basis from two or more fixed or variable sub-accounts in relation to their values under the contract. Fixed sub-accounts are part of the general account of CIGNA Life and are not included in these financial statements. The annuity account fee will be waived for any contract year in which the annuity account value equals or exceeds \$100,000 as of the last valuation date of the contract year. There were no annuity account fees deducted during the periods covered by these financial statements.

CIGNA VARIABLE ANNUITY SEPARATE ACCOUNT I
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 1996

4. CHARGES AND DEDUCTIONS (CONTINUED)

For an additional charge (optional death benefit fee), an optional death benefit may be selected by the participant. The optional death benefit fee will

be deducted from the participant's fixed or variable sub-account or on a pro-rata basis from two or more fixed or variable sub-accounts in relation to their values under the contract on the date of each contract anniversary. The optional death benefit fees, for the variable sub-accounts, amounted to \$78 during the periods covered by these financial statements.

Under certain circumstances, CIGNA Life reserves the right to charge a transfer fee of up to \$10 for transfers between sub-accounts. No transfer fees were deducted during the periods covered by these financial statements.

The fees charged by CIGNA Life for mortality and expense risks and administrative fees, from the variable sub-accounts, for the periods noted, amounted to:

<TABLE>
<CAPTION>

SUB-ACCOUNT	PERIOD*	MORTALITY AND EXPENSE RISK FEES	ASSET BASED ADMINISTRATIVE FEES
<S>	<C>	<C>	<C>
Alger American Growth Portfolio.....	February 23, 1996 to December 31, 1996	\$20,654	\$1,721
Alger American Leveraged AllCap Portfolio.....	February 9, 1996 to December 31, 1996	6,968	581
Alger American MidCap Growth Portfolio.....	January 19, 1996 to December 31, 1996	13,733	1,144
Alger American Small Capitalization Portfolio.....	February 9, 1996 to December 31, 1996	18,123	1,510
Fidelity Equity-Income Portfolio.....	February 20, 1996 to December 31, 1996	21,618	1,802
Fidelity Money Market Portfolio.....	February 22, 1996 to December 31, 1996	26,562	2,213
Fidelity High Income Portfolio.....	May 17, 1996 to December 31, 1996	6,691	558
Fidelity Overseas Portfolio.....	May 13, 1996 to December 31, 1996	2,525	210
Fidelity Asset Manager Portfolio.....	March 1, 1996 to December 31, 1996	2,616	218
Fidelity Investment Grade Bond Portfolio.....	March 1, 1996 to December 31, 1996	5,609	467
MFS Total Return Series.....	February 22, 1996 to December 31, 1996	9,043	754
MFS Utilities Series.....	March 15, 1996 to December 31, 1996	1,284	107
MFS World Governments Series.....	February 20, 1996 to December 31, 1996	957	80
AMT Balanced Portfolio.....	February 22, 1996 to December 31, 1996	3,303	275
AMT Limited Maturity Bond Portfolio.....	February 20, 1996 to December 31, 1996	1,517	126
AMT Partners Portfolio.....	February 20, 1996 to December 31, 1996	14,342	1,195
OCC Global Equity Portfolio.....	February 9, 1996 to December 31, 1996	19,316	1,610
OCC Managed Portfolio.....	February 20, 1996 to December 31, 1996	31,733	2,644
OCC Small Cap Portfolio.....	March 1, 1996 to December 31, 1996	4,924	410

</TABLE>

* Date deposits first received.

No deduction for sales charges is made from a premium payment. However, if a cash withdrawal is made, a withdrawal charge (contingent deferred sales charge) may be assessed by CIGNA Life. The withdrawal charge, if assessed, varies from 0-7% depending upon the duration of each contract deposit. The withdrawal charge is deducted from withdrawal proceeds for full withdrawals and reduces the remaining account value for partial withdrawals. These charges are paid to CIGNA Life as reimbursement for services provided. These services include commissions paid to sales personnel, the costs of preparation of sales literature and other promotional costs and acquisition expenses. Withdrawal charges paid to CIGNA Life for the variable sub-accounts, for the periods ended December 31, 1996, amounted to \$143.

5. DISTRIBUTION OF NET INCOME

The Account does not expect to declare dividends to participants from accumulated net income. The accumulated net income is distributed to participants as part of surrenders, death benefits, transfers to other fixed or variable sub-accounts or annuity payments in excess of net purchase payments.

6. DIVERSIFICATION REQUIREMENTS

Under the provisions of Section 817(h) of the Internal Revenue Code of 1986 (the Code), a variable annuity contract, other than a contract issued in connection with certain types of employee benefit plans, will not be treated as an annuity contract for federal tax purposes for any period for which the investments of the segregated asset account, on which the contract is based, are not adequately diversified. The Code provides that the "adequately diversified" requirement may be met if the underlying investments satisfy either a statutory safe harbor test or diversification requirements set forth in regulations issued by the Secretary of the Treasury. CIGNA Life believes, based on assurances from the mutual fund managers, that the mutual funds satisfy the requirements of the regulations.

REPORT OF INDEPENDENT ACCOUNTANTS

To the Board of Directors of CIGNA
Life Insurance Company and Participants of the
CIGNA Variable Annuity Separate Account I

In our opinion, the accompanying statements of assets and liabilities and the related statements of operations and of changes in net assets present fairly, in all material respects, the financial position of each of the sub-accounts, Alger American Fund--Alger American Growth Portfolio, Alger American Leveraged AllCap Portfolio, Alger American MidCap Growth Portfolio, Alger American Small Capitalization Portfolio; Fidelity Variable Insurance Products Fund--Equity-Income Portfolio, Money Market Portfolio, High Income Portfolio, Overseas Portfolio; Fidelity Variable Insurance Products Fund II--Asset Manager Portfolio, Investment Grade Bond Portfolio; MFS Variable Insurance Trust--MFS Total Return Series, MFS Utilities Series, MFS World Governments Series; Neuberger & Berman Advisers Management Trust--AMT Balanced Portfolio, AMT Limited Maturity Bond Portfolio, AMT Partners Portfolio; OCC (formerly Quest for Value) Accumulation Trust--OCC Global Equity Portfolio, OCC Managed Portfolio, OCC Small Cap Portfolio (constituting the CIGNA Variable Annuity Separate Account I, hereafter referred to as "the Account") at December 31, 1996, the results of each of their operations and the changes in each of their net assets for the periods since inception (as indicated in the financial statements) through December 31, 1996, in conformity with generally accepted accounting principles. These financial statements are the responsibility of the Account's management; our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit of these financial statements in accordance with generally accepted auditing standards which 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, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audit, which included confirmation of securities at December 31, 1996 by correspondence with the custodians, provides a reasonable basis for the opinion expressed above.

PRICE WATERHOUSE LLP
Hartford, Connecticut
February 20, 1997

CG VARIABLE LIFE INSURANCE SEPARATE ACCOUNT I
FINANCIAL STATEMENTS
STATEMENTS OF ASSETS AND LIABILITIES
DECEMBER 31, 1996
<TABLE>
<CAPTION>

	ALGER AMERICAN PORTFOLIO SUB-ACCOUNTS				FIDELITY VIP PORTFOLIO SUB-ACCOUNT
	GROWTH	LEVERAGED ALLCAP	MIDCAP GROWTH	SMALL CAPITALIZATION	EQUITY- INCOME
<S>	<C>	<C>	<C>	<C>	<C>
ASSETS:					
Investment in variable insurance funds at value.....	\$ 339,597	\$ 331,450	\$ 92,436	\$ 349,028	\$ 357,046
Receivable from Connecticut General Life Insurance Company.....	--	--	--	--	2,503
Receivable for fund shares sold.....	5	5	--	--	--
Total assets.....	339,602	331,455	92,436	349,028	359,549
LIABILITIES:					
Payable to Connecticut General Life Insurance Company.....	5	5	--	--	--
Payable for fund shares purchased.....	--	--	--	--	2,503
Total liabilities.....	5	5	--	--	2,503
Net assets.....	\$ 339,597	\$ 331,450	\$ 92,436	\$ 349,028	\$ 357,046
Accumulation units outstanding.....	24,719	20,127	6,400	26,199	26,218
Net asset value per accumulation unit.....	\$ 13.738238	\$ 16.468026	\$ 14.443889	\$13.322001	\$ 13.618095

<CAPTION>

FIDELITY VIP II

	PORTFOLIO SUB-ACCOUNTS	
	ASSET MANAGER	INVESTMENT GRADE BOND
<S>	<C>	<C>
ASSETS:		
Investment in variable insurance funds at value.....	\$ 73,156	\$ 40,819
Receivable from Connecticut General Life Insurance Company.....	--	--
Receivable for fund shares sold.....	--	--
Total assets.....	73,156	40,819
LIABILITIES:		
Payable to Connecticut General Life Insurance Company.....	--	--
Payable for fund shares purchased.....	--	--
Total liabilities.....	--	--
Net assets.....	\$ 73,156	\$ 40,819
Accumulation units outstanding.....	6,111	3,890
Net asset value per accumulation unit.....	\$ 11.971291	\$ 10.493674

</TABLE>

The Notes to Financial Statements are an integral part of these statements.

1

CG VARIABLE LIFE INSURANCE SEPARATE ACCOUNT I
FINANCIAL STATEMENTS (CONTINUED)
STATEMENTS OF ASSETS AND LIABILITIES
DECEMBER 31, 1996
<TABLE>
<CAPTION>

	MFS SERIES SUB-ACCOUNTS			AMT PORTFOLIO SUB-ACCOUNTS		
	TOTAL RETURN	UTILITIES	WORLD GOVERNMENTS	BALANCED	LIMITED MATURITY BOND	PARTNERS
<S>	<C>	<C>	<C>	<C>	<C>	<C>
ASSETS:						
Investment in variable insurance funds at value.....	\$ 154,030	\$ 3,516	\$ 30,035	\$ 197,917	\$ 260	\$ 124,947
Receivable from Connecticut General Life Insurance Company.....	--	--	--	--	--	--
Receivable for fund shares sold.....	5,091	5,227	--	--	--	2
Total assets.....	159,121	8,743	30,035	197,917	260	124,949
LIABILITIES:						
Payable to Connecticut General Life Insurance Company.....	5,091	5,227	--	--	--	2
Payable for fund shares purchased.....	--	--	--	--	--	--
Total liabilities.....	5,091	5,227	--	--	--	2
Net assets.....	\$ 154,030	\$ 3,516	\$ 30,035	\$ 197,917	\$ 260	\$ 124,947
Accumulation units outstanding.....	12,740	296	2,784	18,966	25	8,019
Net asset value per accumulation unit.....	\$ 12.090502	\$ 11.880730	\$ 10.788580	\$ 10.435528	\$10.256711	\$ 15.580865

<CAPTION>

	OCC ACCUMULATION TRUST SUB-ACCOUNTS *		
	GLOBAL EQUITY	MANAGED	SMALL CAP
<S>	<C>	<C>	<C>
ASSETS:			
Investment in variable insurance funds at value.....	\$ 231,510	\$ 309,795	\$ 25,597
Receivable from Connecticut General Life Insurance Company.....	2,490	5,086	--
Receivable for fund shares sold.....	--	--	--
Total assets.....	234,000	314,881	25,597

LIABILITIES:			
Payable to Connecticut General Life Insurance Company.....	--	--	--
Payable for fund shares purchased.....	2,490	5,086	--
Total liabilities.....	2,490	5,086	--
Net assets.....	\$ 231,510	\$ 309,795	\$ 25,597
Accumulation units outstanding.....	20,118	20,691	2,116
Net asset value per accumulation unit.....	\$ 11.507742	\$ 14.972784	\$ 12.096552

</TABLE>

* Formerly Quest for Value Accumulation Trust

The Notes to Financial Statements are an integral part of these statements.

2

CG VARIABLE LIFE INSURANCE SEPARATE ACCOUNT I
FINANCIAL STATEMENTS
STATEMENTS OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 1996

<TABLE>

<CAPTION>

	ALGER AMERICAN PORTFOLIO SUB-ACCOUNTS				FIDELITY VIP PORTFOLIO SUB-ACCOUNT
	GROWTH	LEVERAGED ALLCAP	MIDCAP GROWTH	SMALL CAPITALIZATION	EQUITY- INCOME
<S>	<C>	<C>	<C>	<C>	<C>
INVESTMENT INCOME:					
Dividends.....	\$ 163	\$ --	\$ --	\$ --	\$ 137
EXPENSES:					
Mortality and expense risk and administrative charges.....	1,038	1,121	293	1,286	840
Net investment gain (loss).....	(875)	(1,121)	(293)	(1,286)	(703)
NET REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS:					
Capital distributions from portfolio sponsors.....	6,806	2,823	1,079	1,247	3,936
Net realized gain on share transactions.....	1,244	307	870	4,249	789
Net realized gain.....	8,050	3,130	1,949	5,496	4,725
Net unrealized gain (loss).....	15,418	14,027	3,694	(3,892)	24,879
Net realized and unrealized gain (loss) on investments...	23,468	17,157	5,643	1,604	29,604
INCREASE IN NET ASSETS RESULTING FROM OPERATIONS.....	\$ 22,593	\$ 16,036	\$ 5,350	\$ 318	\$ 28,901

<CAPTION>

	FIDELITY VIP II PORTFOLIO SUB-ACCOUNTS	
	ASSET MANAGER	INVESTMENT GRADE BOND
<S>	<C>	<C>
INVESTMENT INCOME:		
Dividends.....	\$ 887	\$ 1,857
EXPENSES:		
Mortality and expense risk and administrative charges.....	239	179
Net investment gain (loss).....	648	1,678
NET REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS:		
Capital distributions from portfolio sponsors.....	731	--
Net realized gain on share transactions.....	6	26
Net realized gain.....	737	26
Net unrealized gain (loss).....	6,123	(569)
Net realized and unrealized gain (loss) on investments...	6,860	(543)

INCREASE IN NET ASSETS RESULTING FROM OPERATIONS.....	\$ 7,508	\$ 1,135
---	----------	----------

</TABLE>

The Notes to Financial Statements are an integral part of these statements.

CG VARIABLE LIFE INSURANCE SEPARATE ACCOUNT I
 FINANCIAL STATEMENTS (CONTINUED)
 STATEMENTS OF OPERATIONS
 FOR THE YEAR ENDED DECEMBER 31, 1996

<TABLE>
 <CAPTION>

	MFS SERIES SUB-ACCOUNTS			AMT PORTFOLIO SUB-ACCOUNTS		
	TOTAL RETURN	UTILITIES	WORLD GOVERNMENTS	BALANCED	LIMITED MATURITY BOND *	PARTNERS
<S>	<C>	<C>	<C>	<C>	<C>	<C>
INVESTMENT INCOME:						
Dividends.....	\$ 2,327	\$ 81	\$ --	\$ 3,401	\$ --	\$ 120
EXPENSES:						
Mortality and expense risk and administrative charges.....	243	14	118	658	1	344
Net investment gain (loss).....	2,084	67	(118)	2,743	(1)	(224)
NET REALIZED AND UNREALIZED GAIN ON INVESTMENTS:						
Capital distributions from portfolio sponsors.....	1,012	211	--	18,913	--	1,502
Net realized gain (loss) on share transactions.....	1,484	(55)	7	(8,925)	1	1,028
Net realized gain.....	2,496	156	7	9,988	1	2,530
Net unrealized gain (loss).....	3,315	126	1,294	(4,946)	6	19,615
Net realized and unrealized gain on investments.....	5,811	282	1,301	5,042	7	22,145
INCREASE IN NET ASSETS RESULTING FROM OPERATIONS.....	\$ 7,895	\$ 349	\$ 1,183	\$ 7,785	\$ 6	\$ 21,921

<CAPTION>

	OCC ACCUMULATION TRUST SUB-ACCOUNTS		
	GLOBAL EQUITY	MANAGED	SMALL CAP
<S>	<C>	<C>	<C>
INVESTMENT INCOME:			
Dividends.....	\$ 853	\$ 420	\$ 249
EXPENSES:			
Mortality and expense risk and administrative charges.....	753	732	90
Net investment gain (loss).....	100	(312)	159
NET REALIZED AND UNREALIZED GAIN ON INVESTMENTS:			
Capital distributions from portfolio sponsors.....	1,218	268	640
Net realized gain (loss) on share transactions.....	2,064	1,805	312
Net realized gain.....	3,282	2,073	952
Net unrealized gain (loss).....	19,438	33,259	2,743
Net realized and unrealized gain on investments.....	22,720	35,332	3,695
INCREASE IN NET ASSETS RESULTING FROM OPERATIONS.....	\$ 22,820	\$ 35,020	\$ 3,854

</TABLE>

* Period from September 13, 1996 (date deposits first received) to December 31, 1996

** Formerly Quest for Value Accumulation Trust

The Notes to Financial Statements are an integral part of these statements.

4

CG VARIABLE LIFE INSURANCE SEPARATE ACCOUNT I
FINANCIAL STATEMENTS
STATEMENTS OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 1996

<TABLE>
<CAPTION>

	ALGER AMERICAN PORTFOLIO SUB-ACCOUNTS				FIDELITY VIP PORTFOLIO SUB-ACCOUNT
	GROWTH	LEVERAGED ALLCAP	MIDCAP GROWTH	SMALL CAPITALIZATION	EQUITY- INCOME
	<C>	<C>	<C>	<C>	<C>
OPERATIONS:					
Net investment gain (loss).....	\$ (875)	\$ (1,121)	\$ (293)	\$ (1,286)	\$ (703)
Net realized gain.....	8,050	3,130	1,949	5,496	4,725
Net unrealized gain (loss).....	15,418	14,027	3,694	(3,892)	24,879
Net increase from operations.....	22,593	16,036	5,350	318	28,901
ACCUMULATION UNIT TRANSACTIONS:					
Participant deposits, net of premium load.....	15,142	7,761	8,317	11,813	27,075
Participant transfers.....	278,167	309,607	69,138	288,681	253,480
Participant withdrawals.....	(10,736)	(7,624)	(3,232)	(11,026)	(8,466)
Net increase from participant transactions.....	282,573	309,744	74,223	289,468	272,089
Total increase in net assets.....	305,166	325,780	79,573	289,786	300,990
NET ASSETS:					
Beginning of period.....	34,431	5,670	12,863	59,242	56,056
End of period.....	\$ 339,597	\$ 331,450	\$ 92,436	\$ 349,028	\$ 357,046
PARTICIPANT ACCUMULATION UNIT TRANSACTIONS (IN UNITS):					
Participant deposits.....	3,090	492	602	2,156	1,170
Participant transfers.....	19,615	19,725	5,046	20,255	21,039
Participant withdrawals.....	(814)	(474)	(240)	(824)	(674)
Net increase in units from participant transactions.....	21,891	19,743	5,408	21,587	21,535

<CAPTION>

	FIDELITY VIP II PORTFOLIO SUB-ACCOUNTS	
	ASSET MANAGER	INVESTMENT GRADE BOND
	<C>	<C>
OPERATIONS:		
Net investment gain (loss).....	\$ 648	\$ 1,678
Net realized gain.....	737	26
Net unrealized gain (loss).....	6,123	(569)
Net increase from operations.....	7,508	1,135
ACCUMULATION UNIT TRANSACTIONS:		
Participant deposits, net of premium load.....	2,107	85
Participant transfers.....	40,593	3,967
Participant withdrawals.....	(1,711)	(1,829)
Net increase from participant transactions.....	40,989	2,223
Total increase in net assets.....	48,497	3,358

NET ASSETS:		
Beginning of period.....	24,659	37,461
End of period.....	\$ 73,156	\$ 40,819
PARTICIPANT ACCUMULATION UNIT		
TRANSACTIONS (IN UNITS):		
Participant deposits.....	195	9
Participant transfers.....	3,719	395
Participant withdrawals.....	(153)	(181)
Net increase in units from participant transactions.....	3,761	223

</TABLE>

The Notes to Financial Statements are an integral part of these statements.

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CG VARIABLE LIFE INSURANCE SEPARATE ACCOUNT I
 FINANCIAL STATEMENTS (CONTINUED)
 STATEMENTS OF CHANGES IN NET ASSETS
 FOR THE YEAR ENDED DECEMBER 31, 1996

	MFS SERIES SUB-ACCOUNTS			AMT PORTFOLIO SUB-ACCOUNTS		
	TOTAL RETURN	UTILITIES	WORLD GOVERNMENTS	BALANCED	LIMITED MATURITY BOND *	PARTNERS
<S>	<C>	<C>	<C>	<C>	<C>	<C>
OPERATIONS:						
Net investment gain (loss).....	\$ 2,084	\$ 67	\$ (118)	\$ 2,743	\$ (1)	\$ (224)
Net realized gain.....	2,496	156	7	9,988	1	2,530
Net unrealized gain (loss).....	3,315	126	1,294	(4,946)	6	19,615
Net increase from operations.....	7,895	349	1,183	7,785	6	21,921
ACCUMULATION UNIT TRANSACTIONS:						
Participant deposits, net of premium load.....	26,898	772	4,010	8,958	194	10,029
Participant transfers.....	113,853	1,355	5,048	137,877	148	73,338
Participant withdrawals.....	(3,122)	(360)	(666)	(5,113)	(88)	(3,582)
Net increase from participant transactions.....	137,629	1,767	8,392	141,722	254	79,785
Total increase in net assets.....	145,524	2,116	9,575	149,507	260	101,706
NET ASSETS:						
Beginning of period.....	8,506	1,400	20,460	48,410	--	23,241
End of period.....	\$ 154,030	\$ 3,516	\$ 30,035	\$ 197,917	\$ 260	\$ 124,947
PARTICIPANT ACCUMULATION UNIT						
TRANSACTIONS (IN UNITS):						
Participant deposits.....	2,769	528	388	1,190	19	703
Participant transfers.....	9,440	(338)	495	13,349	15	5,649
Participant withdrawals.....	(270)	(33)	(63)	(509)	(9)	(257)
Net increase in units from participant transactions.....	11,939	157	820	14,030	25	6,095

<CAPTION>

OCC ACCUMULATION TRUST SUB-ACCOUNTS

**

	GLOBAL EQUITY	MANAGED	SMALL CAP
	<C>	<C>	<C>
OPERATIONS:			
Net investment gain (loss).....	\$ 100	\$ (312)	\$ 159
Net realized gain.....	3,282	2,073	952
Net unrealized gain (loss).....	19,438	33,259	2,743
Net increase from operations.....	22,820	35,020	3,854

ACCUMULATION UNIT TRANSACTIONS:

Participant deposits, net of premium load.....	30,836	12,038	1,946
Participant transfers.....	123,949	266,908	16,958
Participant withdrawals.....	(8,380)	(7,491)	(1,306)

Net increase from participant transactions.....	146,405	271,455	17,598

Total increase in net assets.....	169,225	306,475	21,452
NET ASSETS:			
Beginning of period.....	62,285	3,320	4,145

End of period.....	\$ 231,510	\$ 309,795	\$ 25,597

PARTICIPANT ACCUMULATION UNIT TRANSACTIONS (IN UNITS):			
Participant deposits.....	3,565	860	1,637
Participant transfers.....	11,134	20,102	191
Participant withdrawals.....	(778)	(542)	(117)

Net increase in units from participant transactions.....	13,921	20,420	1,711

</TABLE>

* Period from September 13, 1996 (date deposits first received) to December 31, 1996

** Formerly Quest for Value Accumulation Trust

The Notes to Financial Statements are an integral part of these statements.

6

CG VARIABLE LIFE INSURANCE SEPARATE ACCOUNT I
FINANCIAL STATEMENTS
STATEMENTS OF CHANGES IN NET ASSETS
FOR THE PERIODS FROM INCEPTION (DATE DEPOSITS
FIRST RECEIVED) TO DECEMBER 31, 1995

<TABLE>

<CAPTION>

	ALGER AMERICAN PORTFOLIO SUB-ACCOUNTS				FIDELITY VIP PORTFOLIO SUB-ACCOUNT
	GROWTH **	LEVERAGED ALLCAP **	MIDCAP GROWTH **	SMALL CAPITALIZATION **	EQUITY- INCOME **
<S>	<C>	<C>	<C>	<C>	<C>
Inception Date.....	May 5, 1995	May 5, 1995	May 5, 1995	May 5, 1995	May 5, 1995
OPERATIONS:					
Net investment gain (loss).....	\$ (23)	\$ (8)	\$ (13)	\$ (52)	\$ 439
Net realized gain (loss).....	(3)	12	1	(15)	(2)
Net unrealized gain (loss).....	424	839	498	(4,213)	2,857

Net increase (decrease) from operations.....	398	843	486	(4,280)	3,294

ACCUMULATION UNIT TRANSACTIONS:					
Participant deposits, net of premium load.....	3,930	3,178	3,910	2,938	2,731
Participant transfers.....	30,447	1,857	8,745	61,383	50,773
Participant withdrawals.....	(344)	(208)	(278)	(799)	(742)

Net increase from participant transactions...	34,033	4,827	12,377	63,522	52,762

Total increase in net assets.....	34,431	5,670	12,863	59,242	56,056
NET ASSETS:					
Beginning of period.....	--	--	--	--	--

End of period.....	\$ 34,431	\$ 5,670	\$ 12,863	\$ 59,242	\$ 56,056

PARTICIPANT ACCUMULATION UNIT TRANSACTIONS (IN UNITS):					
Participant deposits.....	349	268	336	266	256
Participant transfers.....	2,508	131	678	4,408	4,492
Participant withdrawals.....	(29)	(15)	(22)	(62)	(65)

Net increase in units from participant transactions.....	2,828	384	992	4,612	4,683

<CAPTION>

FIDELITY VIP II
PORTFOLIO SUB-ACCOUNTS

	ASSET MANAGER	INVESTMENT GRADE BOND
<S>	<C>	<C>
Inception Date.....	November 16, 1995	November 16, 1995
OPERATIONS:		
Net investment gain (loss).....	\$ (9)	\$ (14)
Net realized gain (loss).....	--	--
Net unrealized gain (loss).....	794	606
Net increase (decrease) from operations.....	785	592
ACCUMULATION UNIT TRANSACTIONS:		
Participant deposits, net of premium load.....	--	--
Participant transfers.....	23,939	36,925
Participant withdrawals.....	(65)	(56)
Net increase from participant transactions...	23,874	36,869
Total increase in net assets.....	24,659	37,461
NET ASSETS:		
Beginning of period.....	--	--
End of period.....	\$ 24,659	\$ 37,461
PARTICIPANT ACCUMULATION UNIT TRANSACTIONS (IN UNITS):		
Participant deposits.....	--	--
Participant transfers.....	2,356	3,672
Participant withdrawals.....	(6)	(5)
Net increase in units from participant transactions.....	2,350	3,667

</TABLE>

** Premium load reduced by \$22 due to waiver of 1.15% of premium load from May 5, 1995 to August 1, 1995

The Notes to Financial Statements are an integral part of these statements.

7

CG VARIABLE LIFE INSURANCE SEPARATE ACCOUNT I
FINANCIAL STATEMENTS (CONTINUED)
STATEMENTS OF CHANGES IN NET ASSETS
FOR THE PERIODS FROM INCEPTION (DATE DEPOSITS
FIRST RECEIVED) TO DECEMBER 31, 1995

<TABLE>
<CAPTION>

	MFS SERIES SUB-ACCOUNTS			AMT PORTFOLIO SUB-ACCOUNTS	
	TOTAL RETURN	UTILITIES	WORLD GOVERNMENTS **	BALANCED	PARTNERS **
<S>	<C>	<C>	<C>	<C>	<C>
Inception Date.....	October 10, 1995	December 26, 1995	May 5, 1995	September 12, 1995	May 5, 1995
OPERATIONS:					
Net investment gain (loss).....	\$ 159	\$ 25	\$ 1,919	\$ (55)	\$ (15)
Net realized gain.....	157	61	--	--	8
Net unrealized gain (loss).....	164	(76)	(1,668)	(621)	857
Net increase (decrease) from operations.....	480	10	251	(676)	850
ACCUMULATION UNIT TRANSACTIONS:					
Participant deposits, net of premium load.....	2,123	--	1,861	--	2,943
Participant transfers.....	5,933	1,390	18,466	49,657	19,642
Participant withdrawals.....	(30)	--	(118)	(571)	(194)
Net increase from participant transactions.....	8,026	1,390	20,209	49,086	22,391

Total increase in net assets.....	8,506	1,400	20,460	48,410	23,241
NET ASSETS:					
Beginning of period.....	--	--	--	--	--
End of period.....	\$ 8,506	\$ 1,400	\$ 20,460	\$ 48,410	\$ 23,241
PARTICIPANT ACCUMULATION UNIT TRANSACTIONS (IN UNITS):					
Participant deposits.....	213	--	185	--	273
Participant transfers.....	591	139	1,791	4,994	1,668
Participant withdrawals.....	(3)	--	(12)	(58)	(17)
Net increase in units from participant transactions.....	801	139	1,964	4,936	1,924

<CAPTION>

OCC ACCUMULATION TRUST SUB-ACCOUNTS *

	GLOBAL EQUITY	MANAGED **	SMALL CAP
<S>	<C>	<C>	<C>
Inception Date.....	September 12, 1995	May 5, 1995	September 26, 1995
OPERATIONS:			
Net investment gain (loss).....	\$ 123	\$ (7)	\$ (3)
Net realized gain.....	1,262	3	1
Net unrealized gain (loss).....	(981)	413	186
Net increase (decrease) from operations.....	404	409	184
ACCUMULATION UNIT TRANSACTIONS:			
Participant deposits, net of premium load.....	--	1,867	--
Participant transfers.....	62,563	1,268	4,095
Participant withdrawals.....	(682)	(224)	(134)
Net increase from participant transactions.....	61,881	2,911	3,961
Total increase in net assets.....	62,285	3,320	4,145
NET ASSETS:			
Beginning of period.....	--	--	--
End of period.....	\$ 62,285	\$ 3,320	\$ 4,145
PARTICIPANT ACCUMULATION UNIT TRANSACTIONS (IN UNITS):			
Participant deposits.....	--	182	--
Participant transfers.....	6,245	108	419
Participant withdrawals.....	(48)	(19)	(14)
Net increase in units from participant transactions.....	6,197	271	405

</TABLE>

* Formerly Quest for Value Accumulation Trust

** Premium load reduced by \$22 due to waiver of 1.15% of premium load from May 5, 1995 to August 1, 1995

The Notes to Financial Statements are an integral part of these statements.

1. ORGANIZATION

CG Variable Life Insurance Separate Account I (the Account) is registered as a Unit Investment Trust under the Investment Company Act of 1940, as amended.

The operations of the Account are part of the operations of Connecticut General Life Insurance Company (CG Life). The assets and liabilities of the Account are clearly identified and distinguished from other assets and liabilities of CG Life. The assets of the Account are not available to meet the general obligations of CG Life and are held for the exclusive benefit of the participants.

The assets of the Account are divided into variable sub-accounts each of which is invested in shares of one of sixteen portfolios (mutual funds) of six diversified open-end management investment companies, each portfolio with its own investment objective. The variable sub-accounts are:

ALGER AMERICAN FUND:--

Alger American Growth Portfolio
Alger American Leveraged AllCap Portfolio
Alger American MidCap Growth Portfolio
Alger American Small Capitalization Portfolio

FIDELITY VARIABLE INSURANCE PRODUCTS FUND:--

Equity-Income Portfolio

FIDELITY VARIABLE INSURANCE PRODUCTS FUND II:--

Asset Manager Portfolio
Investment Grade Bond Portfolio

MFS VARIABLE INSURANCE TRUST:--

MFS Total Return Series
MFS Utilities Series
MFS World Governments Series

NEUBERGER & BERMAN ADVISERS MANAGEMENT TRUST:--

AMT Balanced Portfolio
AMT Limited Maturity Bond Portfolio
AMT Partners Portfolio

OCC (FORMERLY QUEST FOR VALUE) ACCUMULATION TRUST:--

OCC Global Equity Portfolio
OCC Managed Portfolio
OCC Small Cap Portfolio

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in conformity with generally accepted accounting principles. The following is a summary of significant accounting policies consistently followed in the preparation of the Account's financial statements.

- A. INVESTMENT VALUATION:--Investments held by the sub-accounts are valued at their respective closing net asset values per share as determined by the mutual funds as of December 31, 1996. The change in the difference between cost and value is reflected as unrealized gain (loss) in the Statements of Operations.
- B. INVESTMENT TRANSACTIONS:--Investment transactions are recorded on the trade date (date the order to buy or sell is executed). Realized gains and losses on sales of investments are determined by the last-in, first-out cost basis of the investment sold. Dividend and capital gain distributions are recorded on the ex-dividend date. Investment transactions are settled through CG Life.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- C. FEDERAL INCOME TAXES:--The operations of the Account form a part of, and are

taxed with, the total operations of CG Life, which is taxed as a life insurance company. Under existing federal income tax law, investment income (dividends) and capital gains attributable to the Account are not taxed.

3. INVESTMENTS

Total shares held and cost of investments as of December 31, 1996 were:

<TABLE>
<CAPTION>

SUB-ACCOUNT	SHARES HELD	COST OF INVESTMENTS
<S>	<C>	<C>
Alger American Growth Portfolio.....	9,892	\$ 323,755
Alger American Leveraged AllCap Portfolio.....	17,120	316,584
Alger American MidCap Growth Portfolio.....	4,330	88,244
Alger American Small Capitalization Portfolio.....	8,532	357,133
Fidelity Equity-Income Portfolio.....	16,978	329,310
Fidelity Asset Manager Portfolio.....	4,321	66,239
Fidelity Investment Grade Bond Portfolio.....	3,335	40,782
MFS Total Return Series.....	11,235	150,551
MFS Utilities Series.....	257	3,466
MFS World Governments Series.....	2,839	30,409
AMT Balanced Portfolio.....	12,432	203,484
AMT Limited Maturity Bond Portfolio.....	19	254
AMT Partners Portfolio.....	7,582	104,475
OCC Global Equity Portfolio.....	17,499	213,053
OCC Managed Portfolio.....	8,556	276,123
OCC Small Cap Portfolio.....	1,132	22,668

Total purchases and sales of shares for each mutual fund, for the year ended December 31, 1996, amounted to:

<CAPTION>

SUB-ACCOUNT	PURCHASES	SALES
<S>	<C>	<C>
Alger American Growth Portfolio.....	\$ 399,891	\$ 111,387
Alger American Leveraged AllCap Portfolio.....	336,431	24,985
Alger American MidCap Growth Portfolio.....	158,606	83,597
Alger American Small Capitalization Portfolio.....	392,149	102,720
Fidelity Equity-Income Portfolio.....	409,649	134,327
Fidelity Asset Manager Portfolio.....	44,235	1,867
Fidelity Investment Grade Bond Portfolio.....	5,923	2,022
MFS Total Return Series.....	247,690	106,965
MFS Utilities Series.....	20,495	18,450
MFS World Governments Series.....	9,039	765
AMT Balanced Portfolio.....	281,549	118,171
AMT Limited Maturity Bond Portfolio*.....	48,118	47,865
AMT Partners Portfolio.....	115,118	34,055
OCC Global Equity Portfolio.....	239,204	91,481
OCC Managed Portfolio.....	348,149	76,738
OCC Small Cap Portfolio.....	33,392	14,995

</TABLE>

* For the period from September 13, 1996 (date deposits first received) to December 31, 1996.

CG VARIABLE LIFE INSURANCE SEPARATE ACCOUNT I
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 1996

4. CHARGES AND DEDUCTIONS

CG Life assumes the risk that policyholders may live longer than expected and also assumes a mortality risk in connection with the death benefits of the contract. CG Life also assumes a risk that its actual administrative expenses may be higher than amounts deducted for such expenses. CG Life charges each variable sub-account, for mortality and expense risks, a daily deduction, equivalent to .45% per year during the first ten policy years and .25% per year thereafter. The mortality and expense risk charges, for each sub-account, are reported on the Statements of Operations.

CG Life deducts a premium load of 3.5% of each premium payment to cover state taxes and federal income tax liabilities.

CG Life charges a monthly administrative fee of \$15 in the first policy year and \$5 in subsequent policy years. This charge is for items such as premium

billing and collection, policy value calculation, confirmations and periodic reports.

CG Life charges a monthly deduction for the cost of insurance and any charges for supplemental riders. The cost of insurance charge depends on the attained age, risk classification, gender classification (in accordance with state law) and the current net amount at risk. On a monthly basis, the administrative fee and the cost of insurance charge are deducted proportionately from the value of each variable sub-account and/or the fixed account funding option. The fixed account is part of the general account of CG Life and is not included in these financial statements.

Under certain circumstances, CG Life reserves the right to charge a transfer fee of up to \$25 for transfers between sub-accounts. For the year ended December 31, 1996, no transfer fees were deducted from the variable sub-accounts.

The fees charged by CG Life for premium loads (deducted from premium payments), administrative fees and the amount deducted for the cost of insurance, both of which are included in participant withdrawals, for variable sub-accounts for the year ended December 31, 1996, amounted to:

<TABLE>
<CAPTION>

SUB-ACCOUNT	PREMIUM LOADS	ADMINISTRATIVE FEES	COST OF INSURANCE DEDUCTIONS
<S>	<C>	<C>	<C>
Alger American Growth Portfolio.....	\$ 578	\$ 1,380	\$ 9,297
Alger American Leveraged AllCap Portfolio.....	282	857	6,744
Alger American MidCap Growth Portfolio.....	306	525	2,690
Alger American Small Capitalization Portfolio.....	478	1,281	9,725
Fidelity Equity-Income Portfolio.....	1,003	816	7,645
Fidelity Asset Manager Portfolio.....	81	300	1,412
Fidelity Investment Grade Bond Portfolio.....	3	159	1,605
MFS Total Return Series.....	978	420	2,690
MFS Utilities Series.....	29	83	275
MFS World Governments Series.....	145	82	584
AMT Balanced Portfolio.....	372	527	4,592
AMT Limited Maturity Bond Portfolio*.....	7	60	28
AMT Partners Portfolio.....	356	558	2,999
OCC Global Equity Portfolio.....	1,124	1,163	7,214
OCC Managed Portfolio.....	444	1,045	6,437
OCC Small Cap Portfolio.....	71	192	1,114

</TABLE>

* For the period from September 13, 1996 (date deposits first received) to December 31, 1996.

CG VARIABLE LIFE INSURANCE SEPARATE ACCOUNT I
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 1996

4. CHARGES AND DEDUCTIONS (CONTINUED)

CG Life, upon full surrender of a policy, may charge a surrender charge. This charge is in part a deferred sales charge and in part a recovery of certain first year administrative costs. The amount of the surrender charge, if any, will depend on the amount of the death benefit, the amount of premium payments made during the first two policy years and the age of the policy. In no event will the surrender charge exceed the maximum allowed by state or Federal law. No surrender charge is imposed on a partial surrender, but an administrative fee of \$25 is imposed, allocated pro-rata among the variable sub-accounts (and, where applicable, the fixed account) from which the partial surrender proceeds are taken. No full surrender or partial surrender administrative charges were paid to CG Life, attributable to the variable sub-accounts, for the year ended December 31, 1996.

5. DISTRIBUTION OF NET INCOME

The Account does not expect to declare dividends to participants from accumulated net income. The accumulated net income is distributed to participants as part of death benefits, surrenders, and transfers to other fixed or variable sub-accounts.

6. DIVERSIFICATION REQUIREMENTS

Under the provisions of Section 817(h) of the Internal Revenue Code of 1986 (the Code), a variable life insurance policy will not be treated as life insurance under Section 7702 of the Code for any period for which the

investments of the segregated asset account, on which the policy is based, are not adequately diversified. The Code provides that the "adequately diversified" requirement may be met if the underlying investments satisfy either a statutory safe harbor test or diversification requirements set forth in regulations issued by the Secretary of Treasury. CG Life believes, based on assurances from the mutual fund managers, that the mutual funds satisfy the requirements of the regulations.

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REPORT OF INDEPENDENT ACCOUNTANTS

To the Board of Directors of Connecticut General
Life Insurance Company and Participants of the
CG Variable Life Insurance Separate Account I

In our opinion, the accompanying statements of assets and liabilities and the related statements of operations and of changes in net assets present fairly, in all material respects, the financial position of each of the sub-accounts, Alger American Fund--Alger American Growth Portfolio, Alger American Leveraged AllCap Portfolio, Alger American MidCap Growth Portfolio, Alger American Small Capitalization Portfolio; Fidelity Variable Insurance Products Fund--Equity-Income Portfolio; Fidelity Variable Insurance Products Fund II--Asset Manager Portfolio, Investment Grade Bond Portfolio; MFS Variable Insurance Trust--MFS Total Return Series, MFS Utilities Series, MFS World Governments Series; Neuberger & Berman Advisers Management Trust--AMT Balanced Portfolio, AMT Limited Maturity Bond Portfolio, AMT Partners Portfolio; OCC (formerly Quest for Value) Accumulation Trust--OCC Global Equity Portfolio, OCC Managed Portfolio, OCC Small Cap Portfolio (constituting the CG Variable Life Insurance Separate Account I, hereafter referred to as "the Account") at December 31, 1996, the results of each of their operations and the changes in each of their net assets for the periods indicated, in conformity with generally accepted accounting principles. These financial statements are the responsibility of the Account's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these financial statements in accordance with generally accepted auditing standards which 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, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits, which included confirmation of securities at December 31, 1996 by correspondence with the custodians, provide a reasonable basis for the opinion expressed above.

PRICE WATERHOUSE LLP
Hartford, Connecticut
February 20, 1997

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The mutual funds' annual reports are incorporated herein by reference. Each of them has been electronically filed with the Securities and Exchange Commission in connection with the named entity's status as a registered investment company under the Investment Company Act of 1940:

1. The Alger American Fund
Annual Report, December 31, 1996, consisting of 40 partially numbered pages.
Filed: February 24, 1997, Form Type N-30D, Registration Statement 811-05550
2. Variable Insurance Products Fund
Annual Report, December 31, 1996, consisting of 92 partially numbered pages.
Filed: February 24, 1997, Form Type N-30D, Registration Statement 811-3329
3. Variable Insurance Products Fund II
Annual Report, December 31, 1996, consisting of 112 partially numbered pages.
Filed February 24, 1997, Form Type N-30D, Registration Statement 811-5511
4. MFS - Registered Trademark - Variable Insurance Trust
 - (a) MFS - Registered Trademark - Total Return Series Annual Report, December 31, 1996, consisting of 18 partially numbered pages, Filed March 5, 1997
 - (b) MFS - Registered Trademark - Utilities Series Annual Report, December 31, 1996, consisting of 18 partially numbered pages, Filed March 4, 1997
 - (c) MFS - Registered Trademark - World Governments Series Annual Report, December 31, 1996, consisting of 19 partially numbered pages, Filed March 5, 1997Form Type N-30D, Registration Statement 811-8326

5. Neuberger&Berman Advisers Management Trust
 - (a) Balanced Portfolio Annual Report, December 31, 1996, consisting of 37 partially numbered pages
 - (b) Maturity Bond Portfolio Annual Report, December 31, 1996, consisting of 35 partially numbered pages
 - (c) Partners Portfolio Annual Report, December 31, 1996, consisting of 33 partially numbered pagesFiled February 27, 1997, Form Type N-30D, Registration Statement 811-04255
6. OCC Accumulation Trust
Annual Report, December 31, 1996, consisting of 90 unnumbered pages
Filed March 6, 1997, Form Type N-30D, Registration Statement 811-8512

This report may be distributed only to current contract holders or to persons who have received a current ACCRU Variable Annuity or Variable Life Prospectus.

[LOGO]

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Hartford, CT 06152

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