

SECURITIES AND EXCHANGE COMMISSION

FORM 485BPOS

Post-effective amendments [Rule 485(b)]

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FILER

VARIABLE ACCOUNT A AMERICAN INTL LIFE ASSUR CO OF NEW YORK

CIK: **803401** | IRS No.: **136101875** | State of Incorporation: **NY** | Fiscal Year End: **1231**
Type: **485BPOS** | Act: **33** | File No.: **333-67866** | Film No.: **05791364**

Mailing Address
*80 PINE STREET
13TH FLOOR
NEW YORK NY 10270*

Business Address
*ONE ALICO PLAZA
600 KING STREET
WILMINGTON DE 19801
212-770-7000*

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SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM N-4
REGISTRATION
STATEMENT
UNDER
THE SECURITIES
ACT OF 1933

POST-EFFECTIVE
AMENDMENT NO.

4

AND/OR
REGISTRATION
STATEMENT
UNDER THE
INVESTMENT
COMPANY ACT OF
1940

AMENDMENT NO.

59

(CHECK APPROPRIATE
BOX OR BOXES)

VARIABLE
ACCOUNT A

(Exact Name of Registrant)

AMERICAN INTERNATIONAL LIFE ASSURANCE COMPANY OF NEW YORK

(Name of Depositor)

80 PINE STREET, NEW YORK, NEW YORK 10005

(Address of Depositor's Principal Offices) (Zip Code)

Depositor's Telephone Number, including Area Code: (713) 831-3150

LAUREN W. JONES, ESQ.

AMERICAN INTERNATIONAL LIFE ASSURANCE COMPANY OF NEW YORK

2929 ALLEN PARKWAY

HOUSTON, TEXAS 77019

(Name and Address of Agent for Service)

It is proposed that this filing will become effective:

- immediately upon filing pursuant to paragraph (b) of Rule 485
 - on _____ pursuant to paragraph (b) of Rule 485
 - 60 days after filing pursuant to paragraph (a) of Rule 485
 - on _____ pursuant to paragraph (a) of Rule 485
-

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VARIABLE ACCOUNT A

Cross Reference Sheet

PART A - PROSPECTUS

Item Number in Form N-4	Caption
1.	Cover Page
2.	Definitions
3.	Synopsis
4.	Condensed Financial Information
5.	General Description of Registrant, Depositor and Portfolio Companies
6.	Deductions
7.	General Description of Variable Annuity Contracts
8.	Annuity Period
9.	Death Benefit
10.	Purchases and Contract Value
11.	Redemptions
12.	Taxes

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Other Information

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PART B - STATEMENT OF ADDITIONAL INFORMATION

Certain information required in Part B of the Registration Statement has been included within the Prospectus forming part of this Registration Statement; the following cross-references suffixed with a "P" are made by reference to the captions in the Prospectus.

Item Number in Form N-4	Caption
15.	Cover Page
16.	Table of Contents
17.	General Information and History
18.	Services
19.	Purchase of Securities Being Offered
20.	Underwriters
21.	Calculation of Performance Data
22.	Annuity Payments
23.	Financial Statements

PART C

Information required to be included in Part C is set forth under the appropriate item, so numbered, in Part C of this Registration Statement.

PROSPECTUS

OVATION ADVISOR VARIABLE ANNUITY

issued by

AMERICAN INTERNATIONAL LIFE ASSURANCE COMPANY OF NEW YORK

through its

VARIABLE ACCOUNT A

This prospectus describes a variable annuity contract being offered to individuals and groups. It is a flexible premium, deferred annuity contract with a fixed investment option. Please read this prospectus carefully before investing and keep it for future reference.

The contract has several investment options to which you can allocate your money – both variable investment options listed below and a fixed investment option. The fixed investment option is part of our general account, which earns a minimum of 3% interest. The variable investment options are portfolios of the AllianceBernstein Variable Products Series Fund, Inc.

AllianceBernstein Variable Products
Series Fund, Inc. (managed by Alliance Capital Management L.P.)

AllianceBernstein Money Market Portfolio (Class B)

AllianceBernstein Global Bond Portfolio

AllianceBernstein Americas Government Income Portfolio

AllianceBernstein Global Dollar Government Portfolio

AllianceBernstein Small Cap Growth Portfolio

AllianceBernstein Global Technology Portfolio (Class B)

AllianceBernstein Real Estate Investment Portfolio

AllianceBernstein Growth Portfolio (Class B)

AllianceBernstein Small/Mid Cap Value Portfolio

AllianceBernstein Growth and Income Portfolio (Class B)

AllianceBernstein Total Return Portfolio

AllianceBernstein High Yield Portfolio

AllianceBernstein U.S. Government/High Grade Securities
Portfolio

AllianceBernstein International Portfolio

AllianceBernstein Utility Income Portfolio

AllianceBernstein International Value Portfolio

AllianceBernstein Value Portfolio (Class B)

AllianceBernstein Large Cap Growth Portfolio (Class B)

AllianceBernstein Worldwide Privatization Portfolio

To learn more about the contract, you can obtain a copy of the Statement of Additional Information (“SAI”) dated May 2, 2005. The SAI has been filed with the Securities and Exchange Commission (“SEC”) and is incorporated by reference into this prospectus. The table of contents of the SAI appears on the last page of this prospectus. For a free copy of the SAI, call us at (800) 255-8402 or write to us at Delaware Valley Financial Services, LLC, 300 Berwyn Park, P.O. Box 3031, Berwyn, PA 19312-0031.

In addition, the SEC maintains a website at <http://www.sec.gov> that contains the prospectus, SAI, materials incorporated by reference and other information that we have filed electronically with the SEC.

Variable annuities involve risks, including possible loss of principal. They are not a deposit of any bank or insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency.

The SEC has not approved or disapproved of the contract or passed upon the accuracy or adequacy of this prospectus. Any representation to the contrary is a criminal offense.

May 2, 2005

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DEFINITIONS

We have capitalized certain terms used in this prospectus. To help you understand these terms, we have defined them in this glossary.

Accumulation Unit – An accounting unit of measure used to calculate your Contract Value prior to the Annuity Date.

Administrative Office – The Annuity Service Office c/o Delaware Valley Financial Services, LLC, 300 Berwyn Park, P.O. Box 3031, Berwyn, Pennsylvania 19312-0031.

Annuitant – The person you designate to receive annuity payments and whose life determines the duration of annuity payments involving life contingencies. Certain annuity options under the contract may permit a Joint Annuitant.

Annuity Date – The date on which annuity payments begin.

Annuity Unit – An accounting unit of measure used to calculate annuity payments after the Annuity Date.

Contract Anniversary – An anniversary of the date we issued your contract.

Contract Value – The dollar value as of any Valuation Date of all amounts accumulated under your contract.

Contract Year – Each period of twelve months commencing with the date we issued your contract.

Premium Year – Any period of twelve months commencing with the date we receive a premium payment and ending on the same date in each succeeding twelve-month period thereafter.

Valuation Date – Each day that the New York Stock Exchange is open for trading.

Valuation Period – The period between the close of business on any Valuation Date and the close of business for the next succeeding Valuation Date.

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FEE TABLE

The following table describes the fees and expenses that you will pay at the time that you buy the contract, surrender the contract, or transfer cash value between investment options. State premium taxes may also be deducted.

Maximum Owner Transaction Expenses

Withdrawal Charges

(as a percentage of each Purchase Payment)

None

Transfer Fee

\$10 per transfer after the first 12 transfers in any contract year.

The following describes the fees and expenses that you may pay periodically during the time that you own the contract, not including underlying funds fees and expenses.

Contract Maintenance Fee(1)

\$30

Separate Account Annual Expenses

(deducted daily as a percentage of your average daily net asset value and the optional death benefit fees are deducted monthly as a percentage of your average daily net asset value)

Separate Account Annual Expenses

1.40%

Optional Annual Ratchet Plan

0.10%

Total Separate Account Annual Expenses

1.50%

PORTFOLIO EXPENSES

The following shows the minimum and maximum total operating expenses charged by the underlying Portfolio of the AllianceBernstein Variable Products Series Fund, Inc. ("Fund"). More detail concerning the Fund's fees and expenses is contained in the prospectus for the Fund. Please read the Fund prospectus carefully before investing.

	<u>Minimum</u>	<u>Maximum</u>
Total Annual Underlying Portfolio Operating Expenses		
(expenses that are deducted from underlying portfolios of the Fund, including management fees, other expenses and 12b-1 fees, if applicable)(2)	0.76%	1.93%

Footnotes to Fee Tables:

- (1) The contract maintenance fee may be waived if contract value is \$50,000 or more.
- (2) For individual expenses of each of the Variable Portfolios available in your contract, please refer to the Fund prospectus.

MAXIMUM AND MINIMUM EXPENSE EXAMPLES

These Examples are intended to help you compare the cost of investing in the contract with the cost of investing in other variable annuity contracts. These costs include owner transaction expenses, contract maintenance fees, separate account annual expenses and expenses of the underlying portfolios of the Fund.

The Examples assumes that you invest \$10,000 in the contract for the time periods indicated; that your investment has a 5% return each year; and that the maximum and minimum fees and expenses of the Fund are reflected. Although your actual costs may be higher or lower, based on these assumptions, your costs would be:

Maximum Expense Examples

(assuming maximum separate account annual expenses of 1.50% (including the Annual Ratchet Plan) and investment in an underlying Portfolio with total expenses of 1.93%)

- (1) If you surrender your contract at the end of the applicable time period and you elect the optional benefit at the maximum charge offered (the Annual Ratchet Plan at 0.10%):

1 Year	3 Years	5 Years	10 Years
\$349	\$ 1,062	\$ 1,798	\$ 3,738

- (2) If you annuitize your contract at the end of the applicable period:

1 Year	3 Years	5 Years	10 Years
\$339	\$ 1,033	\$ 1,750	\$ 3,649

- (3) If you do not surrender your contract and you elect the optional benefit at the maximum charge offered (the Annual Ratchet Plan at 0.10%):

1 Year	3 Years	5 Years	10 Years
\$349	\$ 1,062	\$ 1,798	\$ 3,738

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Minimum Expense Examples

(assuming minimum separate account annual expenses of 1.40% and investment in an underlying Portfolio with total expenses of 0.76%)

(1) If you surrender your contract at the end of the applicable time period and you do not elect any optional benefit:

1 Year	3 Years	5 Years	10 Years
\$222	\$ 685	\$1,175	\$2,524

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

1 Year	3 Years	5 Years	10 Years
\$222	\$ 685	\$1,175	\$2,524

(3) If you do not surrender your contract and you do not elect any optional benefit:

1 Year	3 Years	5 Years	10 Years
\$222	\$ 685	\$1,175	\$2,524

Explanation of Fee Table and Expenses

1. The purpose of the Fee Table is to show you the various expenses you would incur directly or indirectly by investing in the contract. The table represents both fees at the separate account (contract level) as well as portfolio company investment management expenses. We converted the contract maintenance fee to a percentage (0.03%). The actual impact of the contract maintenance fee may differ from this percentage and may be waived for contract values over \$50,000. Additional information on the portfolio company fees can be found in the Fund prospectus.
2. In addition to the stated assumptions, the Examples also assume separate account expenses as indicated and that no transfer fees were imposed. Although premium taxes may apply, they are not reflected in the Examples.
3. Examples reflecting application of an optional feature use the highest charge being offered for that feature.
4. **These examples should not be considered a representation of past or future expenses. Actual expenses may be greater or less than those shown.**

CONDENSED FINANCIAL INFORMATION

Historical accumulation unit values are contained in the Appendix A.

THE CONTRACT

General Description

An annuity is a contract between you, as the owner, and a life insurance company. The contract provides tax deferral for your earnings, which means your earnings accumulate on a tax-deferred basis until you take money out of your contract. It also provides a death benefit and a guaranteed income in the form of annuity payments beginning on a date you select. Until you, or another person you select as the Annuitant, begin to receive annuity payments, your annuity is in the accumulation phase. The income phase starts when we begin making annuity payments. If you die during the accumulation phase, we guarantee a death benefit to the surviving joint owner, if applicable, or to your beneficiary.

The contract is called a variable annuity because you can allocate your money among variable investment options. Each subaccount of our variable account invests in shares of a corresponding portfolio of a mutual fund. Depending on market conditions, the various portfolios may make or lose money. If you allocate money to the portfolios, your Contract Value during the accumulation phase will depend on their investment performance. In addition, the amount of the variable annuity payments you may receive will depend on the investment performance of the portfolios you select for the income phase.

The contract also has a fixed investment option that is part of our general account. Premium you allocate to the fixed investment option will earn interest at a fixed rate that we set. We guarantee the interest rate will never be less than 3%. Your Contract Value in the general account during the accumulation phase will depend on the total interest we credit. During the income phase, each annuity payment you receive from the fixed portion of your contract will be for the same amount.

Purchasing a Contract

Premium is the money you give us as payment to buy the contract, as well as any additional money you give us to invest in the contract after you own it. The minimum initial investment for both qualified and non-qualified contracts is \$2,000. You may add premium payments of \$1,000 or more to your contract at any time during the accumulation phase. You can pay scheduled subsequent premium of \$100 or more per month by enrolling in an automatic investment plan.

We may refuse any premium. In general, we will not issue a contract to anyone who is over age 85.

You may assign this contract before beginning the Income Phase by sending us a written request for an assignment. Your rights and those of any other person with rights under this contract will be subject to the assignment. **We reserve the right to not recognize assignments if it changes the risk profile of the owner of the contract, as determined in our sole discretion.** Please see the Statement of Additional Information for details on the tax consequences of an assignment.

Allocation of Premium

When you purchase a contract, you will tell us how to allocate your initial premium among the investment options. We will allocate additional premium in the same way unless you tell us otherwise.

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At the time of application, we must receive your initial premium at our Administrative Office before the contract will be effective. We will issue your contract and allocate your initial premium within two business days. If you do not give us all the necessary information we need to issue the contract, we will contact you to obtain it. If we are unable to complete this process within five business days, we will send your money back unless you allow us to keep it until we get all the necessary information.

Right to Examine Contract

If you change your mind about owning this contract, you can cancel it within ten days after receiving it (or longer if required by state law) by delivering it or mailing it back to our Administrative Office c/o Delaware Valley Financial Services, Inc., 300 Berwyn Park, P.O. Box 3031, Berwyn, PA 19312-0031. You will receive your Contract Value as of the day we receive your request if delivered or the date of the postmark if mailed, which may be more or less than the money you initially invested.

In certain states or if you purchase your contract as an individual retirement annuity, we may be required to return your premium. If you cancel your contract during the right to examine period, we will return to you an amount equal to your premium payments less any partial surrender.

Accumulation Units

The value of an Accumulation Unit may go up or down from day to day. When you pay a premium, we credit your contract with Accumulation Units. The number of Accumulation Units credited is determined by dividing the amount of premium allocated to a subaccount by the value of the Accumulation Unit for that subaccount. We calculate the value of an Accumulation Unit as of the close of business of the New York Stock Exchange ("NYSE") on each day that the NYSE is open for trading. Except in the case of initial premium, we credit Accumulation Units to your contract at the value next calculated after we receive your premium at our Administrative Office.

The Accumulation Unit value for each portfolio will vary from one valuation period to the next based on the investment experience of the assets in the portfolio and the deduction of certain charges and expenses. The SAI contains a detailed explanation of how Accumulation Units are valued.

Your value in any portfolio is determined by multiplying its unit value by the number of units you own. Your value within the variable investment options is the sum of your values in all the portfolios. The total value of your contract, referred to as the Contract Value, equals your value in the variable investment options plus your value in the fixed investment option.

Transfers During the Accumulation Phase

Subject to our rules, restrictions and policies, during the Accumulation Phase you may transfer funds between the Variable Portfolios and/or any available Fixed Account options by telephone or through the Company's website (<http://www.aigsunamerica.com>) or in writing by mail or facsimile. All transfer instructions submitted via facsimile must be sent to (818) 615-1543, otherwise they will not be considered received by us. We may accept transfers by telephone or the Internet unless you tell us not to on your contract application. When receiving instructions over the telephone or the Internet, we follow procedures we have adopted to provide reasonable assurance that the transactions executed are genuine. Thus, we are not responsible for any claim, loss or expense from any error resulting from instructions received over the telephone or the Internet. If we fail to follow our procedures, we may be liable for any losses due to unauthorized or fraudulent instructions.

Any transfer request will be priced as of the day it is confirmed in good order by us if the request is processed before Market Close. If the transfer request is processed after Market Close, the request will be priced as of the next business day.

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Funds already in your contract cannot be transferred into the DCA Fixed Accounts. You must transfer at least \$1,000 per transfer. If less than \$1,000 remains in any Variable Portfolio after a transfer, that amount must be transferred as well. ***

Transfer Policies

We do not want to issue this variable annuity contract to contract owners engaged in trading strategies that seek to benefit from short-term price fluctuations or price inefficiencies in the Variable Portfolios of this product (“Short-Term Trading”) and we discourage Short-Term Trading as more fully described below. However, we cannot always anticipate if a potential contract owner intends to engage in Short-Term Trading. Short-Term Trading may create risks that may result in adverse effects on investment return of an underlying fund. Such risks may include, but are not limited to: (1) interference with the management and planned investment strategies of an Underlying Fund and/or (2) increased brokerage and administrative costs due to forced and unplanned fund turnover; both of which may dilute the value of the shares in the Underlying Fund and reduce value for all investors in the Variable Portfolio. In addition to negatively impacting the contract owner, a reduction in contract value may also be harmful to annuitants and/or beneficiaries.

We have adopted the following administrative procedures to discourage Short-Term Trading.

We charge for transfers in excess of 12 in any contract year. Currently, the fee is \$10 for each transfer exceeding this limit. Transfers resulting from your participation in the DCA or Asset Rebalancing programs are not counted towards the number of free transfers per contract year.

In addition to charging a fee when you exceed 12 transfers as described in the preceding paragraph, all transfer requests in excess of 5 transfers within a rolling six-month look-back period must be submitted by United States Postal Service first-class mail (“U.S. Mail”) for twelve months from the date of your 5th transfer request (“Standard U.S. Mail Policy”). For example, if you made a transfer on February 15, 2004 and within the previous six months (from August 15, 2003 forward) you made 5 transfers including the February 15th transfer, then all transfers made for twelve months after February 15, 2004 must be submitted by U.S. Mail (from February 16, 2004 through February 15, 2005). We will not accept transfer requests sent by any other medium except U.S. Mail during this 12-month period. Transfer requests required to be submitted by U.S. Mail can only be cancelled by a written request sent by U.S. Mail with the appropriate paperwork received prior to the execution of the transfer. All transfers made on the same day prior to Market Close are considered one transfer request. Transfers resulting from your participation in the DCA or Asset Rebalancing programs are not included for the purposes of determining the number of transfers before applying the Standard U.S. Mail Policy. We apply the Standard U.S. Mail Policy uniformly and consistently to all contract owners except for omnibus group contracts as described below.

We believe that the Standard U.S. Mail Policy is a sufficient deterrent to Short-Term Trading and we do not conduct any additional routine monitoring. However, we may become aware of transfer patterns among the Variable Portfolios and/or available Fixed Accounts which reflect what we consider to be Short-Term Trading or otherwise detrimental to the Variable Portfolios but have not yet triggered the limitations of the Standard U.S. Mail Policy described above. If such transfer activity cannot be controlled by the Standard U.S. Mail Policy, we may require you to adhere to our Standard U.S. Mail Policy prior to reaching the specified number of transfers (“Accelerated U.S. Mail Policy”). To the extent we become aware of Short-Term Trading activities which cannot be reasonably controlled by the Standard U.S. Mail Policy or the Accelerated U.S. Mail Policy, we also reserve the right to

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evaluate, in our sole discretion, whether to impose further limits on the number and frequency of transfers you can make, impose minimum holding periods and/or reject any transfer request or terminate your transfer privileges. We will notify you in writing if your transfer privileges are terminated. In addition, we reserve the right to not accept transfers from a third party acting for you and not to accept preauthorized transfer forms.

Some of the factors we may consider when determining whether to accelerate the Standard U.S. Mail Policy, reject or impose other conditions on transfer privileges include:

- (1) the number of transfers made in a defined period;
- (2) the dollar amount of the transfer;
- (3) the total assets of the Variable Portfolio involved in the transfer and/or transfer requests that represent a significant portion of the total assets of the Variable Portfolio;
- (4) the investment objectives and/or asset classes of the particular Variable Portfolio involved in your transfers;
- (5) whether the transfer appears to be part of a pattern of transfers to take advantage of short-term market fluctuations or market inefficiencies; and/or
- (6) other activity, as determined by us, that creates an appearance, real or perceived, of Short-Term Trading.

Notwithstanding the administrative procedures above, there are limitations on the effectiveness of these procedures. Our ability to detect and/or deter Short-Term Trading is limited by operational systems and technological limitations. We cannot guarantee that we will detect and/or deter all Short-Term Trading. To the extent that we are unable to detect and/or deter Short-Term Trading, the Variable Portfolios may be negatively impacted as described above. Additionally, the Variable Portfolios may be harmed by transfer activity related to other insurance companies and/or retirement plans or other investors that invest in shares of the Underlying Fund. You should be aware that the design of our administrative procedures involves inherently subjective decisions, which we attempt to make in a fair and reasonable manner consistent with the interests of all owners of this contract. We do not enter into agreements with contract owners whereby we permit or intentionally disregard Short-Term Trading.

The Standard and Accelerated U.S. Mail Policies are applied uniformly and consistently to contract owners utilizing third party trading services performing asset allocation services for a number of contract owners at the same time. You should be aware that such third party trading services may engage in transfer activities that can also be detrimental to the Variable Portfolios. These transfer activities may not be intended to take advantage of short-term price fluctuations or price inefficiencies. However, such activities can create the same or similar risks to Short-Term Trading and negatively impact the Variable Portfolios as described above.

Omnibus group contracts may invest in the same Underlying Funds available in your contract but on an aggregate, not individual basis. Thus, we have limited ability to detect Short-Term Trading in omnibus group contracts and the Standard U.S. Mail Policy does not apply to these contracts. Our inability to detect Short-Term Trading may negatively impact the Variable Portfolios as described above.

We reserve the right to modify the policies and procedures described in this section at any time. To the extent that we exercise this reservation of rights, we will do so uniformly and consistently unless we disclose otherwise.

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For more information regarding transfers during the Income Phase, see Transfers During Income Phase below.

Dollar Cost Averaging

The contract has a feature that allows you to dollar cost average your allocations to the portfolios by authorizing us to make periodic allocations of Contract Value from either the money market portfolio or the fixed investment option to one or more of the other portfolios. Dollar cost averaging is a systematic method of investing in which securities are purchased at regular intervals in fixed dollar amounts so that the cost of the securities gets averaged over time and possibly over various market cycles. It will result in the reallocation of Contract Value to one or more portfolios and these amounts will be credited at the Accumulation Unit value as of the Valuation Dates on which the exchanges are affected. The amounts exchanged from a portfolio will result in a debiting of a greater number of units when the Accumulation Unit value is low and a lower number of units when the Accumulation Unit value is high.

To elect dollar cost averaging, you must have at least \$12,000 allocated to the money market portfolio or the fixed investment option. Transfer may occur on such periodic schedules such as monthly or weekly. You must send us a completed dollar cost averaging request form, which is available from the Administrative Office. We will not consider your request unless your Contract Value is allocated as required or the premium submitted is at least \$12,000.

There is no charge for the dollar cost averaging program. In addition, your periodic transfers under the dollar cost averaging program are not counted against your twelve free transfers per Contract Year. We reserve the right to modify, suspend or terminate the dollar cost averaging program at any time. Dollar cost averaging does not guarantee profits, nor does it assure that you will not have losses.

Asset Rebalancing Program

Once your premium has been allocated among the investment options, the earnings may cause the percentage invested in each investment option to differ from your allocation instructions. You can direct us to automatically rebalance your contract to return to your allocation percentages by selecting our asset rebalancing program. Rebalancing may be on a monthly, quarterly, semi annual or annual basis. To elect asset rebalancing, your Contract Value must be at least \$12,000.

There is no fee to participate in the asset rebalancing program. In addition, a rebalancing is not counted against your twelve free transfers each Contract Year. We reserve the right to modify, suspend or terminate this program at anytime.

INVESTMENT OPTIONS

Variable Investment Options

Variable Account A

Our board of directors authorized the organization of the variable account in 1986. The variable account is maintained pursuant to New York insurance law and is registered with the SEC as a unit investment trust under the Investment Company Act of 1940, as amended (the "1940 Act"). However, the SEC does not supervise the management or the investment practices of the variable account.

We own the assets in the variable account and use them to support the variable portion of your contract and other variable annuity contracts described in other prospectuses. The variable account's assets are

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separate from our other assets and are not chargeable with liabilities arising out of any other business we conduct. Income, gains or losses, whether or not realized, are credited to or charged against the subaccounts of the variable account without regard to income, gains or losses arising out of any of our other business. As a result, the investment performance of each subaccount of the variable account is entirely independent of the investment performance of our general account and of any of our other variable accounts.

The variable account is divided into subaccounts, each of which invests in shares of a different portfolio of a mutual fund. The variable account maintains subaccounts that are not available under the contract. We may, from time to time, add or remove subaccounts and the corresponding portfolios. No substitution of shares of one portfolio for another will be made until you have been notified and the SEC has approved the change. If deemed to be in the best interest of persons having voting rights under the contract, the variable account may be operated as a management company under the 1940 Act, may be deregistered under that Act in the event such registration is no longer required, or may be combined with one or more other variable accounts.

The Fund and Its Portfolios

The AllianceBernstein Variable Products Series Fund, Inc. is a mutual fund registered with the SEC. It has additional portfolios that are not available under the contract.

You should carefully read the fund's prospectus before investing. The fund prospectus is attached to this prospectus and contains information regarding management of the portfolios, investment objectives, investment advisory fees and other charges. The prospectus also discusses the risks involved in investing in the portfolios. Below is a summary of the investment objectives of the portfolios available under the contract. There is no assurance that any of these portfolios will achieve its stated objectives.

AllianceBernstein Global Bond Portfolio seeks a high level of return from a combination of current income and capital appreciation by investing in a globally diversified portfolio of high quality debt securities denominated in the U.S. dollar and a range of foreign currencies.

AllianceBernstein Global Dollar Government Portfolio seeks a high level of current income and, secondarily, capital appreciation.

AllianceBernstein Growth Portfolio (Class B) seeks to provide long-term growth of capital. Current income is incidental to the portfolio's objective.

AllianceBernstein Growth and Income Portfolio (Class B) seeks reasonable current income and reasonable opportunities for appreciation through investments primarily in dividend-paying common stocks of good quality.

AllianceBernstein High Yield Portfolio seeks to earn the highest level of current income without assuming undue risk by investing principally in high-yielding fixed income securities rated Baa or lower by Moody's or BBB or lower by S&P, Duff & Phelps or Fitch or, if unrated, of comparable quality.

AllianceBernstein International Portfolio seeks to obtain a total return on its assets from long-term growth of capital principally through a broad portfolio of marketable securities of established non-U.S. companies (or companies incorporated outside the U.S.), companies participating in foreign economies with prospects for growth, and foreign government securities.

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AllianceBernstein International Value Portfolio seeks long-term growth of capital by investing primarily in a diversified portfolio of non-U.S. equity securities with an emphasis on companies that the adviser believes are undervalued.

AllianceBernstein Money Market Portfolio (Class B) seeks safety of principal, excellent liquidity and maximum current income to the extent consistent with the first two objectives.

AllianceBernstein Americas Government Income Portfolio seeks the highest level of current income, consistent with what Alliance considers to be prudent investment risk, that is available from a portfolio of debt securities issued or guaranteed by the governments of the United States, Canada or Mexico, their political subdivisions (including Canadian Provinces, but excluding states of the United States), agencies, instrumentalities or authorities.

AllianceBernstein Large Cap Growth Portfolio (Class B) seeks growth of capital by pursuing aggressive investment policies.

AllianceBernstein Small Cap Growth Portfolio seeks growth of capital by pursuing aggressive investment policies. Current income is incidental to the portfolio's objective.

AllianceBernstein Real Estate Investment Portfolio seeks total return from long-term growth of capital and income principally through investing in equity securities of companies that are primarily engaged in or related to the real estate industry.

AllianceBernstein Small/Mid Cap Value Portfolio seeks long-term growth of capital by investing primarily in a diversified portfolio of equity securities of companies with small market capitalizations with an emphasis on companies that the adviser believes are undervalued.

AllianceBernstein Global Technology Portfolio (Class B) seeks growth of capital. Current income is incidental to the portfolio's objective.

AllianceBernstein Total Return Portfolio seeks to achieve a high return through a combination of current income and capital appreciation.

AllianceBernstein U.S. Government/High Grade Securities Portfolio seeks high current income consistent with preservation of capital.

AllianceBernstein Utility Income Portfolio seeks current income and capital appreciation by investing primarily in equity and fixed-income securities of companies in the utilities industry.

AllianceBernstein Value Portfolio (Class B) seeks long-term growth of capital by investing primarily in a diversified portfolio of equity securities of companies with relatively large market capitalizations that the adviser believes are undervalued.

AllianceBernstein Worldwide Privatization Portfolio seeks long-term capital appreciation.

Alliance Capital Management L.P. may compensate us for providing administrative services in connection with the portfolios that are offered under the contract. Such compensation is paid from its assets.

Fixed Investment Option

Premium you allocate to the fixed investment option is guaranteed and goes into our general account. The general account is not registered with the SEC. The general account is invested in assets permitted by state insurance law. It is made up of all of our assets other than assets attributable to our variable accounts. Unlike our variable account assets, assets in the general account are subject to claims of owners like you, as well as claims made by our other creditors.

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We credit money allocated to the fixed investment option with interest on a daily basis at the guaranteed rate then in effect. The rate of interest to be credited to the general account is determined wholly within our discretion. However, the rate will not be changed more than once per year. The interest rate will never be less than 3%.

If you allocate premium to the fixed investment option, the fixed portion of your Contract Value during the accumulation phase will depend on the total interest we credit to your contract. During the income phase, each annuity payment you receive from the fixed portion of your contract will be for the same amount.

We reserve the right to delay any payment from the general account for up to six months from the date we receive the request at our Administrative Office, as permitted by law.

CHARGES AND DEDUCTIONS

Insurance Charges

Each day, we deduct insurance charges from your Contract Value. This is done as part of our calculation of the value of Accumulation Units during the accumulation phase and of Annuity Units during the income phase. The insurance charges are the mortality, expense risk and administrative charge.

Mortality and Expense Risk Charge

The mortality and expense risk charge is equal, on an annual basis, to 1.25% of the daily value of the variable portion of your contract. We will not increase this charge. It compensates us for assuming the risks associated with our obligations to make annuity payments, provide the death benefit, and cover the cost of administering the contract. If the charges under the contract are not sufficient, we will bear the loss. If the charges are sufficient, we will keep the balance of this charge as profit.

Administrative Charge

The administrative charge is equal, on an annual basis, to 0.15% of the daily value of the variable portion of your contract. It compensates us for our administrative expenses, which include preparing the contract, confirmations and statements, and maintaining contract records. If this charge is not enough to cover the costs of administering the contract, we will bear the loss.

Optional Death Benefit Charges

The fee for the optional death benefit charges is deducted monthly as a percentage of your average daily net asset value as shown below.

Annual Ratchet Plan

0.10%

Contract Maintenance Fee

During the accumulation phase, we will deduct a contract maintenance fee of \$30 from your contract on each Contract Anniversary. We will not increase this fee. It compensates us for the expenses incurred to establish and maintain your contract. If you surrender the entire value of your contract, the contract maintenance fee will be deducted prior to the surrender. During the income phase, we will pro rate the contract maintenance fee and deduct it from the annuity payments.

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We do not deduct the contract maintenance fee if your Contract Value is \$50,000 or more when the deduction is to be made.

Premium Taxes

We will deduct from your Contract Value any premium tax imposed by the state or locality where you reside. Premium taxes currently imposed on the contract by various states range from 0% to 3.5% of premiums paid. These taxes are due either when premium is paid or when annuity payments begin. It is our current practice to charge you for these taxes when annuity payments begin or if you surrender the contract in full. In the future, we may discontinue this practice and assess the tax when it is due or upon the payment of the death benefit.

Income Taxes

Although we do not currently deduct any charges for income taxes attributable to your contract, we reserve the right to do so in the future.

Fund Expenses

There are deductions from and expenses paid out of the assets of the various portfolios. These charges are described in the prospectus for the AllianceBernstein Variable Products Series Fund, Inc. and are summarized in the fee table.

Reduction or Elimination of Certain Charges and Additional Amounts Credited

We may reduce or eliminate the administrative charge or change the minimum premium requirement when the contract is sold to groups of individuals under circumstances that reduce our sales expenses. We will determine the eligibility of such groups by considering factors such as:

- (1) the size of the group;
- (2) the total amount of premium we expect to receive from the group;
- (3) the nature of the purchase and the persistency we expect in that group;
- (4) the purpose of the purchase and whether that purpose makes it likely that expenses will be reduced; and
- (5) any other circumstances that we believe are relevant in determining whether reduced sales expenses may be expected.

We may also waive or reduce the contract maintenance fee in connection with contracts sold to employees, employees of affiliates, registered representatives, employees of broker-dealers which have a current selling agreement with us, and immediate family members of those persons. Any reduction or waiver may be withdrawn or modified by us.

ACCESS TO YOUR MONEY

Generally

Contract Value is available in the following ways:

- by surrendering all or part of your Contract Value during the accumulation phase;
- by receiving annuity payments during the income phase;
- when we pay a death benefit.

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Generally, surrenders are subject to a contract maintenance fee and, if it is a full surrender, premium taxes. Surrenders may also be subject to income tax and a penalty tax.

To make a surrender you must send a complete and detailed written request to our Administrative Office. We will calculate your surrender as of the close of business of the NYSE at the value next determined after we receive your request. To surrender your entire Contract Value, you must also send us your contract.

Under most circumstances, partial surrenders must be for a minimum of \$500. We require that your Contract Value be at least \$2,000 after the partial surrender. If the Contract Value would be less than \$2,000 as a result of a partial surrender, we may cancel the contract. Unless you provide us with different instructions, partial surrenders will be made pro rata from each investment option in which your contract is invested.

We may be required to suspend or postpone the payment of a surrender for an undetermined period of time when:

the NYSE is closed (other than a customary weekend and holiday closings);

trading on the NYSE is restricted;

an emergency exists such that disposal of or determination of the value of shares of the portfolios is not reasonably practicable;

the SEC, by order, so permits for the protection of owners.

Systematic Withdrawal Program

The systematic withdrawal program allows you to make regularly scheduled withdrawals from your Contract Value of at least \$200 each on a monthly, quarterly, semiannual, or annual basis. In order to initiate the program, your Contract Value must be at least \$24,000. A maximum of 10% of your premium payments may be withdrawn in a Contract Year.

There is no charge for participating in this program. You may not elect this program if you have made a partial surrender earlier in the same Contract Year.

In the event that your value in a specified portfolio or the fixed investment option is not sufficient to make a withdrawal or if your request for systematic withdrawal does not specify the investment options from which to deduct withdrawals, withdrawals will be deducted pro rata from your Contract Value in each portfolio and the fixed investment option.

You may cancel the systematic withdrawal program at any time by written request. It will be cancelled automatically if your Contract Value falls below \$1,000. In the event the systematic withdrawal program is canceled, you may not elect to participate in the program again until the next Contract Anniversary.

If your contract is issued in connection with an individual retirement annuity or 403(b) Plan, you are cautioned that your rights to implement a systematic withdrawal program may be subject to the terms and conditions of your plan, regardless of the terms and conditions of your contract. Moreover, implementation of the systematic withdrawal program may subject you to adverse tax consequences, including a 10% tax penalty if you are under age 59 ¹/₂. See *"Taxes" for a discussion of the various tax consequences.*

For information, including the necessary enrollment form, please check with our Administrative Office. We reserve the right to modify, suspend or terminate this program at any time.

ANNUITY PAYMENTS

Generally

Beginning on the Annuity Date, the Annuitant will receive monthly annuity payments. You may choose annuity payments that are fixed, variable or a combination of fixed and variable.

You select the Annuity Date, which must be the first day of a month and must be at least one year after we issue your contract. You may change the Annuity Date at least 30 days before payments are to begin. However, annuity payments must begin by the first day of the month following the Annuitant's 90th birthday. Certain states may require that annuity payments begin prior to such date and we must comply with those requirements.

You may change the Annuitant at any time prior to the Annuity Date. If you are not the Annuitant and the Annuitant dies before the Annuity Date, you must notify us and designate a new Annuitant.

Annuity Options

The contract offers the three annuity options described below. Other annuity options may be made available, including other guarantee periods and options without life contingencies, subject to our discretion. If you do not choose an annuity option, we will make annuity payments in accordance with option 2. However, if the annuity payments are for joint lives, we will make payments in accordance with option 3. Where permitted by state law, we may pay the annuity in one lump sum if your Contract Value is less than \$2,000 or annuity payments would be less than \$20 per month. In addition, if your annuity payments would be less than \$100 per month, we have the right to change the frequency of your payment to be on a semiannual or annual basis so that the payments are at least \$100.

Option 1 – Life Income

Under this option, we will make monthly annuity payments as long as the Annuitant is alive. Annuity payments stop when the Annuitant dies.

Option 2 – Life Income With 10 Year Guarantee

Under this option, we will make monthly annuity payments as long as the Annuitant is alive with the additional guarantee that payments will be made for a period you select of at least 10 years. If the Annuitant dies before all guaranteed payments have been made, the rest will be paid to the beneficiary for the remainder of the period.

Option 3 – Joint and Last Survivor Annuity

Under this option, we will make monthly annuity payments as long as either the Annuitant or Joint Annuitant is alive. Upon the death of the Annuitant, we will continue to make annuity payments so long as the Joint Annuitant is alive. If your contract is issued as an individual retirement annuity, payments under this option will be made only to you as Annuitant or to your spouse. Upon the death of either of you, we will continue to make annuity payments so long as the survivor is alive.

Variable Annuity Payments

The value of variable income payments, if elected, is based on an assumed interest rate ("AIR") of 5% compounded annually. Variable income payments generally increase or decrease from one income

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payment date to the next based upon the performance of the applicable variable investment options. If the performance of the variable investment options selected is equal to the AIR, the income payments will remain constant. If performance of variable investment options is greater than the AIR, the income payments will increase and if it is less than the AIR, the income payments will decline.

If you choose to have any portion of your annuity payments based on the variable investment options, the amount of your payments will depend upon:

- your Contract Value in the portfolios on the Annuity Date;
- the 5% assumed investment rate used in the annuity table for the contract;
- the performance of the portfolios you selected;
- the annuity option you selected.

If the actual performance exceeds the 5% assumed rate, the annuity payments will increase. Similarly, if the actual rate is less than 5%, the annuity payments will decrease. The SAI contains more information.

Transfers During Income Phase

Transfers during the income phase are subject to the same limitations as transfers during the accumulation phase. *See "The Contract – Transfers During Accumulation Phase."* However, you may only make one transfer each month and you may only transfer money among the variable investment options. You may not transfer money from the fixed investment option to the variable investment options or from the variable investment options to the fixed investment option.

Deferment of Payments

We may defer making fixed annuity payments for up to six months subject to state law. We will credit interest to you during the deferral period.

DEATH BENEFIT

Death of Owner Before the Annuity Date

If you die before the Annuity Date and the contract is jointly owned, the death benefit is payable to the surviving joint owner. If you die before the Annuity Date and there is no surviving joint owner, the death benefit is payable to the beneficiary. We will determine the value of the death benefit as of the date we receive proof of death in a form acceptable to us. If ownership is changed from one natural person to another natural person, the death benefit will equal the Contract Value. If the surviving joint owner, if any, or designated beneficiary is your spouse, he or she can elect to continue the contract and become the owner. We determine the amount of the death benefit based on the death benefit option you select at the time of application, if any, and calculate it in accordance with the terms of that option as described below. The amount of the death benefit will never be less than the traditional death benefit. The optional death benefit may not be available in all states.

Traditional Death Benefit

Under the traditional death benefit, we will pay the amount equal to the greater of:

- (1) the Contract Value; or

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- (2) the total of all premium paid reduced proportionally by any surrenders in the same proportion that the Contract Value was reduced on the date of a surrender;

The traditional death benefit will be paid unless you specify otherwise.

Optional Death Benefit

Annual Ratchet Plan. We will pay a death benefit equal to the greatest of:

- (1) the Contract Value;
- (2) the total of all premium paid reduced proportionally by any surrenders in the same proportion that the Contract Value was reduced on the date of a surrender; or
- (3) the greatest Contract Value at any Contract Anniversary reduced proportionally by any surrenders subsequent to that Contract Anniversary in the same proportion that the Contract Value was reduced on the date of a surrender, plus any premiums paid subsequent to that Contract Anniversary.

The annual ratchet plan will be in effect if:

- (1) you select it on your application; and
- (2) the charge for the annual ratchet plan is shown in your contract.

The annual ratchet plan will cease to be in effect when we receive your written request to discontinue it.

Payment to Surviving Joint Owner or Beneficiary

Upon your death if prior to the Annuity Date, the surviving joint owner or the beneficiary, as applicable, may elect the death benefit to be paid as follows:

- (1) payment of the entire death benefit within five years of the date of your death; or
- (2) payment over the recipient's lifetime with distribution beginning within one year of your date of death.

If no payment option is elected within sixty days of our receipt of proof of your death, a single sum settlement will be made at the end of the sixty-day period following such receipt. Upon payment of a death benefit, the contract will end.

Death of Owner After the Annuity Date

If you are not the Annuitant, and if your death occurs on or after the Annuity Date, no death benefit will be payable under the contract. Any guaranteed payments remaining unpaid will continue to be paid to the Annuitant pursuant to the annuity option in force at the date of your death. If the contract is not owned by an individual, the Annuitant will be treated as the owner and any change of the named Annuitant will be treated as if the owner died.

Death of Annuitant

Before the Annuity Date

If you are not the Annuitant, and if the Annuitant dies before the Annuity Date, you may name a new Annuitant. If you do not name a new Annuitant within sixty days after we are notified of the Annuitant's death, we will deem you to be the new Annuitant.

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After the Annuity Date

If an Annuitant dies after the Annuity Date, the remaining payments, if any, will be as specified in the annuity option in effect when the Annuitant died. We will require proof of the Annuitant's death. The remaining benefit, if any, will be paid to the beneficiary at least as rapidly as under the method of distribution in effect at the Annuitant's death. If you were not the Annuitant and no beneficiary survives the Annuitant, we will pay any remaining benefit to you.

PERFORMANCE

Occasionally, we may advertise certain performance information for one or more subaccounts, including average annual total return and yield information. A subaccount's performance information is based on its past performance only and is not intended as an indication of future performance.

When we advertise the average annual total return of a subaccount, it will be calculated for one, five, and ten year periods or, where a subaccount has been in existence for a period of less than one, five, or ten years, for such lesser period. Average annual total return is measured by comparing the value of the investment in a subaccount at the beginning of the relevant period to the value of the investment at the end of the period. Then the average annual compounded rate of return is calculated to produce the value of the investment at the end of the period. We may simultaneously present returns that do not reflect all of the contract charges.

When we advertise the yield of a subaccount, we will calculate it based upon a given thirty-day period. The yield is determined by dividing the net investment income earned per Accumulation Unit during the period by the value of an Accumulation Unit on the last day of the period.

When we advertise the performance of the money market subaccount, we may advertise the yield or the effective yield in addition to the average annual total return. The yield of the money market subaccount refers to the income generated by an investment in that subaccount over a seven-day period. The income is then annualized (i.e., the amount of income generated by the investment during that week is assumed to be generated each week over a 52-week period and is shown as a percentage of the investment). The effective yield is calculated similarly but when annualized the income earned by an investment in the money market subaccount is assumed to be reinvested. The effective yield will be slightly higher than the yield because of the compounding effect of this assumed reinvestment during a 52-week period.

Average annual total return at the variable account level is lower than at the underlying portfolio level because it is reduced by all contract charges except the optional benefit charge (i.e., mortality and expense risk charge, administrative charge, and contract maintenance fee). Similarly, yield and effective yield at the variable account level are lower than at the portfolio level because they are also reduced by all contract charges except the optional benefit charge.

TAXES

Note: The basic summary below addresses broad federal taxation matters, and generally does not address state taxation issues or questions. It is not tax advice. We caution you to seek competent tax advice about your own circumstances. We do not guarantee the tax status of your annuity. Tax laws constantly change; therefore, we cannot guarantee that the information contained herein is complete and/or accurate. We have included an additional discussion regarding taxes in the SAI.

Annuity Contracts in General

The Internal Revenue Code (“IRC”) provides for special rules regarding the tax treatment of annuity contracts. Generally, taxes on the earnings in your annuity contract are deferred until you take the money out. Qualified retirement investments that satisfy specific tax and ERISA requirements automatically provide tax deferral regardless of whether the underlying contract is an annuity, a trust, or a custodial account. Different rules apply depending on how you take the money out and whether your contract is Qualified or Non-Qualified.

If you do not purchase your contract under a pension plan, a specially sponsored employer program or an individual retirement account, your contract is referred to as a Non-Qualified contract. A Non-Qualified contract receives different tax treatment than a Qualified contract. In general, your cost in a Non-Qualified contract is equal to the Purchase Payments you put into the contract. You have already been taxed on the cost basis in your contract.

If you purchase your contract under a pension plan, a specially sponsored employer program or as an individual retirement account, your contract is referred to as a Qualified contract. Examples of qualified plans or arrangements are: Individual Retirement Accounts (“IRAs”), Roth IRAs, Tax-Sheltered Annuities (referred to as 403(b) contracts), plans of self-employed individuals (often referred to as H.R. 10 Plans or Keogh Plans) and pension and profit sharing plans, including 401(k) plans. Typically, for employer plans and tax-deductible IRA contributions, you have not paid any tax on the Purchase Payments used to buy your contract and therefore, you have no cost basis in your contract. However, you normally will have cost basis in a Roth IRA, and you may have cost basis in a traditional IRA or in another Qualified Contract.

Tax Treatment of Distributions – Non-Qualified Contracts

If you make a partial or total withdrawal from a Non-Qualified contract, the IRC treats such a withdrawal as first coming from the earnings and then as coming from your Purchase Payments. Purchase payments made prior to August 14, 1982, however, are an important exception to this general rule, and for tax purposes are treated as being distributed before the earnings on those contributions. If you annuitize your contract, a portion of each income payment will be considered, for tax purposes, to be a return of a portion of your Purchase Payment(s). Any portion of each income payment that is considered a return of your Purchase Payment will not be taxed. Withdrawn earnings are treated as income to you and are taxable. The IRC provides for a 10% penalty tax on any earnings that are withdrawn other than in conjunction with the following circumstances: (1) after reaching age 59 1/2; (2) when paid to your Beneficiary after you die; (3) after you become disabled (as defined in the IRC); (4) when paid in a series of substantially equal periodic payments calculated over your life or for the joint lives of you and your Beneficiary for a period of 5 years or attainment of age 59 1/2, whichever is longer; (5) under an immediate annuity; or (6) which are attributable to Purchase Payments made prior to August 14, 1982.

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Tax Treatment of Distributions – Qualified Contracts (including governmental 457(b) eligible deferred compensation plans)

Generally, you have not paid any taxes on the Purchase Payments used to buy a Qualified contract. As a result, with certain limited exceptions, any amount of money you take out as a withdrawal or as income payments is taxable income. In the case of certain Qualified contracts, the IRC further provides for a 10% penalty tax on any taxable withdrawal or income payment paid to you other than in conjunction with the following circumstances: (1) after reaching age 59 1/2; (2) when paid to your Beneficiary after you die; (3) after you become disabled (as defined in the IRC); (4) in a series of substantially equal periodic payments calculated over your life or for the joint lives of you and your Beneficiary, that begins after separation from service with the employer sponsoring the plan and continued for a period of 5 years until you attain age 59 1/2, whichever is longer; (5) to the extent such withdrawals do not exceed limitations set by the IRC for deductible amounts paid during the taxable year for medical care; (6) to fund higher education expenses (as defined in the IRC; only from an IRA); (7) to fund certain first-time home purchase expenses (only from an IRA); (8) when you separate from service after attaining age 55 (does not apply to an IRA); (9) when paid for health insurance, if you are unemployed and meet certain requirements; and (10) when paid to an alternate payee pursuant to a qualified domestic relations order (does not apply to IRAs). This 10% penalty tax does not apply to withdrawals or income payments from governmental 457(b) eligible deferred compensation plans, except to the extent that such withdrawals or income payments are attributable to a prior rollover to the plan (or earnings thereon) from another plan or arrangement that was subject to the 10% penalty tax.

The IRC limits the withdrawal of an employee's voluntary Purchase Payments from a Tax-Sheltered Annuity (TSA). Withdrawals can only be made when an owner (1) reaches age 59 1/2; (2) severs employment with the employer; (3) dies; (4) becomes disabled (as defined in the IRC); or (5) experiences a financial hardship (as defined in the IRC). In the case of hardship, the owner can only withdraw Purchase Payments. Additional plan limitations may also apply. Amounts held in a TSA annuity contract as of December 31, 1988 are not subject to these restrictions. Qualifying transfers of amounts from one TSA contract to another TSA contract under section 403(b) or to a custodial account under section 403(b) (7), and qualifying transfers to a state defined benefit plan to purchase service credits, are not considered distributions, and thus are not subject to these withdrawal limitations. If amounts are transferred from a custodial account described in Code section 403(b) (7) to this contract the transferred amount will retain the custodial account withdrawal restrictions.

Withdrawals from other Qualified Contracts are often limited by the IRC and by the employer's plan.

Minimum Distributions

Generally, the IRC requires that you begin taking annual distributions from qualified annuity contracts by April 1 of the calendar year following the later of (1) the calendar year in which you attain age 70 1/2 or (2) the calendar year in which you separate from service from the employer sponsoring the plan. If you own an IRA, you must begin taking distributions when you attain age 70 1/2. If you own more than one TSA, you may be permitted to take your annual distributions in any combination from your TSAs. A similar rule applies if you own more than one IRA. However, you cannot satisfy this distribution requirement for your TSA contract by taking a distribution from an IRA, and you cannot satisfy the requirement for your IRA by taking a distribution from a TSA.

You may be subject to a surrender charge on withdrawals taken to meet minimum distribution requirements, if the withdrawals exceed the contract's maximum penalty free amount.

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Failure to satisfy the minimum distribution requirements may result in a tax penalty. You should consult your tax advisor for more information.

You may elect to have the required minimum distribution amount on your contract calculated and withdrawn each year under the automatic withdrawal option. You may select monthly, quarterly, semiannual, or annual withdrawals for this purpose. This service is provided as a courtesy and we do not guarantee the accuracy of our calculations. Accordingly, we recommend you consult your tax advisor concerning your required minimum distribution. You may terminate your election for automated minimum distribution at any time by sending a written request to our Annuity Service Center. We reserve the right to change or discontinue this service at any time.

The IRS issued regulations, effective January 1, 2003, regarding required minimum distributions from qualified annuity contracts. One of the regulations effective January 1, 2006 require that the annuity contract value used to determine required minimum distributions include the actuarial value of other benefits under the contract, such as optional death benefits. This regulation does not apply to required minimum distributions made under an irrevocable annuity income option. Generally, we are currently awaiting further clarification from the IRS on this regulation, including how the value of such benefits is determined. You should discuss the effect of these new regulations with your tax advisor.

Tax Treatment of Death Benefits

Any death benefits paid under the contract are taxable to the Beneficiary. The rules governing the taxation of payments from an annuity contract, as discussed above, generally apply whether the death benefits are paid as lump sum or annuity payments. Estate taxes may also apply.

Certain enhanced death benefits may be purchased under your contract. Although these types of benefits are used as investment protection and should not give rise to any adverse tax effects, the IRS could take the position that some or all of the charges for these death benefits should be treated as a partial withdrawal from the contract. In that case, the amount of the partial withdrawal may be includible in taxable income and subject to the 10% penalty if the owner is under 59^{1/2}.

If you own a Qualified contract and purchase these enhanced death benefits, the IRS may consider these benefits “incidental death benefits.” The IRC imposes limits on the amount of the incidental death benefits allowable for Qualified contracts. If the death benefit(s) selected by you are considered to exceed these limits, the benefit(s) could result in taxable income to the owner of the Qualified contract. Furthermore, the IRC provides that the assets of an IRA (including a Roth IRA) may not be invested in life insurance, but may provide, in the case of death during the Accumulation Phase, for a death benefit payment equal to the greater of Purchase Payments or Contract Value. This contract offers death benefits, which may exceed the greater of Purchase Payments or Contract Value. If the IRS determines that these benefits are providing life insurance, the contract may not qualify as an IRA (including Roth IRAs). You should consult your tax advisor regarding these features and benefits prior to purchasing a contract.

Contracts Owned by a Trust or Corporation

A Trust or Corporation (“Non-Natural Owner”) that is considering purchasing this contract should consult a tax advisor. Generally, the IRC does not treat a Non-Qualified contract owned by a non-natural owner as an annuity contract for Federal income tax purposes. The non-natural owner pays tax currently on the contract’s value in excess of the owner’s cost basis. However, this treatment is not applied to a contract held by a trust or other entity as an agent for a natural person nor to contracts held by Qualified Plans. *See the SAI for a more detailed discussion of the potential adverse tax consequences associated with non-natural ownership of a non-qualified annuity contract.*

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Gifts, Pledges and/or Assignments of a Contract

If you transfer ownership of your Non-Qualified contract to a person other than your spouse (or former spouse incident to divorce) as a gift you will pay federal income tax on the contract's cash value to the extent it exceeds your cost basis. The recipient's cost basis will be increased by the amount on which you will pay federal taxes. In addition, the IRC treats any assignment or pledge (or agreement to assign or pledge) of any portion of a Non-Qualified contract as a withdrawal. *See the SAI for a more detailed discussion regarding potential tax consequences of gifting, assigning, or pledging a Non-Qualified contract.*

The IRC prohibits Qualified annuity contracts including IRAs from being transferred, assigned or pledged as security for a loan. This prohibition, however, generally does not apply to loans under an employer-sponsored plan (including loans from the annuity contract) that satisfy certain requirements, provided that: (a) the plan is not an unfunded deferred compensation plan; and (b) the plan funding vehicle is not an IRA.

Diversification and Investor Control

The IRC imposes certain diversification requirements on the underlying investments for a variable annuity. We believe that the management of the Underlying Funds monitors the Funds so as to comply with these requirements. To be treated as a variable annuity for tax purposes, the underlying investments must meet these requirements.

The diversification regulations do not provide guidance as to the circumstances under which you, and not the Company, would be considered the owner of the shares of the Variable Portfolios under your Non-Qualified Contract, because of the degree of control you exercise over the underlying investments. This diversification requirement is sometimes referred to as "investor control." It is unknown to what extent owners are permitted to select investments, to make transfers among Variable Portfolios or the number and type of Variable Portfolios owners may select from. If any guidance is provided which is considered a new position, then the guidance should generally be applied prospectively. However, if such guidance is considered not to be a new position, it may be applied retroactively. This would mean that you, as the owner of the Non-qualified Contract, could be treated as the owner of the underlying Variable Portfolios. Due to the uncertainty in this area, we reserve the right to modify the contract in an attempt to maintain favorable tax treatment.

These investor control limitations generally do not apply to Qualified Contracts, which are referred to as "Pension Plan Contracts" for purposes of this rule, although the limitations could be applied to Qualified Contracts in the future.

OTHER INFORMATION

American International Life Assurance Company of New York

We are a stock life insurance company organized under the laws of New York. We were incorporated in 1962. Our principal business address is 80 Pine Street, New York, New York 10005. We provide a full range of life insurance and annuity plans. We are an indirect wholly-owned subsidiary of American International Group, Inc. ("AIG"), which serves as the holding company for a number of companies engaged in the international insurance business in approximately 130 countries and jurisdictions around the world.

We may occasionally publish in advertisements, sales literature and reports the ratings and other information assigned to AIG by one or more independent rating organizations such as A.M. Best

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Company, Moody's and Standard & Poor's. The purpose of the ratings is to reflect the rating organization's opinion of our financial strength and should not be considered as bearing on the investment performance of assets held in the variable account.

The ratings are not recommendations to purchase our life insurance or annuity products or to hold or sell these products, nor do the ratings comment on the suitability of such products for a particular investor. There can be no assurance that any rating will remain in effect for any given period of time or that any rating will not be lowered or withdrawn entirely by a rating organization if, in such organization's judgment, future circumstances so warrant. The ratings do not reflect the investment performance of the variable account or the degree of risk associated with an investment in the variable account.

Ownership

This prospectus describes both individual flexible premium deferred variable annuity contracts and group flexible premium deferred variable annuity contracts. The individual and group contracts described in this prospectus are identical except that the individual contract is issued directly to the individual owner. A group contract is issued to a contract holder for the benefit of the participants in the group. If you are a participant in the group you will receive a certificate evidencing your ownership. You, either as the owner of an individual contract or as the owner of a certificate, are entitled to all the rights and privileges of ownership. As used in this prospectus, the term contract is equally applicable to an individual contract or to a certificate.

Voting Rights

To the extent required by law, we will vote the portfolio shares held in the variable account at shareholder meetings in accordance with instructions received from persons having a voting interest in the portfolio. However, if legal requirements or our interpretation of present law changes to permit us to vote the portfolio shares in our own right, we may elect to do so.

Prior to the Annuity Date, you hold a voting interest in each portfolio in whose corresponding subaccount you have Contract Value. We determine the number of portfolio shares that are attributable to you by dividing the corresponding value in a particular portfolio by the net asset value of one portfolio share. After the Annuity Date, we determine the number of portfolio shares that are attributable to you by dividing the reserve maintained in a particular portfolio to meet the obligations under the contract by the net asset value of one portfolio share. The number of votes that you will have a right to cast will be determined as of the record date established by each portfolio.

We will solicit voting instructions by mail prior to the shareholder meeting. Each person having a voting interest in a portfolio will receive proxy material, reports and other materials relating to the appropriate portfolios. We will vote shares in accordance with instructions received from the person having a voting interest. We will vote shares for which we receive no timely instructions and any shares not attributable to owners in proportion to the voting instructions we have received.

The voting rights relate only to amounts invested in the variable account. There are no voting rights with respect to funds allocated to the fixed investment option.

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Payments in Connection with Distribution of the Contract

Payments to Broker-Dealers

Registered representatives of broker-dealers sell the contract. We pay commissions to the broker-dealers for the sale of your contract (“Contract Commissions”). There are different structures by which a broker-dealer can choose to have their Contract Commissions paid. For example, as one option, we may pay upfront Contract Commission only, that may be up to a maximum 1.40% of each Purchase Payment you invest (which may include promotional amounts). Another option may be a lower upfront Contract Commission on each Purchase Payment, with a trail commission of up to a maximum 1.40% of contract value annually. Generally, the higher the upfront commissions, the lower the trail and vice versa. We pay Contract Commissions directly to the broker-dealer with whom your registered representative is affiliated. Registered representatives may receive a portion of these amounts we pay in accordance with any agreement in place between the registered representative and his/her broker-dealer firm.

We may pay broker-dealers support fees in the form of additional cash or non-cash compensation. These payments may be intended to reimburse for specific expenses incurred or may be based on sales, certain assets under management, longevity of assets invested with us or a flat fee. These payments may be consideration for, among other things, product placement/preference, greater access to train and educate the firm’s registered representatives about our products, our participation in sales conferences and educational seminars and allowing broker-dealers to perform due diligence on our products. The amount of these fees may be tied to the anticipated level of our access in that firm. We enter into such arrangements in our discretion and we may negotiate customized arrangements with firms, including affiliated and non-affiliated broker-dealers based on various factors. We do not deduct these amounts directly from your Purchase Payments. We anticipate recovering these amounts from the fees and charges collected under the contract.

Contract commissions and other support fees may influence the way that a broker-dealer and its registered representatives market the contracts and service customers who purchase the contracts and may influence the broker-dealer and its registered representatives to present this contract over others available in the market place. You should discuss with your broker-dealer and/or registered representative how they are compensated for sales of a contract and/or any resulting real or perceived conflicts of interest.

Our affiliate, AIG Equity Sales Corp. (“AIGESC”), 70 Pine Street, New York, New York, acts as the distributor of the contract. AIGESC is a wholly owned subsidiary of American International Group, Inc. No underwriting fees are paid in connection with the distribution of the contracts.

Payments We Receive

In addition to amounts received pursuant to established 12b-1 Plans from the Underlying Funds, we receive compensation of up to 0.20% annually based on assets under management from the Series Fund’s investment adviser or its affiliates for services related to the availability of the Underlying Funds in the contract. Furthermore, the Series Fund’s investment adviser or its affiliates may help offset the costs we incur for training to support sales of the Underlying Funds in the contract.

Administration of the Contract

We send out transaction confirmations and quarterly statements. During the Accumulation Phase, you will receive confirmation of transactions within your contract. Transactions made pursuant to contractual or systematic agreements, such as deduction of the Contract Maintenance Charge and

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Dollar Cost Averaging, may be confirmed quarterly. Purchase Payments received through the automatic payment plan or a salary reduction arrangement, may also be confirmed quarterly. For all other transactions, We send confirmations immediately. It is your responsibility to review these documents carefully and notify Us of any inaccuracies immediately. We investigate all inquiries. To the extent that We believe We made an error, We retroactively adjust your contract, provided you notify Us within 30 days of receiving the transaction confirmation or quarterly statement. Any other adjustments We deem warranted are made as of the time We receive notice of the error.

Please contact our Annuity Service Center if you have any comment, question or service request:

Delaware Valley Financial Services
P.O. Box 3031
Berwyn, PA 19312-0031
(800)255-8402

Legal Proceedings

There are no pending legal proceedings that, in our judgment, are material with respect to the variable account.

FINANCIAL STATEMENTS

Financial statements of American International Life Assurance Company of New York and of the Variable Account A are included in the SAI, which may be obtained without charge by calling (800) 255-8402 or writing to Delaware Valley Financial Services, LLC, 300 Berwyn Park, P.O. Box 3031, Berwyn, PA 19312-0031. The financial statements have also been filed electronically with the SEC and can be obtained through its website at <http://www.sec.gov>.

APPENDIX A

CONDENSED FINANCIAL INFORMATION
AIL OVATION ADVISOR VARIABLE ACCOUNT A
ACCUMULATION UNIT VALUES
AS OF DECEMBER 31, 2004

	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
ALLIANCEBERNSTEIN VARIABLE PRODUCTS SERIES FUND, INC.				
ALLIANCEBERNSTEIN GLOBAL BOND PORTFOLIO				
Accumulation Unit Value				
Beginning of Period	16.75	15.00	13.01	N/A
End of Period	18.11	16.75	15.00	13.01
Accum Units o/s @ end of period	79,929.52	117,991.55	106,481.38	87,368.37
ALLIANCEBERNSTEIN GLOBAL DOLLAR GOVERNMENT PORTFOLIO				
Accumulation Unit Value				
Beginning of Period	28.50	21.66	18.91	N/A
End of Period	30.94	28.50	21.66	18.91
Accum Units o/s @ end of period	82,597.77	123,888.61	96,972.15	104,669.97
ALLIANCEBERNSTEIN GROWTH PORTFOLIO (CLASS B)				
Accumulation Unit Value				
Beginning of Period	21.92	16.50	23.33	N/A

End of Period

24.75 21.92 16.50 23.33

Accum Units o/s @ end of period

130,538.53 134,652.50 108,564.33 73,965.26

ALLIANCEBERNSTEIN GROWTH & INCOME PORTFOLIO (CLASS B)

Accumulation Unit Value

Beginning of Period

34.84 26.73 34.87 N/A

End of Period

38.21 34.84 26.73 34.87

Accum Units o/s @ end of period

280,354.82 241,457.15 206,308.29 112,352.69

ALLIANCEBERNSTEIN HIGH YIELD PORTFOLIO

Accumulation Unit Value

Beginning of Period

10.31 8.54 8.93 N/A

End of Period

10.98 10.31 8.54 8.93

Accum Units o/s @ end of period

289,665.82 350,020.68 286,111.51 205,170.96

ALLIANCEBERNSTEIN INTERNATIONAL PORTFOLIO

Accumulation Unit Value

Beginning of Period

13.31 10.26 12.28 N/A

End of Period

15.44 13.31 10.26 12.28

Accum Units o/s @ end of period

357,722.37 382,398.87 405,946.82 539,574.31

ALLIANCEBERNSTEIN INTERNATIONAL VALUE PORTFOLIO

Accumulation Unit Value

Beginning of Period	13.02	9.15	9.78	N/A
End of Period	16.07	13.02	9.15	9.78
Accum Units o/s @ end of period	115,287.40	102,116.98	76,926.59	7,540.05

ALLIANCEBERNSTEIN MONEY MARKET PORTFOLIO (CLASS B)

Accumulation Unit Value

Beginning of Period	12.69	12.83	12.90	N/A
End of Period	12.57	12.69	12.83	12.90
Accum Units o/s @ end of period	246,150.91	325,705.58	356,985.24	233,701.51

ALLIANCEBERNSTEIN AMERICAS GOVERNMENT INCOME PORTFOLIO

Accumulation Unit Value

Beginning of Period	19.30	18.23	16.65	N/A
End of Period	19.96	19.30	18.23	16.65
Accum Units o/s @ end of period	210,308.66	278,622.23	325,425.61	349,119.64

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CONDENSED FINANCIAL INFORMATION
AIL OVATION ADVISOR VARIABLE ACCOUNT A
ACCUMULATION UNIT VALUES—(Continued)
AS OF DECEMBER 31, 2004

	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
ALLIANCEBERNSTEIN PREMIER GROWTH PORTFOLIO (CLASS B)(1)				
Accumulation Unit Value				
Beginning of Period	6.40	5.26	7.71	N/A
End of Period	6.84	6.40	5.26	7.71
Accum Units o/s @ end of period	538,327.33	604,989.39	573,481.03	332,906.73
ALLIANCEBERNSTEIN QUASAR GROWTH PORTFOLIO(2)				
Accumulation Unit Value				
Beginning of Period	10.59	7.21	10.72	N/A
End of Period	11.97	10.59	7.21	10.72
Accum Units o/s @ end of period	487,781.73	540,857.32	578,339.45	718,113.71
ALLIANCEBERNSTEIN REAL ESTATE INVESTMENT PORTFOLIO				
Accumulation Unit Value				
Beginning of Period	17.24	12.55	12.40	N/A
End of Period	23.05	17.24	12.55	12.40

Accum Units o/s @ end of period

204,740.16 211,939.80 232,560.59 216,931.09

ALLIANCEBERNSTEIN SMALL CAP VALUE PORTFOLIO(3)

Accumulation Unit Value

Beginning of Period

14.27 10.24 11.08 N/A

End of Period

16.79 14.27 10.24 11.08

Accum Units o/s @ end of period

248,366.28 273,204.80 239,548.81 102,467.17

ALLIANCEBERNSTEIN TECHNOLOGY PORTFOLIO (CLASS B)(4)

Accumulation Unit Value

Beginning of Period

5.80 4.09 7.13 N/A

End of Period

6.01 5.80 4.09 7.13

Accum Units o/s @ end of period

277,041.51 318,966.44 302,616.62 160,981.33

ALLIANCEBERNSTEIN TOTAL RETURN PORTFOLIO

Accumulation Unit Value

Beginning of Period

22.66 19.30 21.89 N/A

End of Period

24.37 22.66 19.30 21.89

Accum Units o/s @ end of period

492,613.03 569,535.83 595,010.93 712,271.45

**ALLIANCEBERNSTEIN U.S. GOVERNMENT/HIGH GRADE
SECURITIES PORTFOLIO**

Accumulation Unit Value

Beginning of Period

16.06 15.67 14.75 N/A

End of Period

16.43 16.06 15.67 14.75

Accum Units o/s @ end of period

591,268.05 723,276.61 1,052,029.00 618,869.20

ALLIANCEBERNSTEIN UTILITY INCOME PORTFOLIO

Accumulation Unit Value

Beginning of Period

16.84 14.24 18.55 N/A

End of Period

20.64 16.84 14.24 18.55

Accum Units o/s @ end of period

198,179.15 214,285.85 228,027.35 332,091.40

ALLIANCEBERNSTEIN VALUE PORTFOLIO (CLASS B)

Accumulation Unit Value

Beginning of Period

10.85 8.56 9.98 N/A

End of Period

12.13 10.85 8.56 9.98

Accum Units o/s @ end of period

386,606.83 405,118.08 321,428.75 212,874.39

ALLIANCEBERNSTEIN WORLDWIDE PRIVATIZATION PORTFOLIO

Accumulation Unit Value

Beginning of Period

19.90 14.07 14.89 N/A

End of Period	24.38	19.90	14.07	14.89
Accum Units o/s @ end of period	203,218.76	220,532.05	256,592.11	350,202.20

**CONDENSED FINANCIAL INFORMATION
AIL OVATION ADVISOR VARIABLE ACCOUNT A
ACCUMULATION UNIT VALUES—(Continued)
AS OF DECEMBER 31, 2004**

- (1) Effective May 2, 2005, AllianceBernstein Premier Growth Portfolio changed its name to AllianceBernstein Large Cap Growth Portfolio.
- (2) Effective May 1, 2004, AllianceBernstein Quasar Portfolio changed its name to AllianceBernstein Small Cap Growth Portfolio.
- (3) Effective May 2, 2005, AllianceBernstein Small Cap Value Portfolio changed its name to AllianceBernstein Small/Mid Cap Value Portfolio.
- (4) Effective May 2, 2005, AllianceBernstein Technology Portfolio changed its name to AllianceBernstein Global Technology Portfolio.

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Please forward a copy (without charge) of the American International Life Assurance Company of New York Ovation Advisor Variable Annuity Statement of Additional Information to:

(Please print or type and fill in all information.)

Name _____

Address _____

City/State/Zip _____

Date _____

Signed _____

Return to:

Annuity Service Center
Delaware Valley Financial Services, LLC
P.O. Box 3031
Berwyn, PA 19312-0031

STATEMENT OF ADDITIONAL INFORMATION

May 2, 2005

OVATION ADVISOR VARIABLE ANNUITY

issued by

AMERICAN INTERNATIONAL LIFE ASSURANCE COMPANY OF NEW YORK

through its

VARIABLE ACCOUNT A

This statement of additional information is not a prospectus. It should be read in conjunction with the prospectus describing the flexible premium deferred annuity contract. The prospectus concisely sets forth information what a prospective investor should know before investing. For a copy of the prospectus dated May 2, 2005 call us at (800) 255-8402 or write to us at Delaware Valley Financial Services, LLC, 300 Berwyn Park, P.O. Box 3031, Berwyn, PA 19312-0031.

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GENERAL INFORMATION

American International Life Assurance Company of New York

A description of American International Life Assurance Company of New York and its ownership is contained in the prospectus. We will provide for the safekeeping of the assets of Variable Account A.

Independent Accountants

Our financial statements have been audited by PricewaterhouseCoopers LLP, independent registered public accounting firm, whose offices are located in Houston, Texas.

Distributor

Our affiliate, AIG Equity Sales Corp. (“AIGESC”), 70 Pine Street, New York, New York, acts as the distributor of the contract. AIGESC is a wholly owned subsidiary of American International Group, Inc. We pay commissions of up to 1.40% of your premium. We may also pay an annual trail commission of up to 1.40% of Contract Value starting in the second contract year. Additional payments may be made for other services not directly related to the sale of the contract, including the recruitment and training of personnel, production of promotional literature and similar services. Commissions are paid by Variable Account A directly to selling dealers and representatives on behalf of AIGESC.

Potential Conflicts

Shares of the funds may be sold only to separate accounts of life insurance companies. They may be sold to our other separate accounts, as well as to separate accounts of other affiliated or unaffiliated life insurance companies, to fund variable annuity contracts and variable life insurance policies. It is conceivable that, in the future, it may be disadvantageous for variable life insurance separate accounts and variable annuity separate accounts to invest in a fund simultaneously. Although neither we nor the funds currently foresee any such disadvantages, either to variable life insurance policy owners or to variable annuity owners, each fund’s board of directors will monitor events in order to identify any material irreconcilable conflicts which may possibly arise and to determine what action, if any, should be taken. If a material irreconcilable conflict were to occur, we will take whatever steps are deemed necessary, at our expense, to remedy or eliminate the irreconcilable material conflict. As a result, one or more insurance company separate accounts might withdraw their investments in the fund. This might force the fund to sell securities at disadvantageous prices.

CALCULATION OF PERFORMANCE DATA

Yield and Effective Yield Quotations for the Money Market Subaccount

The yield quotation for the money market subaccount will be for the seven days ended on the date of the most recent balance sheet of Variable Account A included in the registration statement. It will be computed by determining the net change, exclusive of capital changes, in the value of a hypothetical pre-existing account having a balance of one Accumulation Unit in the money market subaccount at the beginning of the period, subtracting a hypothetical charge reflecting deductions from owner accounts, dividing the difference by the value of the account at the beginning of the base period to obtain the base period return, and multiplying the base period return by (365/7) with the resulting figure carried to at least the nearest hundredth of one percent.

Any effective yield quotation for the money market subaccount will be for the seven days ended on the date of the most recent balance sheet of Variable Account A included in the registration statement and will be carried at least to the nearest hundredth of one percent. It will be computed by determining the net change, exclusive of capital changes, in the value of a hypothetical pre-existing account having a balance of one Accumulation Unit in the money market subaccount at the beginning of the period, subtracting a hypothetical charge reflecting deductions from owner accounts, dividing the difference by the value of the account at the beginning of the base period to obtain the base period return, and then compounding the base period return by adding 1, raising the sum to a power equal to 365 divided by 7, and subtracting 1 from the result, according to the following formula:

$$\text{Effective Yield} = [(\text{Base Period Return} + 1)^{365/7}] - 1$$

For purposes of the yield and effective yield quotations, the hypothetical charge reflects all deductions that are charged to all owner accounts in proportion to the length of the base period. For any fees that vary with the size of the account, the account size is assumed to be the money market subaccount's mean account size. No deductions are assessed upon annuitization under the contract. Realized gains and losses from the sale of securities and unrealized appreciation and depreciation of the money market subaccount and the corresponding portfolio are excluded from the calculation of yield.

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Yield Quotations for Other Subaccounts

Yield quotations will be based on the thirty-day period ended on the date of the most recent balance sheet of Variable Account A included in the registration statement, and are computed by dividing the net investment income per Accumulation Unit earned during the period by the maximum offering price per unit on the last day of the period, according to the following formula:

$$\text{Yield} = \frac{2[(a - b + 1)^6 - 1]}{cd}$$

Where: a = net investment income earned during the period by the portfolio attributable to shares owned by the Subaccount.

b = expenses accrued for the period (net of reimbursements)

c = the average daily number of Accumulation Units outstanding during the period.

d = the maximum offering price per Accumulation Unit on the last day of the period

Yield quotations for a subaccount reflect all recurring contract charges. For any charge that varies with the size of the account, the account size is assumed to be the respective subaccount's mean account size.

Standardized Performance Data

The total return quotations for all of the subaccounts will be average annual total return quotations for one, five, and ten year periods (or, where a subaccount has been in existence for a period of less than one, five or ten years, for such lesser period) ended on the date of the most recent balance sheet of Variable Account A and for the period from the date monies were first placed into the subaccounts until the aforesaid date. This type of performance information is referred to as standardized performance and is based on the life of the subaccount. The quotations are computed by finding the average annual compounded rates of return over the relevant periods that would equate the initial amount invested to the ending redeemable value, according to the following formula:

$$P(1+T)^n = ERV$$

Where: P = a hypothetical initial payment of \$1,000

T = average annual total return

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n = number of years

ERV = ending redeemable value of a hypothetical \$1,000 payment made at the beginning of the particular period at the end of the particular period

The average annual total return quotations reflect all portfolio expenses and all contract charges except the optional benefit charge and assume a total surrender at the end of the particular period. For any charge that varies with the size of the account, the account size is assumed to be the respective subaccount' s mean account size.

Non-Standardized Performance Data

Non-standardized performance data will be calculated in a manner similar to the average annual total return described above for the subaccounts. It is average annual total return for the underlying portfolios for one, three, five, and ten year periods (or, where a portfolio has been in existence for a period of less than one, three, five or ten years, for such lesser period). For purposes of determining non-standardized average annual total return, the actual investment performance of each portfolio is reflected from the date such portfolio commenced operations even though the contract may not have been available at that time. The quotations are computed by finding the average annual compounded rates of return over the relevant periods that would equate the initial amount invested to the ending redeemable value, according to the following formula:

$$P(1+T)^n = ERV$$

Where: P = a hypothetical initial payment of \$1,000

T = average annual total return

n = number of years

ERV = ending redeemable value of a hypothetical \$1,000 payment made at the beginning of the particular period at the end of the particular period

Non-standardized average annual total return quotations reflect all portfolio expenses and all contract charges except the contract maintenance fee and the optional benefit charge. For any charge that varies with the size of the account, the account size is assumed to be the respective subaccount' s mean account size.

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Tax Deferred Accumulation

In reports or other communications to you or in advertising or sales materials, we may also describe the effects of tax deferred compounding on Variable Account A' s investment returns or upon returns in general. These effects may be illustrated in charts or graphs and may include comparisons at various points in time of returns under the contract or in general on a tax-deferred basis with the returns on a taxable basis. Different tax rates may be assumed.

In general, individuals who own annuity contracts are not taxed on increases in the value under the annuity contract until some form of distribution is made from the contract. Thus, the annuity contract will benefit from tax deferral during the accumulation phase, which generally will have the effect of permitting an investment in an annuity contract to grow more rapidly than a comparable investment under which increases in value are taxed on a current basis. The chart shows accumulations on an initial investment or premium of a given amount, assuming hypothetical gross annual returns compounded annually, and a stated assumed rate. The values shown for the taxable investment do not include any deduction for management fees or other expenses but assume that taxes are deducted annually from investment returns. The values shown for the variable annuity in a chart reflect the deduction of contractual expenses such as the 1.25% mortality and expense risk charge, the 0.15% administrative charge, and the \$30 contract maintenance fee, but not the expenses of an underlying investment portfolio. The chart assumes a full surrender at the end of the period shown and the payment of taxes at the 31% rate on the amount in excess of the premium.

In developing tax-deferral charts, we will follow these general principles:

- (1) the assumed rate of earnings will be realistic;
- (2) the chart will depict accurately the effect of all fees and charges or provide a narrative that prominently discloses all fees and charges;
- (3) comparative charts for accumulation values for tax-deferred and non-tax-deferred investments will depict the implications of any surrender; and
- (4) a narrative accompanying the chart will disclose prominently that there may be a 10% tax penalty on a surrender by an owner who has not reached age 59 ¹/₂.

The rates of return illustrated are hypothetical and are not an estimate or guaranty of performance. Actual tax rates may vary for different taxpayers.

ANNUITY PROVISIONS

Variable Annuity Payments

A variable annuity is an annuity with payments which are not predetermined as to dollar amount and will vary in amount with the net investment results of the applicable subaccounts. At the Annuity Date, the Contract Value in each subaccount will be applied to the applicable annuity tables contained in the contract. The annuity table used will depend upon the payment option chosen. The same Contract Value amount applied to each payment option may produce a different initial annuity payment. If, as of the Annuity Date, the then current annuity rates applicable to contract will provide a larger income than that guaranteed for the same form of annuity under the contract, the larger amount will be paid.⁹

The first annuity payment for each subaccount is determined by multiplying the amount of the Contract Value allocated to that subaccount by the factor shown in the table for the option selected, divided by 1000. The dollar amount of subsequent annuity payments is determined as follows:

- (a) The dollar amount of the first annuity payment is divided by the Annuity Unit value as of the Annuity Date. This establishes the number of Annuity Units for each monthly payment. The number of Annuity Units remains fixed during the annuity payment period, subject to any transfers.
- (b) The fixed number of Annuity Units is multiplied by the Annuity Unit value for the Valuation Period fourteen days prior to the date of payment.

The total dollar amount of each variable annuity payment is the sum of all subaccount variable annuity payments less the pro-rata amount of the administrative charge.

Annuity Unit Value

The value of an Annuity Unit for each subaccount was arbitrarily set initially at \$10. This was done when the first portfolio shares were purchased. The Annuity Unit value at the end of any subsequent Valuation Period is determined by multiplying the subaccount's Annuity Unit value for the immediately preceding Valuation Period by the quotient of (a) and (b) where:

- (a) is the net investment factor for the Valuation Period for which the Annuity Unit value is being determined; and
- (b) is the assumed investment factor for such Valuation Period.

The assumed investment factor adjusts for the interest assumed in determining the first variable annuity payment. Such factor for any Valuation Period shall be the accumulated value, at the end of such period, of \$1.00 deposited at the beginning of such period at the assumed investment rate of 5%.

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Net Investment Factor

The net investment factor is used to determine how investment results of a portfolio affect the Annuity Unit value of the subaccount from one Valuation Period to the next. The net investment factor for each subaccount for any Valuation Period is determined by dividing (a) by (b) and subtracting (c) from the result, where:

- (a) is equal to:
 - (i) the net asset value per share of the portfolio held in the subaccount determined at the end of that Valuation Period, plus
 - (ii) the per share amount of any dividend or capital gain distribution made by the portfolio held in the subaccount if the “ex-dividend” date occurs during that same Valuation Period, plus or minus
 - (iii) a per share charge or credit, which we determine, for changes in tax reserves resulting from investment operations of the subaccount.

- (b) is equal to:
 - (i) the net asset value per share of the portfolio held in the subaccount determined as of the end of the prior Valuation Period, plus or minus
 - (ii) the per share charge or credit for any change in tax reserves for the prior Valuation Period.

- (c) is equal to:
 - (i) the percentage factor representing the mortality and expense risk charge, plus
 - (ii) the percentage factor representing the administrative charge.

The net investment factor may be greater or less than the assumed investment factor. Therefore, the Annuity Unit value may increase or decrease from Valuation Period to Valuation Period.

TAXES

General

Note: We have prepared the following information on taxes as a general discussion of the subject. It is not intended as tax advice to any individual. You should consult your own tax adviser about your own circumstances.

Section 72 of the Internal Revenue Code of 1986, as amended (the “Code” or “IRC”) governs taxation of annuities in general. An owner is not taxed on increases in the value of a contract until distribution occurs, either in the form of a non-annuity distribution or as income payments under the annuity option elected. For a lump sum payment received as a total surrender (total redemption), the recipient is taxed on the portion of the payment that exceeds the cost basis of the contract. For a payment received as a withdrawal (partial redemption), federal tax liability is determined on a last-in, first-out basis, meaning taxable income is withdrawn before the cost basis of the contract is withdrawn. A different rule applies to Purchase Payments made (including, if applicable, in the case of a contract issued in exchange for a prior contract) prior to August 14, 1982. Those Purchase Payments are considered withdrawn first for federal income tax purposes, followed by earnings on those Purchase Payments. For contracts issued in connection with Nonqualified plans, the cost basis is generally the Purchase Payments, while for contracts issued in connection with Qualified plans there may be no cost basis. The taxable portion of the lump sum payment is taxed at ordinary income tax rates. Tax penalties may also apply.

For annuity payments, the portion of each payment that is in excess of the exclusion amount is includible in taxable income. The exclusion amount for payments based on a fixed annuity option is determined by multiplying the payment by the ratio that the cost basis of the Contract (if any, and adjusted for any period or refund feature) bears to the expected return under the Contract. The exclusion amount for payments based on a variable annuity option is determined by dividing the cost basis of the Contract (adjusted for any period certain or refund guarantee) by the number of years over which the annuity is expected to be paid. Payments received after the investment in the Contract has been recovered (i.e. when the total of the excludable amount equals the investment in the Contract) are fully taxable. The taxable portion is taxed at ordinary income tax rates. For certain types of Qualified Plans there may be no cost basis in the Contract within the meaning of Section 72 of the Code. Owners, annuitants and beneficiaries under the Contracts should seek competent financial advice about the tax consequences of any distributions.

The Company is taxed as a life insurance company under the Code. For federal income tax purposes, the Separate Account is not a separate entity from the Company and its operations form a part of the Company.

Withholding Tax on Distributions

The Code generally requires the Company (or, in some cases, a plan administrator) to withhold tax on the taxable portion of any distribution or withdrawal from a contract. For “eligible rollover distributions” from contracts issued under certain types of Qualified plans, not including IRAs, 20% of the distribution must be withheld, unless the payee elects to have the distribution “rolled over” or transferred to another eligible plan in a direct “trustee to trustee” transfer. This requirement is mandatory and cannot be waived by the owner. Withholding on other types of distributions, including distributions from IRAs can be waived.

An “eligible rollover distribution” is the taxable portion of any amount received by a covered employee from a traditional IRA or retirement plan qualified under Sections 401(a) or 403(a) or, if from a plan of a governmental employer, under Section 457(b) of the Code, or from a tax-sheltered annuity qualified under Section 403(b) of the Code other than (1) substantially equal periodic payments calculated using the life (or life expectancy) of the employee, or joint lives (or joint life expectancies) of the employee and his or her designated Beneficiary, or for a specified period of ten years or more; (2) financial hardship withdrawals; and (3) minimum distributions required to be made under the Code. Failure to “roll over” the entire amount of an eligible rollover distribution (including an amount equal to the 20% portion of the distribution that was withheld) could have adverse tax consequences, including the imposition of a penalty tax on premature withdrawals, described later in this section.

Withdrawals or distributions from a contract other than eligible rollover distributions are also subject to withholding on the taxable portion of the distribution, but the owner may elect in such cases to waive the withholding

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requirement. If not waived, withholding is imposed (1) for periodic payments, at the rate that would be imposed if the payments were wages, or (2) for other distributions, at the rate of 10%. If no withholding exemption certificate is in effect for the payee, the rate under (1) above is computed by treating the payee as a married individual claiming 3 withholding exemptions.

Diversification – Separate Account Investments

Section 817(h) of the Code imposes certain diversification standards on the underlying assets of Nonqualified variable annuity contracts. These requirements generally do not apply to Qualified Contracts, which are considered “Pension Plan Contracts” for purposes of these Code requirements. The Code provides that a variable annuity contract will not be treated as an annuity contract for any period (and any subsequent period) for which the investments are not adequately diversified, in accordance with regulations prescribed by the United States Treasury Department (“Treasury Department”). Disqualification of the contract as an annuity contract would result in imposition of federal income tax to the owner with respect to earnings allocable to the contract prior to the receipt of any payments under the contract. The Code contains a safe harbor provision which provides that annuity contracts, such as your contract, meet the diversification requirements if, as of the close of each calendar quarter, the underlying assets meet the diversification standards for a regulated investment company, and no more than 55% of the total assets consist of cash, cash items, U.S. government securities and securities of other regulated investment companies.

The Treasury Department has issued regulations which establish diversification requirements for the investment portfolios underlying variable contracts such as the contracts. The regulations amplify the diversification requirements for variable contracts set forth in the Code and provide an alternative to the safe harbor provision described above. Under the regulations an investment portfolio will be deemed adequately diversified if (1) no more than 55% of the value of the total assets of the portfolio is represented by any one investment; (2) no more than 70% of the value of the total assets of the portfolio is represented by any two investments; (3) no more than 80% of the value of the total assets of the portfolio is represented by any three investments; and (4) no more than 90% of the value of the total assets of the portfolio is represented by any four investments. For purposes of determining whether or not the diversification standards imposed on the underlying assets of variable contracts by Section 817(h) of the Code have been met, “each United States government agency or instrumentality shall be treated as a separate issuer.”

Non-Natural Owners

Under Section 72(u) of the Code, the investment earnings on premiums for the Contracts will be taxed currently to the Owner if the Owner is a non-natural person, e.g., a corporation or certain other entities. Such Contracts generally will not be treated as annuities for federal income tax purposes. However, this treatment is not applied to a Contract held by a trust or other entity as an agent for a natural person nor to Contracts held by Qualified Plans. Purchasers should consult their own tax counsel or other tax adviser before purchasing a Contract to be owned by a non-natural person.

Multiple Contracts

The Code provides that multiple Nonqualified annuity contracts which are issued within a calendar year to the same contract owner by one company or its affiliates are treated as one annuity contract for purposes of determining the tax consequences of any distribution. Such treatment may result in adverse tax consequences including more rapid taxation of the distributed amounts from such combination of contracts. For purposes of this rule, contracts received in a Section 1035 exchange will be considered issued in the year of the exchange. (However, they may be treated as issued on the issue date of the contract being exchanged, for certain purposes, including for determining whether the contract is an immediate annuity contract.) Owners should consult a tax adviser prior to purchasing more than one Nonqualified annuity contract from the same issuer in any calendar year.

Tax Treatment of Assignments of Qualified Contracts

Generally, a Qualified contract, including an IRA, may not be assigned or pledged. One exception to this rule is if the assignment is part of a permitted loan program under an employer-sponsored plan or pursuant to a qualified

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domestic relations order meeting the requirements of the plan or arrangement under which the contract is issued (or, in the case of an IRA, pursuant to a domestic relations order.)

Tax Treatment of Gifting, Assigning, or Transferring Ownership of a Nonqualified Contract

If you transfer ownership of your Nonqualified Contract to a person other than your spouse (or former spouse if incident to divorce) you will be taxed on the earnings above the purchase payments at the time of transfer. If you transfer ownership of your Nonqualified Contract and receive payment less than the Contract's value, you will also be liable for the tax on the Contract's value above your purchase payments not previously withdrawn. The new Contract owner's purchase payments (basis) in the Contract will be increased to reflect the amount included in your taxable income.

Trustee to Trustee Transfers of Qualified Contracts

The IRC limits the withdrawal of Purchase Payments from certain Tax-Sheltered Annuities (TSAs) and certain other Qualified contracts. Withdrawals can only be made when an owner: (1) reaches age 59 1/2; (2) separates from employment from the employer sponsoring the plan; (3) dies; (4) becomes disabled (as defined in the IRC); or (5) experiences a financial hardship (as defined in the IRC). In the case of hardship, the owner can only withdraw Purchase Payments. Transfers of amounts from one Qualified contract to another Qualified contract of the same plan type or to a state defined benefit plan to purchase service credits are not considered distributions, and thus are not subject to these withdrawal limitations. Such transfers may, however, be subject to limitations under the annuity contract.

Partial 1035 Exchanges

Section 1035 of the Code provides that an annuity contract may be exchanged in a tax-free transaction for another annuity contract. Historically, it was generally understood that only the exchange of an entire annuity contract, as opposed to a partial exchange, would be respected by the IRS as a tax-free exchange. In 1998, the U.S. Tax Court ruled that the direct transfer of a portion of an annuity contract into another annuity contract qualified as a tax-free exchange. In 1999, the IRS acquiesced in that Tax Court decision, but stated that it would nonetheless continue to challenge partial exchange transactions under certain circumstances. In Notice 2003-51, published on July 9, 2003, the IRS announced that, pending the publication of final regulations, it will consider all the facts and circumstances to determine whether a partial exchange and subsequent withdrawal from, or surrender of, either the surviving annuity contract or the new annuity contract within 24 months of the partial exchange should be treated as an integrated transaction, and thus whether the two contracts should be treated as a single contract to determine the tax treatment of the surrender or withdrawal under Section 72 of the Code. Although Notice 2003-51 and the IRS's acquiescence in the Tax Court decision indicate that the IRS will respect partial exchanges of annuity contracts under certain circumstances, uncertainty remains, and owners should seek their own tax advice regarding such transactions and the tax risks associated with subsequent surrenders or withdrawals.

Qualified Plans

The contracts offered by this prospectus are designed to be suitable for use under various types of Qualified plans. Taxation of owners in each Qualified plan varies with the type of plan and terms and conditions of each specific plan. Owners and Beneficiaries are cautioned that benefits under a Qualified plan may be subject to limitations under the employer-sponsored plan, in addition to the terms and conditions of the contracts issued pursuant to the plan.

Following are general descriptions of the types of Qualified plans with which the contracts may be used. Such descriptions are not exhaustive and are for general information purposes only. The tax rules regarding Qualified plans are very complex and will have differing applications depending on individual facts and circumstances. Each purchaser should obtain competent tax advice prior to purchasing a contract issued under a Qualified plan.

Contracts issued pursuant to Qualified plans include special provisions restricting contract provisions that may otherwise be available and described in this prospectus. Generally, contracts issued pursuant to Qualified plans are not transferable except upon surrender or annuitization. Various penalty and excise taxes may apply to contributions

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or distributions made in violation of applicable limitations. Furthermore, certain contractual withdrawal penalties and restrictions may apply to surrenders from Qualified contracts.

(a) Plans of Self-Employed Individuals: “H.R. 10 Plans”

Section 401 of the Code permits self-employed individuals to establish Qualified plans for themselves and their employees, commonly referred to as “H.R. 10” or “Keogh” Plans. Contributions made to the plan for the benefit of the employees will not be included in the gross income of the employees until distributed from the plan. The tax consequences to owners may vary depending upon the particular plan design. However, the Code places limitations and restrictions on these plans, such as: amounts of allowable contributions; form, manner and timing of distributions; vesting and non-forfeiture of interests; nondiscrimination in eligibility and participation; and the tax treatment of distributions, withdrawals and surrenders. Purchasers of contracts for use with an H.R. 10 Plan should obtain competent tax advice as to the tax treatment and suitability of such an investment.

(b) Tax-Sheltered Annuities

Section 403(b) of the Code permits the purchase of “tax-sheltered annuities” by public schools and certain charitable, education and scientific organizations described in Section 501(c)(3) of the Code. These qualifying employers may make contributions to the contracts for the benefit of their employees. Such contributions are not includible in the gross income of the employee until the employee receives distributions from the contract. The amount of contributions to the tax-sheltered annuity is limited to certain maximums imposed by the Code.

One of these limits, on the amount that the employee may contribute on a voluntary basis, is imposed by the annuity contract as well as by the Code. That limit for 2005 is \$14,000. The limit may be increased by up to \$3,000 for certain employees with at least fifteen years of full-time equivalent service with an eligible employer, and by an additional \$4,000 in 2005 for employees age 50 or older, provided that other applicable requirements are satisfied. Total combined employer and employee contributions for 2005 may not exceed the lesser of \$42,000 or 100% of compensation. Furthermore, the Code sets forth additional restrictions governing such items as transferability, distributions, nondiscrimination and withdrawals. Any employee should obtain competent tax advice as to the tax treatment and suitability of such an Investment.

(c) Individual Retirement Annuities

Section 408(b) of the Code permits eligible individuals to contribute to an individual retirement program known as a traditional “Individual Retirement Annuity” (“IRA”). Under applicable limitations, certain amounts may be contributed to an IRA which will be deductible from the individual’s gross income. The ability to deduct an IRA contribution to a traditional IRA is subject to limits based upon income levels, retirement plan participation status, and other factors. The maximum IRA (traditional and/or Roth) contribution for 2005 is the lesser of \$4,000 or 100% of compensation. Individuals age 50 or older may be able to contribute an additional \$500 in 2005. IRAs are subject to limitations on eligibility, contributions, transferability and distributions. Sales of contracts for use with IRAs are subject to special requirements imposed by the Code, including the requirement that certain informational disclosure be given to persons desiring to establish an IRA. Purchasers of contracts to be qualified as IRAs should obtain competent tax advice as to the tax treatment and suitability of such an investment.

(d) Roth IRAs

Section 408(A) of the Code permits an individual to contribute to an individual retirement program called a Roth IRA. Contributions to a Roth IRA are not deductible but distributions are tax-free if certain requirements are satisfied. The maximum IRA (traditional and/or Roth) contribution for 2005 is the lesser of \$3,000 or 100% of compensation. Individuals age 50 or older may be able to contribute an additional \$500 in 2005. Unlike traditional IRAs, to which everyone can contribute even if they cannot deduct the full contribution, income limits for Roth IRAs are limitations on who can establish such a contract. Generally, you can contribute to a Roth IRA if you have taxable compensation and your modified adjusted gross income is less than: \$160,000 for married filing jointly or qualifying widow(er), \$10,000 for married filing separately and you lived with your spouse at any time during the year, and \$110,000 for single, head of household, or married filing separately

and you did not live with your spouse at any time during the year. Certain persons may be eligible to convert a traditional IRA into a Roth IRA.

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Conversion into Roth IRAs normally require taxes to be paid on any previously untaxed amounts included in the amount converted. If the Contracts are made available for use with Roth IRAs, they may be subject to special requirements imposed by the Internal Revenue Service (“IRS”). Purchasers of the Contracts for this purpose will be provided with such supplementary information as may be required by the IRS or other appropriate agency.

(e) Pension and Profit-Sharing Plans

Sections 401(a) of the Code permits certain employers to establish various types of retirement plans, including 401(k) plans, for employees. However, public employers may not establish new 401(k) plans. These retirement plans may permit the purchase of the contracts to provide benefits under the plan. Contributions to the plan for the benefit of employees will not be includible in the gross income of the employee until distributed from the plan. The tax consequences to owners may vary depending upon the particular plan design. However, the Code places limitations on all plans on such items as amount of allowable contributions; form, manner and timing of distributions; vesting and non-forfeiture of interests; nondiscrimination in eligibility and participation; and the tax treatment of distributions, withdrawals and surrenders. Purchasers of contracts for use with pension or profit sharing plans should obtain competent tax advice as to the tax treatment and suitability of such an investment.

(f) Deferred Compensation Plans - Section 457(b)

Under Section 457(b) of the Code, governmental and certain other tax-exempt employers may establish, for the benefit of their employees, deferred compensation plans, which may invest in annuity contracts. The Code, as in the case of Qualified plans, establishes limitations and restrictions on eligibility, contributions and distributions. Under these plans, contributions made for the benefit of the employees will not be includible in the employees' gross income until distributed from the plan. Funds in a non-governmental 457(b) plan remain assets of the employer and are subject to claims by the creditors of the employer. As of January 1, 1999, all 457(b) plans of state and local governments must hold assets and income in a qualifying trust, custodial account, or annuity contract for the exclusive benefit of participants and their Beneficiaries.

Economic Growth and Tax Relief Reconciliation Act of 2001

For tax years beginning in 2002, the Economic Growth and Tax Relief Reconciliation Act of 2001 (EGTRRA) expands the range of eligible tax-free rollover distributions that may be made among qualified contracts. The changes made to the IRC by EGTRRA are scheduled to expire on December 31, 2010. Congress may, however, decide to promulgate legislation making the changes permanent or delaying their expiration.

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Additional Provisions

We will require proof of age and sex of the Annuitant before making any life annuity payment provided for by the contract. If the age or sex of the Annuitant has been misstated, we will compute the amount payable based on the correct age and sex. If annuity payments have begun, any underpayment that may have been made will be paid in full with the next annuity payment, including interest at the minimum annual rate of 3%. Any overpayments, including interest at the minimum annual rate of 3%, unless repaid to us in one sum, will be deducted from future annuity payments until we are repaid in full.

If a contract provision requires that a person be alive, we may require due proof that the person is alive before we act under that provision.

We will give the payee under an annuity payment option a settlement contract for the payment option.

You may assign the contract prior to the Annuity Date. You must send a dated and signed written request to our Administrative Office accompanied by a duly executed copy of any assignment. We are not responsible for the validity of any assignment.

FINANCIAL STATEMENTS

PricewaterhouseCoopers LLP ("PWC"), located at 1201 Louisiana Street, Suite 2900, Houston, Texas 77002, is the independent registered public accounting firm for AI Life. AIG uses PWC as its corporate-wide auditing firm.

AI Life Financial Statements

The balance sheets of AI Life at December 31, 2004 and 2003 (restated) and the related statements of income, shareholder's equity, cash flows and comprehensive income for the three years ended December 31, 2004, appearing herein, have been audited by PWC, independent registered public accounting firm, on the authority of such firm as experts in accounting and auditing, as set forth in their report appearing elsewhere herein.

You should consider the financial statements of AI Life that we include in this SAI primarily as bearing on the ability of AI Life to meet its obligations under the Contracts.

Separate Account Financial Statements

The statement of net assets as of December 31, 2004 and the related statement of operations for the year then ended and statements of changes in net assets for the two years ended December 31, 2004 of the Separate Account, appearing herein, have been audited by PWC, independent registered public accounting firm, on the authority of such firm as experts in accounting and auditing, as set forth in their report appearing elsewhere herein.

AMERICAN INTERNATIONAL LIFE ASSURANCE
COMPANY OF NEW YORK
(a wholly-owned subsidiary of
American International Group, Inc.)

REPORT ON AUDITS OF FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2004, 2003 AND 2002

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[LETTERHEAD] PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Suite 2900
1201 Louisiana
Houston, TX 77002-5678
Telephone (713) 356-4000

Report of Independent Registered Public Accounting Firm

To the Shareholder and Board of Directors
American International Life Assurance Company of New York:

In our opinion, the accompanying balance sheets as of December 31, 2004 and 2003 and the related statements of income, shareholder's equity, cash flows and comprehensive income present fairly, in all material respects, the financial position of American International Life Assurance Company of New York (an indirect wholly-owned subsidiary of American International Group, Inc.) at December 31, 2004 and 2003, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2004, in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes 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 provide a reasonable basis for our opinion.

As discussed in Note 2 to the financial statements, the Company changed its method of accounting and reporting for certain nontraditional long-duration contracts in 2004.

As discussed in Note 15 to the financial statements, the Company has restated its financial statements as of December 31, 2003 and 2002 and for the years then ended.

PRICEWATERHOUSECOOPERS LLP

Houston, Texas
April 29, 2005

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AMERICAN INTERNATIONAL LIFE ASSURANCE COMPANY OF NEW YORK
BALANCE SHEETS
(in thousands)

	December 31, 2004	
	-----	-----
Assets		
Investments:		
Fixed maturities:		
Bonds available for sale, at fair value	\$ 8,083,232	\$
(cost: 2004 - \$7,509,178; 2003 - \$7,282,256)		
Equity securities available for sale, at fair value	1,807	
(cost: 2004 - \$1,837; 2003 - \$994)		
Mortgage loans on real estate	368,752	
Policy loans	11,258	
Other long-term investments	55,608	
Short-term investments, at cost (approximates fair value)	15,157	
	-----	-----
Total investments	8,535,814	
Cash	2,282	
Investment income due and accrued	119,047	
Reinsurance assets	46,974	
Deferred policy acquisition costs	65,126	
Amounts due from related parties	9,396	
Other assets	16,264	
Assets held in separate accounts	204,782	
	-----	-----
Total assets	\$ 8,999,685	\$
	=====	=====

See accompanying notes to financial statements.

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AMERICAN INTERNATIONAL LIFE ASSURANCE COMPANY OF NEW YORK
BALANCE SHEETS
(in thousands, except share amounts)

	December 31, 2004	
	-----	-----
Liabilities		
Policyholders' contract deposits	\$ 4,913,931	\$
Future policy benefits for life and accident and health insurance contracts	2,565,402	
Reserve for unearned premiums	1,425	
Policy and contract claims	75,310	
Income taxes payable	81,688	
Derivative liabilities, at fair value	21,933	
Amounts due to related parties	18,200	
Other liabilities	47,634	
Liabilities related to separate accounts	204,782	
	-----	-----
Total liabilities	7,930,305	
	-----	-----
Shareholder's equity		
Common stock, \$200 par value; 16,125 shares authorized, issued and outstanding	3,225	
Additional paid-in capital	238,025	
Accumulated other comprehensive income	294,796	
Retained earnings	533,334	
	-----	-----
Total shareholder's equity	1,069,380	
	-----	-----
Total liabilities and shareholder's equity	\$ 8,999,685	\$
	=====	=====

See accompanying notes to financial statements

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AMERICAN INTERNATIONAL LIFE ASSURANCE COMPANY OF NEW YORK
STATEMENTS OF INCOME
(in thousands)

	Years ended December	
	2004	2003
		(Restated)
Revenues:		
Premiums and other considerations	\$ 424,185	\$ 390,408
Net investment income	548,964	545,549
Realized capital gains (losses)	(15,833)	743
Total revenues	957,316	936,700
Benefits and expenses:		
Death and other benefits	365,809	324,239
Increase in future policy benefits	159,285	161,385
Interest credited on policyholder contract deposits	209,198	221,986
Insurance acquisition and other operating expenses	66,543	79,891
Total benefits and expenses	800,835	787,501
Income before income taxes	156,481	149,199
Income taxes:		
Current	61,033	32,870
Deferred	(6,389)	19,573
Total income tax expense	54,644	52,443
Net income before cumulative effect of accounting change	101,837	96,756
Cumulative effect of accounting change, net of tax	(53)	-
Net income	\$ 101,784	\$ 96,756

See accompanying notes to financial statements

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AMERICAN INTERNATIONAL LIFE ASSURANCE COMPANY OF NEW YORK
STATEMENTS OF SHAREHOLDERS' EQUITY
(in thousands)

	Years ended December	
	2004	2003
		(Restated)
Common stock		
Balance at beginning and end of year	\$ 3,225	\$ 3,225
Additional paid-in capital		
Balance at beginning of year	238,025	238,025
Capital contributions from parent	-	-
Balance at end of year	238,025	238,025
Accumulated other comprehensive income		
Balance at beginning of year	249,925	164,210
Adjustment (See Note 15)	-	-
Balance, as adjusted	249,925	164,210
Change in net unrealized appreciation of investments - net of reclassifications	71,158	136,176
Deferred income tax expense on above changes	(26,218)	(46,313)
Change in net derivative losses arising from cash flow hedging activities	(107)	(6,381)
Deferred income tax benefit on above changes	38	2,233
Balance at end of year	294,796	249,925
Retained earnings		
Balance at beginning of year	431,550	334,794
Adjustment (See Note 15)	-	-
Balance, as adjusted	431,550	334,794
Net income	101,784	96,756
Balance at end of year	533,334	431,550
Total shareholder's equity	\$ 1,069,380	\$ 922,725

See accompanying notes to financial statements

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AMERICAN INTERNATIONAL LIFE ASSURANCE COMPANY OF NEW YORK
STATEMENTS OF CASH FLOWS
(in thousands)

	Years ended December	
	2004	2003
		(Restated)
Cash flows from operating activities:		
Net income	\$ 101,784	\$ 96,756
Adjustments to reconcile net income to net cash provided by operating activities:		
Change in insurance reserves	228,292	185,168
Change in accounting principles	53	-
Change in reinsurance assets	(9,708)	6,859
Change in deferred policy acquisition costs	28,063	42,441
Interest credited to policyholder contracts	209,198	221,986
Change in other policyholders' contracts	(10,870)	19,270
Change in investment income due and accrued	(3,024)	(1,634)
Realized capital (gains) losses	15,833	(743)
Change in income taxes - net	(3,012)	(4,211)
Change in reserves for commissions, expenses and taxes	(1,622)	260
Amortization of premiums and discounts on securities	(18,423)	(22,912)
Change in other assets and liabilities - net	(107,665)	47,466
Net cash provided by operating activities	428,899	590,706
Cash flows from investing activities:		
Sale of fixed maturities	1,660,282	2,143,951
Cost of fixed maturities, matured or redeemed	387,337	441,382
Sale of equity securities	2,842	13,053
Sale of real estate	-	-
Purchase of fixed maturities	(2,262,149)	(2,759,575)
Purchase of equity securities	(2,935)	(3,263)
Purchase of real estate	(2,110)	721
Mortgage loans funded	(46,726)	(87,200)
Repayments of mortgage loans	91,915	37,641
Change in policy loans	(143)	(755)
Change in short-term investments	78,778	(61,658)
Change in other long-term investments	4,272	20,893
Other - net	3,835	(3,676)
Net cash used in investing activities	(84,802)	(258,486)

Cash flows from financing activities:		
Deposits on policyholder contracts	156,631	260,495
Withdrawals on policyholder contracts	(500,721)	(590,440)
Capital contribution from parent	-	-
	-----	-----
Net cash provided by (used in) financing activities	(344,090)	(329,945)
	-----	-----
Change in cash	7	2,275
Cash at beginning of year	2,275	-
	-----	-----
Cash at end of year	\$ 2,282	\$ 2,275
	=====	=====

See accompanying notes to financial statements

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AMERICAN INTERNATIONAL LIFE ASSURANCE COMPANY OF NEW YORK
STATEMENTS OF COMPREHENSIVE INCOME
(in thousands)

	Years ended December	
	2004	2003
		(Restated)
Net income	\$ 101,784	\$ 96,756
Other comprehensive income		
Change in net unrealized appreciation of investments - net of reclassifications	71,158	136,176
Deferred income tax expense on above changes	(26,218)	(46,313)
Change in net derivative losses arising from cash flow hedging activities	(107)	(6,381)
Deferred income tax benefit on above changes	38	2,233
Other comprehensive income	44,871	85,715
Comprehensive income	\$ 146,655	\$ 182,471

See accompanying notes to financial statements.

AMERICAN INTERNATIONAL LIFE ASSURANCE COMPANY OF NEW YORK
NOTES TO FINANCIAL STATEMENTS

1. Nature of Operations

American International Life Assurance Company of New York (the "Company") is part of the Domestic Life Insurance Division (the "Life Division") of American International Group, Inc. ("AIG"), its ultimate parent. The Company, domiciled in New York, has been doing business since 1962 as a provider of individual and group life insurance, fixed, variable and terminal funding annuities, and structured settlement contracts. The Company is licensed to sell life and accident and health insurance in the District of Columbia and all states except Arizona, Connecticut and Maryland. The Company is also licensed in American Samoa, U.S. Virgin Islands, Canada and Guam.

2. Summary of Significant Accounting Policies

- (a) **Basis of Presentation:** The financial statements of the Company have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP"). The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. These estimates and assumptions are particularly significant with respect to investments, deferred policy acquisition costs and future policy benefits. Ultimate results could differ from those estimates.
- (b) **Statutory Accounting:** The Company is required to file financial statements with state regulatory authorities. State insurance laws and regulations prescribe accounting practices for calculating statutory net income and equity. In addition, state regulators may permit statutory accounting practices that differ from prescribed practices. The use of such permitted practices by the Company did not have a material effect on statutory capital and surplus at December 31, 2004. Statutory net income and capital and surplus of the Company are as follows (in thousands):

	2004	2003
	-----	-----
Statutory net income	\$ 94,673	\$ 89,931
Statutory capital and surplus	\$ 565,893	\$ 496,240

The more significant differences between GAAP and statutory accounting principles are that under GAAP: (a) acquisition costs related to acquiring new business are deferred and amortized (generally in proportion to the present value of expected gross profits from surrender charges and investment, mortality and expense margins), rather than being charged to operations as incurred; (b) future policy benefits are based on management's best estimates of mortality, interest and withdrawals generally representing the Company's experience, which may differ from those based on statutory mortality and interest requirements without consideration of withdrawals; (c) certain assets (principally furniture and equipment, agents' debit balances, computer software and certain other receivables) are reported as assets rather than being charged to retained earnings; (d) acquisitions are accounted for using the purchase method of accounting rather than being accounted for as equity investments; and (e) fixed maturity investments are carried at fair value rather than amortized cost. In addition, statutory accounting principles require life insurance companies to establish an asset valuation reserve ("AVR") and an interest maintenance reserve ("IMR"). The AVR is designed to address the credit-related risk for bonds, preferred stocks, derivative instruments and mortgages and market risk for common stocks, real estate and other invested assets. The IMR is composed of related realized gains and losses that result from interest rate fluctuations. These realized gains and losses, net of tax, are amortized into income over the expected remaining life of the asset sold or the liability released.

2. Summary of Significant Accounting Policies - (continued):

(c) Insurance Contracts: The insurance contracts accounted for in these financial statements include primarily long-duration contracts. Long-duration contracts include limited payment, endowment, guaranteed renewable term life, universal life and investment contracts. Long-duration contracts generally require the performance of various functions and services over a period of more than one year. The contract provisions generally cannot be changed or canceled by the insurer during the contract period; however, most new contracts written by the Company allow the insurer to revise certain elements used in determining premium rates or policy benefits, subject to guarantees stated in the contracts.

(d) Investments: Fixed maturities classified as available-for-sale are recorded at fair value. Interest income with respect to fixed maturity securities is accrued currently. Included in fixed maturities available for sale are collateralized mortgage obligations ("CMOs"). Premiums and discounts arising from the purchase of CMOs are treated as yield adjustments over their estimated lives. Common and non-redeemable preferred stocks are carried at fair value. Dividend income is generally recognized on ex-dividends dates. Short-term investments consists of interest bearing cash accounts and money market instruments, and are carried at cost, which approximates fair value.

Unrealized gains and losses from investments in equity securities and fixed maturities available for sale are reflected as a separate component of comprehensive income, net of related deferred acquisition cost amortization and deferred income taxes in shareholder's equity.

Realized capital gains and losses are determined principally by specific identification. The Company evaluates its investments for impairment. As a matter of policy, the determination that a security has incurred an other-than-temporary decline in value and the amount of any loss recognition requires the judgement of the Companies management and a continual review of its investment.

In general, a security is considered a candidate for impairment if it meets any of the following criteria: (a) Trading at a significant (25 percent or more) discount to par, amortized cost (if lower) or cost for an extended period of time (nine months or longer); (b) The occurrence of a discrete credit event resulting in (i) the issuer defaulting on a material outstanding

obligation; or (ii) the issuer seeking protection from creditors under the bankruptcy laws or any similar laws intended for the court supervised reorganization of insolvent enterprises; or (iii) the issuer proposing a voluntary reorganization pursuant to which creditors are asked to exchange their claims for cash or securities having a fair value substantially lower than par value of their claims; or (c) In the opinion of the Companies management, it is possible that the Company may not realize a full recovery on its investment, irrespective of the occurrence of one of the foregoing events.

Once a security has been identified as impaired, the amount of such impairment is determined by reference to that security's contemporaneous market price, and recorded as a realized capital loss.

Mortgage loans on real estate are carried at the unpaid principal balance less unamortized loan origination fees and costs and net of an allowance for uncollectible loans. The allowance for losses covers estimated losses based on our assessment of risk factors such as potential non-payment or non-monetary default. The allowance is primarily based on a loan-specific review. Loans for which the Company determines that collection of all amounts due under the contractual terms is not probable are considered to be impaired. The Company generally looks to the underlying collateral for repayment of impaired loans. Therefore, impaired loans are reported at the lower of amortized cost or fair value of the underlying collateral, less estimated cost to sell. There was no allowance for uncollectible loans at December 31, 2004 and 2003.

2. Summary of Significant Accounting Policies - (continued):

(d) Investments- (continued):

Policy loans are carried at the aggregate unpaid principal balance. There is no allowance for policy loans, as these loans serve to reduce the death benefits paid when the death claim is made and the balances are effectively collateralized by the cash surrender value of the policy.

Other long-term investments consist primarily of limited partnerships and other investments not classified elsewhere herein. Partnerships in which the Company holds less than a five percent interest are carried at fair value and the change in fair value is recognized as a component of other comprehensive income. Partnerships in which the Company holds a five percent or more interest are also carried at fair value and the change in fair value is recorded in net investment income, consistent with the equity method of accounting.

Securities held under collateral agreements consists primarily of invested collateral with respect to the Company's securities lending program. The Company has entered into a securities lending agreement with an affiliated lending agent, which authorizes the agent to lend securities held in the Company's portfolio to a list of authorized borrowers. The Company receives primarily cash collateral in an amount in excess of the market value of securities loaned. The affiliated lending agent monitors the daily market value of securities loaned with respect to the collateral value and obtains additional collateral when necessary to ensure that collateral is maintained at a minimum of 102% of the value of the loaned securities. Such collateral is not available for the general use of the Company. Income earned on the collateral, net of interest paid on the securities lending agreements and the related management fees paid to administer the program, is recorded as investment income in the statements of income and comprehensive income.

Throughout the year, the Company enters into dollar roll repurchase agreements, which involve the sale (delivery) of mortgage-backed securities ("MBS") and the repurchase of substantially the same pool of securities at a specific price in the future. Such transactions typically involve highly-rated government agency securities and are short-term in nature, typically with a period of 30 days. These dollar roll agreements are utilized by the Company as a financing strategy to enhance

the return on its MBS portfolio. At December 31, 2004 and 2003, the Company had no dollar roll agreements outstanding.

Interest on fixed maturity securities and performing mortgage loans is recorded as income when earned and is adjusted for any amortization of premium or discount. Interest on delinquent mortgage loans is recorded as income when received. Dividends are recorded as income on ex-dividend dates.

Income on mortgage-backed securities is recognized using a constant effective yield based on estimated prepayments of the underlying mortgages. If actual prepayments differ from estimated prepayments, a new effective yield is calculated and the net investment in the security is adjusted accordingly. The adjustment is recognized in net investment income.

2. Summary of Significant Accounting Policies - (continued):

- (e) Deferred Acquisition Costs ("DAC"): DAC consists of commissions and other costs that vary with and are primarily related to the production or acquisition of new business. Policy acquisition costs for traditional life insurance products are generally deferred and amortized over the premium paying period of the policy. Policy acquisition costs related to universal life and investment-type products (non-traditional products) are deferred and amortized, with interest, in relation to the incidence of estimated gross profits ("EGPs") to be realized over the estimated lives of the contracts. EGPs are composed of net investment income, net realized investment gains and losses, mortality and expense margins and surrender charges. The Company reviews, for recoverability, the carrying amount of DAC at least annually. Management considers estimated future gross profits or future premiums, expected mortality, interest earned and credited rates, persistency, and expenses in determining whether the carrying amount is recoverable. Any amounts deemed unrecoverable are charged to expense.

With respect to the Company's variable life and annuity contracts, the assumption for the long-term annual net growth of the separate and variable account assets used by the Company in the determination of DAC amortization is approximately 10% (the "long-term growth rate assumption"). The Company uses a "reversion to the mean" methodology which allows the Company to maintain this 10% long-term growth rate assumption, while also giving consideration to the effect of short-term swings in the equity markets. For example, if performance were 15% during the first year following the introduction of a product, the DAC model would assume that market returns for the following five years (the "short-term growth rate assumption") would approximate 9%, resulting in an average annual growth rate of 10% during the life of the product. Similarly, following periods of below 10% performance, the model will assume a short-term growth rate higher than 10%. A DAC adjustment will occur if management considers the short-term growth rate (i.e., the growth rate required to revert to the mean 10% growth rate over a five-year period) to be unachievable. The use of a reversion to the mean assumption is common within the industry; however, the parameters used in the methodology are subject to judgment and vary among companies.

DAC is adjusted with respect to non-traditional products as a result of changes in the net unrealized gains or losses on debt and equity securities available for sale. That is, as fixed

maturity and equity securities available for sale are carried at aggregate fair value, an adjustment is made to deferred policy acquisition costs equal to the change in amortization that would have been recorded if such securities had been sold at their stated aggregate fair value and the proceeds reinvested at current yields. The adjustment, net of tax, is included with the change in net unrealized gains or losses on fixed maturity and equity securities available for sale that is recorded directly to other comprehensive income.

- (f) **Income Taxes:** The Company joins in a consolidated federal income tax return with AIG and its domestic subsidiaries. The Company and AIG have a written tax allocation agreement whereby AIG agrees not to charge the Company a greater portion of the consolidated tax liability than would have been paid by the Company if it had filed a separate return. Additionally, AIG agrees to reimburse the Company for any tax benefits, if any, arising out of its net losses and tax credits within ninety days after the filing of that consolidated tax return for the year in which these losses and tax credits are utilized. Deferred federal income taxes are provided for temporary differences related to the expected future tax consequences of events that have been recognized in the Company's financial statements or tax returns, at the enacted tax rates expected to be in effect when the temporary differences reverse. The effect of a tax rate change is recognized in income in the period of enactment. State income taxes are included in income tax expense.

A valuation allowance for deferred tax assets is provided if it is more likely than not that some portion of the deferred tax asset will not be realized. An increase or decrease in a valuation allowance that results from a change in circumstances that causes a change in judgment about the realizability of the related deferred tax asset is included in income.

2. Summary of Significant Accounting Policies - (continued):

- (g) Premium Recognition and Related Benefits and Expenses: Most receipts for annuities and interest-sensitive life insurance policies are classified as deposits instead of revenue. Revenues for these contracts consist of mortality, expense, and surrender charges and are included in premiums and other considerations. Policy charges that compensate the Company for future services are deferred and recognized in income over the period earned, using the same assumptions used to amortize DAC.

Premiums for traditional life insurance products are recognized when due. A liability for future policy benefits is recorded using the net level premium method.

For limited payment contracts, primarily the Company's life contingent annuities and terminal funding contracts, net premiums are recorded as revenue when due and the difference between the gross premium and the net premium is deferred and recognized in income in a constant relationship to the amount of expected future benefit payments. Reserves for these contracts are based on estimates of the cost of future policy benefits.

Premiums on accident and health premiums are reported as earned over the contract term. The portion of accident and health premiums which is not earned at the end of a reporting period is recorded as reserves for unearned premiums.

- (h) Policy and Contract Claims: Policy and contract claims include amounts representing: (1) the actual in-force amounts for reported life claims and an estimate of incurred but unreported claims; and, (2) an estimate, based upon prior experience, for accident and health reported and incurred but unreported losses. The methods of making such estimates and establishing the resulting reserves are continually reviewed and updated and any adjustments resulting therefrom are reflected in income currently.

- (i) Separate and Variable Accounts: Separate and variable accounts represent funds for which investment income and investment gains and losses accrue directly to the policyholders who bear the investment risk, except to the extent of minimum guarantees made by the Company with respect to certain accounts. Each account has specific investment objectives, and the assets are carried at fair value. The assets of each account are legally segregated and are not subject to claims which arise out of any other business of the Company. Investment income, realized investment

gains (losses) and policyholder account deposits and withdrawals related to separate accounts are excluded from the statements of income, comprehensive income and cash flows. The Company receives administrative fees for managing the funds and other fees for assuming mortality and certain expense risks. Such fees are included in premiums and other considerations in the statements of income.

- (j) **Guaranteed Minimum Death Benefits:** A majority of the Company's variable annuity products are issued with a death benefit feature which provides that, upon the death of a contractholder, the contractholder's beneficiary will receive the greater of (1) the contractholder's account value, or (2) a guaranteed minimum death benefit (the "GMDB") that varies by product. These benefits have issue age and other restrictions to reduce mortality risk exposure. The Company bears the risk that death claims following a decline in the financial markets may exceed contractholder account balances, and that the fees collected under the contract are insufficient to cover the costs of the benefit to be provided. The Company limits this risk through the use of reinsurance arrangements. Prior to January 1, 2004, the Company expensed GMDB-related benefits in the period incurred, and therefore did not provide reserves for future benefits. Effective January 1, 2004, the Company does provide reserves for future GMDB-related benefits pursuant to the adoption of Statement of Position 03-01, Accounting and Reporting by Insurance Enterprises for Certain Non-traditional Long-Duration Contracts and for Separate Accounts" ("SOP 03-01"). The GMDB liability is determined each period end by estimating the expected value of death benefits in excess of the projected account balance and recognizing the excess ratably over the accumulation period based on total expected assessments. Changes in liabilities

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2. Summary of Significant Accounting Policies - (continued):

(j) Guaranteed Minimum Death Benefits - (continued):

for minimum guarantees are included in guaranteed minimum death benefits in the statement of income. The company regularly evaluates estimates used and adjusts the additional liability balance, with a related charge or credit to guaranteed minimum death benefits expense, if actual experience or other evidence suggests that earlier assumptions should be revised.

(k) Reinsurance: The Company generally limits its exposure to loss on any single insured to \$2.5 million by ceding additional risks through reinsurance contracts with other insurers. On an exception basis, the Company can increase its exposure to loss on any single insured up to \$5 million. The Company diversifies its risk of reinsurance loss by using a number of reinsurers that have strong claims-paying ability ratings. If the reinsurer could not meet its obligations, the Company would reassume the liability, as the Company remains primarily liable to the policyholder.

Reinsurance assets include the balances due from both reinsurance and insurance companies under the terms of the Company's reinsurance arrangements for ceded unearned premiums, future policy benefits for life and accident and health insurance contracts, policyholder contract deposits and policy and contract claims.

(l) Derivatives: The Company takes positions from time to time in certain derivative financial instruments in order to mitigate the impact of changes in interest rates or equity markets on cash flows or certain policyholder liabilities. Financial instruments used by the Company for such purposes include interest rate swaps and foreign currency swaps.

The Company recognizes all derivatives in the balance sheet at fair value. The financial statement recognition of the change in the fair value of a derivative depends on a number of factors, including the intended use of the derivative and the extent to which it is effective as part of a hedge transaction.

On the date the derivative contract is entered into, the Company designates the derivative as a fair value hedge or a cash flow hedge. It is a fair value hedge if it hedges subsequent changes in the fair value of a recognized asset or liability or of an unrecognized firm commitment ("fair value" hedge). It is a cash

flow hedge if it hedges a forecasted transaction or the variability of cash flows to be received or paid related to a recognized asset or liability ("cash flow" hedge). The gain or loss in the fair value of a derivative that is designated, qualifies and is highly effective as a fair value hedge is recorded in current period earnings, along with the loss or gains on the hedged item attributed to the hedged risk. The gain or loss in the fair value of a derivative that is designated, qualifies and is highly effective as a cash flow hedge is recorded in other comprehensive income until earnings are affected by the variability of cash flows.

The Company documents all relationships between hedging instruments and hedged items, as well as its risk-management objectives and strategy for undertaking various hedge transactions. This process includes linking all derivatives that are designated as hedges to specific assets or liabilities on the balance sheet, or specific firm commitments. The Company also assesses, both at the hedge's inception and on an ongoing basis, whether the derivatives used in hedging transactions are highly effective in offsetting changes in fair values of hedged items.

During 2004, there were no hedges that were discontinued or otherwise no longer qualify as hedges. The impact of fair value adjustments on derivatives which do not qualify for hedge accounting and any ineffectiveness resulting from hedging activities have been recorded in net realized capital gains (losses).

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2. Summary of Significant Accounting Policies - (continued):

- (m) Reclassifications: Certain prior year items have been reclassified to conform with the current period presentation.
- (n) Recently Issued Accounting Standards: In January 2003, FASB issued Interpretation No. 46, "Consolidation of Variable Interest Entities" ("FIN46"). FIN46 changes the method of determining whether certain entities should be consolidated in the Company's financial statements. An entity is subject to FIN46 and is called a Variable Interest Entity ("VIE") if it has (i) equity that is insufficient to permit the entity to finance its activities without additional subordinated financial support from other parties, or (ii) equity investors that cannot make significant decisions about the entity's operations, or do not absorb the expected losses or receive the expected returns of the entity. A VIE is consolidated by its primary beneficiary, which is the party that has a majority of the expected losses or a majority of the expected residual returns of the VIE, or both. All other entities not considered VIEs are evaluated for consolidation under existing guidance. In December 2003, the FASB issued a revision to Interpretation No. 46 ("FIN46R").

The provisions of FIN46R are to be applied immediately to VIEs created after January 31, 2003, and to VIEs in which the Company obtains an interest after that date. For VIEs in which the Company holds a variable interest that it acquired before February 1, 2003, FIN46R was applied as of December 31, 2003. For any VIEs that must be consolidated under FIN46R that were created before February 1, 2003, the assets, liabilities and noncontrolling interest of the VIE would be initially measured at their carrying amounts with any difference between the net amount added to the balance sheet and any previously recognized interest being recognized as the cumulative effect of an accounting change.

The adoption of FIN46R did not have a material impact on the Company's results of operations or financial condition.

The following VIE activities are not consolidated by the Company under FIN46R:

- (i) The Company uses VIEs primarily in connection with certain guaranteed investment contract programs (GIC Programs). In the GIC Programs, the Company provides guaranteed investment contracts to VIEs which are not controlled by the Company, and in which the Company does

not have a direct variable interest, as defined under FIN46R, in the entity. The VIE issues notes or bonds which are sold to third party institutional investors. The Company has no obligation to the investors in the notes or bonds. The proceeds from the securities issued by the VIE are invested by the VIE in the GICs. The Company uses their proceeds to invest in a diversified portfolio of securities, primarily investment grade bonds. Both the assets and the liabilities of the Company arising from these GIC Programs are presented in the Company's balance sheet.

- (ii) The Company manages collateralized bond and loan obligation trusts (collectively, collateralized debt obligation trust or CDO trust). As asset manager, the Company receives fees for management of the assets held in the CDO trust, which support the issuance of securities sold by the CDO trust. The Company may take minority equity and/or fixed-income security interest in the CDO trust. The Company has entered into such arrangements to expand its asset management activities. Third-party investors have recourse only to the CDO trust, and have no recourse to the Company. The Company does not consolidate these CDO trusts, pursuant to FIN46R.

2. Summary of Significant Accounting Policies - (continued):

(n) Recently Issued Accounting Standards - (continued):

- (iii) The Company also invests in assets of VIEs. These VIEs are established by unrelated third parties. Investments include collateralized mortgage backed securities and similar securities backed by pools of mortgages, consumer receivables or other assets. The investment in these VIEs allows the Company to purchase assets permitted by insurance regulations while maximizing their return on these assets. These VIEs are not consolidated by the Company, pursuant to FIN46R.

In July 2003, the American Institute of Certified Public Accountants ("AICPA") issued SOP 03-01. This statement is effective as of January 1, 2004 and requires the Company to recognize a liability for GMDB, as discussed above, related to its variable annuity and variable life contracts and modifies certain disclosures and financial statement presentations for these products. The one-time cumulative accounting change upon adoption was \$53,000, after taxes, and recorded in the first quarter of 2004. In addition, under SOP 03-01, variable annuity assets held in separate accounts continue to be measured at fair value and reported in summary total on the Company's financial statements, with an equivalent summary total reported for related liabilities, if the separate account arrangement meets certain specified conditions. Assets underlying the Company's interest in a separate account (separate account seed money) do not qualify for separate account accounting and reporting. The Company is required to "look through" the separate account for the purposes of accounting for its interest therein, and account for and classify separate account seed money based on its nature as if the assets of the separate account underlying the Company's interest were held directly by the general account rather than through the separate account structure. The adoption of SOP 03-01 did not have a material impact on the Company's separate accounts or separate account seed money.

In March 2004, the EITF of the FASB reached a final consensus on Issue 03-01, "Meaning of Other-Than-Temporary Impairment and its Application to Certain Investments." This Issue establishes impairment models for determining whether to record impairment losses associated with investments in certain equity and debt securities. It also requires income to be accrued on a level-yield basis following an impairment of debt securities, where reasonable estimates of the timing and amount of future

cash flows can be made. The Company's policy is generally to record income only as cash is received following an impairment of a debt security. In September 2004, the FASB issued Staff Position ("FSP") EITF 03-01-1, which defers the effective date of a substantial portion of EITF 03-01, from the third quarter of 2004, as originally required by the EITF, until such time as FASB issues further implementation guidance, which is expected sometime in 2005. The Company will continue to monitor developments concerning this Issue and is currently unable to estimate the potential effects of implementing EITF 03-01 on the Company's financial position or results of operations.

In June 2004, the FASB issued FSP No. 97-1, "Situations in Which Paragraphs 17(b) and 20 of FASB Statement No. 97, Accounting and Reporting by Insurance Enterprises for Certain Long-Duration Contracts and for Realized Gains and Losses from the Sale of Investments, Permit or Require Accrual of an Unearned Revenue Liability." FSP 97-1 clarifies the accounting for unearned revenue liabilities of certain universal-life type contracts under SOP 03-01. The Company's adoption of FSP 97-1 on July 1, 2004 did not change the accounting for unearned revenue liabilities and, therefore, had no impact on the Company's financial position or results of operations. In September 2004, the AICPA SOP 03-01 Implementation Task Force issued a Technical Practice Aid ("TPA") to clarify certain aspects of SOP 03-01. The Company is currently evaluating the effect of the implementation of this TPA in its operations on the Company's financial position or results of operations.

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2. Summary of Significant Accounting Policies - (continued):

(n) Recently Issued Accounting Standards - (continued):

In December 2004, the FASB issued Statement No. 123 (revised 2004) ("FAS 123R"), "Share-Based Payment." FAS 123R replaces FASB Statement No. 123 ("FAS 123"), "Accounting for Stock-based Compensation," and supersedes APB Opinion No. 25, "Accounting for Stock Issued to Employees." FAS 123, as originally issued in 1995, established as preferable a fair-value-based method of accounting for share-based payment transactions with employees. On January 1, 2003, AIG adopted the recognition provisions of FAS 123. The effect of the compensation costs, as determined consistent with FAS 123, was not computed on a subsidiary basis, but rather on a consolidated basis for all subsidiaries of AIG and, therefore, are not presented herein. FAS 123R is effective for the annual periods beginning after June 15, 2005. AIG and the Company are currently assessing the impact of FAS 123R and believe the impact will not be material to AIG's or the Company's results of operations.

3. Investment Information

(a) Net Investment Income: An analysis of net investment income is as follows (in thousands):

	Years ended December 31,		
	2004	2003	2002
		(Restated)	(Restated)
Fixed maturities	\$ 512,526	\$ 510,472	\$ 4
Equity securities	2,556	331	
Mortgage loans	30,851	31,058	
Policy loans	780	744	
Cash and short-term investments	488	903	
Other long-term investments	6,339	8,131	
Total investment income	553,540	551,639	5
Investment expenses	(4,576)	(6,090)	
Net investment income	\$ 548,964	\$ 545,549	\$ 5

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3. Investment Information - (continued):

(b) Investment Gains and Losses: The net realized capital gains (losses) and change in unrealized appreciation (depreciation) of investments for 2004, 2003 and 2002 are summarized below (in thousands):

	Years ended December	
	2004	2003
		(Restated)
Realized gains (losses) on investments:		
Fixed maturities	\$ 634	\$ 3,844
Equity securities	703	1,156
Mortgage loans	-	(722)
Other long-term investments	(17,170)	(3,535)
	-----	-----
Realized gains (losses)	\$ (15,833)	\$ 743
	=====	=====
Change in net unrealized appreciation (depreciation) of investments:		
Fixed maturities	\$ 64,369	\$ 180,242
Equity securities	(688)	654
Deferred policy acquisition costs	7,477	(44,555)
Other	-	(165)
Derivative assets	(107)	(6,381)
	-----	-----
Change in net unrealized appreciation (depreciation) of investments	\$ 71,051	\$ 129,795
	=====	=====

During 2004, 2003 and 2002, gross gains of \$28,807,000, \$61,092,000 and \$67,334,000, respectively, and gross losses of \$28,173,000, \$57,848,000 and \$156,746,000, respectively, were realized on dispositions of fixed maturities. The 2004, 2003 and 2002 losses include writedowns of \$5,886,000, \$36,639,000 and \$39,054,000, respectively, for certain securities available for sale, which experienced a decline in value that are deemed other than temporary. The determination that a security has incurred an other than temporary decline in value and the amount of loss recognition requires the judgement of the Company's management and a continual review of its investments.

During 2004, 2003 and 2002, gross gains of \$703,000, \$1,177,000 and \$465,000, respectively, and gross losses of \$0, \$21,000, and \$3,369,000, respectively, were realized on dispositions of

equity securities.

The following table summarizes the gross unrealized losses and cost on fixed maturities and equity securities, aggregated by the length of time that individual securities have been in a continuous unrealized loss position, at December 31, 2004 (in thousands):

December 31, 2004 -----	12 months or less -----		Greater than 12 months -----	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Fixed maturities	\$678,359	\$18,895	\$215,835	\$14,950
Equity Securities	1,497	170	-	-
Total	\$679,856	\$19,065	\$215,835	\$14,950
	=====	=====	=====	=====

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3. Investment Information - (continued):

(c) Amortized Cost and Fair Value of Fixed Maturities and Equity Securities: The amortized cost and fair value of investments in fixed maturities and equity securities at December 31, 2004 and 2003 are as follows (in thousands):

	Amortized Cost	Gross Unrealized Gains	
2004			
----	-----	-----	---
Fixed maturities:			
U.S. Government and government agencies and authorities	\$ 80,881	\$ 14,737	\$
Foreign Governments	35,934	3,289	
States, municipalities and political subdivisions	65,719	7,953	
Mortgage-backed securities	899,067	46,010	
All other corporate	6,427,577	535,919	
	-----	-----	---
Total fixed maturities	\$ 7,509,178	\$ 607,908	\$
	=====	=====	==
Equity securities	\$ 1,837	\$ 140	\$
	=====	=====	==
	Amortized	Gross	
	Cost	Unrealized	
2003			
----	-----	-----	---
	(Restated)	(Restated)	
Fixed maturities:			
U.S. Government and government agencies and authorities	\$ 84,724	\$ 18,337	\$
Foreign Governments	25,664	2,450	
States, municipalities and political subdivisions	41,841	7,748	
Mortgage-backed securities	895,528	40,151	
All other corporate	6,234,499	487,843	
	-----	-----	---
Total fixed maturities	\$ 7,282,256	\$ 556,529	\$
	=====	=====	==
Equity securities	\$ 994	\$ 658	\$
	=====	=====	==

The amortized cost and fair value of fixed maturities available for sale at December 31, 2004, by contractual maturity, are shown below (in thousands). Actual maturities could differ from

contractual maturities because certain borrowers have the right to call or prepay obligations with or without call or prepayment penalties.

	Amortized Cost	Fair Value
	-----	-----
Fixed maturity securities, excluding mortgage-backed securities:		
Due in one year or less	\$ 178,254	\$ 181,698
Due after one year through five years	945,610	995,123
Due after five years through ten years	1,932,865	2,070,009
Due after ten years	3,553,382	3,895,444
Mortgage-backed securities	899,067	940,958
	-----	-----
Total fixed maturity securities	\$ 7,509,178	\$ 8,083,232
	=====	=====

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3. Investment Information - (continued):

(d) Net Unrealized Gains (Losses) on Fixed Maturities and Equity Securities: Net unrealized gains (losses) on fixed maturities and equity securities included in accumulated other comprehensive income at December 31 are as follows (in thousands):

	2004	2003	
	-----	-----	
		(Restated)	
Gross unrealized gains	\$ 608,048	\$ 557,187	\$
Gross unrealized losses	(34,024)	(46,844)	
Deferred policy acquisition costs	(105,770)	(113,247)	
Deferred income tax expense	(161,051)	(134,833)	
	-----	-----	
Net unrealized gains on securities	\$ 307,203	\$ 262,263	\$
	=====	=====	=====

- (e) Fixed Maturities Below Investment Grade: At December 31, 2004 and 2003, the fixed maturities held by the Company that were below investment grade had an aggregate amortized cost of \$531,122,642 and \$596,986,014, respectively, and an aggregate market value of \$553,047,938 and \$597,928,332, respectively.
- (f) Non-income Producing Assets: Non-income producing assets were insignificant to the Company's Statement of Income.
- (g) Investments Greater than 10% of Equity: There were no individual investment securities in which the market value exceeded 10% of the Company's total shareholders' equity at December 31, 2004.
- (h) Statutory Deposits: Securities with a carrying value of \$6,458,281 and \$6,520,968 were deposited by the Company under requirements of regulatory authorities as of December 31, 2004 and 2003, respectively.
- (i) Mortgage Loans: At December 31, 2004, mortgage loans were collateralized by properties located in 8 geographic regions, with loans totaling approximately 49% of the aggregate carrying value of the portfolio secured by properties located in the Northeast region, 19% by properties located in the West region, 11% by properties located in the Mid-Atlantic region and 6% in the Mid-West region. No more than 5% of the portfolio was secured by properties in any other region.

At December 31, 2004, the type of property collateralizing the

mortgage loan portfolio was approximately 33% for office, 20% for residential, 19% for retail, 17% for hotel/motel, 6% for industrial, and 5% other.

4. Deferred Policy Acquisition Costs

The following reflects the deferred policy acquisition costs (commissions, direct solicitation and other costs) which will be amortized against future income and the related current amortization charged to income, excluding certain amounts deferred and amortized in the same period (in thousands):

	Years ended December 31	
	2004	2003
Balance at beginning of year	\$ 85,908	\$ 173,205
Acquisition costs deferred	2,883	4,713
Amortization charged to income	(31,142)	(47,455)
Effect of net unrealized gains/losses	7,477	(44,555)
Deferred policy acquisition costs transfer for terminated reinsurance	-	-
Balance at end of year	\$ 65,126	\$ 85,908

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4. Deferred Policy Acquisition Costs - (continued):

During 2002, the Company terminated a YRT reinsurance treaty with an affiliate relating to certain group accident and health business. The Company released deferred policy acquisition costs totaling \$796,000 recorded with respect to this treaty.

5. Policyholder Contract Deposits and Future Policy Benefits

(a) The analysis of the policyholder contract deposit liabilities and future policy benefits at December 31, 2004 and 2003 follows (in thousands):

	2004	2003
	-----	-----
Policyholder contract deposits:		
Annuities	\$ 4,356,244	\$ 4,467,621
Guaranteed investment contracts (GICs)	356,245	393,674
Universal life	113,913	112,732
Corporate-owned life insurance	34,111	32,516
Other investment contracts	53,418	53,150
	-----	-----
	\$ 4,913,931	\$ 5,059,693
	=====	=====

	2004	2003
	-----	-----
Future policy benefits:		
Ordinary life	\$ 18,946	\$ 19,951
Group life	26,849	23,304
Life contingent annuities	1,347,729	1,150,861
Terminal funding	1,120,582	1,121,810
Accident and health	51,296	31,547
	-----	-----
	\$ 2,565,402	\$ 2,347,473
	=====	=====

(b) The liability for policyholder contract deposits has been established based on the following assumptions:

(i) Interest rates credited on deferred annuities vary by year of issuance and range from 3.0 percent to 6.25 percent. Credited interest rate guarantees are generally for a period of one year. Withdrawal charges generally range from 0 percent to 6.0 percent grading to zero over a period of 0 to 7 years.

- (ii) GICs have market value withdrawal provisions for any funds withdrawn other than benefit responsive payments. Interest rates credited generally range from 3.0 percent to 7.6 percent and maturities range from 3 to 7 years. The vast majority of these GICs mature within 5 years.

- (iii) Interest rates on corporate-owned life insurance business are guaranteed at 4.0 percent and the weighted average rate credited in 2004 was 5.58 percent.

- (iv) The universal life funds, exclusive of corporate-owned life insurance business, have credited interest rates of 4.5 percent to 5.55 percent and guarantees ranging from 4.0 percent to 5.5 percent depending on the year of issue. Additionally, universal life funds are subject to surrender charges that amount to 3.0 percent of the fund balance and grade to zero over a period not longer than 20 years.

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5. Policyholder Contract Deposits and Future Policy Benefits - (continued):

- (c) The liability for future policy benefits has been established based upon the following assumptions:
 - (i) Interest rates (exclusive of immediate/terminal funding annuities), which vary by year of issuance and products, range from 3.0 percent to 8.0 percent. Interest rates on immediate/terminal funding annuities are at a maximum of 7.62 percent and grade to not less than 3.78 percent.
 - (ii) Mortality and withdrawal rates are based upon actual experience modified to allow for variations in policy form. The weighted average lapse rate for individual life, including surrenders, approximated 9.2 percent.

6. Reserves for Guaranteed Benefits

Details concerning the Company's guaranteed minimum death benefit (GMDB) exposure as of December 31, 2004 were as follows:

	Return of Net Deposits Plus a Minimum Return ----- (dollars in millions)
Account value	\$ 190
Net amount at risk (a)	11
Average attained age of contract holders	66
Range of GMDB increase rates (b)	0.00%-10.00%

- (a) Net amount at risk represents the guaranteed benefit exposure in excess of the current account value if all contract holders died at the same balance sheet date.
- (b) Reinsured with top rated carriers.

The following summarizes the reserve for guaranteed benefits on variable contracts, which is reflected in the general account and reported in reserves for fixed annuity contracts on the consolidated balance sheet:

	(In thousands)
Balance at January 1, 2004 (b)	\$ 81
Guaranteed benefits incurred	225
Guaranteed benefits paid	(256)

Balance at December 31, 2004	\$ 50
	=====

- (b) Included is the one-time cumulative effect of accounting change resulting from the adoption of SOP 03-01.

The following assumptions and methodology were used to determine the reserve for guaranteed benefits at December 31, 2004:

- . Data used was 1,000 stochastically generated investment performance scenarios.
- . Mean investment performance assumption was 10%.
- . Volatility assumption was 16%.
- . Mortality was assumed to be 87.5% of the 1983a table.
- . Lapse rates vary by contract type and duration and range from 5% to 25% with an average of 15%.
- . The discount rate was 8%.

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7. Income Taxes

(a) Income tax liabilities were as follows (in thousands):

	Years ended December 31,	
	2004	2003
		(Restated)
Current tax receivables	\$ 26,343	\$ 29,720
Net deferred tax liabilities	(108,031)	(88,240)
Income taxes payable	\$ (81,688)	\$ (58,520)

The components of deferred tax assets and liabilities were as follows (in thousands):

	Years ended December 31,	
	2004	2003
		(Restated)
Deferred tax assets:		
Policy reserves	\$ 60,539	\$ 49,977
Other	2,137	8,815
	62,676	58,792
Deferred tax liabilities:		
Net unrealized gains on debt and equity securities available for sale	\$ 154,790	\$ 128,539
Deferred policy acquisition costs	5,546	10,897
Basis differential of investments	6,546	3,613
Other	3,825	3,983
	170,707	147,032
Net deferred tax liabilities	\$ (108,031)	\$ (88,240)

(b) Under prior federal income tax law, one-half of the excess of a life insurance company's income from operations over its taxable investment income was not taxed, but was set aside in a special tax account designated as "Policyholders' Surplus". At December 31, 2004, the Company had approximately \$2.9 million of policyholders' surplus on which no deferred tax liability has

been recognized, as federal income taxes are not required unless this amount is distributed as a dividend or recognized under other specified conditions. The Company does not believe that any significant portion of the account will be taxed in the foreseeable future. If the entire policyholders' surplus account became taxable at the current federal income tax rates, the tax would be approximately \$1,008,000. The American Jobs Creation Act of 2004 modified federal income tax law to allow life insurance companies to distribute amounts from policyholders' surplus during 2005 and 2006 without incurring federal income tax on the distributions. The Company is evaluating this new law and expects to eliminate its policyholders' surplus balance during these two years.

- (c) The provision for income taxes differs from the amount of income tax determined by applying the applicable U.S. statutory federal income tax rate of 35% to pretax income as a result of the following differences (in thousands):

	Years ended December 31	
	2004	2003
		(Restated)
Income tax expense at statutory percentage of GAAP pretax income	\$ 54,768	\$ 52,220
State income tax	510	892
Prior year true-ups	(696)	(549)
Other	62	(120)
Income tax expense	\$ 54,644	\$ 52,443

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7. Income Taxes - (continued):

- (d) The Internal Revenue Service (IRS) is currently examining the Parent's tax return for the tax years 1991 to 2002. Although the final outcome of any issues raised in examination is uncertain, the Parent Company believes that the ultimate liability, including interest, will not materially exceed amounts recorded in the consolidated financial statements. The Company has a written agreement with AIG under which each subsidiary agrees to pay AIG an amount equal to the consolidated federal income tax expense, multiplied by the ratio that the subsidiary's separate return tax liability bears to the consolidated tax liability, plus one hundred percent of the excess of the subsidiary's separate return tax liability over the allocated consolidated tax liability. AIG agrees to pay each subsidiary for the tax benefits, if any, of net operating losses and tax credits which are not usable by the subsidiary but which are used by other members of the consolidated group.

8. Commitments and Contingencies

The Company is party to various lawsuits and proceedings arising in the ordinary course of business. Based upon information presently available, the Company believes that the total amounts that will ultimately be paid, if any, arising from these lawsuits and proceedings will not have a material adverse effect on the Company's results of operations and financial position. However, it should be noted that the frequency of large damage awards, including large punitive damage awards, that bear little or no relation to actual economic damages incurred by plaintiffs in some jurisdictions continues to create the potential for an unpredictable judgment in any given suit.

The Company's ultimate parent, AIG, pursuant to various filings with the SEC, has reported that its Annual Report on Form 10-K for the fiscal year ended December 31, 2004 could not be filed within the prescribed time period due to management changes, as well as AIG's ongoing internal review of the accounting for certain transactions, which review was commenced in connection with regulatory inquiries announced by AIG and described in Current Reports on Forms 8-K filed with the SEC by AIG, including those filed on February 14, 2005, March 15, 2005 and March 30, 2005. In the opinion of the Company's management, based on the current status of these inquiries, it is not likely that any of these inquiries will have a material adverse effect on the Company's consolidated financial condition or results of operations.

The Company had \$27.5 million and \$25.8 million of unfunded commitments for its investments in limited partnerships at December 31, 2004 and 2003, respectively.

9. Derivative Financial Instruments

(a) Use of Derivative Financial Instruments:

The Company's use of derivative financial instruments is generally limited to interest rate and currency swap agreements, and, at times, options to enter into interest rate swap agreements (call and put swaptions). The Company is neither a dealer nor a trader in derivative financial instruments.

Hedge accounting requires a high correlation between changes in fair values or cash flows of the derivative financial instrument and the specific item being hedged, both at inception and throughout the life of the hedge. For fair value hedges, gains and losses on both the derivative and the hedged item attributable to the risk being hedged are recognized in earnings. For both cash flow hedges and foreign currency hedges, to the extent the hedge is effective, gains and losses on both the derivative and the hedged item attributable to the risk being hedged are recognized as a component of other comprehensive income in shareholder's equity. Any ineffective portion of both cash flow hedges and foreign currency hedges are reported in net realized investment gains (losses).

9. Derivative Financial Instruments - (continued):

(b) Interest Rate and Currency Swap Agreements:

Interest rate swap agreements are used to convert specific investment securities from a floating to a fixed rate basis, or vice versa, and to hedge against the risk of declining interest rates on anticipated security purchases. Interest rate swaps in which the Company agrees to pay a fixed rate and receive a floating rate are accounted for as fair value hedges. Interest rate swaps in which the Company agrees to pay a floating rate and receive a fixed rate are accounted for as cash flow hedges.

Currency swap agreements are used to convert cash flows from specific investment securities denominated in foreign currencies into U.S. dollars at specific exchange rates and to hedge against currency rate fluctuation on anticipated security purchases.

The difference between amounts paid and received on swap agreements is recorded on an accrual basis as an adjustment to net investment income or interest expense, as appropriate, over the periods covered by the agreements. The related amount payable to or receivable from counterparties is included in derivative liabilities or assets.

The fair values of swap agreements are recognized in the balance sheets if the hedged investments are carried at fair value or if they hedge anticipated purchases of such investments. In this event, changes in the fair value of a swap agreement are reported in net unrealized gains on securities included in other accumulated comprehensive income in shareholder's equity, consistent with the treatment of the related investment security.

For swap agreements hedging anticipated investment purchases, the net swap settlement amount or unrealized gain or loss is deferred and included in the measurement of the anticipated transaction when it occurs.

Swap agreements generally have terms of two to ten years. Any gain or loss from early termination of a swap agreement is deferred and amortized into income over the remaining term of the related investment. If the underlying investment is extinguished or sold, any related gain or loss on swap agreements is recognized in income.

Interest rate and currency swap agreements at December 31 were

as follows (in millions):

	2004 -----	2003 -----
Liability Swaps		
Interest rate swap agreements to receive floating rate:		
Notional amount	\$ 175	\$ 175
Fair value	(4)	(10)
Asset Swaps		
Currency swap agreements (receive U.S. dollars/pay Canadian dollars):		
Notional amount (in U.S. dollars)	\$ 30	\$ 30
Fair value	(13)	(9)
Currency swap agreements (receive U.S. dollars/pay Euro dollars):		
Notional amount (in U.S. dollars)	\$ 5	\$ 5
Fair Value	(2)	(1)
Currency swap agreements (receive U.S. dollars/pay Australian dollars):		
Notional amount (in U.S. dollars)	\$ 5	\$ -
Fair Value	(.3)	-

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9. Derivative Financial Instruments - (continued):

(c) Risks Inherent In the Use of Derivatives:

Risks inherent in the use of derivatives include market risk, credit risk in the event of non-performance by counterparties, and mismatch risk. Exposure to market risk is mitigated by the fact that all derivatives contracts are executed as effective hedges, the financial effects of which are offset by another financial instrument (investment securities or index-based policy liabilities.) Counterparty credit exposure is limited by entering into agreements with affiliated counterparties or unaffiliated counterparties having high credit ratings. Affiliated counterparties are guaranteed by AIG and unaffiliated counterparty credit ratings are monitored on a regular basis.

Mismatch risk is the risk that hedges are executed improperly or become ineffective over the term of the contracts. Procedures have been implemented at AIG Global Investment Group, the Company's affiliated investment advisor, and within the Life Division to prevent and detect such mismatches.

10. Fair Value of Financial Instruments

Statement of Financial Accounting Standards No. 107 "Disclosures about Fair Value of Financial Instruments" ("FASB 107") requires disclosure of fair value information about financial instruments for which it is practicable to estimate such fair value. In the measurement of the fair value of certain of the financial instruments, where quoted market prices were not available, other valuation techniques were utilized. These fair value estimates are derived using internally developed valuation methodologies based on available and observable market information.

The fair value and carrying amounts of financial instruments are as follows (in thousands):

2004	Fair Value	Carrying Amount
----	-----	-----
Cash and short-term investments	\$ 17,439	\$ 17,439
Fixed maturities	8,083,232	8,083,232
Equity securities	1,807	1,807
Mortgage and policy loans	402,558	380,010
Investment contracts	4,977,664	4,712,489
Other long-term investments	55,608	55,608
Assets and liabilities related to		

separate accounts	204,782	204,782
Derivative liabilities	21,933	21,933

2003	Fair Value	Carrying Amount
----	-----	-----
		(Restated)
Cash and short-term investments	\$ 96,210	\$ 96,210
Fixed maturities	7,791,941	7,791,941
Equity securities	1,652	1,652
Mortgage and policy loans	466,478	425,123
Investment contracts	4,947,379	4,861,295
Other long-term investments	79,779	79,779
Assets and liabilities related to separate accounts	216,087	216,087
Derivative liabilities	19,448	19,448

10. Fair Value of Financial Instruments - (continued):

- (b) The following methods and assumptions were used by the Company in estimating the fair value of the financial instruments presented:

Cash and short-term investments: The carrying amounts reported in the balance sheet for these instruments approximate fair value.

Fixed maturity securities: Fair value is based principally on independent pricing services, broker quotes and other independent information. For securities that do not have readily determinable market prices, the Company estimates their fair value with internally prepared valuations (including those based on estimates of future profitability). Otherwise, the Company uses its most recent purchases and sales of similar unquoted securities, independent broker quotes or comparison to similar securities with quoted prices when possible to estimate the fair value of those securities.

Equity securities: Fair values for equity securities were based upon quoted market prices.

Mortgage loans on real estate and policy loans: Where practical, the fair values of loans on real estate were estimated using discounted cash flow calculations based upon the Company's current incremental lending rates for similar type loans. The fair value of policy loans were estimated to approximate carrying value.

Investment contracts: For guaranteed investment contracts, income annuities and other similar contracts without life contingencies, estimated fair values are derived using discounted cash flow calculations based upon interest rates currently being offered for similar contracts consistent with those remaining for the contracts being valued.

Other long-term investments: Fair value of other invested assets is based upon the fair value of the net assets of these investments as determined by the general partners.

Assets and liabilities related to separate accounts: Separate and variable accounts are carried at the quoted market value of the underlying securities. The liabilities for these accounts are equal to the account assets.

Derivatives: Fair values for derivative assets and liabilities were based upon quoted market prices.

11. Shareholder's Equity

- (a) The Company may not distribute dividends to its Parent without prior approval of regulatory agencies. Generally, this limits the payment of such dividends to an amount which, in the opinion of the regulatory agencies, is warranted by the financial condition of the Company. The maximum shareholder dividend, which can be paid without prior regulatory approval, is limited to an amount that is based on restrictions relating to statutory surplus. There were no dividends paid in 2004 or 2003.
- (b) The Company received a cash capital contribution from its parent in the amount of \$41 million in 2002.

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12. Employee Benefits

Effective January 1, 2002, substantially all of the Company's employees participate in various benefit plans sponsored by AIG, including a noncontributory qualified defined benefit retirement plan, various stock option and purchase plans, a 401(k) plan and a post retirement benefit program for medical care and life insurance. AIG's U.S. plans do not separately identify projected benefit obligations and plan assets attributable to employees of participating affiliates.

13. Reinsurance

- (a) The Company reinsures portions of its life and accident and health insurance risks with unaffiliated companies. Life insurance risks are reinsured primarily under coinsurance and yearly renewable term treaties. Accident and health insurance risks are reinsured primarily under coinsurance, excess of loss and quota share treaties. Amounts recoverable from reinsurers are estimated in a manner consistent with the assumptions used for the underlying policy benefits and are presented as a component of reinsurance assets. A contingent liability exists with respect to reinsurance ceded to the extent that any reinsurer is unable to meet the obligations assumed under the reinsurance agreements.

The Company also reinsures portions of its life and accident and health insurance risks with affiliated companies (see Note 14). The effect of all reinsurance contracts, including reinsurance assumed, is as follows (in thousands, except percentages):

December 31, 2004	Life Insurance in Force	Premiums	
		Life	Acc and I
Gross Premiums	40,437,034	158,880	
Assumed - Nonaffiliated	1,045,988	2,353	
Assumed - Affiliated	299	-	
Total Assumed	1,046,287	2,353	
Ceded - Nonaffiliated	576,871	2,602	
Ceded - Affiliated	785	(58)	
Total Ceded	577,656	2,544	
Net Premiums	40,905,665	158,689	

Percentage of Amount Assumed to Net

2.6%

1.5%

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13. Reinsurance (continued):

December 31, 2003	Life Insurance in Force	Life	Premiums and
-----	-----	-----	-----
Gross Premiums	37,356,256	144,772	
Assumed - Nonaffiliated	1,105,544	3,433	
Assumed - Affiliated	500	-	
	-----	-----	-----
Total Assumed	1,106,044	3,433	
Ceded - Nonaffiliated	610,020	3,009	
Ceded - Affiliated	845	1,593	
	-----	-----	-----
Total Ceded	610,865	4,602	
	-----	-----	-----
Net Premiums	37,851,435	143,603	
	=====	=====	=====
Percentage of Amount Assumed to Net	2.9%	2.4%	

December 31, 2002	Life Insurance in Force	Life	Premiums and
-----	-----	-----	-----
Gross Premiums	37,923,271	125,430	
Assumed - Nonaffiliated	20,539,992	1,762	
Assumed - Affiliated	965	95	
	-----	-----	-----
Total Assumed	20,540,957	1,857	
Ceded - Nonaffiliated	776,580	2,733	
Ceded - Affiliated	19,405,975	26	
	-----	-----	-----
Total Ceded	20,182,555	2,759	
	-----	-----	-----
Net Premiums	38,281,673	124,528	
	=====	=====	=====
Percentage of Amount Assumed to Net	53.7%	1.5%	

(b) Reinsurance recoveries, which reduced death and other benefits, approximated \$19,552,000 and \$25,960,000 respectively, for the years ended December 31, 2004 and 2003.

The Company's reinsurance arrangements do not relieve it from

its direct obligation to its insureds. Thus, a credit exposure exists with respect to reinsurance ceded to the extent that any reinsurer is unable to meet the obligations assumed under the reinsurance agreements.

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14. Transactions with Related Parties

- (a) The Company is party to several reinsurance agreements with its affiliates covering certain life and accident and health insurance risks. Premium income and commission ceded to affiliates amounted to \$22,438,000 and \$3,411,000, respectively, for the year ended December 31, 2004. Premium income and commission ceded for 2003 amounted to \$21,607,000 and \$2,397,000, respectively. Premium income and commission ceded for 2002 amounted to \$17,925,000 and \$2,473,000, respectively. Premium income and commission expense assumed from affiliates aggregated \$0 and \$0, respectively, for 2004, compared to \$0 and \$0, respectively, for 2003, and \$95,000 and \$3,000, respectively, for 2002.

In 2003, the Company commuted a ceded reinsurance treaty with Lexington Insurance Company that was fully offset by commuting an assumed reinsurance treaty with Metropolitan Life Insurance Company, resulting in no net impact to the Company's results of operations or financial position.

- (b) The Company provides life insurance coverage to employees of the Parent and its domestic subsidiaries in connection with the Parent's employee benefit plans. The statement of income includes \$13,302,000 in premiums relating to this business for 2004, \$11,399,000 for 2003, and \$4,042,000 for 2002.
- (c) The Company is party to several cost sharing agreements with its affiliates. Generally, these agreements provide for the allocation of costs upon either the specific identification basis or a proportional cost allocation basis which management believes to be reasonable. For the years ended December 31, 2004, 2003 and 2002, the Company was charged \$13,126,000, \$10,589,000 and \$6,556,000, respectively, for expenses attributed to the Company but incurred by affiliates. During the same period, the Company received reimbursements from affiliates aggregating \$0, \$0 and \$7,648,000, respectively, for costs incurred by the Company but attributable to affiliates.
- (d) The Company's insurance policy obligations are guaranteed by National Union Fire Insurance Company of Pittsburgh ("National Union"), a subsidiary of AIG. This guarantee is unconditional and irrevocable as to outstanding obligations, and the Company's contractholders have the right to enforce the guarantee directly against National Union. While National Union does not publish financial statements, it does file statutory annual and quarterly reports with the Pennsylvania Insurance Department,

where such reports are available to the public.

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15. Restatement

Certain financial statement components as of December 31, 2003 and 2002 and for the years then ended have been restated. These restatements relate to the corrections of a general allowance for mortgage loans inappropriately set up prior to 2002, an overstatement of reserves in 2002, cash flow information related to certain deposit-type products and other miscellaneous components.

A summary of the adjustments made and their effect on the financial statements is presented below (in thousands):

	As of and for the year December 31, 2003	
	As originally Stated	Restated

Balance Sheets		

Mortgage loans on real estate	\$ 395,008	\$ 414,000
Amounts due from related parties	14,425	17,000
Total assets	8,846,820	8,876,000
Income taxes payable	51,450	58,000
Other liabilities	183,925	185,000
Total liabilities	7,937,225	7,953,000
Accumulated other comprehensive income	250,575	249,000
Retained earnings	417,770	431,000
Total liabilities and shareholders' equity	8,846,820	8,876,000

Statements of Income

Net investment income	542,949	545,000
Realized capital gains (losses)	1,143	1,000
Death and other benefits	310,501	324,000
Insurance acquisition and other operating expenses	81,664	79,000
Deferred income tax expense	23,473	19,000
Net income (loss)	103,994	96,000

Statements of Shareholders' Equity

Change in net unrealized appreciation of

investments - net of reclassifications	134,876	136,
Deferred income tax expense on above changes	(45,858)	(46,
Accumulated other comprehensive income	250,575	249,
Retained earnings	417,770	431,
Total shareholders' equity	909,595	922,

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15. Restatement - (continued)

	As of and for the year December 31, 2003	
	As originally Stated	Restat

Statements of Cash Flows		

Change in other policyholders' contracts	(69,434)	1
Interest credited to policyholder contracts	-	22
Change in income taxes - net	(311)	(
Change in deferred policy acquisition costs	42,741	4
Realized capital (gains) losses	(1,143)	
Change in other assets and liabilities - net	51,566	4
Net cash provided by operating activities	295,154	59
Change in other long-term investments	24,693	2
Net cash used in investing activities	(254,686)	(25
Net policyholder by account deposits/withdrawals	(38,193)	
Deposits on policyholders contracts	-	26
Withdrawals on policyholder contracts	-	(59
Net cash provided by (used in) financing activities	(38,193)	(32

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[LOGO OF AIG AMERICAN GENERAL]

Variable Account A
Variable Annuity

2004
Annual Report

December 31, 2004

American International Life Assurance Company of New York
A member company of American International Group, Inc.

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[LETTERHEAD] PricewaterhouseCoopers LLP

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors of American International Life Assurance Company of New York and Contract Owners of American Life Assurance Company of New York Variable Account A

In our opinion, the accompanying statement of net assets, including the schedule of investments, and the related statements of operations and of changes in net assets and the financial highlights present fairly, in all material respects, the financial position of each of the Sub-accounts listed in Note A of American International Life Assurance Company of New York Variable Account A (the "Separate Account") at December 31, 2004, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period then ended and the financial highlights for each of the four years in the period then ended, in conformity with accounting principles generally accepted in the United States of America. These financial statements and financial highlights (hereafter referred to as "financial statements") are the responsibility of the Separate 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 the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes 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, 2004 by correspondence with the investment companies, provide a reasonable basis for our opinion.

As discussed in Note H to the financial statements, the Separate Account has restated net investment income (loss) and capital gain distributions from mutual funds for certain Sub-accounts for the year ended December 31, 2003, and the related investment income ratio for the years ended December 31, 2003, 2002 and 2001.

PRICEWATERHOUSECOOPERS LLP

April 29, 2005

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AMERICAN INTERNATIONAL LIFE ASSURANCE COMPANY OF NEW YORK
VARIABLE ACCOUNT A

STATEMENT OF NET ASSETS
December 31, 2004

Sub-accounts	Investment securities - at fair value
-----	-----
AIM V.I. Capital Appreciation Fund - Series I	\$ 319,574
AIM V.I. International Growth Fund - Series I	174,024
AllianceBernstein Americas Government Income Portfolio - Class A	4,197,393
AllianceBernstein Global Bond Portfolio - Class A	1,475,931
AllianceBernstein Global Dollar Government Portfolio - Class A	2,555,792
AllianceBernstein Growth and Income Portfolio - Class A	32,226,430
AllianceBernstein Growth and Income Portfolio - Class B	10,741,346
AllianceBernstein Growth Portfolio - Class A	17,038,422
AllianceBernstein Growth Portfolio - Class B	3,231,063
AllianceBernstein High Yield Portfolio - Class A	3,186,053
AllianceBernstein International Portfolio - Class A	5,558,183
AllianceBernstein International Value Portfolio - Class A	1,853,027
AllianceBernstein Money Market Portfolio - Class A	3,734,318
AllianceBernstein Money Market Portfolio - Class B	3,090,981
AllianceBernstein Premier Growth Portfolio - Class A	22,146,075
AllianceBernstein Premier Growth Portfolio - Class B	3,679,550
AllianceBernstein Real Estate Investment Portfolio - Class A	4,751,841
AllianceBernstein Small Cap Growth Portfolio - Class A	5,932,758
AllianceBernstein Small Cap Value Portfolio - Class A	4,169,902
AllianceBernstein Technology Portfolio - Class A	12,517,820
AllianceBernstein Technology Portfolio - Class B	1,666,362
AllianceBernstein Total Return Portfolio - Class A	12,220,096
AllianceBernstein U.S. Government/High Grade Securities Portfolio - Class A	9,767,798
AllianceBernstein U.S. Government/High Grade Securities Portfolio - Class B	156,743
AllianceBernstein Utility Income Portfolio - Class A	4,096,017
AllianceBernstein Value Portfolio - Class B	4,688,616
AllianceBernstein Worldwide Privatization Portfolio - Class A	4,960,728
Delaware VIP Balanced Series - Standard class	149,125
Delaware VIP Capital Reserves Series - Standard class	230,442
Delaware VIP Cash Reserves Series - Standard class	129,795
Delaware VIP Growth Opportunities Series - Standard class	622,841
Delaware VIP High Yield Series - Standard class	51,924

Delaware VIP Value Series - Standard class	1,608,953
Dreyfus Stock Index Fund, Inc. - Initial shares	1,672,892
Dreyfus VIF Small Company Stock Portfolio - Initial shares	191,665
Fidelity VIP Asset Manager Portfolio - Initial Class	590,866
Fidelity VIP Contrafund Portfolio - Initial Class	680,482
Fidelity VIP Growth Portfolio - Initial Class	1,524,043
Fidelity VIP High Income Portfolio - Initial Class	114,747
Fidelity VIP Investment Grade Bond Portfolio - Initial Class	403,954
Fidelity VIP Money Market Portfolio - Initial Class	1,377,926
Fidelity VIP Overseas Portfolio - Initial Class	78,464
Mercury HW International VIP Portfolio	-
Merrill Lynch Basic Value V.I. Fund - Class I	98,938
Merrill Lynch Core Bond V.I. Fund - Class I	71,304
Merrill Lynch Developing Capital Markets V.I. Fund - Class I	-
Merrill Lynch Global Allocation V.I. Fund - Class I	62,240
Merrill Lynch Global Growth V.I. Fund - Class I	14,366

Contract
owners -
annuity
reserves

Sub-accounts

-----	-----
AIM V.I. Capital Appreciation Fund - Series I	\$ -
AIM V.I. International Growth Fund - Series I	-
AllianceBernstein Americas Government Income Portfolio - Class A	-
AllianceBernstein Global Bond Portfolio - Class A	13,261
AllianceBernstein Global Dollar Government Portfolio - Class A	-
AllianceBernstein Growth and Income Portfolio - Class A	19,218
AllianceBernstein Growth and Income Portfolio - Class B	27,737
AllianceBernstein Growth Portfolio - Class A	-
AllianceBernstein Growth Portfolio - Class B	-
AllianceBernstein High Yield Portfolio - Class A	6,095
AllianceBernstein International Portfolio - Class A	-
AllianceBernstein International Value Portfolio - Class A	-
AllianceBernstein Money Market Portfolio - Class A	-
AllianceBernstein Money Market Portfolio - Class B	-
AllianceBernstein Premier Growth Portfolio - Class A	11,144
AllianceBernstein Premier Growth Portfolio - Class B	-
AllianceBernstein Real Estate Investment Portfolio - Class A	5,060
AllianceBernstein Small Cap Growth Portfolio - Class A	8,750
AllianceBernstein Small Cap Value Portfolio - Class A	-
AllianceBernstein Technology Portfolio - Class A	-
AllianceBernstein Technology Portfolio - Class B	-
AllianceBernstein Total Return Portfolio - Class A	36,730
AllianceBernstein U.S. Government/High Grade Securities Portfolio - Class A	42,663
AllianceBernstein U.S. Government/High Grade Securities Portfolio - Class B	-
AllianceBernstein Utility Income Portfolio - Class A	-
AllianceBernstein Value Portfolio - Class B	-
AllianceBernstein Worldwide Privatization Portfolio - Class A	5,296

Delaware VIP Balanced Series - Standard class -
Delaware VIP Capital Reserves Series - Standard class -
Delaware VIP Cash Reserves Series - Standard class -
Delaware VIP Growth Opportunities Series - Standard class -
Delaware VIP High Yield Series - Standard class -
Delaware VIP Value Series - Standard class -
Dreyfus Stock Index Fund, Inc. - Initial shares -
Dreyfus VIF Small Company Stock Portfolio - Initial shares -
Fidelity VIP Asset Manager Portfolio - Initial Class -
Fidelity VIP Contrafund Portfolio - Initial Class -
Fidelity VIP Growth Portfolio - Initial Class -
Fidelity VIP High Income Portfolio - Initial Class -
Fidelity VIP Investment Grade Bond Portfolio - Initial Class -
Fidelity VIP Money Market Portfolio - Initial Class -
Fidelity VIP Overseas Portfolio - Initial Class -
Mercury HW International VIP Portfolio -
Merrill Lynch Basic Value V.I. Fund - Class I -
Merrill Lynch Core Bond V.I. Fund - Class I -
Merrill Lynch Developing Capital Markets V.I. Fund - Class I -
Merrill Lynch Global Allocation V.I. Fund - Class I -
Merrill Lynch Global Growth V.I. Fund - Class I -

See accompanying notes.

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AMERICAN INTERNATIONAL LIFE ASSURANCE COMPANY OF NEW YORK
VARIABLE ACCOUNT A

STATEMENT OF NET ASSETS - CONTINUED
December 31, 2004

Sub-accounts	Investment securities - at fair value
-----	-----
Merrill Lynch High Current Income V.I. Fund - Class I	\$ 44,24
Merrill Lynch International Value V.I. Fund - Class I	28,48
Merrill Lynch Large Cap Core V.I. Fund - Class I	19,51
UBS U.S. Allocation Portfolio	196,86
Van Eck Worldwide Emerging Markets Fund	68,46
Van Eck Worldwide Hard Assets Fund	26,43
Vanguard LifeStrategy Income Fund	50,15
Vanguard VIF Balanced Portfolio	115,36
Vanguard VIF Capital Growth Portfolio	26,76
Vanguard VIF Diversified Value Portfolio	40,90
Vanguard VIF Equity Income Portfolio	26,92
Vanguard VIF Equity Index Portfolio	26,07
Vanguard VIF Growth Portfolio	37,01
Vanguard VIF High Yield Bond Portfolio	25,70
Vanguard VIF International Portfolio	59,47
Vanguard VIF Mid-Cap Index Portfolio	55,92
Vanguard VIF Money Market Portfolio	11,50
Vanguard VIF REIT Index Portfolio	68,95
Vanguard VIF Short-Term Investment-Grade Portfolio	5,55
Vanguard VIF Small Company Growth Portfolio	65,23
Vanguard VIF Total Bond Market Index Portfolio	49,75
Vanguard VIF Total Stock Market Index Portfolio	178,52

Sub-accounts	Contract owners - annuity reserves
-----	-----
Merrill Lynch High Current Income V.I. Fund - Class I	\$
Merrill Lynch International Value V.I. Fund - Class I	
Merrill Lynch Large Cap Core V.I. Fund - Class I	
UBS U.S. Allocation Portfolio	
Van Eck Worldwide Emerging Markets Fund	
Van Eck Worldwide Hard Assets Fund	

Vanguard LifeStrategy Income Fund	50,1
Vanguard VIF Balanced Portfolio	115,3
Vanguard VIF Capital Growth Portfolio	26,7
Vanguard VIF Diversified Value Portfolio	40,9
Vanguard VIF Equity Income Portfolio	26,9
Vanguard VIF Equity Index Portfolio	26,0
Vanguard VIF Growth Portfolio	37,0
Vanguard VIF High Yield Bond Portfolio	25,7
Vanguard VIF International Portfolio	59,4
Vanguard VIF Mid-Cap Index Portfolio	55,9
Vanguard VIF Money Market Portfolio	11,5
Vanguard VIF REIT Index Portfolio	68,9
Vanguard VIF Short-Term Investment-Grade Portfolio	5,5
Vanguard VIF Small Company Growth Portfolio	65,2
Vanguard VIF Total Bond Market Index Portfolio	49,7
Vanguard VIF Total Stock Market Index Portfolio	178,5

See accompanying notes.

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AMERICAN INTERNATIONAL LIFE ASSURANCE COMPANY OF NEW YORK
VARIABLE ACCOUNT A

STATEMENT OF OPERATIONS

For the Year Ended December 31, 2004

Sub-accounts	A
-----	-----
	Dividends from mutual funds
AIM V.I. Capital Appreciation Fund - Series I	\$ -
AIM V.I. International Growth Fund - Series I	1,020
AllianceBernstein Americas Government Income Portfolio - Class A	243,404
AllianceBernstein Global Bond Portfolio - Class A	91,447
AllianceBernstein Global Dollar Government Portfolio - Class A	243,709
AllianceBernstein Growth and Income Portfolio - Class A	300,109
AllianceBernstein Growth and Income Portfolio - Class B	63,203
AllianceBernstein Growth Portfolio - Class A	-
AllianceBernstein Growth Portfolio - Class B	-
AllianceBernstein High Yield Portfolio - Class A	209,588
AllianceBernstein International Portfolio - Class A	14,742
AllianceBernstein International Value Portfolio - Class A	7,262
AllianceBernstein Money Market Portfolio - Class A	31,021
AllianceBernstein Money Market Portfolio - Class B	15,904
AllianceBernstein Premier Growth Portfolio - Class A	-
AllianceBernstein Premier Growth Portfolio - Class B	-
AllianceBernstein Real Estate Investment Portfolio - Class A	96,347
AllianceBernstein Small Cap Growth Portfolio - Class A	-
AllianceBernstein Small Cap Value Portfolio - Class A	7,397
AllianceBernstein Technology Portfolio - Class A	-
AllianceBernstein Technology Portfolio - Class B	-
AllianceBernstein Total Return Portfolio - Class A	278,454
AllianceBernstein U.S. Government/High Grade Securities Portfolio - Class A	303,812
AllianceBernstein U.S. Government/High Grade Securities Portfolio - Class B	4,240
AllianceBernstein Utility Income Portfolio - Class A	84,811
AllianceBernstein Value Portfolio - Class B	40,239
AllianceBernstein Worldwide Privatization Portfolio - Class A	11,012
Delaware VIP Balanced Series - Standard class	3,327
Delaware VIP Capital Reserves Series - Standard class	10,177
Delaware VIP Cash Reserves Series - Standard class	1,567
Delaware VIP Growth Opportunities Series - Standard class	-

Delaware VIP High Yield Series - Standard class	3,145
Delaware VIP Value Series - Standard class	25,609
Dreyfus Stock Index Fund, Inc. - Initial shares	29,563
Dreyfus VIF Small Company Stock Portfolio - Initial shares	-
Fidelity VIP Asset Manager Portfolio - Initial Class	22,363
Fidelity VIP Contrafund Portfolio - Initial Class	2,539
Fidelity VIP Growth Portfolio - Initial Class	4,921
Fidelity VIP High Income Portfolio - Initial Class	19,082
Fidelity VIP Investment Grade Bond Portfolio - Initial Class	22,484
Fidelity VIP Money Market Portfolio - Initial Class	17,680
Fidelity VIP Overseas Portfolio - Initial Class	816
Merrill Lynch Basic Value V.I. Fund - Class I	1,060
Merrill Lynch Core Bond V.I. Fund - Class I	2,539

D

Sub-accounts	Net realized gain (loss) on investments
-----	-----
AIM V.I. Capital Appreciation Fund - Series I	\$ (45,715)
AIM V.I. International Growth Fund - Series I	(11,405)
AllianceBernstein Americas Government Income Portfolio - Class A	68,521
AllianceBernstein Global Bond Portfolio - Class A	39,745
AllianceBernstein Global Dollar Government Portfolio - Class A	381,123
AllianceBernstein Growth and Income Portfolio - Class A	186,193
AllianceBernstein Growth and Income Portfolio - Class B	(71,018)
AllianceBernstein Growth Portfolio - Class A	(1,272,664)
AllianceBernstein Growth Portfolio - Class B	(67,013)
AllianceBernstein High Yield Portfolio - Class A	18,455
AllianceBernstein International Portfolio - Class A	384,994
AllianceBernstein International Value Portfolio - Class A	119,299
AllianceBernstein Money Market Portfolio - Class A	-
AllianceBernstein Money Market Portfolio - Class B	-
AllianceBernstein Premier Growth Portfolio - Class A	(2,373,682)
AllianceBernstein Premier Growth Portfolio - Class B	135,664
AllianceBernstein Real Estate Investment Portfolio - Class A	404,479
AllianceBernstein Small Cap Growth Portfolio - Class A	(181,160)
AllianceBernstein Small Cap Value Portfolio - Class A	206,701
AllianceBernstein Technology Portfolio - Class A	(3,332,345)
AllianceBernstein Technology Portfolio - Class B	(152,062)
AllianceBernstein Total Return Portfolio - Class A	49,946
AllianceBernstein U.S. Government/High Grade Securities Portfolio - Class A	102,461
AllianceBernstein U.S. Government/High Grade Securities Portfolio - Class B	1,673
AllianceBernstein Utility Income Portfolio - Class A	(186,225)
AllianceBernstein Value Portfolio - Class B	132,888
AllianceBernstein Worldwide Privatization Portfolio - Class A	(10,061)

Delaware VIP Balanced Series - Standard class	(7,330)
Delaware VIP Capital Reserves Series - Standard class	296
Delaware VIP Cash Reserves Series - Standard class	-
Delaware VIP Growth Opportunities Series - Standard class	(13,130)
Delaware VIP High Yield Series - Standard class	(3,517)
Delaware VIP Value Series - Standard class	3,504
Dreyfus Stock Index Fund, Inc. - Initial shares	(48,159)
Dreyfus VIF Small Company Stock Portfolio - Initial shares	19,778
Fidelity VIP Asset Manager Portfolio - Initial Class	(42,291)
Fidelity VIP Contrafund Portfolio - Initial Class	(8,932)
Fidelity VIP Growth Portfolio - Initial Class	(228,505)
Fidelity VIP High Income Portfolio - Initial Class	(88,638)
Fidelity VIP Investment Grade Bond Portfolio - Initial Class	12,149
Fidelity VIP Money Market Portfolio - Initial Class	-
Fidelity VIP Overseas Portfolio - Initial Class	(1,949)
Merrill Lynch Basic Value V.I. Fund - Class I	134
Merrill Lynch Core Bond V.I. Fund - Class I	219

See accompanying notes.

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AMERICAN INTERNATIONAL LIFE ASSURANCE COMPANY OF NEW YORK
VARIABLE ACCOUNT A

STATEMENT OF OPERATIONS - CONTINUED
For the Year Ended December 31, 2004

Sub-accounts	A Dividends from mutual funds	B Mortality expense and adminis- tration charges
Merrill Lynch Global Allocation V.I. Fund - Class I	\$ 1,803	\$
Merrill Lynch Global Growth V.I. Fund - Class I	213	
Merrill Lynch High Current Income V.I. Fund - Class I	3,229	
Merrill Lynch International Value V.I. Fund - Class I	635	
Merrill Lynch Large Cap Core V.I. Fund - Class I	157	
UBS U.S. Allocation Portfolio	1,845	
Van Eck Worldwide Emerging Markets Fund	316	
Van Eck Worldwide Hard Assets Fund	61	
Vanguard LifeStrategy Income Fund	550	
Vanguard VIF Balanced Portfolio	-	
Vanguard VIF Capital Growth Portfolio	-	
Vanguard VIF Diversified Value Portfolio	-	
Vanguard VIF Equity Income Portfolio	-	
Vanguard VIF Equity Index Portfolio	-	
Vanguard VIF Growth Portfolio	-	
Vanguard VIF High Yield Bond Portfolio	-	
Vanguard VIF International Portfolio	-	
Vanguard VIF Mid-Cap Index Portfolio	-	
Vanguard VIF Money Market Portfolio	417	
Vanguard VIF REIT Index Portfolio	-	
Vanguard VIF Short-Term Investment-Grade Portfolio	-	
Vanguard VIF Small Company Growth Portfolio	-	
Vanguard VIF Total Bond Market Index Portfolio	-	
Vanguard VIF Total Stock Market Index Portfolio	-	
Sub-accounts	D Net realized gain (loss) on investments	E Capital distribu- tion from invest- ments
Merrill Lynch Global Allocation V.I. Fund - Class I	\$ (116)	\$

Merrill Lynch Global Growth V.I. Fund - Class I	(64)
Merrill Lynch High Current Income V.I. Fund - Class I	(123)
Merrill Lynch International Value V.I. Fund - Class I	47
Merrill Lynch Large Cap Core V.I. Fund - Class I	(76)
UBS U.S. Allocation Portfolio	(5,911)
Van Eck Worldwide Emerging Markets Fund	250
Van Eck Worldwide Hard Assets Fund	63
Vanguard LifeStrategy Income Fund	-
Vanguard VIF Balanced Portfolio	75
Vanguard VIF Capital Growth Portfolio	26
Vanguard VIF Diversified Value Portfolio	94
Vanguard VIF Equity Income Portfolio	44
Vanguard VIF Equity Index Portfolio	10
Vanguard VIF Growth Portfolio	(69)
Vanguard VIF High Yield Bond Portfolio	37
Vanguard VIF International Portfolio	9
Vanguard VIF Mid-Cap Index Portfolio	55
Vanguard VIF Money Market Portfolio	-
Vanguard VIF REIT Index Portfolio	477
Vanguard VIF Short-Term Investment-Grade Portfolio	3
Vanguard VIF Small Company Growth Portfolio	(141)
Vanguard VIF Total Bond Market Index Portfolio	45
Vanguard VIF Total Stock Market Index Portfolio	136

See accompanying notes.

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AMERICAN INTERNATIONAL LIFE ASSURANCE COMPANY OF NEW YORK
VARIABLE ACCOUNT A

STATEMENT OF CHANGES IN NET ASSETS

	AIM V.I. Capital Appreciation Fund - Series I	AIM V. Internati Growth Fu Series
For the Year Ended December 31, 2004		
OPERATIONS:		
Net investment income (loss)	\$ (4,555)	\$
Net realized gain (loss) on investments	(45,715)	
Capital gain distributions from mutual funds	-	
Net change in unrealized appreciation (depreciation) of investments	64,041	
Increase (decrease) in net assets resulting from operations	13,771	
PRINCIPAL TRANSACTIONS:		
Contract purchase payments	5,761	
Administrative charges	(455)	
Net transfers from (to) other Sub-accounts or fixed rate option	(6,426)	
Contract withdrawals	(78,647)	
Surrender charges	(300)	
Death benefits	-	
Annuity payments	-	
Increase (decrease) in net assets resulting from principal transactions	(80,067)	
TOTAL INCREASE (DECREASE) IN NET ASSETS	(66,296)	
NET ASSETS:		
Beginning of year	385,870	
End of year	\$ 319,574	\$
For the Year Ended December 31, 2003		
OPERATIONS:		

Net investment income (loss)	\$	(4,780)	\$
Net realized gain (loss) on investments		(13,784)	
Capital gain distributions from mutual funds		-	
Net change in unrealized appreciation (depreciation) of investments		102,131	
		-----	-----
Increase (decrease) in net assets resulting from operations		83,567	
		-----	-----
PRINCIPAL TRANSACTIONS:			
Contract purchase payments		9,272	
Administrative charges		(469)	
Net transfers from (to) other Sub-accounts or fixed rate option		(2,190)	
Contract withdrawals		(11,220)	
Surrender charges		(309)	
Death benefits		-	
Annuity payments		-	
		-----	-----
Increase (decrease) in net assets resulting from principal transactions		(4,916)	
		-----	-----
TOTAL INCREASE (DECREASE) IN NET ASSETS		78,651	
NET ASSETS:			
Beginning of year		307,219	
		-----	-----
End of year	\$	385,870	\$
		=====	=====

See accompanying notes.

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AMERICAN INTERNATIONAL LIFE ASSURANCE COMPANY OF NEW YORK
VARIABLE ACCOUNT A

STATEMENT OF CHANGES IN NET ASSETS - CONTINUED

	----- AllianceBernstein Global Dollar Government Portfolio - Class A	AllianceBern Growth an Income Portf Class 1
For the Year Ended December 31, 2004		
OPERATIONS:		
Net investment income (loss)	\$ 199,994	\$ (
Net realized gain (loss) on investments	381,123)
Capital gain distributions from mutual funds	-	
Net change in unrealized appreciation (depreciation) of investments	(370,539)	2,
	-----	-----
Increase (decrease) in net assets resulting from operations	210,578	3,
	-----	-----
PRINCIPAL TRANSACTIONS:		
Contract purchase payments	21,300	
Administrative charges	(3,865)	
Net transfers from (to) other Sub-accounts or fixed rate option	(116,900)	
Contract withdrawals	(1,049,060)	(5,
Surrender charges	(12,612)	
Death benefits	(23,983)	(
Annuity payments	-	
	-----	-----
Increase (decrease) in net assets resulting from principal transactions	(1,185,120)	(5,
	-----	-----
TOTAL INCREASE (DECREASE) IN NET ASSETS	(974,542)	(2,
NET ASSETS:		
Beginning of year	3,530,334	34,
	-----	-----
End of year	\$ 2,555,792	\$ 32,
	=====	=====

For the Year Ended December 31, 2003

OPERATIONS:

Net investment income (loss) \$ 96,624 \$ (

Net realized gain (loss) on investments	183,128	(1,1
Capital gain distributions from mutual funds	-	
Net change in unrealized appreciation (depreciation) of investments	432,772	10,
	-----	-----
Increase (decrease) in net assets resulting from operations	712,524	8,
	-----	-----
PRINCIPAL TRANSACTIONS:		
Contract purchase payments	3,455	
Administrative charges	(3,115)	
Net transfers from (to) other Sub-accounts or fixed rate option	1,553,650	(
Contract withdrawals	(733,317)	(4,
Surrender charges	(16,846)	
Death benefits	(86,524)	(
Annuity payments	-	
	-----	-----
Increase (decrease) in net assets resulting from principal transactions	717,303	(5,
	-----	-----
TOTAL INCREASE (DECREASE) IN NET ASSETS	1,429,827	2,
NET ASSETS:		
Beginning of year	2,100,507	31,
	-----	-----
End of year	\$ 3,530,334	\$ 34,
	=====	=====

See accompanying notes.

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AMERICAN INTERNATIONAL LIFE ASSURANCE COMPANY OF NEW YORK
VARIABLE ACCOUNT A

STATEMENT OF CHANGES IN NET ASSETS - CONTINUED

	AllianceBernstein Growth Portfolio - Class B	AllianceBernstein High Yield Portfolio - Class
For the Year Ended December 31, 2004		
OPERATIONS:		
Net investment income (loss)	\$ (43,800)	\$
Net realized gain (loss) on investments	(67,013)	
Capital gain distributions from mutual funds	-	
Net change in unrealized appreciation (depreciation) of investments	483,816	
Increase (decrease) in net assets resulting from operations	373,003	
PRINCIPAL TRANSACTIONS:		
Contract purchase payments	105,584	
Administrative charges	(4,958)	
Net transfers from (to) other		
Sub-accounts or fixed rate option	11,803	
Contract withdrawals	(129,084)	
Surrender charges	(2,227)	
Death benefits	(74,131)	
Annuity payments	-	
Increase (decrease) in net assets resulting from principal transactions	(93,013)	
TOTAL INCREASE (DECREASE) IN NET ASSETS	279,990	
NET ASSETS:		
Beginning of year	2,951,073	3,
End of year	\$ 3,231,063	\$ 3,

For the Year Ended December 31, 2003

OPERATIONS:

Net investment income (loss)	\$ (32,896)	\$
Net realized gain (loss) on investments	(117,315)	

Capital gain distributions from mutual funds	-	
Net change in unrealized appreciation (depreciation) of investments	823,367	
	-----	-----
Increase (decrease) in net assets resulting from operations	673,156	
	-----	-----
PRINCIPAL TRANSACTIONS:		
Contract purchase payments	261,080	
Administrative charges	(3,998)	
Net transfers from (to) other		
Sub-accounts or fixed rate option	366,445	
Contract withdrawals	(140,031)	
Surrender charges	(4,005)	
Death benefits	7,185	
Annuity payments	-	
	-----	-----
Increase (decrease) in net assets resulting from principal transactions	486,676	
	-----	-----
TOTAL INCREASE (DECREASE) IN NET ASSETS	1,159,832	1,159,832
NET ASSETS:		
Beginning of year	1,791,241	2,000,000
	-----	-----
End of year	\$ 2,951,073	\$ 3,000,000
	=====	=====

See accompanying notes.

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AMERICAN INTERNATIONAL LIFE ASSURANCE COMPANY OF NEW YORK
VARIABLE ACCOUNT A

STATEMENT OF CHANGES IN NET ASSETS - CONTINUED

	AllianceBernstein Money Market Portfolio - Class A	AllianceBernstein Money Mar Portfolio - 0
For the Year Ended December 31, 2004		
OPERATIONS:		
Net investment income (loss)	\$ (33,376)	\$
Net realized gain (loss) on investments	-	
Capital gain distributions from mutual funds	-	
Net change in unrealized appreciation (depreciation) of investments	-	
Increase (decrease) in net assets resulting from operations	(33,376)	
PRINCIPAL TRANSACTIONS:		
Contract purchase payments	1,400	
Administrative charges	(3,534)	
Net transfers from (to) other Sub-accounts or fixed rate option	(206,042)	
Contract withdrawals	(1,596,725)	(1,000,000)
Surrender charges	(20,110)	
Death benefits	(68,508)	(1,000,000)
Annuity payments	-	
Increase (decrease) in net assets resulting from principal transactions	(1,893,519)	(1,000,000)
TOTAL INCREASE (DECREASE) IN NET ASSETS	(1,926,895)	(1,000,000)
NET ASSETS:		
Beginning of year	5,664,936	4,000,000
End of year	\$ 3,738,041	\$ 3,000,000

For the Year Ended December 31, 2003

OPERATIONS:

Net investment income (loss)	\$ (59,457)	\$
Net realized gain (loss) on investments	-	

Capital gain distributions from mutual funds	-	
Net change in unrealized appreciation (depreciation) of investments	-	
	-----	-----
Increase (decrease) in net assets resulting from operations	(59,457)	
	-----	-----
PRINCIPAL TRANSACTIONS:		
Contract purchase payments	4,737	1,
Administrative charges	(5,958)	
Net transfers from (to) other Sub-accounts or fixed rate option	415,018	(
Contract withdrawals	(4,404,109)	(1,
Surrender charges	(26,476)	
Death benefits	(74,180)	
Annuity payments	-	
	-----	-----
Increase (decrease) in net assets resulting from principal transactions	(4,090,968)	(
	-----	-----
TOTAL INCREASE (DECREASE) IN NET ASSETS	(4,150,425)	(
	-----	-----
NET ASSETS:		
Beginning of year	9,815,361	4,
	-----	-----
End of year	\$ 5,664,936	\$ 4,
	=====	=====

See accompanying notes.

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AMERICAN INTERNATIONAL LIFE ASSURANCE COMPANY OF NEW YORK
VARIABLE ACCOUNT A

STATEMENT OF CHANGES IN NET ASSETS - CONTINUED

	-----		-----
	AllianceBernstein		AllianceBernstein
	Real Estate		Small Cap Gr
	Investment		Portfolio - C
	Portfolio - Class A		Portfolio - C
For the Year Ended December 31, 2004			
OPERATIONS:			
Net investment income (loss)	\$ 38,221	\$	(
Net realized gain (loss) on investments	404,479		(1
Capital gain distributions from mutual funds	-		
Net change in unrealized appreciation (depreciation) of investments	806,932		9
Increase (decrease) in net assets resulting from operations	1,249,632		6
PRINCIPAL TRANSACTIONS:			
Contract purchase payments	76,303		
Administrative charges	(5,482)		
Net transfers from (to) other Sub-accounts or fixed rate option	362,241		4
Contract withdrawals	(584,547)		(8
Surrender charges	(6,272)		
Death benefits	(42,369)		(1
Annuity payments	(315)		
Increase (decrease) in net assets resulting from principal transactions	(200,441)		(5
TOTAL INCREASE (DECREASE) IN NET ASSETS	1,049,191		1
NET ASSETS:			
Beginning of year	3,702,640		5,8
End of year	\$ 4,751,831	\$	5,9

For the Year Ended December 31, 2003

OPERATIONS:			
Net investment income (loss)	\$ 41,978	\$	(
Net realized gain (loss) on investments	165,810		(3

Capital gain distributions from mutual funds	-	
Net change in unrealized appreciation (depreciation) of investments	843,804	2,3
	-----	-----
Increase (decrease) in net assets resulting from operations	1,051,592	1,9
	-----	-----
PRINCIPAL TRANSACTIONS:		
Contract purchase payments	65,946	
Administrative charges	(3,628)	
Net transfers from (to) other Sub-accounts or fixed rate option	49,215	1.
Contract withdrawals	(456,651)	(4
Surrender charges	(7,307)	
Death benefits	49,283	(
Annuity payments	(251)	
	-----	-----
Increase (decrease) in net assets resulting from principal transactions	(303,393)	(3
	-----	-----
TOTAL INCREASE (DECREASE) IN NET ASSETS	748,199	1,5
NET ASSETS:		
Beginning of year	2,954,441	4,2
	-----	-----
End of year	\$ 3,702,640	\$ 5,8
	=====	=====

See accompanying notes.

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AMERICAN INTERNATIONAL LIFE ASSURANCE COMPANY OF NEW YORK
VARIABLE ACCOUNT A

STATEMENT OF CHANGES IN NET ASSETS - CONTINUED

	AllianceBernstein Technology Portfolio - Class B	AllianceBernstein Total Return Portfolio - Class B	Subtotal
For the Year Ended December 31, 2004			
OPERATIONS:			
Net investment income (loss)	\$ (23,841)	\$	10
Net realized gain (loss) on investments	(152,062)		4
Capital gain distributions from mutual funds	-		
Net change in unrealized appreciation (depreciation) of investments	223,147		75
Increase (decrease) in net assets resulting from operations	47,244		90
PRINCIPAL TRANSACTIONS:			
Contract purchase payments	62,779		6
Administrative charges	(2,860)		(1)
Net transfers from (to) other Sub-accounts or fixed rate option	(120,168)		84
Contract withdrawals	(109,610)		(2,53)
Surrender charges	(3,507)		(4)
Death benefits	(58,919)		(14)
Annuity payments	-		(
Increase (decrease) in net assets resulting from principal transactions	(232,285)		(1,82)
TOTAL INCREASE (DECREASE) IN NET ASSETS	(185,041)		(92)
NET ASSETS:			
Beginning of year	1,851,403		13,14
End of year	\$ 1,666,362	\$	12,22
For the Year Ended December 31, 2003			

OPERATIONS:

Net investment income (loss)	\$	(22,282)	\$	15
Net realized gain (loss) on investments		(151,065)		(30)
Capital gain distributions from mutual funds		-		
Net change in unrealized appreciation (depreciation) of investments		721,264		2,13

Increase (decrease) in net assets resulting from operations		547,917		1,98
--	--	---------	--	------

PRINCIPAL TRANSACTIONS:

Contract purchase payments		80,115		19
Administrative charges		(2,693)		(1)
Net transfers from (to) other Sub-accounts or fixed rate option		52,419		35
Contract withdrawals		(64,751)		(95)
Surrender charges		(735)		(
Death benefits		350		(12
Annuity payments		-		(

Increase (decrease) in net assets resulting from principal transactions		64,705		(56
--	--	--------	--	-----

TOTAL INCREASE (DECREASE) IN NET ASSETS		612,622		1,42
---	--	---------	--	------

NET ASSETS:

Beginning of year		1,238,781		11,71
End of year	\$	1,851,403	\$	13,14

See accompanying notes.

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AMERICAN INTERNATIONAL LIFE ASSURANCE COMPANY OF NEW YORK
VARIABLE ACCOUNT A

STATEMENT OF CHANGES IN NET ASSETS - CONTINUED

	-----	-----
	AllianceBernstein Utility Income Portfolio - Class A	AllianceBern. Value Portfo Class B
For the Year Ended December 31, 2004		
OPERATIONS:		
Net investment income (loss)	\$ 30,547	\$
Net realized gain (loss) on investments	(186,225)	
Capital gain distributions from mutual funds	-	
Net change in unrealized appreciation (depreciation) of investments	964,949	
	-----	-----
Increase (decrease) in net assets resulting from operations	809,271	
	-----	-----
PRINCIPAL TRANSACTIONS:		
Contract purchase payments	58,348	
Administrative charges	(3,580)	
Net transfers from (to) other Sub-accounts or fixed rate option	337,550	
Contract withdrawals	(634,760)	
Surrender charges	(3,385)	
Death benefits	(76,918)	
Annuity payments	-	
	-----	-----
Increase (decrease) in net assets resulting from principal transactions	(322,745)	
	-----	-----
TOTAL INCREASE (DECREASE) IN NET ASSETS	486,526	
NET ASSETS:		
Beginning of year	3,609,489	4,
	-----	-----
End of year	\$ 4,096,015	\$ 4,
	=====	=====

For the Year Ended December 31, 2003

OPERATIONS:

Net investment income (loss) \$ 59,934 \$

Net realized gain (loss) on investments	(287,810)	
Capital gain distributions from mutual funds	-	
Net change in unrealized appreciation (depreciation) of investments	791,609	
	-----	-----
Increase (decrease) in net assets resulting from operations	563,733	
	-----	-----
PRINCIPAL TRANSACTIONS:		
Contract purchase payments	78,985	
Administrative charges	(3,193)	
Net transfers from (to) other Sub-accounts or fixed rate option	174,727	
Contract withdrawals	(455,071)	
Surrender charges	(8,172)	
Death benefits	9,486	
Annuity payments	-	
	-----	-----
Increase (decrease) in net assets resulting from principal transactions	(203,238)	
	-----	-----
TOTAL INCREASE (DECREASE) IN NET ASSETS	360,495	1,
NET ASSETS:		
Beginning of year	3,248,994	2,
	-----	-----
End of year	\$ 3,609,489	\$ 4,
	=====	=====

See accompanying notes.

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AMERICAN INTERNATIONAL LIFE ASSURANCE COMPANY OF NEW YORK
VARIABLE ACCOUNT A

STATEMENT OF CHANGES IN NET ASSETS - CONTINUED

	Delaware VIP Capital Reserves Series - Standard class	Delaware VI Reserves Se Standard
For the Year Ended December 31, 2004		
OPERATIONS:		
Net investment income (loss)	\$ 7,304	\$
Net realized gain (loss) on investments	296	
Capital gain distributions from mutual funds	-	
Net change in unrealized appreciation (depreciation) of investments	(2,133)	
Increase (decrease) in net assets resulting from operations	5,467	
PRINCIPAL TRANSACTIONS:		
Contract purchase payments	-	
Administrative charges	(106)	
Net transfers from (to) other Sub-accounts or fixed rate option	(5)	
Contract withdrawals	(3,287)	
Surrender charges	-	
Death benefits	-	
Annuity payments	-	
Increase (decrease) in net assets resulting from principal transactions	(3,398)	
TOTAL INCREASE (DECREASE) IN NET ASSETS	2,069	
NET ASSETS:		
Beginning of year	228,650	
End of year	\$ 230,719	\$
For the Year Ended December 31, 2003		
OPERATIONS:		

Net investment income (loss)	\$	8,140	\$
Net realized gain (loss) on investments		9,508	
Capital gain distributions from mutual funds		-	
Net change in unrealized appreciation (depreciation) of investments		(5,904)	
		-----	-----
Increase (decrease) in net assets resulting from operations		11,744	
		-----	-----
PRINCIPAL TRANSACTIONS:			
Contract purchase payments		-	
Administrative charges		(110)	
Net transfers from (to) other Sub-accounts or fixed rate option		(132,697)	
Contract withdrawals		(16,100)	
Surrender charges		-	
Death benefits		-	
Annuity payments		-	
		-----	-----
Increase (decrease) in net assets resulting from principal transactions		(148,907)	
		-----	-----
TOTAL INCREASE (DECREASE) IN NET ASSETS		(137,163)	
NET ASSETS:			
Beginning of year		365,813	
		-----	-----
End of year	\$	228,650	\$
		=====	=====

See accompanying notes.

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AMERICAN INTERNATIONAL LIFE ASSURANCE COMPANY OF NEW YORK
VARIABLE ACCOUNT A

STATEMENT OF CHANGES IN NET ASSETS - CONTINUED

	Delaware VIP Value Series - Standard class	Dreyfus Stock Index Fund, Inc. Initial shares

For the Year Ended December 31, 2004		
OPERATIONS:		
Net investment income (loss)	\$ 6,240	\$ 6,000
Net realized gain (loss) on investments	3,504	(48,100)
Capital gain distributions from mutual funds	-	
Net change in unrealized appreciation (depreciation) of investments	182,677	186,500
	-----	-----
Increase (decrease) in net assets resulting from operations	192,421	144,400
	-----	-----
PRINCIPAL TRANSACTIONS:		
Contract purchase payments	-	2,800
Administrative charges	(947)	(1,600)
Net transfers from (to) other Sub-accounts or fixed rate option	8	(77,900)
Contract withdrawals	(209,903)	(253,500)
Surrender charges	-	(900)
Death benefits	-	(2,800)
Annuity payments	-	
	-----	-----
Increase (decrease) in net assets resulting from principal transactions	(210,842)	(334,000)
	-----	-----
TOTAL INCREASE (DECREASE) IN NET ASSETS	(18,421)	(189,600)
	-----	-----
NET ASSETS:		
Beginning of year	1,627,374	1,862,500
	-----	-----
End of year	\$ 1,608,953	\$ 1,672,900
	=====	=====

For the Year Ended December 31, 2003

OPERATIONS:

Net investment income (loss)	\$	19,966	\$	1,2
Net realized gain (loss) on investments		(118,316)		(92,6
Capital gain distributions from mutual funds		-		
Net change in unrealized appreciation (depreciation) of investments		571,749		499,0
		-----		-----
Increase (decrease) in net assets resulting from operations		473,399		407,6
		-----		-----

PRINCIPAL TRANSACTIONS:

Contract purchase payments		-		7,2
Administrative charges		(1,225)		(1,7
Net transfers from (to) other				
Sub-accounts or fixed rate option		(139,493)		55,2
Contract withdrawals		(950,174)		(232,3
Surrender charges		-		(6
Death benefits		-		(25,5
Annuity payments		-		
		-----		-----
Increase (decrease) in net assets resulting from principal transactions		(1,090,892)		(197,9
		-----		-----

TOTAL INCREASE (DECREASE) IN NET ASSETS

NET ASSETS:

Beginning of year		2,244,867		1,652,8
		-----		-----
End of year	\$	1,627,374	\$	1,862,5
		=====		=====

See accompanying notes.

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AMERICAN INTERNATIONAL LIFE ASSURANCE COMPANY OF NEW YORK
VARIABLE ACCOUNT A

STATEMENT OF CHANGES IN NET ASSETS - CONTINUED

	Sub-a	
	Fidelity VIP Contrafund Portfolio - Initial Class	Fidelity VIP Growth Portfolio Initial Class
For the Year Ended December 31, 2004		
OPERATIONS:		
Net investment income (loss)	\$ (6,535)	\$ (18,711)
Net realized gain (loss) on investments	(8,932)	(228,500)
Capital gain distributions from mutual funds	-	-
Net change in unrealized appreciation (depreciation) of investments	100,708	270,800
Increase (decrease) in net assets resulting from operations	85,241	23,590
PRINCIPAL TRANSACTIONS:		
Contract purchase payments	11,686	13,830
Administrative charges	(944)	(1,910)
Net transfers from (to) other Sub-accounts or fixed rate option	1,762	(68,180)
Contract withdrawals	(161,161)	(410,220)
Surrender charges	(493)	(5,920)
Death benefits	-	-
Annuity payments	-	-
Increase (decrease) in net assets resulting from principal transactions	(149,150)	(472,410)
TOTAL INCREASE (DECREASE) IN NET ASSETS	(63,909)	(448,820)
NET ASSETS:		
Beginning of year	744,387	1,972,860
End of year	\$ 680,478	\$ 1,524,040

For the Year Ended December 31, 2003

OPERATIONS:

Net investment income (loss)	\$	(6,181)	\$	(20,52)
Net realized gain (loss) on investments		(8,101)		(243,39)
Capital gain distributions from mutual funds		-		
Net change in unrealized appreciation (depreciation) of investments		171,897		763,42
		-----		-----
Increase (decrease) in net assets resulting from operations		157,615		499,49
		-----		-----

PRINCIPAL TRANSACTIONS:

Contract purchase payments		15,454		12,07
Administrative charges		(963)		(2,04)
Net transfers from (to) other Sub-accounts or fixed rate option		(522)		(2,97)
Contract withdrawals		(23,874)		(269,95)
Surrender charges		(1,215)		(1,68)
Death benefits		-		(31,22)
Annuity payments		-		
		-----		-----
Increase (decrease) in net assets resulting from principal transactions		(11,120)		(295,80)
		-----		-----
TOTAL INCREASE (DECREASE) IN NET ASSETS		146,495		203,69

NET ASSETS:

Beginning of year		597,892		1,769,16
		-----		-----
End of year	\$	744,387	\$	1,972,86
		=====		=====

See accompanying notes.

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AMERICAN INTERNATIONAL LIFE ASSURANCE COMPANY OF NEW YORK
VARIABLE ACCOUNT A

STATEMENT OF CHANGES IN NET ASSETS - CONTINUED

	Fidelity VIP Money Market Portfolio - Initial Class	Fidelity VIP Overseas Portfolio Initial Class	Sub
For the Year Ended December 31, 2004			
OPERATIONS:			
Net investment income (loss)	\$ (3,115)	\$	(
Net realized gain (loss) on investments	-		(1,
Capital gain distributions from mutual funds	-		
Net change in unrealized appreciation (depreciation) of investments	-		10,
Increase (decrease) in net assets resulting from operations	(3,115)		8,
PRINCIPAL TRANSACTIONS:			
Contract purchase payments	-		
Administrative charges	(1,514)		
Net transfers from (to) other Sub-accounts or fixed rate option	203,217		7,
Contract withdrawals	(468,830)		(8,
Surrender charges	(3,710)		
Death benefits	(6,189)		(
Annuity payments	-		
Increase (decrease) in net assets resulting from principal transactions	(277,026)		(1,
TOTAL INCREASE (DECREASE) IN NET ASSETS	(280,141)		6,
NET ASSETS:			
Beginning of year	1,658,063		71,
End of year	\$ 1,377,922	\$	78,

OPERATIONS:

Net investment income (loss)	\$	(7,541)	\$	(
Net realized gain (loss) on investments		-		(22,
Capital gain distributions from mutual funds		-		
Net change in unrealized appreciation (depreciation) of investments		-		48,
		-----		-----
Increase (decrease) in net assets resulting from operations		(7,541)		26,
		-----		-----

PRINCIPAL TRANSACTIONS:

Contract purchase payments		3,000		
Administrative charges		(1,918)		
Net transfers from (to) other				
Sub-accounts or fixed rate option		15,778		
Contract withdrawals		(492,362)		(43,
Surrender charges		(9,074)		
Death benefits		(12,099)		
Annuity payments		-		
		-----		-----
Increase (decrease) in net assets resulting from principal transactions		(496,675)		(43,
		-----		-----
TOTAL INCREASE (DECREASE) IN NET ASSETS		(504,216)		(17,

NET ASSETS:

Beginning of year		2,162,279		89,
		-----		-----
End of year	\$	1,658,063	\$	71,
		=====		=====

See accompanying notes.

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AMERICAN INTERNATIONAL LIFE ASSURANCE COMPANY OF NEW YORK
VARIABLE ACCOUNT A

STATEMENT OF CHANGES IN NET ASSETS - CONTINUED

	Merrill Lynch Bond V.I. Fund - Class I	Merrill Lynch Developing Capital Markets V.I. Fund Class I

For the Year Ended December 31, 2004		
OPERATIONS:		
Net investment income (loss)	\$ 1,549	\$
Net realized gain (loss) on investments	219	
Capital gain distributions from mutual funds	-	
Net change in unrealized appreciation (depreciation) of investments	369	
	-----	-----
Increase (decrease) in net assets resulting from operations	2,137	
	-----	-----
PRINCIPAL TRANSACTIONS:		
Contract purchase payments	-	
Administrative charges	(58)	
Net transfers from (to) other Sub-accounts or fixed rate option	(2)	
Contract withdrawals	(1,475)	
Surrender charges	-	
Death benefits	-	
Annuity payments	-	
	-----	-----
Increase (decrease) in net assets resulting from principal transactions	(1,535)	
	-----	-----
TOTAL INCREASE (DECREASE) IN NET ASSETS	602	
NET ASSETS:		
Beginning of year	70,702	
	-----	-----
End of year	\$ 71,304	\$
	=====	=====

For the Year Ended December 31, 2003

OPERATIONS:

Net investment income (loss)	\$	1,714	\$	
Net realized gain (loss) on investments		237		(8,714)
Capital gain distributions from mutual funds		-		
Net change in unrealized appreciation (depreciation) of investments		337		3,314
		-----		-----
Increase (decrease) in net assets resulting from operations		2,288		2,414
		-----		-----

PRINCIPAL TRANSACTIONS:

Contract purchase payments		-		
Administrative charges		(56)		
Net transfers from (to) other Sub-accounts or fixed rate option		-		(8,714)
Contract withdrawals		(1,515)		
Surrender charges		-		
Death benefits		-		
Annuity payments		-		
		-----		-----
Increase (decrease) in net assets resulting from principal transactions		(1,571)		(8,714)
		-----		-----
TOTAL INCREASE (DECREASE) IN NET ASSETS		717		(6,300)

NET ASSETS:

Beginning of year		69,985		6,300
		-----		-----
End of year	\$	70,702	\$	
		=====		=====

See accompanying notes.

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AMERICAN INTERNATIONAL LIFE ASSURANCE COMPANY OF NEW YORK
VARIABLE ACCOUNT A

STATEMENT OF CHANGES IN NET ASSETS - CONTINUED

	Merrill Lynch High Current Income V.I. Fund - Class I	Merrill Lynch International Val V.I. Fund - Class	Sub
For the Year Ended December 31, 2004			
OPERATIONS:			
Net investment income (loss)	\$ 2,645	\$	2
Net realized gain (loss) on investments	(123)		
Capital gain distributions from mutual funds	-		
Net change in unrealized appreciation (depreciation) of investments	1,604		4,5
Increase (decrease) in net assets resulting from operations	4,126		4,9
PRINCIPAL TRANSACTIONS:			
Contract purchase payments	-		
Administrative charges	(42)		
Net transfers from (to) other Sub-accounts or fixed rate option	(4)		
Contract withdrawals	-		
Surrender charges	-		
Death benefits	-		
Annuity payments	-		
Increase (decrease) in net assets resulting from principal transactions	(46)		
TOTAL INCREASE (DECREASE) IN NET ASSETS	4,080		4,8
NET ASSETS:			
Beginning of year	40,167		23,6
End of year	\$ 44,247	\$	28,4

For the Year Ended December 31, 2003

OPERATIONS:

Net investment income (loss)	\$	2,487	\$	6
Net realized gain (loss) on investments		(107)		
Capital gain distributions from mutual funds		-		
Net change in unrealized appreciation (depreciation) of investments		5,830		1,6
<hr/>				
Increase (decrease) in net assets resulting from operations		8,210		2,2
<hr/>				

PRINCIPAL TRANSACTIONS:

Contract purchase payments		-		
Administrative charges		(34)		
Net transfers from (to) other				
Sub-accounts or fixed rate option		(1)		21,3
Contract withdrawals		-		
Surrender charges		-		
Death benefits		4,397		
Annuity payments		-		
<hr/>				
Increase (decrease) in net assets resulting from principal transactions		4,362		21,3
<hr/>				
TOTAL INCREASE (DECREASE) IN NET ASSETS		12,572		23,6

NET ASSETS:

Beginning of year		27,595		
<hr/>				
End of year	\$	40,167	\$	23,6
<hr/>				

See accompanying notes.

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AMERICAN INTERNATIONAL LIFE ASSURANCE COMPANY OF NEW YORK
VARIABLE ACCOUNT A

STATEMENT OF CHANGES IN NET ASSETS - CONTINUED

	----- Van Eck Worldwide Emerging Markets Fund -----	Van Eck Worldwide Hard Assets Fund -----	Sub
For the Year Ended December 31, 2004			
OPERATIONS:			
Net investment income (loss)	\$ (488)	\$	(1
Net realized gain (loss) on investments	250		
Capital gain distributions from mutual funds	-		
Net change in unrealized appreciation (depreciation) of investments	13,535		3,7
	-----	-----	
Increase (decrease) in net assets resulting from operations	13,297		3,6
	-----	-----	
PRINCIPAL TRANSACTIONS:			
Contract purchase payments	375		
Administrative charges	(17)		(
Net transfers from (to) other Sub-accounts or fixed rate option	(11)		7,8
Contract withdrawals	-		
Surrender charges	-		
Death benefits	-		
Annuity payments	-		
	-----	-----	
Increase (decrease) in net assets resulting from principal transactions	347		7,8
	-----	-----	
TOTAL INCREASE (DECREASE) IN NET ASSETS	13,644		11,4
NET ASSETS:			
Beginning of year	54,822		14,9
	-----	-----	
End of year	\$ 68,466	\$	26,4
	=====	=====	

OPERATIONS:

Net investment income (loss)	\$	(233)	\$	(2)
Net realized gain (loss) on investments		32		
Capital gain distributions from mutual funds		-		
Net change in unrealized appreciation (depreciation) of investments		14,529		4,7
		-----		-----
Increase (decrease) in net assets resulting from operations		14,328		4,5
		-----		-----

PRINCIPAL TRANSACTIONS:

Contract purchase payments		700		
Administrative charges		(27)		(
Net transfers from (to) other Sub-accounts or fixed rate option		16,274		
Contract withdrawals		-		(2
Surrender charges		-		
Death benefits		-		
Annuity payments		-		
		-----		-----
Increase (decrease) in net assets resulting from principal transactions		16,947		(3
		-----		-----
TOTAL INCREASE (DECREASE) IN NET ASSETS		31,275		4,2

NET ASSETS:

Beginning of year		23,547		10,7
		-----		-----
End of year	\$	54,822	\$	14,9
		=====		=====

See accompanying notes.

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AMERICAN INTERNATIONAL LIFE ASSURANCE COMPANY OF NEW YORK
VARIABLE ACCOUNT A

STATEMENT OF CHANGES IN NET ASSETS - CONTINUED

	----- Vanguard VIF Capital Growth Portfolio -----	Vanguard Diversified Portf -----
For the Year Ended December 31, 2004		
OPERATIONS:		
Net investment income (loss)	\$ (93)	\$
Net realized gain (loss) on investments	26	
Capital gain distributions from mutual funds	-	
Net change in unrealized appreciation (depreciation) of investments	2,771	
	-----	-----
Increase (decrease) in net assets resulting from operations	2,704	
	-----	-----
PRINCIPAL TRANSACTIONS:		
Contract purchase payments	-	
Administrative charges	-	
Net transfers from (to) other Sub-accounts or fixed rate option	25,657	
Contract withdrawals	-	
Surrender charges	-	
Death benefits	-	
Annuity payments	(1,600)	
	-----	-----
Increase (decrease) in net assets resulting from principal transactions	24,057	
	-----	-----
TOTAL INCREASE (DECREASE) IN NET ASSETS	26,761	
NET ASSETS:		
Beginning of year	-	
	-----	-----
End of year	\$ 26,761	\$
	=====	=====

For the Year Ended December 31, 2003

OPERATIONS:

Net investment income (loss) \$ - \$

Net realized gain (loss) on investments	-	
Capital gain distributions from mutual funds	-	
Net change in unrealized appreciation (depreciation) of investments	-	
	-----	-----
Increase (decrease) in net assets resulting from operations	-	
	-----	-----
PRINCIPAL TRANSACTIONS:		
Contract purchase payments	-	
Administrative charges	-	
Net transfers from (to) other Sub-accounts or fixed rate option	-	
Contract withdrawals	-	
Surrender charges	-	
Death benefits	-	
Annuity payments	-	
	-----	-----
Increase (decrease) in net assets resulting from principal transactions	-	
	-----	-----
TOTAL INCREASE (DECREASE) IN NET ASSETS	-	
NET ASSETS:		
Beginning of year	-	
	-----	-----
End of year	\$ -	\$
	=====	=====

See accompanying notes.

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AMERICAN INTERNATIONAL LIFE ASSURANCE COMPANY OF NEW YORK
VARIABLE ACCOUNT A

STATEMENT OF CHANGES IN NET ASSETS - CONTINUED

	Vanguard VIF Growth Portfolio	Vanguard Yield Portfolio
For the Year Ended December 31, 2004		
OPERATIONS:		
Net investment income (loss)	\$ (124)	\$
Net realized gain (loss) on investments	(69)	
Capital gain distributions from mutual funds	-	
Net change in unrealized appreciation (depreciation) of investments	1,630	
Increase (decrease) in net assets resulting from operations	1,437	
PRINCIPAL TRANSACTIONS:		
Contract purchase payments	-	
Administrative charges	-	
Net transfers from (to) other Sub-accounts or fixed rate option	37,659	
Contract withdrawals	-	
Surrender charges	-	
Death benefits	-	
Annuity payments	(2,086)	
Increase (decrease) in net assets resulting from principal transactions	35,573	
TOTAL INCREASE (DECREASE) IN NET ASSETS	37,010	
NET ASSETS:		
Beginning of year	-	
End of year	\$ 37,010	\$

For the Year Ended December 31, 2003

OPERATIONS:

Net investment income (loss)	\$	-	\$
Net realized gain (loss) on investments		-	
Capital gain distributions from mutual funds		-	

Net change in unrealized appreciation (depreciation) of investments	-	
	-----	-----
Increase (decrease) in net assets resulting from operations	-	
	-----	-----
PRINCIPAL TRANSACTIONS:		
Contract purchase payments	-	
Administrative charges	-	
Net transfers from (to) other Sub-accounts or fixed rate option	-	
Contract withdrawals	-	
Surrender charges	-	
Death benefits	-	
Annuity payments	-	
	-----	-----
Increase (decrease) in net assets resulting from principal transactions	-	
	-----	-----
TOTAL INCREASE (DECREASE) IN NET ASSETS	-	
NET ASSETS:		
Beginning of year	-	
	-----	-----
End of year	\$ -	\$
	=====	=====

See accompanying notes.

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AMERICAN INTERNATIONAL LIFE ASSURANCE COMPANY OF NEW YORK
VARIABLE ACCOUNT A

STATEMENT OF CHANGES IN NET ASSETS - CONTINUED

	Vanguard VIF Money Market Portfolio	Vanguard Index Po
For the Year Ended December 31, 2004		
OPERATIONS:		
Net investment income (loss)	\$ 223	\$
Net realized gain (loss) on investments	-	
Capital gain distributions from mutual funds	-	
Net change in unrealized appreciation (depreciation) of investments	-	
Increase (decrease) in net assets resulting from operations	223	
PRINCIPAL TRANSACTIONS:		
Contract purchase payments	801,757	
Administrative charges	-	
Net transfers from (to) other Sub-accounts or fixed rate option	(789,905)	
Contract withdrawals	-	
Surrender charges	-	
Death benefits	-	
Annuity payments	(575)	
Increase (decrease) in net assets resulting from principal transactions	11,277	
TOTAL INCREASE (DECREASE) IN NET ASSETS	11,500	
NET ASSETS:		
Beginning of year	-	
End of year	\$ 11,500	\$

For the Year Ended December 31, 2003

OPERATIONS:

Net investment income (loss)	\$	-	\$
Net realized gain (loss) on investments		-	

Capital gain distributions from mutual funds	-	
Net change in unrealized appreciation (depreciation) of investments	-	
	-----	-----
Increase (decrease) in net assets resulting from operations	-	
	-----	-----
PRINCIPAL TRANSACTIONS:		
Contract purchase payments	-	
Administrative charges	-	
Net transfers from (to) other Sub-accounts or fixed rate option	-	
Contract withdrawals	-	
Surrender charges	-	
Death benefits	-	
Annuity payments	-	
	-----	-----
Increase (decrease) in net assets resulting from principal transactions	-	
	-----	-----
TOTAL INCREASE (DECREASE) IN NET ASSETS	-	
NET ASSETS:		
Beginning of year	-	
	-----	-----
End of year	\$ -	\$
	=====	=====

See accompanying notes.

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AMERICAN INTERNATIONAL LIFE ASSURANCE COMPANY OF NEW YORK
VARIABLE ACCOUNT A

STATEMENT OF CHANGES IN NET ASSETS - CONTINUED

	Sub-accounts	
	Vanguard VIF Total	Vanguar
	Bond Market Index	Stock I
	Portfolio	P
For the Year Ended December 31, 2004		
OPERATIONS:		
Net investment income (loss)	\$	(186) \$
Net realized gain (loss) on investments		45
Capital gain distributions from mutual funds		-
Net change in unrealized appreciation (depreciation) of investments		1,777
Increase (decrease) in net assets resulting from operations		1,636
PRINCIPAL TRANSACTIONS:		
Contract purchase payments		-
Administrative charges		-
Net transfers from (to) other Sub-accounts or fixed rate option		51,315
Contract withdrawals		-
Surrender charges		-
Death benefits		-
Annuity payments		(3,193)
Increase (decrease) in net assets resulting from principal transactions		48,122
TOTAL INCREASE (DECREASE) IN NET ASSETS		49,758
NET ASSETS:		
Beginning of year		-
End of year	\$	49,758 \$

For the Year Ended December 31, 2003

OPERATIONS:

Net investment income (loss) \$ - \$

Net realized gain (loss) on investments	-	
Capital gain distributions from mutual funds	-	
Net change in unrealized appreciation (depreciation) of investments	-	
	-----	-----
Increase (decrease) in net assets resulting from operations	-	
	-----	-----
PRINCIPAL TRANSACTIONS:		
Contract purchase payments	-	
Administrative charges	-	
Net transfers from (to) other Sub-accounts or fixed rate option	-	
Contract withdrawals	-	
Surrender charges	-	
Death benefits	-	
Annuity payments	-	
	-----	-----
Increase (decrease) in net assets resulting from principal transactions	-	
	-----	-----
TOTAL INCREASE (DECREASE) IN NET ASSETS	-	
NET ASSETS:		
Beginning of year	-	
	-----	-----
End of year	\$ -	\$
	=====	=====

/+/
Net investment income (loss) and capital gain distributions from mutual funds for the respective Sub-accounts have been restated due to a misclassification of short-term capital gains in prior years. See Note H for further disclosure.

See accompanying notes.

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AMERICAN INTERNATIONAL LIFE ASSURANCE COMPANY OF NEW YORK VARIABLE ACCOUNT A NOTES TO FINANCIAL STATEMENTS

Note A - Organization

Variable Account A (the "Account") was established by American International Life Assurance Company of New York (the "Company") on June 5, 1986, to fund individual single purchase payment deferred variable annuity contracts, individual flexible premium deferred variable annuity contracts and group flexible premium deferred variable annuity contracts (the "contracts") issued by the Company. The following products are offered by the Account: Ovation, Ovation Plus, Ovation Advisor, Group Immediate Variable Annuity ("GIVA") and Vanguard Lifetime Income Program Immediate Variable Annuity ("Vanguard SPIA"). The Alliance Gallery Product and Variable Annuity product are no longer offered. Paradigm, Trilogy, and Profile were discontinued as of May 1, 2003. The Company is an indirect, wholly-owned subsidiary of American International Group, Inc. The Account is registered with the Securities and Exchange Commission as a unit investment trust pursuant to the provisions of the Investment Company Act of 1940, as amended.

The Account is divided into "Sub-accounts", which invest in independently managed mutual fund portfolios ("Funds"). The Funds available to contract owners through the various Sub-accounts are as follows:

AIM Variable Insurance Funds (AIM V.I.):

AIM V.I. Capital Appreciation Fund - Series I

American Funds(R)

American Funds(R)
Inc.(1)

AIM V.I. International Growth Fund - Series I

American Funds(R)
American Funds(R)

The AllianceBernstein Growth Funds:

AllianceBernstein Large Cap Growth Fund - Class A (1) (2)

American Funds(R)
American Funds(R)
American Funds(R)

AllianceBernstein Variable Products Series Fund, Inc.:

AllianceBernstein Americas Government Income Portfolio -
Class A

Columbia Funds Tru

AllianceBernstein Global Bond Portfolio - Class A

Columbia High Yi

AllianceBernstein Global Dollar Government Portfolio -
Class A

AllianceBernstein Growth and Income Portfolio - Class A

Columbia Funds Tru

AllianceBernstein Growth and Income Portfolio - Class B

Columbia Newport

AllianceBernstein Growth Portfolio - Class A

AllianceBernstein Growth Portfolio - Class B

Delaware VIP Trust

AllianceBernstein High Yield Portfolio - Class A

Delaware VIP Bal

AllianceBernstein International Portfolio - Class A

Delaware VIP Cap

AllianceBernstein International Value Portfolio - Class A

Delaware VIP Cas

AllianceBernstein Money Market Portfolio - Class A	Delaware VIP Gro
AllianceBernstein Money Market Portfolio - Class B	Delaware VIP Hig
AllianceBernstein Premier Growth Portfolio - Class A	Delaware VIP Val
AllianceBernstein Premier Growth Portfolio - Class B	
AllianceBernstein Real Estate Investment Portfolio - Class A	Dreyfus Stock Inde
AllianceBernstein Small Cap Growth Portfolio - Class A (3)	
AllianceBernstein Small Cap Value Portfolio - Class A	Dreyfus Variable I
AllianceBernstein Technology Portfolio - Class A	Dreyfus VIF Smal
AllianceBernstein Technology Portfolio - Class B	
AllianceBernstein Total Return Portfolio - Class A	Fidelity(R) Variab
AllianceBernstein U.S. Government/High Grade Securities Portfolio - Class A	Fidelity(R) VIP A
AllianceBernstein U.S. Government/High Grade Securities Portfolio - Class B	Fidelity(R) VIP C
AllianceBernstein Utility Income Portfolio - Class A	Fidelity(R) VIP C
AllianceBernstein Value Portfolio - Class B	Fidelity(R) VIP M
AllianceBernstein Worldwide Privatization Portfolio - Class A	Fidelity(R) VIP M
	Fidelity(R) VIP M
American Funds(R) :	Fidelity(R) VIP Ov
American Funds(R) AMCAP Fund(R) (1)	
American Funds(R) The Bond Fund of America/SM/ (1)	

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AMERICAN INTERNATIONAL LIFE ASSURANCE COMPANY OF NEW YORK VARIABLE ACCOUNT A NOTES TO FINANCIAL STATEMENTS - CONTINUED

Note A - Organization - Continued

Franklin(R) Templeton(R) Investments ("Franklin"):	The Universal
Franklin Templeton Foreign Fund - Class A (1)	continued
Franklin Gold and Precious Metals Fund - Class A (1)	UIF Mon
Franklin Mutual Financial Services Fund - Class A (1)	UIF Tech
Mercury Variable Trust	Van Eck W
Mercury HW International VIP Portfolio (7)	Van Eck
Van Eck	Van Eck
Merrill Lynch Variable Series Funds, Inc. ("Merrill Lynch"): (8)	
Merrill Lynch Basic Value V.I. Fund - Class I	The Vangu
Merrill Lynch Core Bond V.I. Fund - Class I	Vanguar
Merrill Lynch Domestic Money Market V.I. Fund - Class I (1)	Vanguar
Merrill Lynch Developing Capital Markets V.I. Fund - Class I (1) (9)	Vanguar
Merrill Lynch Global Allocation V.I. Fund - Class I (9)	Vanguar
Merrill Lynch Global Growth V.I. Fund - Class I	Vanguar
Merrill Lynch High Current Income V.I. Fund - Class I	Vanguar
Merrill Lynch International Value V.I. Fund - Class I (7)	Vanguar
Merrill Lynch Large Cap Core V.I. Fund - Class I	Vanguar
Merrill Lynch Large Cap Growth V.I. Fund - Class I (1)	Vanguar
Merrill Lynch Utilities and Telecommunications V.I. Fund - Class I (1)	Vanguar
Merrill Lynch Value Opportunities V.I. Fund - Class I (1) (10)	Vanguar
	Vanguar
MFS(R) Mutual Funds ("MFS"):	Vanguard (1
MFS(R) Emerging Growth Fund (1)	Vanguard (1
MFS(R) New Discovery Fund (1)	Vanguard (1
MFS(R) Research Fund (1)	Vanguard (1
	Vanguar
OppenheimerFunds(R) :	Vanguard (1
Oppenheimer Centennial Money Market Trust - Class A (1) (11)	Vanguar
Oppenheimer International Bond Fund - Class A (1)	
Oppenheimer Strategic Income Fund - Class A (1)	Vanguard (1
	Vanguar
Putnam Investments:	Vanguar
Putnam Discovery Growth Fund (1) (12)	Vanguar
Putnam Health Sciences Trust (1)	Vanguar
Putnam International Capital Opportunities Fund (1) (13)	Vanguar
Putnam Voyager Fund (1)	Vanguar
The Putnam Fund for Growth and Income (1)	Vanguar
	Vanguar
UBS Series Trust ("UBS"):	Vanguar

UBS U.S. Allocation Portfolio (14)

The Universal Institutional Funds, Inc. ("UIF") (15):

UIF Core Plus Fixed Income Portfolio - Class I (1)

UIF Equity Growth Portfolio - Class I (1)

UIF International Magnum Portfolio - Class I (1)

UIF Mid Cap Growth Portfolio - Class I (1)

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Vanguar

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AMERICAN INTERNATIONAL LIFE ASSURANCE COMPANY OF NEW YORK
VARIABLE ACCOUNT A
NOTES TO FINANCIAL STATEMENTS - CONTINUED

Note A - Organization - Continued

- (1) Sub-accounts had no activity.
- (2) Effective December 15, 2004, AllianceBernstein Premier Growth Fund - Class A changed its name to AllianceBernstein Large Cap Growth Fund - Class A.
- (3) Effective May 1, 2004, AllianceBernstein Quasar Portfolio - Class A was reorganized into AllianceBernstein Small Cap Growth Portfolio - Class A.
- (4) Effective October 13, 2003, Liberty High Yield Securities Fund changed its name to Columbia High Yield Opportunity Fund.
- (5) Effective October 13, 2003, Liberty Newport Tiger Fund changed its name to Columbia Newport Tiger Fund.
- (6) Effective July 30, 2004, Delaware VIP Large Cap Value Series changed its name to Delaware VIP Value Series.
- (7) Effective November 21, 2003, Mercury HW International VIP Portfolio was reorganized into Merrill Lynch International Value V.I. Fund - Class I.
- (8) Effective September 2, 2003, Merrill Lynch redesignated the share class for these funds to Class I.
- (9) Effective November 21, 2003, Merrill Lynch Developing Capital Markets V.I. Fund - Class I was reorganized into Merrill Lynch Global Allocation V.I. Fund - Class I.
- (10) Effective July 26, 2004, Merrill Lynch Small Cap Value V.I. Fund - Class I changed its name to Merrill Lynch Value Opportunities V.I. Fund - Class I.
- (11) Effective May 1, 2004, Oppenheimer Centennial Money Market Trust is no longer available for investment in the GIVA contract.
- (12) Effective May 1, 2003, Putnam Voyager Fund II - Class A changed its name to Putnam Discovery Growth Fund.
- (13) Effective May 1, 2003, Putnam International Voyager Fund - Class A changed its name to Putnam International Capital Opportunities Fund.
- (14) Effective April 29, 2004, UBS Series Trust Tactical Allocation Portfolio changed its name to UBS U.S. Allocation Portfolio.
- (15) Effective May 1, 2003, the UIF portfolios are no longer available for investment in the GIVA contract.
- (16) Effective December 1, 2004, Vanguard Health Care Fund and Vanguard Total International Stock Index Fund are no longer offered as investment options in the GIVA contract.
- (17) Effective August 19, 2004, Vanguard VIF Short-Term Corporate Portfolio changed its name to Vanguard VIF Short-Term Investment-Grade Portfolio.

In addition to the Sub-accounts above, contract owners may allocate funds to a fixed account that is part of the Company's general account. Contract owners should refer to the prospectus and prospectus supplements for a complete description of the available Funds and the fixed account.

The assets of the Account are segregated from the Company's other assets. The operations of the Account are part of the Company.

Net purchases from the contracts are allocated to the Sub-accounts and invested in the Funds, in accordance with contract owners' instructions. The purchases are recorded as principal transactions in the Statement of Changes in Net Assets.

Note B - Summary of Significant Accounting Policies and Basis of Presentation

The accompanying financial statements of the Account have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP"). The accounting principles followed by the Account and the methods of applying those principles are presented below.

Use of estimates - The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the reported amounts of income and expenses during the year. Actual results could differ from those estimates.

Security valuation - The investments in shares of the Funds are stated at the net asset value of the respective portfolio as determined by the Funds, which value their securities at fair value.

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AMERICAN INTERNATIONAL LIFE ASSURANCE COMPANY OF NEW YORK
VARIABLE ACCOUNT A
NOTES TO FINANCIAL STATEMENTS - CONTINUED

Note B - Summary of Significant Accounting Policies and Basis of Presentation -
Continued

Security transactions and related investment income - Security transactions which represent purchases and sales of investments are accounted for on the trade date at fair value. Realized gains and losses from security transactions are determined on the basis of first-in first-out. Dividend income and distributions of capital gains are recorded on the ex-dividend date and reinvested upon receipt.

Annuity reserves - For contract owners who select a variable payout option, reserves are initially established based on estimated mortality (where applicable) and other assumptions, including provisions for the risk of adverse deviation from assumptions. The assumed interest rate used to determine annuity payments is 5.0% for all contracts.

At each reporting period, the assumptions must be evaluated based on current experience, and the reserves must be adjusted accordingly. To the extent additional reserves are established due to mortality risk experience, the Company makes payments to the Account. If there are excess reserves remaining at the time annuity payments cease, the assets supporting those reserves are transferred from the Account to the Company. Payments between the Company and the Account are disclosed in the Statement of Changes in Net Assets as net transfers from (to) other Sub-accounts or fixed rate option.

Annuity reserves are calculated according to either the 1983(a) Individual Mortality Table or the Annuity 2000 Mortality Table, depending on the calendar year of annuitization.

Federal income taxes - The Company is taxed as a life insurance company under the Internal Revenue Code and includes the operations of the Account in determining its federal income tax liability. As a result, the Account is not taxed as a "Regulated Investment Company" under subchapter M of the Internal Revenue Code. Under existing federal income tax law, the investment income and capital gains from sales of investments realized by the Account are not taxable. Therefore, no federal income tax provision has been made.

Accumulation unit - This is a measuring unit used to calculate the contract owner's interest. Such units are valued daily to reflect investment performance and the prorated daily deduction for mortality and expense risk charges.

Note C - Contract Charges

The Company will deduct premium taxes imposed by certain states from purchase payments when received; from the owner's account value at the time annuity payments begin; from the amount of any partial withdrawal; or from proceeds payable upon termination of the certificate for any other reason, including death of the owner or annuitant, or surrender of the certificate. The applicable rates currently range from 0% to 3.5%. The rates are subject to change.

Daily charges for administrative expenses and mortality and expense risks assumed by the Company are assessed through the daily unit value calculation. A summary of the charges by contract follows:

Contracts	Administrative Expenses and Mortality & Expense Risks Maximum Annual Rate
-----	-----
Gallery	1.40%
Ovation	1.40%
Ovation Advisor	1.40%
Ovation Plus	1.40%
Paradigm	1.40%
Profile	1.40%
GIVA	1.25%
Trilogy	1.40%
Vanguard SPIA	0.52%
Variable Annuity	1.40%

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AMERICAN INTERNATIONAL LIFE ASSURANCE COMPANY OF NEW YORK
VARIABLE ACCOUNT A
NOTES TO FINANCIAL STATEMENTS - CONTINUED

Note C - Contract Charges - Continued

An annual administrative expense charge of \$30 may be assessed against each contract on its anniversary date. The annual administrative expense is paid by redemption of units outstanding. Contracts under the Vanguard SPIA and GIVA products are not subject to the annual administrative expense charge.

Daily charges for the Accidental Death Benefit (ADB) option are assessed through the daily unit value calculation on all contracts that have elected this option and are equivalent, on an annual basis, to 0.05% of the value of the contracts. These charges are included as part of the mortality and expense risk fees line of the Statement of Operations.

Other charges paid to the Company by redemption of units outstanding include the deductions for distribution expenses, Annual Ratchet Plans, Equity Assurance Plans, transfer fees, surrender charges or deferred sales charges and a partial withdrawal transaction charge.

Daily charges for distribution expenses are assessed on all contracts issued under the Ovation Plus product and are equivalent, on an annual basis, to 0.20% of the value of the contracts. These charges are included as part of the administrative charges line of the Statement of Changes in Net Assets.

The Annual Ratchet Plan is a death benefit rider. Daily charges for the Annual Ratchet Plan option are assessed on all contracts that have elected this option and are equivalent, on an annual basis, to 0.10% of the value of the contracts. These charges are included as part of the administrative charges line of the Statement of Changes in Net Assets.

The Equity Assurance Plan is a death benefit rider. Daily charges for the Equity Assurance Plan option are assessed on all contracts that have elected this option and are equivalent, on an annual basis, to a maximum 0.20% of the value of the contracts. These charges are included as part of the administrative charges line of the Statement of Changes in Net Assets.

A \$10 transfer fee for each transfer in excess of 12 during the contract year may be assessed on all contracts issued under the Vanguard SPIA and GIVA products. Transfer requests are subject to the Company's published rules concerning market timing. A contract owner who violates these rules will for a period of time (typically six months), have certain restrictions placed on transfers.

In the event that a contract owner withdraws all or a portion of the contract

value within the surrender charge period, the contracts provide that they will be assessed a surrender charge. The surrender charge is based on a table of charges, of which the maximum charge is 6% of the contract value subject to a maximum of 8.5% of premiums paid for single premium contracts and a maximum charge of 6% of premiums paid for flexible premium contracts. Contracts under the Ovation Advisor, Vanguard SPIA and GIVA products are not subject to surrender charges. For the Vanguard SPIA product, a partial withdrawal transaction charge may be assessed for each partial withdrawal. The partial withdrawal transaction charge is the lesser of 2% of the amount withdrawn or \$25.

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AMERICAN INTERNATIONAL LIFE ASSURANCE COMPANY OF NEW YORK
VARIABLE ACCOUNT A
NOTES TO FINANCIAL STATEMENTS - CONTINUED

Note D - Security Purchases and Sales

For the year ended December 31, 2004, the aggregate cost of purchases and proceeds from the sales of investments were:

Sub-accounts

AIM V.I. Capital Appreciation Fund - Series I
AIM V.I. International Growth Fund - Series I
AllianceBernstein Americas Government Income Portfolio - Class A
AllianceBernstein Global Bond Portfolio - Class A
AllianceBernstein Global Dollar Government Portfolio - Class A
AllianceBernstein Growth and Income Portfolio - Class A
AllianceBernstein Growth and Income Portfolio - Class B
AllianceBernstein Growth Portfolio - Class A
AllianceBernstein Growth Portfolio - Class B
AllianceBernstein High Yield Portfolio - Class A
AllianceBernstein International Portfolio - Class A
AllianceBernstein International Value Portfolio - Class A
AllianceBernstein Money Market Portfolio - Class A
AllianceBernstein Money Market Portfolio - Class B
AllianceBernstein Premier Growth Portfolio - Class A
AllianceBernstein Premier Growth Portfolio - Class B
AllianceBernstein Real Estate Investment Portfolio - Class A
AllianceBernstein Small Cap Growth Portfolio - Class A
AllianceBernstein Small Cap Value Portfolio - Class A
AllianceBernstein Technology Portfolio - Class A
AllianceBernstein Technology Portfolio - Class B
AllianceBernstein Total Return Portfolio - Class A
AllianceBernstein U.S. Government/High Grade Securities Portfolio - Class A
AllianceBernstein U.S. Government/High Grade Securities Portfolio - Class B
AllianceBernstein Utility Income Portfolio - Class A
AllianceBernstein Value Portfolio - Class B
AllianceBernstein Worldwide Privatization Portfolio - Class A
Delaware VIP Balanced Series - Standard class
Delaware VIP Capital Reserves Series - Standard class
Delaware VIP Cash Reserves Series - Standard class
Delaware VIP Growth Opportunities Series - Standard class
Delaware VIP High Yield Series - Standard class
Delaware VIP Value Series - Standard class
Dreyfus Stock Index Fund, Inc. - Initial shares
Dreyfus VIF Small Company Stock Portfolio - Initial shares

Fidelity VIP Asset Manager Portfolio - Initial Class
Fidelity VIP Contrafund Portfolio - Initial Class
Fidelity VIP Growth Portfolio - Initial Class
Fidelity VIP High Income Portfolio - Initial Class
Fidelity VIP Investment Grade Bond Portfolio - Initial Class
Fidelity VIP Money Market Portfolio - Initial Class
Fidelity VIP Overseas Portfolio - Initial Class
Merrill Lynch Basic Value V.I. Fund - Class I
Merrill Lynch Core Bond V.I. Fund - Class I
Merrill Lynch Global Allocation V.I. Fund - Class I
Merrill Lynch Global Growth V.I. Fund - Class I
Merrill Lynch High Current Income V.I. Fund - Class I
Merrill Lynch International Value V.I. Fund - Class I
Merrill Lynch Large Cap Core V.I. Fund - Class I
UBS U.S. Allocation Portfolio
Van Eck Worldwide Emerging Markets Fund
Van Eck Worldwide Hard Assets Fund

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AMERICAN INTERNATIONAL LIFE ASSURANCE COMPANY OF NEW YORK
VARIABLE ACCOUNT A
NOTES TO FINANCIAL STATEMENTS - CONTINUED

Note D - Security Purchases and Sales - Continued

For the year ended December 31, 2004, the aggregate cost of purchases and proceeds from the sales of investments were:

Sub-accounts

Vanguard LifeStrategy Income Fund
Vanguard VIF Balanced Portfolio
Vanguard VIF Capital Growth Portfolio
Vanguard VIF Diversified Value Portfolio
Vanguard VIF Equity Income Portfolio
Vanguard VIF Equity Index Portfolio
Vanguard VIF Growth Portfolio
Vanguard VIF High Yield Bond Portfolio
Vanguard VIF International Portfolio
Vanguard VIF Mid-Cap Index Portfolio
Vanguard VIF Money Market Portfolio
Vanguard VIF REIT Index Portfolio
Vanguard VIF Short-Term Investment-Grade Portfolio
Vanguard VIF Small Company Growth Portfolio
Vanguard VIF Total Bond Market Index Portfolio
Vanguard VIF Total Stock Market Index Portfolio

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AMERICAN INTERNATIONAL LIFE ASSURANCE COMPANY OF NEW YORK
VARIABLE ACCOUNT A
NOTES TO FINANCIAL STATEMENTS - CONTINUED

Note E - Investments

The following is a summary of fund shares owned as of December 31, 2004.

Sub-accounts	Shares
AIM V.I. Capital Appreciation Fund - Series I	14,084
AIM V.I. International Growth Fund - Series I	8,802
AllianceBernstein Americas Government Income Portfolio - Class A	325,127
AllianceBernstein Global Bond Portfolio - Class A	108,285
AllianceBernstein Global Dollar Government Portfolio - Class A	172,805
AllianceBernstein Growth and Income Portfolio - Class A	1,338,307
AllianceBernstein Growth and Income Portfolio - Class B	449,994
AllianceBernstein Growth Portfolio - Class A	931,061
AllianceBernstein Growth Portfolio - Class B	179,006
AllianceBernstein High Yield Portfolio - Class A	399,756
AllianceBernstein International Portfolio - Class A	364,232
AllianceBernstein International Value Portfolio - Class A	110,893
AllianceBernstein Money Market Portfolio - Class A	3,734,318
AllianceBernstein Money Market Portfolio - Class B	3,090,981
AllianceBernstein Premier Growth Portfolio - Class A	944,798
AllianceBernstein Premier Growth Portfolio - Class B	159,219
AllianceBernstein Real Estate Investment Portfolio - Class A	230,002
AllianceBernstein Small Cap Growth Portfolio - Class A	509,250
AllianceBernstein Small Cap Value Portfolio - Class A	247,619
AllianceBernstein Technology Portfolio - Class A	819,766
AllianceBernstein Technology Portfolio - Class B	110,501
AllianceBernstein Total Return Portfolio - Class A	645,200
AllianceBernstein U.S. Government/High Grade Securities Portfolio - Class A	795,423
AllianceBernstein U.S. Government/High Grade Securities Portfolio - Class B	12,869
AllianceBernstein Utility Income Portfolio - Class A	225,427
AllianceBernstein Value Portfolio - Class B	373,893
AllianceBernstein Worldwide Privatization Portfolio - Class A	245,824
Delaware VIP Balanced Series - Standard class	11,162
Delaware VIP Capital Reserves Series - Standard class	23,183
Delaware VIP Cash Reserves Series - Standard class	129,795
Delaware VIP Growth Opportunities Series - Standard class	39,025
Delaware VIP High Yield Series - Standard class	8,498
Delaware VIP Value Series - Standard class	87,159

Dreyfus Stock Index Fund, Inc. - Initial shares	54,156
Dreyfus VIF Small Company Stock Portfolio - Initial shares	8,458
Fidelity VIP Asset Manager Portfolio - Initial Class	39,789
Fidelity VIP Contrafund Portfolio - Initial Class	25,563
Fidelity VIP Growth Portfolio - Initial Class	47,611
Fidelity VIP High Income Portfolio - Initial Class	16,392
Fidelity VIP Investment Grade Bond Portfolio - Initial Class	30,487
Fidelity VIP Money Market Portfolio - Initial Class	1,377,926
Fidelity VIP Overseas Portfolio - Initial Class	4,479
Merrill Lynch Basic Value V.I. Fund - Class I	6,302
Merrill Lynch Core Bond V.I. Fund - Class I	5,792
Merrill Lynch Global Allocation V.I. Fund - Class I	4,959
Merrill Lynch Global Growth V.I. Fund - Class I	1,487
Merrill Lynch High Current Income V.I. Fund - Class I	5,449
Merrill Lynch International Value V.I. Fund - Class I	2,084

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AMERICAN INTERNATIONAL LIFE ASSURANCE COMPANY OF NEW YORK
VARIABLE ACCOUNT A
NOTES TO FINANCIAL STATEMENTS - CONTINUED

Note E - Investments - Continued

The following is a summary of fund shares owned as of December 31, 2004.

Sub-accounts	Shares
Merrill Lynch Large Cap Core V.I. Fund - Class I	664
UBS U.S. Allocation Portfolio	14,583
Van Eck Worldwide Emerging Markets Fund	4,501
Van Eck Worldwide Hard Assets Fund	1,440
Vanguard LifeStrategy Income Fund	3,707
Vanguard VIF Balanced Portfolio	6,195
Vanguard VIF Capital Growth Portfolio	1,776
Vanguard VIF Diversified Value Portfolio	3,019
Vanguard VIF Equity Income Portfolio	1,384
Vanguard VIF Equity Index Portfolio	922
Vanguard VIF Growth Portfolio	3,171
Vanguard VIF High Yield Bond Portfolio	2,849
Vanguard VIF International Portfolio	3,926
Vanguard VIF Mid-Cap Index Portfolio	3,437
Vanguard VIF Money Market Portfolio	11,500
Vanguard VIF REIT Index Portfolio	3,432
Vanguard VIF Short-Term Investment-Grade Portfolio	523
Vanguard VIF Small Company Growth Portfolio	3,349
Vanguard VIF Total Bond Market Index Portfolio	4,334
Vanguard VIF Total Stock Market Index Portfolio	6,242

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AMERICAN INTERNATIONAL LIFE ASSURANCE COMPANY OF NEW YORK
VARIABLE ACCOUNT A
NOTES TO FINANCIAL STATEMENTS - CONTINUED

Note F - Summary of Changes in Units

Summary of Changes in Units for the year ended December 31, 2004.

Sub-accounts	Accumulation Units Issued
1 AIM V.I. Capital Appreciation Fund - Series I	59
1 AIM V.I. International Growth Fund - Series I	29
1 AllianceBernstein Americas Government Income Portfolio - Class A	1,11
1 AllianceBernstein Global Bond Portfolio - Class A	3,11
1 AllianceBernstein Global Bond Portfolio - Class A	.
1 AllianceBernstein Global Dollar Government Portfolio - Class A	66
1 AllianceBernstein Growth and Income Portfolio - Class A	12,03
1 AllianceBernstein Growth and Income Portfolio - Class A	.
2 AllianceBernstein Growth and Income Portfolio - Class A	.
3 AllianceBernstein Growth and Income Portfolio - Class A	.
4 AllianceBernstein Growth and Income Portfolio - Class B	73,97
1 AllianceBernstein Growth Portfolio - Class A	37
1 AllianceBernstein Growth Portfolio - Class A	.
2 AllianceBernstein Growth Portfolio - Class A	.
3 AllianceBernstein Growth Portfolio - Class A	.
4 AllianceBernstein Growth Portfolio - Class B	4,98
1 AllianceBernstein High Yield Portfolio - Class A	5,90
1 AllianceBernstein International Portfolio - Class A	18,78
3 AllianceBernstein International Portfolio - Class A	.
1 AllianceBernstein International Value Portfolio - Class A	21,67
1 AllianceBernstein Money Market Portfolio - Class A	11
3 AllianceBernstein Money Market Portfolio - Class A	.
4 AllianceBernstein Money Market Portfolio - Class B	119,58
1 AllianceBernstein Premier Growth Portfolio - Class A	62
1 AllianceBernstein Premier Growth Portfolio - Class A	.
2 AllianceBernstein Premier Growth Portfolio - Class A	.
3 AllianceBernstein Premier Growth Portfolio - Class A	.
4 AllianceBernstein Premier Growth Portfolio - Class B	19,85
1 AllianceBernstein Real Estate Investment Portfolio - Class A	24,15
3 AllianceBernstein Real Estate Investment Portfolio - Class A	3
1 AllianceBernstein Small Cap Growth Portfolio - Class A	39,08
1 AllianceBernstein Small Cap Growth Portfolio - Class A	11
1 AllianceBernstein Small Cap Value Portfolio - Class A	13,00
1 AllianceBernstein Technology Portfolio - Class A	1,76
1 AllianceBernstein Technology Portfolio - Class A	.

2 AllianceBernstein Technology Portfolio - Class A	
3 AllianceBernstein Technology Portfolio - Class A	
4 AllianceBernstein Technology Portfolio - Class B	11,66
1 AllianceBernstein Total Return Portfolio - Class A	40,64
1 AllianceBernstein Total Return Portfolio - Class A	
2 AllianceBernstein Total Return Portfolio - Class A	
3 AllianceBernstein Total Return Portfolio - Class A	
1 AllianceBernstein U.S. Government/High Grade Securities Portfolio - Class A	6,11
3 AllianceBernstein U.S. Government/High Grade Securities Portfolio - Class A	
4 AllianceBernstein U.S. Government/High Grade Securities Portfolio - Class B	
1 AllianceBernstein Utility Income Portfolio - Class A	22,54
3 AllianceBernstein Utility Income Portfolio - Class A	16
4 AllianceBernstein Value Portfolio - Class B	27,14
1 AllianceBernstein Worldwide Privatization Portfolio - Class A	19,38
5 Delaware VIP Balanced Series - Standard class	

Annuity Un-
Redeemed

Sub-accounts

1 AIM V.I. Capital Appreciation Fund - Series I	
1 AIM V.I. International Growth Fund - Series I	
1 AllianceBernstein Americas Government Income Portfolio - Class A	
1 AllianceBernstein Global Bond Portfolio - Class A	
1 AllianceBernstein Global Bond Portfolio - Class A	
1 AllianceBernstein Global Dollar Government Portfolio - Class A	
1 AllianceBernstein Growth and Income Portfolio - Class A	
1 AllianceBernstein Growth and Income Portfolio - Class A	(1,
2 AllianceBernstein Growth and Income Portfolio - Class A	
3 AllianceBernstein Growth and Income Portfolio - Class A	
4 AllianceBernstein Growth and Income Portfolio - Class B	(
1 AllianceBernstein Growth Portfolio - Class A	
1 AllianceBernstein Growth Portfolio - Class A	
2 AllianceBernstein Growth Portfolio - Class A	
3 AllianceBernstein Growth Portfolio - Class A	
4 AllianceBernstein Growth Portfolio - Class B	
1 AllianceBernstein High Yield Portfolio - Class A	
1 AllianceBernstein International Portfolio - Class A	
3 AllianceBernstein International Portfolio - Class A	
1 AllianceBernstein International Value Portfolio - Class A	
1 AllianceBernstein Money Market Portfolio - Class A	
3 AllianceBernstein Money Market Portfolio - Class A	
4 AllianceBernstein Money Market Portfolio - Class B	
1 AllianceBernstein Premier Growth Portfolio - Class A	
1 AllianceBernstein Premier Growth Portfolio - Class A	
2 AllianceBernstein Premier Growth Portfolio - Class A	
3 AllianceBernstein Premier Growth Portfolio - Class A	
4 AllianceBernstein Premier Growth Portfolio - Class B	
1 AllianceBernstein Real Estate Investment Portfolio - Class A	

3 AllianceBernstein Real Estate Investment Portfolio - Class A
1 AllianceBernstein Small Cap Growth Portfolio - Class A
1 AllianceBernstein Small Cap Growth Portfolio - Class A
1 AllianceBernstein Small Cap Value Portfolio - Class A
1 AllianceBernstein Technology Portfolio - Class A
1 AllianceBernstein Technology Portfolio - Class A
2 AllianceBernstein Technology Portfolio - Class A
3 AllianceBernstein Technology Portfolio - Class A
4 AllianceBernstein Technology Portfolio - Class B
1 AllianceBernstein Total Return Portfolio - Class A
1 AllianceBernstein Total Return Portfolio - Class A
2 AllianceBernstein Total Return Portfolio - Class A
3 AllianceBernstein Total Return Portfolio - Class A
1 AllianceBernstein U.S. Government/High Grade Securities
Portfolio - Class A
3 AllianceBernstein U.S. Government/High Grade Securities
Portfolio - Class A
4 AllianceBernstein U.S. Government/High Grade Securities
Portfolio - Class B
1 AllianceBernstein Utility Income Portfolio - Class A
3 AllianceBernstein Utility Income Portfolio - Class A
4 AllianceBernstein Value Portfolio - Class B
1 AllianceBernstein Worldwide Privatization Portfolio - Class A
5 Delaware VIP Balanced Series - Standard class

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AMERICAN INTERNATIONAL LIFE ASSURANCE COMPANY OF NEW YORK
VARIABLE ACCOUNT A
NOTES TO FINANCIAL STATEMENTS - CONTINUED

Note F - Summary of Changes in Units - Continued

Summary of Changes in Units for the year ended December 31, 2004.

Sub-accounts	Accumulation Units Issued
5 Delaware VIP Capital Reserves Series - Standard class	
5 Delaware VIP Cash Reserves Series - Standard class	
5 Delaware VIP Growth Opportunities Series - Standard class	
5 Delaware VIP High Yield Series - Standard class	
5 Delaware VIP Value Series - Standard class	
1 Dreyfus Stock Index Fund, Inc. - Initial shares	17
1 Dreyfus VIF Small Company Stock Portfolio - Initial shares	21
1 Fidelity VIP Asset Manager Portfolio - Initial Class	1,89
1 Fidelity VIP Contrafund Portfolio - Initial Class	1,83
1 Fidelity VIP Growth Portfolio - Initial Class	96
1 Fidelity VIP High Income Portfolio - Initial Class	25
1 Fidelity VIP Investment Grade Bond Portfolio - Initial Class	11
1 Fidelity VIP Money Market Portfolio - Initial Class	16,47
1 Fidelity VIP Overseas Portfolio - Initial Class	59
1 Merrill Lynch Basic Value V.I. Fund - Class I	
1 Merrill Lynch Core Bond V.I. Fund - Class I	
1 Merrill Lynch Global Allocation V.I. Fund - Class I	
1 Merrill Lynch Global Growth V.I. Fund - Class I	
1 Merrill Lynch High Current Income V.I. Fund - Class I	
1 Merrill Lynch International Value V.I. Fund - Class I	
1 Merrill Lynch Large Cap Core V.I. Fund - Class I	
1 UBS U.S. Allocation Portfolio	
1 Van Eck Worldwide Emerging Markets Fund	3
1 Van Eck Worldwide Hard Assets Fund	58
6 Vanguard LifeStrategy Income Fund	
6 Vanguard VIF Balanced Portfolio	
6 Vanguard VIF Capital Growth Portfolio	
6 Vanguard VIF Diversified Value Portfolio	
6 Vanguard VIF Equity Income Portfolio	
6 Vanguard VIF Equity Index Portfolio	
6 Vanguard VIF Growth Portfolio	
6 Vanguard VIF High Yield Bond Portfolio	
6 Vanguard VIF International Portfolio	
6 Vanguard VIF Mid-Cap Index Portfolio	
6 Vanguard VIF Money Market Portfolio	
6 Vanguard VIF REIT Index Portfolio	

6 Vanguard VIF Short-Term Investment-Grade Portfolio
 6 Vanguard VIF Small Company Growth Portfolio
 6 Vanguard VIF Total Bond Market Index Portfolio
 6 Vanguard VIF Total Stock Market Index Portfolio

Annuity Un.
 Redeemed

Sub-accounts

5 Delaware VIP Capital Reserves Series - Standard class
 5 Delaware VIP Cash Reserves Series - Standard class
 5 Delaware VIP Growth Opportunities Series - Standard class
 5 Delaware VIP High Yield Series - Standard class
 5 Delaware VIP Value Series - Standard class
 1 Dreyfus Stock Index Fund, Inc. - Initial shares
 1 Dreyfus VIF Small Company Stock Portfolio - Initial shares
 1 Fidelity VIP Asset Manager Portfolio - Initial Class
 1 Fidelity VIP Contrafund Portfolio - Initial Class
 1 Fidelity VIP Growth Portfolio - Initial Class
 1 Fidelity VIP High Income Portfolio - Initial Class
 1 Fidelity VIP Investment Grade Bond Portfolio - Initial Class
 1 Fidelity VIP Money Market Portfolio - Initial Class
 1 Fidelity VIP Overseas Portfolio - Initial Class
 1 Merrill Lynch Basic Value V.I. Fund - Class I
 1 Merrill Lynch Core Bond V.I. Fund - Class I
 1 Merrill Lynch Global Allocation V.I. Fund - Class I
 1 Merrill Lynch Global Growth V.I. Fund - Class I
 1 Merrill Lynch High Current Income V.I. Fund - Class I
 1 Merrill Lynch International Value V.I. Fund - Class I
 1 Merrill Lynch Large Cap Core V.I. Fund - Class I
 1 UBS U.S. Allocation Portfolio
 1 Van Eck Worldwide Emerging Markets Fund
 1 Van Eck Worldwide Hard Assets Fund
 6 Vanguard LifeStrategy Income Fund
 6 Vanguard VIF Balanced Portfolio
 6 Vanguard VIF Capital Growth Portfolio
 6 Vanguard VIF Diversified Value Portfolio
 6 Vanguard VIF Equity Income Portfolio
 6 Vanguard VIF Equity Index Portfolio
 6 Vanguard VIF Growth Portfolio
 6 Vanguard VIF High Yield Bond Portfolio
 6 Vanguard VIF International Portfolio
 6 Vanguard VIF Mid-Cap Index Portfolio
 6 Vanguard VIF Money Market Portfolio
 6 Vanguard VIF REIT Index Portfolio
 6 Vanguard VIF Short-Term Investment-Grade Portfolio
 6 Vanguard VIF Small Company Growth Portfolio
 6 Vanguard VIF Total Bond Market Index Portfolio
 6 Vanguard VIF Total Stock Market Index Portfolio

(1,

(78,

Footnotes

- 1 Ovation, Ovation Plus, Ovation Advisor, Trilogy, Paradigm, Gallery and Retirement Gold products.
- 2 Ovation, Ovation Plus, Ovation Advisor, Trilogy, Paradigm and Profile products that have elected the Accidental Death Benefit option.
- 3 Profile product.
- 4 Ovation Plus, Ovation Advisor, Trilogy, Paradigm and Profile products that are subject to 12B-1 fees.
- 5 Variable Annuity product.
- 6 Vanguard SPIA product.

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AMERICAN INTERNATIONAL LIFE ASSURANCE COMPANY OF NEW YORK
VARIABLE ACCOUNT A
NOTES TO FINANCIAL STATEMENTS - CONTINUED

Note F - Summary of Changes in Units - Continued

Summary of Changes in Units for the year ended December 31, 2003.

Sub-accounts	Accumulated Units Issued
1 AIM V.I. Capital Appreciation Fund - Series I	1,
1 AIM V.I. International Growth Fund - Series I	2,
1 AllianceBernstein Americas Government Income Portfolio - Class A	20,
1 AllianceBernstein Global Bond Portfolio - Class A	62,
1 AllianceBernstein Global Bond Portfolio - Class A	
1 AllianceBernstein Global Dollar Government Portfolio - Class A	62,
1 AllianceBernstein Growth and Income Portfolio - Class A	(
1 AllianceBernstein Growth and Income Portfolio - Class A	
2 AllianceBernstein Growth and Income Portfolio - Class A	
3 AllianceBernstein Growth and Income Portfolio - Class A	
4 AllianceBernstein Growth and Income Portfolio - Class B	44,
1 AllianceBernstein Growth Portfolio - Class A	7,
1 AllianceBernstein Growth Portfolio - Class A	
2 AllianceBernstein Growth Portfolio - Class A	
3 AllianceBernstein Growth Portfolio - Class A	
4 AllianceBernstein Growth Portfolio - Class B	33,
1 AllianceBernstein High Yield Portfolio - Class A	95,
1 AllianceBernstein International Portfolio - Class A	27,
3 AllianceBernstein International Portfolio - Class A	
1 AllianceBernstein International Value Portfolio - Class A	29,
1 AllianceBernstein Money Market Portfolio - Class A	51,
3 AllianceBernstein Money Market Portfolio - Class A	
4 AllianceBernstein Money Market Portfolio - Class B	100,
1 AllianceBernstein Premier Growth Portfolio - Class A	(
1 AllianceBernstein Premier Growth Portfolio - Class A	
2 AllianceBernstein Premier Growth Portfolio - Class A	
3 AllianceBernstein Premier Growth Portfolio - Class A	
4 AllianceBernstein Premier Growth Portfolio - Class B	58,
1 AllianceBernstein Real Estate Investment Portfolio - Class A	8,
3 AllianceBernstein Real Estate Investment Portfolio - Class A	
1 AllianceBernstein Small Cap Growth Portfolio - Class A	33,
1 AllianceBernstein Small Cap Growth Portfolio - Class A	
1 AllianceBernstein Small Cap Value Portfolio - Class A	57,
1 AllianceBernstein Technology Portfolio - Class A	
1 AllianceBernstein Technology Portfolio - Class A	

2 AllianceBernstein Technology Portfolio - Class A	
3 AllianceBernstein Technology Portfolio - Class A	
4 AllianceBernstein Technology Portfolio - Class B	29,
1 AllianceBernstein Total Return Portfolio - Class A	26,
1 AllianceBernstein Total Return Portfolio - Class A	
2 AllianceBernstein Total Return Portfolio - Class A	
3 AllianceBernstein Total Return Portfolio - Class A	
1 AllianceBernstein U.S. Government/High Grade Securities Portfolio - Class A	55,
3 AllianceBernstein U.S. Government/High Grade Securities Portfolio - Class A	
4 AllianceBernstein U.S. Government/High Grade Securities Portfolio - Class B	
1 AllianceBernstein Utility Income Portfolio - Class A	18,
3 AllianceBernstein Utility Income Portfolio - Class A	
4 AllianceBernstein Value Portfolio - Class B	103,
1 AllianceBernstein Worldwide Privatization Portfolio - Class A	2,
5 Delaware VIP Balanced Series - Standard class	
5 Delaware VIP Capital Reserves Series - Standard class	

Annuity
Redeem

Sub-accounts

1 AIM V.I. Capital Appreciation Fund - Series I	
1 AIM V.I. International Growth Fund - Series I	
1 AllianceBernstein Americas Government Income Portfolio - Class A	
1 AllianceBernstein Global Bond Portfolio - Class A	
1 AllianceBernstein Global Bond Portfolio - Class A	
1 AllianceBernstein Global Dollar Government Portfolio - Class A	
1 AllianceBernstein Growth and Income Portfolio - Class A	
1 AllianceBernstein Growth and Income Portfolio - Class A	(
2 AllianceBernstein Growth and Income Portfolio - Class A	
3 AllianceBernstein Growth and Income Portfolio - Class A	
4 AllianceBernstein Growth and Income Portfolio - Class B	
1 AllianceBernstein Growth Portfolio - Class A	
1 AllianceBernstein Growth Portfolio - Class A	
2 AllianceBernstein Growth Portfolio - Class A	
3 AllianceBernstein Growth Portfolio - Class A	
4 AllianceBernstein Growth Portfolio - Class B	
1 AllianceBernstein High Yield Portfolio - Class A	
1 AllianceBernstein International Portfolio - Class A	
3 AllianceBernstein International Portfolio - Class A	
1 AllianceBernstein International Value Portfolio - Class A	
1 AllianceBernstein Money Market Portfolio - Class A	
3 AllianceBernstein Money Market Portfolio - Class A	
4 AllianceBernstein Money Market Portfolio - Class B	
1 AllianceBernstein Premier Growth Portfolio - Class A	
1 AllianceBernstein Premier Growth Portfolio - Class A	
2 AllianceBernstein Premier Growth Portfolio - Class A	

3 AllianceBernstein Premier Growth Portfolio - Class A
4 AllianceBernstein Premier Growth Portfolio - Class B
1 AllianceBernstein Real Estate Investment Portfolio - Class A
3 AllianceBernstein Real Estate Investment Portfolio - Class A
1 AllianceBernstein Small Cap Growth Portfolio - Class A
1 AllianceBernstein Small Cap Growth Portfolio - Class A
1 AllianceBernstein Small Cap Value Portfolio - Class A
1 AllianceBernstein Technology Portfolio - Class A
1 AllianceBernstein Technology Portfolio - Class A
2 AllianceBernstein Technology Portfolio - Class A
3 AllianceBernstein Technology Portfolio - Class A
4 AllianceBernstein Technology Portfolio - Class B
1 AllianceBernstein Total Return Portfolio - Class A
1 AllianceBernstein Total Return Portfolio - Class A
2 AllianceBernstein Total Return Portfolio - Class A
3 AllianceBernstein Total Return Portfolio - Class A
1 AllianceBernstein U.S. Government/High Grade Securities
Portfolio - Class A
3 AllianceBernstein U.S. Government/High Grade Securities
Portfolio - Class A
4 AllianceBernstein U.S. Government/High Grade Securities
Portfolio - Class B
1 AllianceBernstein Utility Income Portfolio - Class A
3 AllianceBernstein Utility Income Portfolio - Class A
4 AllianceBernstein Value Portfolio - Class B
1 AllianceBernstein Worldwide Privatization Portfolio - Class A
5 Delaware VIP Balanced Series - Standard class
5 Delaware VIP Capital Reserves Series - Standard class

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AMERICAN INTERNATIONAL LIFE ASSURANCE COMPANY OF NEW YORK
VARIABLE ACCOUNT A
NOTES TO FINANCIAL STATEMENTS - CONTINUED

Note F - Summary of Changes in Units - Continued

Summary of Changes in Units for the year ended December 31, 2003.

Sub-accounts	Accumulated Units Issued
-----	-----
5 Delaware VIP Cash Reserves Series - Standard class	25,
5 Delaware VIP Growth Opportunities Series - Standard class	
5 Delaware VIP High Yield Series - Standard class	
5 Delaware VIP Value Series - Standard class	
1 Dreyfus Stock Index Fund, Inc. - Initial shares	4,
1 Dreyfus VIF Small Company Stock Portfolio - Initial shares	1,
1 Fidelity VIP Asset Manager Portfolio - Initial Class	
1 Fidelity VIP Contrafund Portfolio - Initial Class	1,
1 Fidelity VIP Growth Portfolio - Initial Class	
1 Fidelity VIP High Income Portfolio - Initial Class	
1 Fidelity VIP Investment Grade Bond Portfolio - Initial Class	
1 Fidelity VIP Money Market Portfolio - Initial Class	1,
1 Fidelity VIP Overseas Portfolio - Initial Class	
1 Mercury HW International VIP Portfolio	
1 Merrill Lynch Basic Value V.I. Fund - Class I	
1 Merrill Lynch Core Bond V.I. Fund - Class I	
1 Merrill Lynch Developing Capital Markets V.I. Fund - Class I	
1 Merrill Lynch Global Allocation V.I. Fund - Class I	
1 Merrill Lynch Global Growth V.I. Fund - Class I	
1 Merrill Lynch High Current Income V.I. Fund - Class I	
1 Merrill Lynch International Value V.I. Fund - Class I	2,
1 Merrill Lynch Large Cap Core V.I. Fund - Class I	
1 UBS U.S. Allocation Portfolio	
1 Van Eck Worldwide Emerging Markets Fund	1,
1 Van Eck Worldwide Hard Assets Fund	

Sub-accounts	Annuity Redeemed
-----	-----
5 Delaware VIP Cash Reserves Series - Standard class	
5 Delaware VIP Growth Opportunities Series - Standard class	
5 Delaware VIP High Yield Series - Standard class	
5 Delaware VIP Value Series - Standard class	
1 Dreyfus Stock Index Fund, Inc. - Initial shares	
1 Dreyfus VIF Small Company Stock Portfolio - Initial shares	

1 Fidelity VIP Asset Manager Portfolio - Initial Class
1 Fidelity VIP Contrafund Portfolio - Initial Class
1 Fidelity VIP Growth Portfolio - Initial Class
1 Fidelity VIP High Income Portfolio - Initial Class
1 Fidelity VIP Investment Grade Bond Portfolio - Initial Class
1 Fidelity VIP Money Market Portfolio - Initial Class
1 Fidelity VIP Overseas Portfolio - Initial Class
1 Mercury HW International VIP Portfolio
1 Merrill Lynch Basic Value V.I. Fund - Class I
1 Merrill Lynch Core Bond V.I. Fund - Class I
1 Merrill Lynch Developing Capital Markets V.I. Fund - Class I
1 Merrill Lynch Global Allocation V.I. Fund - Class I
1 Merrill Lynch Global Growth V.I. Fund - Class I
1 Merrill Lynch High Current Income V.I. Fund - Class I
1 Merrill Lynch International Value V.I. Fund - Class I
1 Merrill Lynch Large Cap Core V.I. Fund - Class I
1 UBS U.S. Allocation Portfolio
1 Van Eck Worldwide Emerging Markets Fund
1 Van Eck Worldwide Hard Assets Fund

Footnotes

- 1 Ovation, Ovation Plus, Ovation Advisor, Trilogy, Paradigm, Gallery and Retirement Gold products.
- 2 Ovation, Ovation Plus, Ovation Advisor, Trilogy, Paradigm and Profile products that have elected the Accidental Death Benefit option.
- 3 Profile product.
- 4 Ovation Plus, Ovation Advisor, Trilogy, Paradigm and Profile products that are subject to 12B-1 fees.
- 5 Variable Annuity product.
- 6 Vanguard SPIA product.

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AMERICAN INTERNATIONAL LIFE ASSURANCE COMPANY OF NEW YORK
VARIABLE ACCOUNT A
NOTES TO FINANCIAL STATEMENTS - CONTINUED

Note G - Financial Highlights

A summary of units outstanding, unit values, and net assets for the variable annuity contracts and the investment income ratios, expense ratios (excluding expenses of the underlying Sub-accounts) and total returns for the years ended December 31, 2004, 2003, 2002 and 2001, are as follows:

Sub-accounts	Units (

2004	
1 AIM V.I. Capital Appreciation Fund - Series I	29,
1 AIM V.I. International Growth Fund - Series I	13,
1 AllianceBernstein Americas Government Income Portfolio - Class A	210,
1 AllianceBernstein Global Bond Portfolio - Class A	80,
1 AllianceBernstein Global Bond Portfolio - Class A	1,
1 AllianceBernstein Global Dollar Government Portfolio - Class A	82,
1 AllianceBernstein Growth and Income Portfolio - Class A	808,
1 AllianceBernstein Growth and Income Portfolio - Class A	23,
2 AllianceBernstein Growth and Income Portfolio - Class A	
3 AllianceBernstein Growth and Income Portfolio - Class A	8,
4 AllianceBernstein Growth and Income Portfolio - Class B	281,
1 AllianceBernstein Growth Portfolio - Class A	654,
1 AllianceBernstein Growth Portfolio - Class A	36,
2 AllianceBernstein Growth Portfolio - Class A	
3 AllianceBernstein Growth Portfolio - Class A	1,
4 AllianceBernstein Growth Portfolio - Class B	130,
1 AllianceBernstein High Yield Portfolio - Class A	290,
1 AllianceBernstein International Portfolio - Class A	357,
3 AllianceBernstein International Portfolio - Class A	2,
1 AllianceBernstein International Value Portfolio - Class A	115,
1 AllianceBernstein Money Market Portfolio - Class A	292,
3 AllianceBernstein Money Market Portfolio - Class A	
4 AllianceBernstein Money Market Portfolio - Class B	246,
1 AllianceBernstein Premier Growth Portfolio - Class A	785,
1 AllianceBernstein Premier Growth Portfolio - Class A	13,
2 AllianceBernstein Premier Growth Portfolio - Class A	
3 AllianceBernstein Premier Growth Portfolio - Class A	4,
4 AllianceBernstein Premier Growth Portfolio - Class B	538,
1 AllianceBernstein Real Estate Investment Portfolio - Class A	204,
3 AllianceBernstein Real Estate Investment Portfolio - Class A	1,
1 AllianceBernstein Small Cap Growth Portfolio - Class A**	488,

1	AllianceBernstein	Small Cap Growth Portfolio - Class A**	7,
1	AllianceBernstein	Small Cap Value Portfolio - Class A	248,
1	AllianceBernstein	Technology Portfolio - Class A	788,
1	AllianceBernstein	Technology Portfolio - Class A	20,
2	AllianceBernstein	Technology Portfolio - Class A	
3	AllianceBernstein	Technology Portfolio - Class A	
4	AllianceBernstein	Technology Portfolio - Class B	277,
1	AllianceBernstein	Total Return Portfolio - Class A	494,
1	AllianceBernstein	Total Return Portfolio - Class A	11,
2	AllianceBernstein	Total Return Portfolio - Class A	
3	AllianceBernstein	Total Return Portfolio - Class A	2,
1	AllianceBernstein	U.S. Government/High Grade Securities Portfolio - Class A	593,
3	AllianceBernstein	U.S. Government/High Grade Securities Portfolio - Class A	
4	AllianceBernstein	U.S. Government/High Grade Securities Portfolio - Class B	9,
1	AllianceBernstein	Utility Income Portfolio - Class A	198,
3	AllianceBernstein	Utility Income Portfolio - Class A	

Expense Ratio (

Sub-accounts

2004

1	AIM V.I. Capital Appreciation Fund - Series I	1
1	AIM V.I. International Growth Fund - Series I	1
1	AllianceBernstein Americas Government Income Portfolio - Class A	1
1	AllianceBernstein Global Bond Portfolio - Class A	1
1	AllianceBernstein Global Bond Portfolio - Class A	1
1	AllianceBernstein Global Dollar Government Portfolio - Class A	1
1	AllianceBernstein Growth and Income Portfolio - Class A	1
1	AllianceBernstein Growth and Income Portfolio - Class A	1
2	AllianceBernstein Growth and Income Portfolio - Class A	1
3	AllianceBernstein Growth and Income Portfolio - Class A	1
4	AllianceBernstein Growth and Income Portfolio - Class B	1
1	AllianceBernstein Growth Portfolio - Class A	1
1	AllianceBernstein Growth Portfolio - Class A	1
2	AllianceBernstein Growth Portfolio - Class A	1
3	AllianceBernstein Growth Portfolio - Class A	1
4	AllianceBernstein Growth Portfolio - Class B	1
1	AllianceBernstein High Yield Portfolio - Class A	1
1	AllianceBernstein International Portfolio - Class A	1
3	AllianceBernstein International Portfolio - Class A	1
1	AllianceBernstein International Value Portfolio - Class A	1
1	AllianceBernstein Money Market Portfolio - Class A	1
3	AllianceBernstein Money Market Portfolio - Class A	1
4	AllianceBernstein Money Market Portfolio - Class B	1
1	AllianceBernstein Premier Growth Portfolio - Class A	1
1	AllianceBernstein Premier Growth Portfolio - Class A	1
2	AllianceBernstein Premier Growth Portfolio - Class A	1
3	AllianceBernstein Premier Growth Portfolio - Class A	1

4	AllianceBernstein Premier Growth Portfolio - Class B	1
1	AllianceBernstein Real Estate Investment Portfolio - Class A	1
3	AllianceBernstein Real Estate Investment Portfolio - Class A	1
1	AllianceBernstein Small Cap Growth Portfolio - Class A**	1
1	AllianceBernstein Small Cap Growth Portfolio - Class A**	1
1	AllianceBernstein Small Cap Value Portfolio - Class A	1
1	AllianceBernstein Technology Portfolio - Class A	1
1	AllianceBernstein Technology Portfolio - Class A	1
2	AllianceBernstein Technology Portfolio - Class A	1
3	AllianceBernstein Technology Portfolio - Class A	1
4	AllianceBernstein Technology Portfolio - Class B	1
1	AllianceBernstein Total Return Portfolio - Class A	1
1	AllianceBernstein Total Return Portfolio - Class A	1
2	AllianceBernstein Total Return Portfolio - Class A	1
3	AllianceBernstein Total Return Portfolio - Class A	1
1	AllianceBernstein U.S. Government/High Grade Securities Portfolio - Class A	1
3	AllianceBernstein U.S. Government/High Grade Securities Portfolio - Class A	1
4	AllianceBernstein U.S. Government/High Grade Securities Portfolio - Class B	1
1	AllianceBernstein Utility Income Portfolio - Class A	1
3	AllianceBernstein Utility Income Portfolio - Class A	1

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AMERICAN INTERNATIONAL LIFE ASSURANCE COMPANY OF NEW YORK
VARIABLE ACCOUNT A
NOTES TO FINANCIAL STATEMENTS - CONTINUED

Note G - Financial Highlights - Continued

A summary of units outstanding, unit values, and net assets for the variable annuity contracts and the investment income ratios, expense ratios (excluding expenses of the underlying Sub-accounts) and total returns for the years ended December 31, 2004, 2003, 2002 and 2001, are as follows:

Sub-accounts	Units (000)

2004 - Continued	
4 AllianceBernstein Value Portfolio - Class B	386,
1 AllianceBernstein Worldwide Privatization Portfolio - Class A	203,
5 Delaware VIP Balanced Series - Standard class	5,
5 Delaware VIP Capital Reserves Series - Standard class	10,
5 Delaware VIP Cash Reserves Series - Standard class	7,
5 Delaware VIP Growth Opportunities Series - Standard class	20,
5 Delaware VIP High Yield Series - Standard class	2,
5 Delaware VIP Value Series - Standard class***	43,
1 Dreyfus Stock Index Fund, Inc. - Initial shares	92,
1 Dreyfus VIF Small Company Stock Portfolio - Initial shares	13,
1 Fidelity VIP Asset Manager Portfolio - Initial Class	37,
1 Fidelity VIP Contrafund Portfolio - Initial Class	41,
1 Fidelity VIP Growth Portfolio - Initial Class	101,
1 Fidelity VIP High Income Portfolio - Initial Class	10,
1 Fidelity VIP Investment Grade Bond Portfolio - Initial Class	25,
1 Fidelity VIP Money Market Portfolio - Initial Class	111,
1 Fidelity VIP Overseas Portfolio - Initial Class	5,
1 Merrill Lynch Basic Value V.I. Fund - Class I	5,
1 Merrill Lynch Core Bond V.I. Fund - Class I	5,
1 Merrill Lynch Global Allocation V.I. Fund - Class I	4,
1 Merrill Lynch Global Growth V.I. Fund - Class I	1,
1 Merrill Lynch High Current Income V.I. Fund - Class I	3,
1 Merrill Lynch International Value V.I. Fund - Class I	2,
1 Merrill Lynch Large Cap Core V.I. Fund - Class I	1,
1 UBS U.S. Allocation Portfolio	12,
1 Van Eck Worldwide Emerging Markets Fund	5,
1 Van Eck Worldwide Hard Assets Fund	1,
6 Vanguard LifeStrategy Income Fund	4,
6 Vanguard VIF Balanced Portfolio	9,
6 Vanguard VIF Capital Growth Portfolio	2,
6 Vanguard VIF Diversified Value Portfolio	3,

6 Vanguard VIF Equity Income Portfolio	2,
6 Vanguard VIF Equity Index Portfolio	2,
6 Vanguard VIF Growth Portfolio	3,
6 Vanguard VIF High Yield Bond Portfolio	2,
6 Vanguard VIF International Portfolio	4,
6 Vanguard VIF Mid-Cap Index Portfolio	4,
6 Vanguard VIF Money Market Portfolio	1,
6 Vanguard VIF REIT Index Portfolio	4,
6 Vanguard VIF Short-Term Investment-Grade Portfolio****	
6 Vanguard VIF Small Company Growth Portfolio	5,
6 Vanguard VIF Total Bond Market Index Portfolio	4,
6 Vanguard VIF Total Stock Market Index Portfolio	14,

2003

1 AIM V.I. Capital Appreciation Fund - Series I	37,
1 AIM V.I. International Growth Fund - Series I	17,
1 AllianceBernstein Americas Government Income Portfolio - Class A	278,
1 AllianceBernstein Global Bond Portfolio - Class A	118,

Expense
Ratio (%)

Sub-accounts

2004 - Continued

4 AllianceBernstein Value Portfolio - Class B	1
1 AllianceBernstein Worldwide Privatization Portfolio - Class A	1
5 Delaware VIP Balanced Series - Standard class	1
5 Delaware VIP Capital Reserves Series - Standard class	1
5 Delaware VIP Cash Reserves Series - Standard class	1
5 Delaware VIP Growth Opportunities Series - Standard class	1
5 Delaware VIP High Yield Series - Standard class	1
5 Delaware VIP Value Series - Standard class***	1
1 Dreyfus Stock Index Fund, Inc. - Initial shares	1
1 Dreyfus VIF Small Company Stock Portfolio - Initial shares	1
1 Fidelity VIP Asset Manager Portfolio - Initial Class	1
1 Fidelity VIP Contrafund Portfolio - Initial Class	1
1 Fidelity VIP Growth Portfolio - Initial Class	1
1 Fidelity VIP High Income Portfolio - Initial Class	1
1 Fidelity VIP Investment Grade Bond Portfolio - Initial Class	1
1 Fidelity VIP Money Market Portfolio - Initial Class	1
1 Fidelity VIP Overseas Portfolio - Initial Class	1
1 Merrill Lynch Basic Value V.I. Fund - Class I	1
1 Merrill Lynch Core Bond V.I. Fund - Class I	1
1 Merrill Lynch Global Allocation V.I. Fund - Class I	1
1 Merrill Lynch Global Growth V.I. Fund - Class I	1
1 Merrill Lynch High Current Income V.I. Fund - Class I	1
1 Merrill Lynch International Value V.I. Fund - Class I	1
1 Merrill Lynch Large Cap Core V.I. Fund - Class I	1
1 UBS U.S. Allocation Portfolio	1
1 Van Eck Worldwide Emerging Markets Fund	1
1 Van Eck Worldwide Hard Assets Fund	1

6 Vanguard LifeStrategy Income Fund	0
6 Vanguard VIF Balanced Portfolio	0
6 Vanguard VIF Capital Growth Portfolio	0
6 Vanguard VIF Diversified Value Portfolio	0
6 Vanguard VIF Equity Income Portfolio	0
6 Vanguard VIF Equity Index Portfolio	0
6 Vanguard VIF Growth Portfolio	0
6 Vanguard VIF High Yield Bond Portfolio	0
6 Vanguard VIF International Portfolio	0
6 Vanguard VIF Mid-Cap Index Portfolio	0
6 Vanguard VIF Money Market Portfolio	0
6 Vanguard VIF REIT Index Portfolio	0
6 Vanguard VIF Short-Term Investment-Grade Portfolio****	0
6 Vanguard VIF Small Company Growth Portfolio	0
6 Vanguard VIF Total Bond Market Index Portfolio	0
6 Vanguard VIF Total Stock Market Index Portfolio	0

2003

1 AIM V.I. Capital Appreciation Fund - Series I	1
1 AIM V.I. International Growth Fund - Series I	1
1 AllianceBernstein Americas Government Income Portfolio - Class A	1
1 AllianceBernstein Global Bond Portfolio - Class A	1

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AMERICAN INTERNATIONAL LIFE ASSURANCE COMPANY OF NEW YORK
VARIABLE ACCOUNT A
NOTES TO FINANCIAL STATEMENTS - CONTINUED

Note G - Financial Highlights-Continued

A summary of units outstanding, unit values, and net assets for the variable annuity contracts and the investment income ratios, expense ratios (excluding expenses of the underlying Sub-accounts) and total returns for the years ended December 31, 2004, 2003, 2002 and 2001, are as follows:

Sub-accounts	Units (a)	Unit Value	Net
2003 - Continued			
1 AllianceBernstein Global Bond Portfolio - Class A	1,207	\$ 12.98	\$
1 AllianceBernstein Global Dollar Government Portfolio - Class A	123,889	28.50	
1 AllianceBernstein Growth and Income Portfolio - Class A	951,285	35.23	3
1 AllianceBernstein Growth and Income Portfolio - Class A	49,218	22.27	
2 AllianceBernstein Growth and Income Portfolio - Class A	81	35.12	
3 AllianceBernstein Growth and Income Portfolio - Class A	8,557	35.67	
4 AllianceBernstein Growth and Income Portfolio - Class B	242,311	34.84	
1 AllianceBernstein Growth Portfolio - Class A	745,640	22.18	1
1 AllianceBernstein Growth Portfolio - Class A	44,816	14.17	
2 AllianceBernstein Growth Portfolio - Class A	78	22.11	
3 AllianceBernstein Growth Portfolio - Class A	1,048	22.46	
4 AllianceBernstein Growth Portfolio - Class B	134,653	21.92	
1 AllianceBernstein High Yield Portfolio - Class A	350,634	10.31	
1 AllianceBernstein International Portfolio - Class A	382,399	13.31	
3 AllianceBernstein International Portfolio - Class A	2,226	13.48	
1 AllianceBernstein International Value Portfolio - Class A	102,117	13.02	
1 AllianceBernstein Money Market Portfolio - Class A	440,657	12.83	
3 AllianceBernstein Money Market Portfolio - Class A	948	12.99	
4 AllianceBernstein Money Market Portfolio - Class B	325,706	12.69	
1 AllianceBernstein Premier Growth Portfolio - Class A	948,112	25.97	2
1 AllianceBernstein Premier Growth Portfolio - Class A	17,973	11.17	
2 AllianceBernstein Premier Growth Portfolio - Class A	74	25.89	
3 AllianceBernstein Premier Growth Portfolio - Class A	4,757	26.30	
4 AllianceBernstein Premier Growth Portfolio - Class B	604,989	6.40	
1 AllianceBernstein Real Estate Investment Portfolio - Class A	212,179	17.24	
3 AllianceBernstein Real Estate Investment Portfolio - Class A	2,611	17.42	
1 AllianceBernstein Small Cap Growth Portfolio - Class A	541,675	10.59	

1	AllianceBernstein Small Cap Growth Portfolio - Class A	8,794	10.32
1	AllianceBernstein Small Cap Value Portfolio - Class A	273,205	14.27
1	AllianceBernstein Technology Portfolio - Class A	958,318	14.92
1	AllianceBernstein Technology Portfolio - Class A	29,282	13.42
2	AllianceBernstein Technology Portfolio - Class A	85	14.87
3	AllianceBernstein Technology Portfolio - Class A	56	14.31
4	AllianceBernstein Technology Portfolio - Class B	318,966	5.80
1	AllianceBernstein Total Return Portfolio - Class A	571,207	22.66
1	AllianceBernstein Total Return Portfolio - Class A	13,924	11.21
2	AllianceBernstein Total Return Portfolio - Class A	126	22.59
3	AllianceBernstein Total Return Portfolio - Class A	2,260	17.86
1	AllianceBernstein U.S. Government/High Grade Securities Portfolio - Class A	726,253	16.06
3	AllianceBernstein U.S. Government/High Grade Securities Portfolio - Class A	1,933	16.26
4	AllianceBernstein U.S. Government/High Grade Securities Portfolio - Class B	11,538	15.87
1	AllianceBernstein Utility Income Portfolio - Class A	214,286	16.84
3	AllianceBernstein Utility Income Portfolio -Class A	89	16.35
4	AllianceBernstein Value Portfolio -Class B	405,118	10.85
1	AllianceBernstein Worldwide Privatization Portfolio - Class A	220,767	19.90
5	Delaware VIP Balanced Series -Standard class	5,911	27.47

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AMERICAN INTERNATIONAL LIFE ASSURANCE COMPANY OF NEW YORK
VARIABLE ACCOUNT A
NOTES TO FINANCIAL STATEMENTS - CONTINUED

Note G - Financial Highlights-Continued

A summary of units outstanding, unit values, and net assets for the variable annuity contracts and the investment income ratios, expense ratios (excluding expenses of the underlying Sub-accounts) and total returns for the years ended December 31, 2004, 2003, 2002 and 2001, are as follows:

Sub-accounts	Units(a)	Unit Value	Ne

2003 - Continued			
5 Delaware VIP Capital Reserves Series - Standard class	10,466	\$ 21.85	\$
5 Delaware VIP Cash Reserves Series - Standard class	35,815	16.32	
5 Delaware VIP Growth Opportunities Series - Standard class	22,062	27.87	
5 Delaware VIP High Yield Series - Standard class	2,416	21.51	
5 Delaware VIP Value Series - Standard class	50,185	32.43	1
1 Dreyfus Stock Index Fund, Inc. - Initial shares	112,272	16.59	1
1 Dreyfus VIF Small Company Stock Portfolio - Initial shares	20,207	12.38	
1 Fidelity VIP Asset Manager Portfolio - Initial Class	52,494	15.08	
1 Fidelity VIP Contrafund Portfolio - Initial Class	51,731	14.39	
1 Fidelity VIP Growth Portfolio - Initial Class	134,139	14.71	1
1 Fidelity VIP High Income Portfolio - Initial Class	22,070	10.61	
1 Fidelity VIP Investment Grade Bond Portfolio - Initial Class	38,782	15.63	
1 Fidelity VIP Money Market Portfolio - Initial Class	134,114	12.36	1
1 Fidelity VIP Overseas Portfolio - Initial Class	5,640	12.70	
1 Mercury HW International VIP Portfolio	-	10.53	
1 Merrill Lynch Basic Value V.I. Fund - Class I	5,844	15.47	
1 Merrill Lynch Core Bond V.I. Fund - Class I	5,400	13.09	
1 Merrill Lynch Developing Capital Markets V.I. Fund - Class I	-	9.63	
1 Merrill Lynch Global Allocation V.I. Fund - Class I	4,466	12.37	
1 Merrill Lynch Global Growth V.I. Fund - Class I	1,632	7.75	
1 Merrill Lynch High Current Income V.I. Fund - Class I	3,525	11.40	
1 Merrill Lynch International Value V.I. Fund - Class I	2,030	11.63	
1 Merrill Lynch Large Cap Core V.I. Fund - Class I	1,315	12.90	
1 UBS U.S. Allocation Portfolio	14,169	13.99	
1 Van Eck Worldwide Emerging Markets Fund	5,701	9.62	
1 Van Eck Worldwide Hard Assets Fund	1,328	11.29	

1	AIM V.I. Capital Appreciation Fund - Series I shares	38,419	8.00	
1	AIM V.I. International Growth Fund - Series I shares	15,673	8.00	
1	AllianceBernstein Americas Government Income Portfolio - Class A	325,426	18.23	5
1	AllianceBernstein Global Bond Portfolio - Class A	107,346	15.00	1
1	AllianceBernstein Global Bond Portfolio - Class A	1,451	11.62	
1	AllianceBernstein Global Dollar Government Portfolio - Class A	96,972	21.66	2
1	AllianceBernstein Growth and Income Portfolio - Class A	1,133,342	26.97	30
1	AllianceBernstein Growth and Income Portfolio - Class A	65,785	17.04	1
2	AllianceBernstein Growth and Income Portfolio - Class A	81	26.89	
3	AllianceBernstein Growth and Income Portfolio - Class A	8,774	27.26	
4	AllianceBernstein Growth and Income Portfolio - Class B	207,318	26.73	5
1	AllianceBernstein Growth Portfolio - Class A	844,714	16.65	14
1	AllianceBernstein Growth Portfolio - Class A	53,518	10.64	
2	AllianceBernstein Growth Portfolio - Class A	79	16.61	
3	AllianceBernstein Growth Portfolio - Class A	1,048	16.84	
4	AllianceBernstein Growth Portfolio - Class B	108,564	16.50	1
1	AllianceBernstein High Yield Portfolio - Class A	286,786	8.54	2
1	AllianceBernstein International Portfolio - Class A	405,947	10.26	4
3	AllianceBernstein International Portfolio - Class A	2,226	10.37	
1	AllianceBernstein International Value Portfolio - Class A	76,927	9.15	
1	AllianceBernstein Money Market Portfolio - Class A	757,588	12.94	9

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AMERICAN INTERNATIONAL LIFE ASSURANCE COMPANY OF NEW YORK
VARIABLE ACCOUNT A
NOTES TO FINANCIAL STATEMENTS - CONTINUED

Note G - Financial Highlights - Continued

A summary of units outstanding, unit values, and net assets for the variable annuity contracts and the investment income ratios, expense ratios (excluding expenses of the underlying Sub-accounts) and total returns for the years ended December 31, 2004, 2003, 2002 and 2001, are as follows:

Sub-accounts	Units (a)	Unit Value	Net
2002 - Continued			
3 AllianceBernstein Money Market Portfolio - Class A	949	\$ 13.09	\$
4 AllianceBernstein Money Market Portfolio - Class B	356,985	12.83	
1 AllianceBernstein Premier Growth Portfolio - Class A	1,097,825	21.30	2
1 AllianceBernstein Premier Growth Portfolio - Class A	22,359	9.16	
2 AllianceBernstein Premier Growth Portfolio - Class A	75	21.24	
3 AllianceBernstein Premier Growth Portfolio - Class A	4,767	21.53	
4 AllianceBernstein Premier Growth Portfolio - Class B	573,481	5.26	
1 AllianceBernstein Quasar Portfolio - Class A	579,240	7.21	
1 AllianceBernstein Quasar Portfolio - Class A	10,767	7.03	
1 AllianceBernstein Real Estate Investment Portfolio - Class A	232,816	12.55	
3 AllianceBernstein Real Estate Investment Portfolio - Class A	2,612	12.66	
1 AllianceBernstein Small Cap Value Portfolio - Class A	239,549	10.24	
1 AllianceBernstein Technology Portfolio - Class A	1,097,453	10.50	1
1 AllianceBernstein Technology Portfolio - Class A	33,799	9.45	
2 AllianceBernstein Technology Portfolio - Class A	86	10.47	
3 AllianceBernstein Technology Portfolio - Class A	56	10.06	
4 AllianceBernstein Technology Portfolio - Class B	302,617	4.09	
1 AllianceBernstein Total Return Portfolio - Class A	596,922	19.30	1
1 AllianceBernstein Total Return Portfolio - Class A	16,875	9.55	
2 AllianceBernstein Total Return Portfolio - Class A	127	19.25	
3 AllianceBernstein Total Return Portfolio - Class A	2,260	15.19	
1 AllianceBernstein U.S. Government/High Grade Securities Portfolio - Class A	1,055,403	15.67	1
3 AllianceBernstein U.S. Government/High Grade Securities Portfolio - Class A	1,945	15.84	
4 AllianceBernstein U.S. Government/High Grade Securities Portfolio - Class B	14,057	15.54	
1 AllianceBernstein Utility Income Portfolio - Class A	228,027	14.24	
3 AllianceBernstein Utility Income Portfolio - Class A	90	13.81	

4 AllianceBernstein Value Portfolio - Class B	321,429	8.56
1 AllianceBernstein Worldwide Privatization Portfolio - Class A	256,844	14.07
5 Delaware VIP Balanced Series	8,851	23.33
5 Delaware VIP Capital Reserves Series	17,300	21.15
5 Delaware VIP Cash Reserves Series	10,741	16.43
5 Delaware VIP Growth Opportunities Series	32,309	20.01
5 Delaware VIP High Yield Series	4,741	16.92
5 Delaware VIP Large Cap Value Series	87,712	25.59
1 Dreyfus Stock Index Fund - Initial shares	126,112	13.11
1 Dreyfus VIF Small Company Stock Portfolio - Initial shares	22,222	8.78
1 Fidelity VIP Asset Manager Portfolio - Initial Class	57,744	12.96
1 Fidelity VIP Contrafund Portfolio - Initial Class	52,636	11.36
1 Fidelity VIP Growth Portfolio - Initial Class	157,583	11.23
1 Fidelity VIP High Income Portfolio - Initial Class	25,389	8.46
1 Fidelity VIP Investment Grade Bond Portfolio - Initial Class	46,570	15.06
1 Fidelity VIP Money Market Portfolio - Initial Class	174,189	12.41
1 Fidelity VIP Overseas Portfolio - Initial Class	9,956	8.98
1 Mercury HW International VIP Portfolio	2,033	8.29
1 Merrill Lynch Basic Value V.I. Fund - Class I	5,475	11.78
1 Merrill Lynch Core Bond V.I. Fund - Class I	5,522	12.67

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AMERICAN INTERNATIONAL LIFE ASSURANCE COMPANY OF NEW YORK
VARIABLE ACCOUNT A
NOTES TO FINANCIAL STATEMENTS - CONTINUED

Note G - Financial Highlights - Continued

A summary of units outstanding, unit values, and net assets for the variable annuity contracts and the investment income ratios, expense ratios (excluding expenses of the underlying Sub-accounts) and total returns for the years ended December 31, 2004, 2003, 2002 and 2001, are as follows:

Sub-accounts	Units(a)	Unit Value	Ne
2002 - Continued			
1 Merrill Lynch Developing Capital Markets V.I. Fund - Class I	913	\$ 6.93	\$
1 Merrill Lynch Global Allocation V.I. Fund - Class I	3,702	9.31	
1 Merrill Lynch Global Growth V.I. Fund - Class I	1,186	5.89	
1 Merrill Lynch High Current Income V.I. Fund - Class I	3,059	9.02	
1 Merrill Lynch Large Cap Core V.I. Fund - Class I	955	9.95	
1 UBS U.S. Allocation Portfolio	26,509	11.12	
2 UBS U.S. Allocation Portfolio	-	11.09	
1 Van Eck Worldwide Emerging Markets Fund	3,723	6.32	
1 Van Eck Worldwide Hard Assets Fund	1,365	7.89	
2001			
1 AIM V.I. Capital Appreciation Fund - Series I shares	44,333	10.72	
1 AIM V.I. International Growth Fund - Series I shares	22,954	9.63	
1 AllianceBernstein Americas Government Income Portfolio - Class A	349,120	16.65	
1 AllianceBernstein Global Bond Portfolio - Class A	87,796	13.01	
1 AllianceBernstein Global Bond Portfolio - Class A	136	10.08	
1 AllianceBernstein Global Dollar Government Portfolio - Class A	104,670	18.91	
1 AllianceBernstein Growth and Income Portfolio - Class A	1,615,235	35.08	5
1 AllianceBernstein Growth and Income Portfolio - Class A	103,197	22.17	
2 AllianceBernstein Growth and Income Portfolio - Class A	863	35.00	
3 AllianceBernstein Growth and Income Portfolio - Class A	16,341	35.41	
4 AllianceBernstein Growth and Income Portfolio - Class B	112,353	34.87	
1 AllianceBernstein Growth Portfolio - Class A	1,208,542	23.48	2

1	AllianceBernstein Growth Portfolio - Class A	74,503	15.00
2	AllianceBernstein Growth Portfolio - Class A	516	23.43
3	AllianceBernstein Growth Portfolio - Class A	1,466	23.70
4	AllianceBernstein Growth Portfolio - Class B	73,965	23.33
1	AllianceBernstein High Yield Portfolio - Class A	205,171	8.93
1	AllianceBernstein International Portfolio - Class A	539,574	12.28
3	AllianceBernstein International Portfolio - Class A	2,802	12.39
1	AllianceBernstein International Value Portfolio - Class A	7,540	9.78
1	AllianceBernstein Money Market Portfolio - Class A	1,377,871	12.98
3	AllianceBernstein Money Market Portfolio - Class A	2,148	13.11
4	AllianceBernstein Money Market Portfolio - Class B	233,702	12.90
1	AllianceBernstein Premier Growth Portfolio - Class A	1,613,611	31.14
1	AllianceBernstein Premier Growth Portfolio - Class A	24,801	13.39
2	AllianceBernstein Premier Growth Portfolio - Class A	426	31.07
3	AllianceBernstein Premier Growth Portfolio - Class A	8,040	31.44
4	AllianceBernstein Premier Growth Portfolio - Class B	332,907	7.71
1	AllianceBernstein Quasar Portfolio - Class A	718,114	10.72
1	AllianceBernstein Quasar Portfolio - Class A	17,136	10.44
1	AllianceBernstein Real Estate Investment Portfolio - Class A	217,200	12.40
3	AllianceBernstein Real Estate Investment Portfolio - Class A	1,630	12.50
1	AllianceBernstein Small Cap Value Portfolio - Class A	102,467	11.08
1	AllianceBernstein Technology Portfolio - Class A	1,538,568	18.27
1	AllianceBernstein Technology Portfolio - Class A	41,704	16.43
2	AllianceBernstein Technology Portfolio - Class A	237	18.23
3	AllianceBernstein Technology Portfolio - Class A	682	17.47
4	AllianceBernstein Technology Portfolio - Class B	160,981	7.13
1	AllianceBernstein Total Return Portfolio - Class A	712,271	21.89

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AMERICAN INTERNATIONAL LIFE ASSURANCE COMPANY OF NEW YORK
VARIABLE ACCOUNT A
NOTES TO FINANCIAL STATEMENTS - CONTINUED

Note G - Financial Highlights - Continued

A summary of units outstanding, unit values, and net assets for the variable annuity contracts and the investment income ratios, expense ratios (excluding expenses of the underlying Sub-accounts) and total returns for the years ended December 31, 2004, 2003, 2002 and 2001, are as follows:

Sub-accounts	Units(a)	Unit Value	Net

2001 - Continued			
1 AllianceBernstein Total Return Portfolio - Class A	21,665	\$ 10.83	\$
2 AllianceBernstein Total Return Portfolio - Class A	127	21.84	
3 AllianceBernstein Total Return Portfolio - Class A	2,261	17.20	
1 AllianceBernstein U.S. Government/High Grade Securities Portfolio - Class A	619,083	14.75	
3 AllianceBernstein U.S. Government/High Grade Securities Portfolio - Class A	1,725	14.89	
4 AllianceBernstein U.S. Government/High Grade Securities Portfolio - Class B	10,513	14.65	
1 AllianceBernstein Utility Income Portfolio - Class A	332,091	18.55	
3 AllianceBernstein Utility Income Portfolio - Class A	90	17.95	
4 AllianceBernstein Value Portfolio - Class B	212,874	9.98	
1 AllianceBernstein Worldwide Privatization Portfolio - Class A	350,467	14.89	
5 Delaware VIP Balanced Series	9,627	28.22	
5 Delaware VIP Capital Reserves Series	15,589	19.99	
5 Delaware VIP Cash Reserves Series	12,132	16.42	
5 Delaware VIP Growth Opportunities Series	62,802	26.99	
5 Delaware VIP High Yield Series	7,738	16.82	
5 Delaware VIP Large Cap Value Series	107,096	31.87	
1 Dreyfus Stock Index Fund - Initial shares	170,684	17.12	
1 Dreyfus VIF Small Company Stock Portfolio - Initial shares	20,699	11.09	
1 Fidelity VIP Asset Manager Portfolio - Initial Class	76,408	14.40	
1 Fidelity VIP Contrafund Portfolio - Initial Class	47,602	12.71	
1 Fidelity VIP Growth Portfolio - Initial Class	205,699	16.29	
1 Fidelity VIP High Income Portfolio - Initial Class	36,925	8.29	
1 Fidelity VIP Investment Grade Bond Portfolio - Initial Class	45,499	13.84	
1 Fidelity VIP Money Market Portfolio - Initial Class	265,588	12.38	
1 Fidelity VIP Overseas Portfolio - Initial Class	13,173	11.43	

1	Mercury HW International VIP Portfolio	2,035	9.50
1	Merrill Lynch Basic Value V.I. Fund - Class I	5,481	14.52
1	Merrill Lynch Core Bond V.I. Fund - Class I	5,695	11.73
1	Merrill Lynch Developing Capital Markets V.I. Fund - Class I	914	7.84
1	Merrill Lynch Global Allocation V.I. Fund - Class I	3,706	10.28
1	Merrill Lynch Global Growth V.I. Fund - Class I	1,187	8.26
1	Merrill Lynch High Current Income V.I. Fund - Class I	3,062	9.28
1	Merrill Lynch Large Cap Core V.I. Fund - Class I	956	12.15
1	UBS U.S. Allocation Portfolio	40,070	14.58
2	UBS U.S. Allocation Portfolio	859	14.56
1	Van Eck Worldwide Emerging Markets Fund	2,108	6.61
1	Van Eck Worldwide Hard Assets Fund	973	8.24

Footnotes

- 1 Ovation, Ovation Plus, Ovation Advisor, Trilogy, Paradigm, Gallery and Retirement Gold products.
- 2 Ovation, Ovation Plus, Ovation Advisor, Trilogy, Paradigm and Profile products that have elected the Accidental Death Benefit option.
- 3 Profile product.
- 4 Ovation Plus, Ovation Advisor, Trilogy, Paradigm and Profile products that are subject to 12B-1 fees.
- 5 Variable Annuity product.
- 6 Vanguard SPIA product.

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AMERICAN INTERNATIONAL LIFE ASSURANCE COMPANY OF NEW YORK
VARIABLE ACCOUNT A
NOTES TO FINANCIAL STATEMENTS - CONTINUED

Note G - Financial Highlights - Continued

- (a) The 2002 units reflect accumulation units valued at accumulation unit values. The 2001 units reflect annuity units valued at annuity unit values. The change in the 2002 presentation does not have any effect on the net assets held in the Sub-accounts.
- (b) These amounts represent the dividends, excluding capital gain distributions from mutual funds, received by the Sub-account from the underlying mutual fund, net of management fees assessed by the fund manager, divided by the average net assets. These ratios exclude those expenses, such as mortality and expense risk charges, that result in direct reduction in the unit value. The recognition of investment income by the Sub-account is affected by the timing of the declaration of dividends by the underlying fund in which the Sub-account invest.
- (c) These amounts represent the annualized contract expenses of the Account, consisting primarily of mortality and expense risk charges, for each year indicated. These ratios include only those expenses that result in a direct reduction to unit values. Charges made directly to contract owner accounts through the redemption of units and expenses of the underlying fund have been excluded.
- (d) These amounts represent the total return for the years indicated, including changes in the value of the underlying Sub-account, and reflect deductions for those expenses that result in a direct reduction to unit values. The total return does not include contract charges deducted directly from account values. For the years ended December 31, 2002 and 2001, no total return was calculated if the Sub-account became an available investment option during the year. For the years ended December 31, 2004 and 2003, a total return was calculated using the initial unit value for the Sub-account if the Sub-account became an available investment option during the year and the underlying Fund was not available at the beginning of the year.
- + The investment income ratio has been restated due to a misclassification in prior years of short-term and/or long-term capital gains between dividends from mutual funds and capital gain distributions from mutual funds. See Note H for further disclosure.

** Formerly AllianceBernstein Quasar Portfolio.

*** Formerly Delaware VIP Large Cap Value Series.

**** Formerly Vanguard VIF Short-Term Corporate Portfolio.

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AMERICAN INTERNATIONAL LIFE ASSURANCE COMPANY OF NEW YORK
VARIABLE ACCOUNT A
NOTES TO FINANCIAL STATEMENTS - CONTINUED

Note H - Restatement

During the preparation of these 2004 financial statements, the Company identified certain misclassifications of long-term and short-term capital gains within several Sub-accounts. Specifically, for the years ended December 31, 2003 and 2002, the Company classified short-term capital gains as dividends from mutual funds. Prior to the year ended December 31, 2002, the Company classified long-term and short-term capital gains as dividends from mutual funds. GAAP requires long-term and short-term capital gains to be classified as capital gain distributions from mutual funds. Accordingly, for the effected Sub-accounts, the Company restated net investment income (loss) and capital gain distributions from mutual funds for the year ended December 31, 2003. The related investment income ratio was also restated for the years ended December 31, 2003, 2002 and 2001, to be comparative. The restated balances for net investment income (loss) and capital gain distribution from mutual funds have been identified in the Statement of Changes in Net Assets and the related investment income ratio amounts have been disclosed in Note G - Financial Highlights.

The adjustments described above had no impact on the Company's net assets or the increase (decrease) in net assets resulting from operations for any period. A summary of the adjustments made and their effect on the financial statements is presented below:

Sub-accounts	----- Net In ----- Original sta
AllianceBernstein Small Cap Value Portfolio - Class A	\$
AllianceBernstein U.S. Government/High Grade Securities Portfolio - Class A	34
AllianceBernstein U.S. Government/High Grade Securities Portfolio - Class B	.
Fidelity VIP Investment Grade Bond Portfolio - Initial Class	2
	----- For the Year Ended December 31, 2003 ----- Originally stated Restated

1	AIM V.I. Capital Appreciation Fund - Series I shares	n/a	n/a
1	AIM V.I. International Growth Fund - Series I shares	n/a	n/a
1	AllianceBernstein Americas Government Income Portfolio - Class A	n/a	n/a
1	AllianceBernstein Growth and Income Portfolio - Class A	n/a	n/a
1	AllianceBernstein Growth and Income Portfolio - Class A	n/a	n/a
2	AllianceBernstein Growth and Income Portfolio - Class A	n/a	n/a
3	AllianceBernstein Growth and Income Portfolio - Class A	n/a	n/a
4	AllianceBernstein Growth and Income Portfolio - Class B	n/a	n/a
1	AllianceBernstein Growth Portfolio - Class A	n/a	n/a
1	AllianceBernstein Growth Portfolio - Class A	n/a	n/a
2	AllianceBernstein Growth Portfolio - Class A	n/a	n/a
3	AllianceBernstein Growth Portfolio - Class A	n/a	n/a
4	AllianceBernstein Growth Portfolio - Class B	n/a	n/a
1	AllianceBernstein International Portfolio - Class A	n/a	n/a
3	AllianceBernstein International Portfolio - Class A	n/a	n/a
1	AllianceBernstein Premier Growth Portfolio - Class A	n/a	n/a
1	AllianceBernstein Premier Growth Portfolio - Class A	n/a	n/a
2	AllianceBernstein Premier Growth Portfolio - Class A	n/a	n/a
3	AllianceBernstein Premier Growth Portfolio - Class A	n/a	n/a
4	AllianceBernstein Premier Growth Portfolio - Class B	n/a	n/a
1	AllianceBernstein Quasar Portfolio - Class A	n/a	n/a
1	AllianceBernstein Quasar Portfolio - Class A	n/a	n/a

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AMERICAN INTERNATIONAL LIFE ASSURANCE COMPANY OF NEW YORK
VARIABLE ACCOUNT A
NOTES TO FINANCIAL STATEMENTS - CONTINUED

Note H - Restatement - Continued

Sub-accounts	----- For the Year Ended December 31, 2003 -----	
	Originally stated	Restated
1 AllianceBernstein Small Cap Value Portfolio - Class A	1.40%	0.52
1 AllianceBernstein Technology Portfolio - Class A	n/a	n/a
1 AllianceBernstein Technology Portfolio - Class A	n/a	n/a
2 AllianceBernstein Technology Portfolio - Class A	n/a	n/a
3 AllianceBernstein Technology Portfolio - Class A	n/a	n/a
4 AllianceBernstein Technology Portfolio - Class B	n/a	n/a
1 AllianceBernstein Total Return Portfolio - Class A	n/a	n/a
1 AllianceBernstein Total Return Portfolio - Class A	n/a	n/a
2 AllianceBernstein Total Return Portfolio - Class A	n/a	n/a
3 AllianceBernstein Total Return Portfolio - Class A	n/a	n/a
1 AllianceBernstein U.S. Government/High Grade Securities Portfolio - Class A	3.85%	3.07
3 AllianceBernstein U.S. Government/High Grade Securities Portfolio - Class A	3.69%	2.94
4 AllianceBernstein U.S. Government/High Grade Securities Portfolio - Class B	3.86%	3.05
1 AllianceBernstein Utility Income Portfolio - Class A	n/a	n/a
3 AllianceBernstein Utility Income Portfolio - Class A	n/a	n/a
1 AllianceBernstein Worldwide Privatization Portfolio - Class A	n/a	n/a
5 Delaware VIP Growth Opportunities Series	n/a	n/a
1 Dreyfus Stock Index Fund - Initial shares	n/a	n/a
1 Fidelity VIP Asset Manager Portfolio - Initial Class	n/a	n/a
1 Fidelity VIP Contrafund Portfolio - Initial Class	n/a	n/a
1 Fidelity VIP Growth Portfolio - Initial Class	n/a	n/a
1 Fidelity VIP Investment Grade Bond Portfolio - Initial Class	5.18%	4.18
1 Fidelity VIP Overseas Portfolio - Initial Class	n/a	n/a
1 Mercury HW International VIP Portfolio	n/a	n/a
1 Merrill Lynch Basic Value V.I. Fund - Class I	n/a	n/a
1 UBS U.S. Allocation Portfolio	n/a	n/a
2 UBS U.S. Allocation Portfolio	n/a	n/a

- 1 Ovation, Ovation Plus, Ovation Advisor, Trilogy, Paradigm, Gallery and Retirement Gold products.
 - 2 Ovation, Ovation Plus, Ovation Advisor, Trilogy, Paradigm and Profile products that have elected the Accidental Death Benefit option.
 - 3 Profile product.
 - 4 Ovation Plus, Ovation Advisor, Trilogy, Paradigm and Profile products that are subject to 12B-1 fees.
 - 5 Variable Annuity product.
- n/a The investment income ratio did not change.

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PART C

OTHER INFORMATION

Item 24. Financial Statements and Exhibits.

(a) Financial Statements

The following financial statements are included in Part B of the Registration Statement:

Audited consolidated financial statements of American International Life Assurance Company of New York at December 31, 2004 and 2003 (restated), and for the three years ended December 31, 2004.

Audited financial statements of Variable Account A at December 31, 2004 and for the two years ended December 31, 2004.

(b) Exhibits

1. Certificate of Resolution for American International Life Assurance Company of New York dated June 5, 1986, authorizing the issuance and sale of variable and fixed annuity contracts.*
2. Not Applicable.
3. (a) Principal Underwriter' s Agreement between American International Life Assurance Company of New York and American International Fund Distributors, dated August 1, 1988;*
- (b) Broker/Dealer Agreement between American International Life Assurance Company of New York and American International Fund Distributors, dated August 1, 1988;*
- (c) Selling Agreement between American International Life Insurance Company of New York, AIG Life Insurance Company and AIG Equity Sales Corporation, dated October 1998*
- (d) Distribution Agreement between American International Life Assurance Company of New York, AIG Life Insurance Company and Alliance Fund Distributors, dated June 11, 1991;*
- (e) Form of Buy Sell Agreement between American International Life Assurance Company of New York and Alliance Global Investor Services, Inc. dated February, 2002++++
4. (a) Form of Individual Variable Annuity Single Purchase Payment Policy (45649 - 4/87)*
- (b) Form of Individual Variable Annuity Policy (21VAN0896NY)*
- (c) Form of Group Variable Annuity Policy (21GVAN897NY)*
- (d) Form of Variable Annuity Certificate of Coverage (26GVAN897NY)*
- (e) Form of Group Immediate Variable Annuity Contract (21GVIA1000)++
- (f) Form of Individual Variable Annuity Policy (26GVIA1000) and Certificate Schedule++
- (g) Form of Group Variable Annuity Group Contract (21GVAN999)+++
- (h) Form of Variable Annuity Certificate of Coverage (26GVAN999NY)+++
- (i) Form of Immediate Variable Annuity Certificate of Coverage and Contract (26GVIA1000)**

- (j) Form of Variable Annuity Certificate of Coverage and Contract (26GNSVAN800)++++
5. (a) Form of Single Premium Variable Annuity application (52971 11/96)*
- (b) Form of Group Variable Annuity application (24GVAN897)*
6. (a) By-Laws of American International Life Assurance Company of New York as amended on 3/25/75;*
- (b) Certificate of Incorporation of American International Life Assurance Company of New York, dated March 5, 1962;*
- (c) Certificate of Amendment of the Certificate of Incorporation of American International Life Assurance Company of New York, dated February 4, 1972;*
- (d) Certificate of Amendment of the Certificate of Incorporation of American International Life Assurance Company of New York, dated January 18, 1985;*
- (e) Certificate of Amendment of the Certificate of Incorporation of American International Life Assurance Company of New York, dated June 1, 1987;*
- (f) Certificate of Amendment of the Certificate of Incorporation of American International Life Assurance Company of New York, dated March 22, 1989;*
- (g) Certificate of Amendment of the Certificate of Incorporation of American International Life Assurance Company of New York, dated June 27, 1991*
- (7) Not Applicable.
- (8) Delaware Valley Financial Services, LLC Administrative Agreement, appointing Delaware Valley Financial Services, LLC by AIG Life Insurance Company and American International Life Assurance Company of New York, dated October 1, 1986*
- (9) Opinion of Counsel.*****
- (10) (a) Not Applicable.
- (b) Consent of Independent Registered Public Accounting Firm. (filed herewith)
- (11) Not Applicable.
- (12) Not Applicable.
- (13) Form of Schedule for Performance Computations+
- (14) Diagram and listing of all persons directly or indirectly controlled by or under common owner control with American International Life Assurance Company of New York, the Depositor of Registrant.***
- (15) Power of Attorney (filed herewith) _____

* Incorporated by reference to Post-Effective Amendment No. 10 and Amendment No. 25 to File Nos. 033-39170 and 811-4865, filed October 27, 1998, Accession No. 0000803401-98-000035.

** Incorporated by reference to Post-Effective Amendment No. 1 and Amendment No. 37 File Nos. 333-63412 and 811-4865, filed December 28, 2001, Accession No. 0001005477-01-502410.

*** Incorporated by reference to Form 10-K, Exhibit 21 filed by American International Group, parent of Registrant for the year ended December 31, 2002, SEC file number 001-08787, Accession number 0000950123-04-003302, filed March 15, 2004.

- **** Incorporated by reference to File Nos. 333-67866 and 811-04865, filed November 14, 2001, Accession No. 0001005477-01-502007.
- + Incorporated by reference to Pre-Effective Amendment No. 2 and Amendment No. 35 to File Nos. 333-63730 and 811-4865, filed October 29, 2001, Accession No. 0001005477-01-501649.
- ++ Incorporated by reference to File Nos. 033-63412 and 811-4865, filed June 20, 2001, Accession No. 0001005477-01-003763.
- +++ Incorporated by reference to File Nos. 333-63730 and 811-4865, filed June 25, 2001, Accession No. 0001005477-01-003795.
- ++++ Incorporated by reference to File Nos. 333-67866 and 811-4865, filed August 17, 2001, Accession No. 0001005477-01-00759.
- +++++ Incorporated by reference to Post-Effective Amendment No. 1 and Amendment No. 37 to File Nos. 333-63412 and 811-4865, filed December 28, 2001, Accession No. 0001005477-01-502410.

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Item 25. Directors and Officers of the Depositor.

The principal officers and directors of American International Life Assurance Company of New York are listed below. Their principal business address is 2929 Allen Parkway, Houston, Texas 77019, unless otherwise noted.

NAME	POSITION
Rodney O. Martin, Jr.	Director and Chairman of the Board of Directors
David J. Dietz (4)	Director, President and Chief Executive Officer
Stephen A. Gold	Chief Executive Officer
Christopher J. Swift	Director, Chief Financial Officer and Executive Vice President
Jeffrey H. Carlson	Chief Information Officer and Senior Vice President
Gary D. Reddick	Director, Chief Administrative Officer and Executive Vice President
M. Bernard. Aidinoff	Director
Marion E. Fajen (5)	Director
Patrick J. Foley (6)	Director
Cecil C. Gamwell III (7)	Director
Jack R. Harnes (1)	Director
David L. Herzog	Director
John I. Howell (8)	Director

Donald P. Kanak Jr.
Director

Ernest T. Patrikis
Director

Martin J. Sullivan (1)
Director

Robert M. Beuerlein
Senior Vice President

Robert M. Goldbloom (2)
Senior Vice President

Robert F. Herbert, Jr.
Senior Vice President, Treasurer and Controller

Kyle L. Jennings
Senior Vice President

Arshad H. Qureshi (3)
Senior Vice President

Elizabeth M. Tuck (1)

Secretary

- (1) Business Address is 70 Pine Street, New York, New York 10270.
- (2) Business Address is 80 Pine Street, New York, New York 10005.
- (3) Business Address is One Alico Plaza, 600 King Street, Wilmington, Delaware 19901.
- (4) Business Address is 390 Park Avenue, New York, New York 10022.
- (5) Business Address is 5608 North Waterbury Road, Des Moines, Iowa 50312.
- (6) Business Address is 88 Pine Street, New York, New York 10055.
- (7) Business Address is 419 West Beach Road, Charleston, Rhode Island 02813.
- (8) Business Address is 263 Glenville Road, Greenwich, Connecticut 06831.
- (9) Business Address is 3600 Route 66, Neptune, New Jersey 07757.

Item 26. Persons Controlled By or Under Common Control With Depositor or Registrant

The Registrant is a separate account of American International Life Assurance Company of New York (Depositor). Depositor is an indirect wholly-owned subsidiary of American International Group, Inc. ("AIG"). American International Life Assurance Company of New York, a New York corporation, is owned 77.52% by American International Group, Inc. The remaining 22.48% is owned by American Home Assurance Company, New York corporation. An organization chart for AIG can be found in Form 10-K, SEC file number 001-08787, accession number 0000950123-04-0030, filed March 14, 2004. That organization chart is current as of December 2003. As of the date of this filing, AIG has not yet filed its 2004 Form 10-K.

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Item 27. Number of Contract Owners

As of March 31, 2005, the number of Ovation Advisor contracts funded by Variable Account A was 131 of which 40 were qualified contracts and 91 were non-qualified contracts.

Item 28. Indemnification

Incorporated by reference to Principal Underwriter's Agreement between AIG Life Insurance Company and American International Fund Distributors, dated August 1, 1988, and filed electronically on October 27, 1998 as an exhibit to post-effective amendment no. 12 to the registration statement on Form N-4 (File No. 33-39171), Accession No. 0000803401-98-000036.

Item 29. Principal Underwriter

(a) AIG Equity Sales Corp., the principal underwriter for Variable Account A, also acts as the principal underwriter for other separate accounts of the Depositor, and for the separate accounts of AIG Life Insurance Company, an affiliated company.

(b) The following information is provided for each director and officer of the principal underwriter:

<u>Name and Principal Business Address*</u>	<u>Positions and Offices with Underwriter</u>
Walter R. Josiah	Director and President
Kevin Clowe	Director and Vice President
Ronald A. Latz	Director and Vice President
Peter C. Adamczyk	Director
Ernest T. Patrikis	Director
Helen Stefanis	Director
Elizabeth M. Tuck	Secretary
Amy M. Cinquegrana	Assistant Secretary
Brian G. Dooley	Financial Operations Principal
Jeffrey Haywood	Compliance Director

* Business address is 70 Pine Street, New York, New York 10270.

(c)

<u>Name of Distributor</u>	<u>Net Distribution Discounts and Commissions</u>	<u>Compensation on Redemption Annuitization</u>	<u>Brokerage Commission</u>	<u>Commissions*</u>
AIG Equity Sales Corp.	\$ 0	\$ 0	\$ 0	\$ 0

Item 30. Location of Accounts and Records.

All of the accounts, books, records or other documents required to be kept by Section 31(a) of the investment Company Act of 1940 and its rules are maintained by Depositor at 2929 Allen Parkway, Houston, Texas 77019 or its recordkeeper, Delaware Valley Financial Services, P.O. Box 3031, Berwyn, PA 19312-0031, which provides certain servicing for the Depositor.

Item 31. Management Services.

Not applicable.

Item 32. Undertakings

Registrant undertakes to: 1. file post-effective amendments to this Registration Statement as frequently as is necessary to ensure that the audited financial statements in the Registration Statement are never more than 16 months old for so long as payments under the variable annuity Contracts may be accepted; 2. include either (A) as part of any application to purchase a Contract offered by the prospectus forming a part of the Registration Statement, a space that an applicant can check to request a Statement of Additional Information, or (B) a postcard or similar written communication affixed to or included in the Prospectus that the Applicant can remove to send for a Statement of Additional Information; and 3. deliver any Statement of Additional Information and any financial statements required to be made available under this Form N-4 promptly upon written or oral request.

The Registrant hereby represents that it is relying upon a No-Action Letter issued to the American Council of Life Insurance dated November 28, 1988 (Commission ref. IP-6-88). The Registrant has complied with conditions one through four on the no-action letter.

Insofar as indemnification for liability arising under the Securities Act of 1933 ("Act") may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

The Depositor represents that the fees and charges to be deducted under the variable annuity contract described in the prospectus contained in this registration statement are, in the aggregate, reasonable in relation to the services rendered, the expenses expected to be incurred, and the risks assumed in connection with the contract.

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POWERS OF ATTORNEY

Each person whose signature appears below hereby appoints Robert F. Herbert, Jr., Gary D. Reddick and Kyle L. Jennings and each of them, any one of whom may act without the joinder of the others, as his/her attorney-in-fact to sign on his/her behalf and in the capacity stated below and to file all amendments to this Registration Statement, which amendment or amendments may make such changes and additions to this Registration Statement as such attorney-in-fact may deem necessary or appropriate.

SIGNATURES

As required by the Securities Act of 1933 and the Investment Company Act of 1940, the Registrant, Variable Account A of American International Life Assurance Company of New York, certifies that it meets the requirements of the Securities Act of 1933 Rule 485(b) for effectiveness of this amended Registration Statement and has caused this amended Registration Statement to be signed on its behalf, in the City of Houston, and State of Texas on this 2nd day of May, 2005.

VARIABLE ACCOUNT A of AMERICAN
INTERNATIONAL LIFE ASSURANCE
COMPANY OF NEW YORK

(Registrant)

By:

AMERICAN INTERNATIONAL LIFE
ASSURANCE COMPANY OF NEW YORK
(on Behalf of the Registrant and itself)

BY:

/s/ Robert F. Herbert, Jr. _____
Robert F. Herbert, Jr.
Senior Vice President, Treasurer and
Comptroller

[SEAL]

ATTEST:

/s/ Lauren W. Jones _____
Lauren W. Jones
Assistant Secretary

As required by the Securities Act of 1933, this amended Registration Statement has been signed in the capacity and on the dates indicated by the following persons:

Signature	Title	Date
/s/ Rodney O. Martin, Jr. _____	Director and Chairman _____	May 2, 2005 _____

Rodney O. Martin, Jr.

/s/ David J. Dietz Director, President and Chief Executive Officer May 2, 2005
David J. Dietz

/s/ Christopher J. Swift Director and Chief Financial Officer May 2, 2005
Christopher J. Swift

/s/ M. Bernard Aidinoff Director May 2, 2005
M. Bernard Aidinoff

/s/ Marion E. Fajen Director May 2, 2005
Marion E. Fajen

/s/ Patrick J. Foley Director May 2, 2005
Patrick J. Foley

/s/ Cecil C. Gamwell, III Director May 2, 2005
Cecil C. Gamwell, III

/s/ Jack R. Harnes Director May 2, 2005
Jack R. Harnes

/s/ David L. Herzog Director May 2, 2005
David L. Herzog

/s/ John I. Howell Director May 2, 2005
John I. Howell

/s/ Ernest T. Patrikis Director May 2, 2005
Ernest T. Patrikis

/s/ Gary D. Reddick _____

Director

May 2, 2005

Gary D. Reddick

/s/ Martin J. Sullivan _____

Director

May 2, 2005

Martin J. Sullivan

/s/ Donald Kanak _____

Director

May 2, 2005

Donald P. Kanak, Jr.

INDEX TO EXHIBITS

Exhibit

- (10) (b) Consent of Independent Registered Public Accounting Firm
- (15) Powers of Attorney (See Signatures Pages)

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the use in this Post-Effective Amendment No. 4 to the Registration Statement on Form N-4 (Registration Nos. 333-67866 and 811-04865) of our report dated April 29, 2005 relating to the financial statements and financial highlights of American International Life Assurance Company of New York Variable Account A and our report dated April 29, 2005 relating to the financial statements of American International Life Assurance Company of New York, which appear in such Registration Statement. We also consent to the references to us under the heading "Financial Statements" in such Registration Statement.

PRICEWATERHOUSECOOPERS LLP

Houston, Texas
April 29, 2005